

NORTH YORKSHIRE COUNTY COUNCIL

EXECUTIVE

29 January 2019

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

EXECUTIVE SUMMARY

Item 4 a. - MEDIUM TERM FINANCIAL STRATEGY 2019/20 TO 2021/22
& REVENUE BUDGET FOR 2019/20

Context

1. This report makes recommendations to the County Council regarding
 - Medium Term Financial Strategy (MTFS) for 2019/20 to 2021/22
 - The Revenue Budget 2019/20 and
 - Council Tax for 2019/20.

Medium Term Financial Strategy

2. By the end of 2018/19 the County Council will have delivered £157.4m of savings. It is estimated, however, that a further £40.3m will be required from 2019/20 to 2021/22. The aggregate savings requirement of £197.7m broadly equates to a reduction of just under 40% in the Council's spending power since 2011. It is therefore essential that the County Council has a sound medium to longer term strategy to address this financial challenge.
3. Whilst savings proposals of £26.3m have been identified from 2019/20 to 2021/22, there remains a projected residual shortfall of £14.0m by 2021/22 which will, subject to further refinement, need to be addressed in future years (**paragraph 2.3**).
4. £5.3m of Reserves is projected to be used in 2019/20 to support the underlying budget position which increases to £14.0m by 2021/22. The cumulative draw upon Reserves up to and including 2021/22 is estimated at £29.1m unless further savings proposals are brought forward and delivered in the interim (**paragraph 3.7.6**).

5. This year's Budget / MTF5 is characterised by £23.3m of additional demand led pressures. This arises from demand pressures in adult social care and, more significantly in this year's report in Children's Services and particularly in the High Needs budget which funds Special Educational Needs & Disabilities. Demand now features as a greater financial challenge than the reductions in government funding (**Section 3.4**).
6. The MTF5 for the period 2019/20 to 2021/22 is set out in **Section 3** and **Appendix F** is recommended for approval (**paragraph 12.1 i**).

Reserves & Balances

7. Given the level of risks facing the County Council, it is proposed that the existing policy target for the minimum level of the General Working Balance is retained at £27m for all years of the MTF5 (**paragraph 12.1o**).

Savings

8. Savings totalling £26.3m between 2019/20 and 2021/22 are proposed. £7.8m of these savings are new proposals and the remainder are broadly in line with the existing 2020 North Yorkshire Programme that was approved in last year's Budget / MTF5 but provide for some re-profiling and an increase in quantum of £0.4m (**Section 3.8** and **Appendices A1** and **A2**).
9. The emerging Beyond 2020 Programme will play a key role in identifying the areas to address the residual savings gap of £14.0m. These areas will be progressed and any required approvals will be sought (**paragraphs 3.8.3** to **3.8.5** and **Appendix A**).

Investments

10. New Investments are proposed as part of the 2019/20 Revenue Budget:-
 - a. £360k is provided for Members' Environmental Locality Budgets in 2019/20 on a one-off basis to enable a full year's review to take place (**paragraph 3.9.2** and **12.1 g**).
 - b. £1.0m is earmarked for the emerging Beyond 2020 Programme to support delivery of the savings programme and to identify further areas of savings opportunities in 2019/20 on a one-off basis (**paragraphs 3.9.3** and **12.1 h**).

Revenue Budget 2019/20

11. A net revenue budget of £382,018k, after use of Reserves, is proposed for 2019/20 (**Section 4.0**) and **Appendix F**) and the allocation of the net revenue

budget be allocated to directorates, net of planned savings (set out in **Appendix A**), in line with **Appendix B (paragraph 12.1 d)**).

Council Tax

12. It is recommended that a general council tax increase of 2.99% is agreed and is supplemented with a 2% social care precept (total increase of 4.99%), resulting in a Band D council tax level of £1,311.16 for the Council in 2019/20 (**paragraphs 3.3.6 and 12.1 c**).
13. The MTFs also assumes a 1.99% increase in general council tax for the following two years 2020/21 and 2021/22 (**paragraphs 3.3.2 and 12.1 i**).

Section 25 Statement

14. The Corporate Director, Strategic Resources is obliged to offer a view of the robustness of estimates used in the Revenue Budget 2019/20 and the associated level of balances/reserves. This assessment has been further strengthened by comparing with features of other councils who have been financially challenged. The Corporate Director, Strategic Resources is satisfied that the report meets such a requirement but notes the need for an on-going approach to develop a savings plan that provides the basis for addressing the residual savings gap and any further shortfalls that may arise given the high degree of uncertainty in the current climate and a need to continue to guard against complacency (**paragraph 8.17**).

Other

15. The draft pay policy statement 2019/20 is set out for consideration and recommendation to County Council. This includes consideration of the Chief Officers Appointment and Disciplinary Sub Committee to combine current grades Director 2 and 3 into a single grade (**Section 6, paragraphs 12.1 p) and 12.1 q**) and **Appendix H**).
16. An assessment of the key financial risks to the County Council has been carried out in **Section 9**.
17. A range of initiatives have taken place to engage with the wider public in order to consult on their views on the Budget. The results are set out in **paragraphs 5.1 to 5.5**.
18. An overview of equality issues associated with the Council's budget proposals has been carried out and summarises the potential equality impacts in line with the Public Sector Equality Duty (**paragraphs 7.1 to 7.6, paragraph 12.3 and Appendix I**).

Item 4 b. - CAPITAL PLAN

19. The Council's Capital Plan to 2021/22 is put forward for approval (**paragraph 6.1 (a) and Appendix E**) – it totals £132.8m in 2018/19, £137.6m in 2019/20, £92.6m in 2020/21, £21.8m in 2021/22 and £37.8m in later years.
20. Since the last update at Q2 there has been an overall re-phasing of expenditure from 2018/19 to later years as a result of various updates within the programme. There is an update on progress of some of the key capital schemes in the current Plan (**paragraph 4.1 to 4.4 and Appendix E**).
21. Financing of the Plan is set out in (**paragraph 6.1 and Appendix F**) with the majority from grants and contributions. Forecasts suggest potentially unallocated capital resources of £7.6m over the life of the Plan.

Item 4 c. - TREASURY MANAGEMENT

22. The Treasury Management Policy Statement (TMPS) is put forward for approval in line with Code of Practice requirements (**paragraph 10.1 (a) and Appendix A**).
23. The TMPS sets out the Council's approach to managing risk associated with investments, cashflows, banking, money market and capital market transactions.
24. The Annual Treasury Management and Investment Strategy and Minimum Revenue Provision Policy for 2019/20 is put forward for approval in line with Code of Practice requirements as detailed in (**paragraph 10.1 (b) and Appendix B**).
25. The key elements of the strategy are set out in **paragraph 4.2** and include the key limits relating to borrowing:
 - (a) an authorised limit (maximum amount that can be borrowed) for external debt of **£537.2m**;
 - (b) an operational boundary (the most likely level) for external debt of **£517.2m**.
26. Based on the Council's current capital spending plans, external debt is forecast to reduce from £285.1 in 2019 to £221.8 in 2022 (**paragraph 4.4**).

27. The climate for investments remains challenging with the number of suitably rated counter parties remaining low due to stringent credit ratings criteria. A number of alternative investment options are included in the schedule of Non Specified Investments (paragraph **Schedule B of Appendix B**). As part of the 2018 update of the Prudential Code it is now necessary to revise and approve a Capital Strategy for 2019/20 (paragraph **10.1 (c)**) as part of the Treasury Management Strategy. The Capital Strategy is included as **Appendix C** of the report.
28. In order to ensure compliance with the Prudential Code and to synchronise with the Council's Capital Plan it is necessary to revise and approve a set of prudential indicators which cover the period 2019/20 to 2021/22 (paragraph **10.1 (b)**). These recommended indicators are set out in **Schedule E of Appendix B** of the report.

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29 January 2019

NORTH YORKSHIRE COUNTY COUNCIL**EXECUTIVE****29 January 2019****REVENUE BUDGET FOR 2019/20 & MEDIUM TERM FINANCIAL STRATEGY TO
2021/22****Joint Report of the Chief Executive and Corporate Director – Strategic Resources****1.0 PURPOSE OF REPORT**

- 1.1 For the Executive to make recommendations to the County Council regarding:-
- a) the Medium Term Financial Strategy (MTFS) for 2020/21 to 2021/22;
 - b) the Revenue Budget 2019/20; and
 - c) the Council Tax for 2019/20

2.0 INTRODUCTION AND CONTEXT

- 2.1 The Council is now approaching the ninth year of austerity. The Chancellor stated in November that the national deficit is reducing but is still projected to be at 0.8% in 2023/24 so austerity may be “coming to an end” but the Council is likely to face a further period of financial challenge well into, and probably beyond, the current MTFS period. The lack of a Spending Review beyond 2019/20 makes it very difficult to make predictions on funding beyond 2019/20 but the sizeable increases in funding planned for the NHS will mean that there are likely to be proportionately greater financial pressures in other departments and that is likely to include local government.
- 2.2 By the end of 2018/19, the Council will have made on-going revenue savings of circa £157m since the beginning of this current period of austerity. This has been necessary due to increases in demand and the cost of providing services at the same time as government funding has declined. Demand, especially for older people, adults with learning disabilities and children with SEND, has grown significantly and is a strong feature of this year’s Budget/MTFS. As a result, the Council has to constantly look to deliver its services in different ways to meet the challenge of doing more with less.
- 2.3 The MTFS covers a three year period. As our core government grant disappears in 2020, the Council will become increasingly self-reliant upon council tax and business rates to fund existing and increased demand for services. This “new norm” sees the Council continuing to face pay and price pressures of around twice that of the yield arising from possible council tax increases, leaving an in-year savings gap before further demand growth is accounted for. The Table below provides a high level assessment of the scale of challenge up to 2022.

	11/12 - 18/19 £ m	19/20 £ m	20/21 £ m	21/22 £ m	Ongoing £ m
Savings as at Feb 2018	157.4	20.7	0.4	7.6	186.0
Demand Led Pressures		10.0	5.6	3.7	19.3
Other Net Changes		0.2	-1.0	-1.3	-2.1
Funding Adjustments		-11.1	5.5	0.0	-5.6
New Investments		1.0	0.0	-1.0	0.0
Savings as at Feb 2019	157.4	20.8	10.5	9.0	197.7
Directorate Savings					
CYPS		2.9	1.1	1.2	5.2
BES		3.3	0.8	0.0	4.1
CS		4.9	2.0	2.5	9.4
HAS		4.4	2.2	1.0	7.6
Shortfall		5.3	4.4	4.3	14.0
Total		20.8	10.5	9.0	40.3
Budget Shortfall Funded by Reserves					
Investments as agreed Feb 18		2.5	-2.5	0.0	0.0
New Investments		1.0	0.0	-1.0	0.0
Underlying		1.8	6.9	5.3	14.0
Total		5.3	4.4	4.3	14.0

- 2.4 The table above outlines the total quantum of savings (£40.3m) to be achieved between 2019/20 and 2021/22. The savings delivery programme is set out in this report and the profile is detailed in **Appendix A**. Following this period the Council will have delivered a total savings programme of over £197.7m. This is akin to a reduction in spending power of just under 40% – for every £1 that the Council had at the start of the decade it is now estimated that it will have 60p to meet the equivalent need.
- 2.5 Previous Budget reports have been supported by a stable performance in revenue budgets (i.e. balanced in-year positions based upon successful delivery of savings proposals and demand being broadly contained within existing budget provision). This can no longer be relied upon. **The increasing demand for a range of services, but particularly children with Special Educational Needs or Disability, mean that there are acute financial pressures and this year's Budget / MTFs incorporates a range of increases in budget provision to provide for this additional demand which has been illustrated in quarterly revenue budget monitoring reports. The Council is therefore no longer in a position where it merely needs to respond to reducing levels of funding; it now faces the prospect of sizeable and permanent increases in demand which will threaten the financial sustainability of the Council unless appropriate medium term measures are taken.**
- 2.6 The approach of longer-term planning coupled with strong governance and a delivery focus across the Council has served the Council well. It has allowed the Council to make investments and to use Reserves to provide time for a more measured approach to be taken to developing savings proposals. Savings

proposals are becoming increasingly difficult to identify; to formulate; to deliver; and they inevitably become more challenging to service users and the wider public. That is why it remains important that the Council does not plan solely on the basis that all savings proposals will be delivered as planned and why it also provides for potential unplanned increases in demand or other unforeseen events. The strategy set out in this Budget / MTFs report therefore provides the necessary balance of:-

- a) Identifying short and medium term plans to reduce potential overspends with;
- b) on-going provision to reflect the very real possibility that adverse financial pressures (whether new demand pressures and / or an inability to deliver savings as set out in this report) are likely in-year; and
- c) reserves which are able to provide short-term respite (but not recurring relief) for further planning where this is required.

2.7 The MTFs and the Council Plan are again presented to the Executive and County Council as a coherent package. The MTFs continues to provide the financial underpinning to deliver the core objectives as articulated in the Council Plan. This includes investing in what is required to ensure that the Council is a “fit for purpose” organisation for the residents and customers of North Yorkshire beyond 2020. That requires investment and, as well as delivering savings, the Council has been able to invest significantly in a number of areas including - highways maintenance; major highways schemes such as Kexgill; superfast broadband; flooding and coastal erosion schemes; extra care and education standards on the coast, etc. This report identifies further areas of investment through the use of one-off monies. Further requests for investment are likely to come forward in the near future, whether that is on an “invest to save” basis or to meet policy objectives.

3.0 THE MEDIUM TERM FINANCIAL STRATEGY

3.1 OBJECTIVES

3.1.1 A **Medium Term Financial Strategy** is not a legal requirement, but given the scale of financial challenges and risks/uncertainties, it is important that shorter-term decisions are seen in the context of a longer-term position and that there is clear line of sight on the financial sustainability of the Council. Given the well-publicised difficulties of a number of county councils this longer term view is more important than ever. The MTFs provides the strategic framework for managing the Council’s finances and ensures that:

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

3.1.2 The objectives of the MTFs, as previously established by the County Council, are as follows:

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

- to achieve effective use of all land and property assets.

3.1.3 The MTFS achieves these objectives by:

- enabling the Council to understand its medium to longer term financial position;
- providing clarity over the revenue and capital resources available;
- informing decision making on the distribution of resources to deliver the Council's objectives;
- ensuring the Council can set a Council Tax that avoids central Government intervention;
- enabling the Council to plan and manage its day to day spending within affordable limits without undue reliance on balances and general reserves;
- identifying future budget 'pressure points' in order to plan accordingly and avoid unnecessary remedial action;
- identifying financial decisions that need to be taken to inform action planning and the development of projects;
- supporting a prudent, affordable and sustainable level of revenue and capital investment;
- creating financial capacity to deal with uncertain, volatile and unforeseen funding and cost pressures.

3.1.4 As set out elsewhere in this report, there are many risks and uncertainties and it is appropriate and necessary to provide contingent funding where there is sufficient concern. In light of this a Corporate Savings Contingency was created over the life of the savings programme for potential non-delivery of the savings. This funding is recurring as failure to deliver the savings, as opposed to delays, results in a year on year shortfall. The previously approved Contingency at 2019/20 was £5.5m. However, in light of the higher savings target, and the increasing challenge of identifying and delivering new savings projects, it is considered prudent to increase this contingency. This Budget/MTFS therefore provides for the Corporate Savings Contingency to be increased by £1.5m to £7m (equivalent to around 18% of the savings proposed over the next 3 years).

3.1.5 The following sections consider the key assumptions within the MTFS and their impact on the County Council's financial position over the next three years.

REVENUE BUDGET AT DIRECTORATE LEVEL

BUDGET REQUIREMENT	2019/20	Changes	2020/21	Changes	2021/22
	Budget/ MTFS £ '000		Budget/ MTFS £ '000		Budget/ MTFS £ '000
Directorate Net Budgets					
Business and Environmental Services	79,920	-4,107	75,813	2,492	78,305
Children and Young People Services	78,171	5,692	83,863	2,084	85,947
Health and Adult Services	157,586	11,338	168,924	13,034	181,958
Central Services	56,051	-3,138	52,913	-1,377	51,536
Corporate Miscellaneous	15,625	2,448	18,073	-2,500	15,573
Net Expenditure	387,353	12,233	399,586	13,733	413,319
Budget Shortfall	-5,335	-4,415	-9,750	-4,253	-14,003
Net Budget Requirement	382,018	7,818	389,836	9,480	399,316
External Corp Funding					
Revenue support grant	-		-		-
Business rates					
From Districts	-28,671		-27,608		-27,587
Top up from DCLG	-46,245		-47,170		-47,188
Council tax collection fund	-1,249		-		-
External Corp Funding Total	-76,165		-74,778		-74,775
Council Tax Requirement	305,853		315,058		324,541
Tax Base	233,269		235,601		237,957
Band D Council Tax	£ 1,311.16		£ 1,337.25		£ 1,363.86
Year-on-Year Increase					
£	£ 62.31		£ 26.09		£ 26.61
%	4.99%		1.99%		1.99%

3.2 LOCAL GOVERNMENT FINANCE SETTLEMENT

Multi-Year Provisional Settlement

3.2.1 The 2019/20 Provisional Local Government Finance Settlement was announced by Ministry of Housing, Communities and Local Government (MHCLG) on 13 December 2018. The key headlines of the announcement for NYCC were as follows:

i) Funding Changes

- The Government confirmed that the referendum principle will allow local authorities to raise Council Tax by up to 3% in 2019/20;
- an additional £16m was allocated to Rural Services Delivery Grant to maintain 2018/19 funding levels to local authorities (£1.6m for NYCC);
- confirmation of Negative RSG being cancelled for 2019/20 and funded from government (£3.7m for NYCC);
- an additional £20m has been transferred by Central Government to maintain the 0.4% cap for the New Homes Bonus Scheme (with £1.79m for NYCC);

- £180m will be released from the Levy Account Surplus and allocated pro-rata based on local authorities settlement funding assessment (SFA) (with £1.02m for NYCC);
- allocations for social care funding announced as part of the Autumn Budget was released;
- an increase in the 2019/20 core spending power of 2.8% compared to 2018/19 (compared with an increase for North Yorkshire of 4.8%). The increase is predicated on councils opting to maximise their Council Tax increases, applying the Adult Social Care Precept and the full impact of the Improved Better Care Fund;
- a reduction in Settlement Funding Assessment (SFA) of 8.4% compared to the national reduction of 6.5%; and
- announcement of 75% Business Rate Retention Pilots for 2019/20 including North Yorkshire as part of the North Yorkshire & West Yorkshire bid (see **paragraphs 3.2.3 to 3.2.4 and paragraph 4.4** for further details).

ii) Additional Costs

- Confirmation of the increase in the National Living Wage from £7.83 per hour to £8.21 per hour from April 2019 with the target to increase the National Living Wage to 60% of median earnings by 2020;

iii) Impact

- NYCC accepted the Government's offer of a 4-year settlement covering the period 2016-2020. Despite the additional funding announced there is no certainty that this will continue beyond 2019/20. Therefore, the impact of the draft settlement has little impact on the overall position of core revenue funding beyond 2019/20.
- The overall MTFs position has also been affected by:
 - slight increase on council tax base growth figures for 2019/20 as supplied by District Councils;
 - a reassessment of the cost and profile of the national living wage to the Authority;
 - anticipated medium-term inflationary pressures given greater economic uncertainty;
 - a revised assessment of interest earned.
- Figures were provisional with a consultation deadline of 10 January 2019. The Council responded to the consultation, welcoming the additional funding that was provided, but stressed the importance of securing a sustainable funding position to meet ever increasing demand beyond 2019/20.

Future Council Funding Arrangements

3.2.2 For some time now there has been an on-going review of the arrangements for the funding of Councils by MHCLG. This includes two component parts:-

1. Business Rates Retention

3.2.3 The government has proposed that core council funding is moved from core government grant to a combination of council tax plus a greater share of business rates. The theory is that councils are incentivised to promote local growth as the additional business rates yield is partly retained by the relevant council(s). These new arrangements are scheduled to begin in 2020/21 and further detail will need to be firmed up. The government is currently consulting councils on its proposed arrangements for retention of 75% of business rates (as opposed to current arrangements for retention of 50%) with the remaining 25% continuing to be retained by government.

3.2.4 It should be noted that the move from 50% to 75% retention of rates is intended to be “fiscally neutral”. As a consequence there is no presumption that this will bring in additional revenue to the Council. In fact, the County tends to struggle to generate business rates growth to the same level as the average in the country, largely due to its rural nature and the existence of two National Parks.

2. Fairer Funding

3.2.5 The current needs assessment employed by government to calculate councils’ spending need is incredibly complex and, the Council would argue, is unfair in terms of the way it assesses the cost of delivering services in rural areas. In addition it takes into account council tax levels and counties, including North Yorkshire, tend to have higher levels of council tax which then is “equalised” by reduced levels of government funding. The government has proposed a new formula approach to funding councils and this is now out to consultation with councils.

3.2.6 The Council and supportive lobby groups have all made strong representations to the government on what are perceived inequities and many aspects of the consultation indicate that there are some potential improvements. Again, further work is required on the draft proposals and the intention is that the new approach is employed in 2020/21. The Council will therefore need to continue its advocacy work and it needs to be borne in mind that any increase in the distribution of funding, should it be secured, can be wiped out by a reduction in the quantum of funding for councils as a whole. That is why the Spending Review is so important, as it will determine the overall quantum of funding for councils that will then be subject to distribution through the Fairer Funding methodology.

Final Settlement Announcement

3.2.7 At the time of writing it is still unclear when the Final Local Government Finance Settlement for 2019/20 will be announced although it is expected to be later than 31 January 2019.

3.2.8 It is envisaged that there will be little or no difference between the final and provisional settlements given the multi-year settlement and it is therefore

recommended that any difference in overall funding is merely reflected in a transfer to / from the Strategic Capacity Unallocated Reserve so long as the value is no greater than £5m in any single year.

- 3.2.9 Should the Recommendations in this report be compromised by any aspect of the Final Local Government Finance Settlement, then alternative recommendations would need to be formulated. Every attempt will be made to ensure that Members are advised of the implications of the Final Settlement and any proposed amendments on the part of the Executive.

3.3 COUNCIL TAX

Tax Base

- 3.3.1 The Tax Base figures notified by billing authorities for 2019/20 are itemised at **Appendix C** - the total for NYCC is 233,268.78. This represents a provisional 1.24% increase in the anticipated Tax Base compared with 2018/19. A Tax Base growth rate of 1% year-on-year is assumed for 2020/21 and 2021/22.

Band D Charge

- 3.3.2 This Budget / MTFs report is predicated on a 4.99% increase in council tax for 2019/20 (i.e. 2.99% general Council Tax and the final tranche of 2.00% adult social care precept). Thereafter an increase in general council tax alone of 1.99% has been assumed for each year up to and including 2021/22. The rationale behind this proposed Council Tax strategy is to maximise this particularly significant income stream for the Council, recognising the vagaries of central government funding and to ensure the sustainability of core finances to underpin priorities. As set out in this report, this Council Tax assumption still leaves an underlying shortfall of £14.0m and therefore reliance upon reserves until such time as further savings are identified.
- 3.3.3 A 4.99% increase in 2019/20 would cost the average Band D household an additional £62.31 per annum (£5.19 per month or £1.20 per week) in relation to the County Council's element of the overall bill. The calculation is set out at **Appendix C** and would result in a Band D level of £1,311.16 in 2019/20.
- 3.3.4 Based on the Tax Base assumptions at **paragraph 3.3.1** and applying a 4.99% increase in the Band D charge in 2019/20, Council Tax income is forecast to rise from £287.8m in 2018/19 to £305.9m in 2019/20 (including £21.8m for Adult Social Care).

Alternatives

- 3.3.5 The alternatives to the recommended 4.99% increase in Council Tax in 2019/20 would be to:
- i) set the Council Tax increase at somewhere between 0% and 4.99% - each 0.1% below 4.99% equates to a reduction of approximately £290k per annum which would result in an equivalent increase in the savings requirement;

- ii) increase Council Tax by more than the 4.99% referendum trigger which would require planning a second budget and incur the costs of undertaking a referendum (estimated to be £1m unless combined with an existing election by no later than the first Thursday in May of the year concerned).

Proposed Council Tax 2019/20

- 3.3.6 In accordance with the proposed MTFS and 2019/20 Revenue Budget, the following Council Tax Requirement and Band D Council Tax Charge are proposed. More detail, including the other Council Tax Bands A to H, is provided in **Appendix C**.

Item	2019/20
Council Tax Requirement	£305,852,694
District Council Tax Base (equivalent number of band D properties)	233,268.78
Basic Amount of Council Tax per Band D property	£1,311.16
Increase over 2018/19 (£1,248.85)	
£ increase	£62.31
% increase	4.99%
Of which:	
Adult Social Care Precept	£24.97
Council Tax Precept	£37.34

From the total council tax requirement in 2019/20, £21.8m relates to the Adult Social Care Precept and £284.0m relates to the basic amount of council tax.

3.4 DEMAND LED PRESSURES

- 3.4.1 This year's Budget / MTFS is characterised by the most significant increases in service budgets as a result of additional demand since austerity started for councils. The total level of additional Demand Led Pressures provided for in the course of this MTFS is set out in the Table below and further detail is provided in the following paragraphs:-

19/20 £ m	20/21 £ m	21/22 £ m	Total £ m	Para Ref
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Previously Agreed Demand Led Pressures as at Feb 18					
SEN Transport	1.0	0.0	0.0	1.0	3.4.24
Adult Social Care	3.0	0.0	0.0	3.0	3.4.9
	4.0	0.0	0.0	4.0	
Additional Demand Led Pressures					
SEN Transport	2.3	0.0	0.0	2.3	3.4.24
High Needs	6.0	3.6	2.0	11.6	3.4.17
Schools in Financial Difficulty	1.0	0.0	0.0	1.0	3.4.22
Children and Families	0.7	0.0	-0.4	0.4	3.4.25
Adult Social Care	0.0	2.0	2.0	4.0	3.4.9
	10.0	5.6	3.7	19.3	
Total Demand Led Pressures £m	14.0	5.6	3.7	23.3	

Health and Social Care Funding

- 3.4.2 For some time now there has been an acknowledgement that the pressures of adult social care are such that a national solution needs to be provided. The Government's promised Green Paper has again been delayed and is now expected sometime in 2019. In the meantime, there have been numerous incremental interventions by government to help fund adult social care which, whilst welcomed, continue to be complex and in some cases cause tensions with health partners.
- 3.4.3 The Table below identifies the various tranches of external funding that have been provided by government to support adult social care in recent years. It does not include Adult Social Care Precept (an increase in council tax) but it demonstrates that current spending within the Council depends upon circa £24m of on-going funding from government. Should a sum of this magnitude be withdrawn then there will be a national and local crisis in social care.

Adult Social Care Grant – Dependency upon Government Funding

	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Better Care Fund (BCF)	13.4	13.4	13.4	13.4
Improved Better Care Fund (iBCF)	0	5.3	11.0	11.0
iBCF (£1.9bn)	9.3	6.8	3.4	0
Adult Social Care Grant	2.4	0	0	0
Winter Funding	0	2.4	2.4	0
	25.1	27.9	30.2	24.4

- 3.4.4 The Council has committed to deploying elements of the funding to reduce delayed transfers of care within health and social care as well as to increase social care

capacity and to stabilise the social care market. Many of these costs are recurring. The risk is, therefore, that the funding ceases and the Council will need to disinvest in the associated activity with a possible deterioration in performance across the whole system. The Council is using £3.5m in both 2018/19 and 2019/20 to fund adult social care pressures (as reported in quarterly revenue budget monitoring reports) and the temporary funding also allows the Council to provide additional resources to help ease demand and cost pressures on both the Council's budget and the NHS. If the government ceases this funding then that risk is simply transferred back to the Council – no further Council provision has been made for this within the MTFS and this therefore represents a key risk. Further information about BCF and iBCF is set out below.

Better Care Fund and Improved Better Care Fund

- 3.4.5 The Better Care Fund (BCF) was originally announced in the June 2013 Spending Round as a 'pooled budget' for health and social care services, shared between the NHS and councils to deliver better outcomes and greater efficiencies through more integrated services for older and disabled people. One of the key aims of the BCF was to "protect adult social care" in recognition of the inter-relationships in a well-functioning whole system.
- 3.4.6 Positive working relationships between the Council and the CCGs are such that we are able to determine local agreements ahead of national confirmation. The expectation built into the MTFS is that the existing £13.4m for BCF will continue to be protected and inflated.
- 3.4.7 At the same time, the MTFS also assumes that the previously-announced initial wave of iBCF (£11m in 2019-20) will continue as planned. The MTFS set out in this report makes that assumption and also assumes that there will be no additional conditions so that this funding is available to support the Council in its provision of adult social care without associated increased responsibilities and additional costs. Given previous experience, these assumptions may well need to be revised in the near future and would create an additional savings requirement.

Adult Social Care Precept

- 3.4.8 2019/20 is the fourth year in which the government have allowed those councils who provide social care the opportunity to generate an additional "social care precept" of 2% on the local council tax for each year between 2016/17 and 2019/20 inclusive. In 2017/18, the government effectively allowed councils to accelerate that precept to 3% in any one year so long as the aggregate did not exceed 6% over the 3 year period from 2017/18 to 2019/20. The Council resolved to continue with its strategy of increasing the adult social care precept by 2% for each of the subsequent years and this is the assumption built in to this Budget / MTFS report.
- 3.4.9 The government has stated that the additional social care precept should only be used for that purpose. The Council's Section 151 officer is required to evidence that the additional council tax has been allocated to adult social care. The Council has been able to prioritise through the £3m growth provision (reducing to £2m from 2020/21): inflation provision (heavily impacted by increases in the national living wage) and the scale and profile of savings. There is an assumption that pressures will be contained within funds available and that increased pressures will be funded through the outcome of the government's green paper and / or further government interventions. Clearly this represents further risk and will need to be monitored and, if necessary, revised in future updates of the MTFS.

3.4.10 The Council continues to work positively with its partners in the NHS (for example in the Harrogate integrated Health and Social Care Partnership) as there is a clear recognition of the need to work well together to provide good outcomes for the patients and residents of North Yorkshire. Working together should identify ways of better deploying resources, although integration, in itself, does not actually save money. This opportunity is made more complex than necessary however in North Yorkshire as a result of having three Sustainability & Transformation Plans (STPs) across the footprint alongside five sovereign Clinical Commissioning Groups (CCGs). Nevertheless, good collaborative working is in place across all of those CCGs and the Council's focus is on delivering the best possible care for people in their local communities.

3.4.11 Clearly there will be a lot of further developments across health and social care over the next few years and this will undoubtedly have a significant impact upon the Council's budget. At this stage no assumptions have been made beyond what we already know about core funding and the plans for adult social care precept.

Schools Funding

3.4.12 As in previous years, the Council will continue to receive a specific ring-fenced grant, the Dedicated Schools Grant (DSG), which funds all school-related responsibilities, included delegated budget shares.

3.4.13 The amount currently allocated for 2019/20 shows an increase in the baseline figure of £8.6m to £424.2m. This is due to the following factors:

- Additional funding allocated due to the new school funding settlement and the ongoing National Funding Formula (NFF) transitional arrangements
- Increased pupil numbers in the mainstream schools
- Changes to Early Years funding; particularly for increased entitlement for children with working parents
- An additional funding allocation of £1.2m for High Needs (as notified shortly after the 2019/20 Provisional Local Government Finance Settlement)

3.4.14 In summary, therefore, the change in DSG (before deductions for Academies and other direct funding of High Needs Places by the Education and Skills Funding Agency) shows:

	£k
2018-19 base	415,528
New funding settlement - NFF	4,856
Additional High Needs Funding	1,243
Universal 3 & 4 yr. old numbers	-90
Working parents (3 & 4 yr. olds) numbers	1,123
Entitlement for 2 year olds	-181
Early Years Pupil Premium	-1
Early Years Disability Access Fund	-14
Maintained Nursery School Supplementary Funding	-25
Primary and Secondary schools - population	1,727

424,165

- 3.4.15 After the deductions for High Needs, the DSG figure is revised to £421,495k. Changes in School Funding regulations mean that a number of budgets currently supported by the DSG – with the agreement of the North Yorkshire Schools Forum – remain under threat in future years. Discussions will be held with the Forum throughout 2019/20 to look at ways of continued support in these areas where possible.
- 3.4.16 As in previous years, the DSG will be recalculated regularly throughout the year to take account of future Academy conversions, finalising High Needs and changes in Early Years numbers. For this reason, **it is recommended that Executive agrees that the Corporate Director – Children and Young People’s Service in consultation with the Corporate Director, Strategic Resources and Executive Members for CYPs and Finance is authorised to take the final and any subsequent decisions, as a result of continuing amendments to the DSG, on the allocation of the Schools Budget including High Needs.**

High Needs

- 3.4.17 Following an unprecedented increase in the number of financially supported Education, Health and Care Plans (EHCPs), financial pressure on SEND (Special Educational Needs and Disabilities) and High Needs has continued to increase in 2018/19 with a projected underlying overspend of £5.7m. These cost pressures have been offset, in part, by a temporary transfer from Schools Block funding of £1.6m (0.5%). In 2019/20, the financial pressure is expected to continue and Schools Forum have agreed a transfer of a further £1.6m (0.5%). This was agreed by the Schools Forum in November 2018 and represents an increase to the High Needs Block of £1.6m; however, it should be noted that this is a temporary measure.
- 3.4.18 A request has been made to the Secretary of State for Education for a 1% transfer (£3.3m); we had expected to know the answer to this request before the end of December 2018. However, in December 2018, the Department for Education (DfE) announced additional funding of £1.2m for North Yorkshire in both 2018/19 and 2019/20. As part of this funding announcement, the DfE asked local authorities submitting block transfer requests to consider reducing or removing their request. Whilst the Council welcomes the announcement of additional high needs funding, the extra £1.24m per annum for 2018/19 and 2019/20 is simply insufficient to address the forecast budget pressures on the High Needs budget within the current and next year. In this regard, the County Council has informed the DfE that it does not wish to withdraw or reduce the application to transfer 1% of funding from the Schools Block to the High Needs Budget. Due to the timing of the additional funding announcement by the DfE and their timescale for requesting the further information on the transfer request, a response has not been received as to whether the 1% transfer request has been approved by the Secretary of State at the time of the publication of this report.
- 3.4.19 Despite the additional funds announced by DfE, High Needs funding for North Yorkshire remains insufficient to meet the statutory obligations arising from legislative reform in 2014. The reforms extended the age range of children and young people supported from 0-18 up to 25 years old. It also increased parental expectations about the packages of support that could be delivered through EHCPs. Since 2014, there has been a 46% increase in the number of EHCPs and this trend is expected to continue in 2019/20 and beyond. It should be noted that there are a range of actions

that the Executive approved on 15 January 2019 in relation to High Needs and this Budget/MTFS incorporate the savings that are anticipated. Clearly the Council has further opportunity to consider these proposals as an integral part of the Budget/MTFS at the Executive on 29 January and at Full Council on 20 February 2019.

3.4.20 Whilst a number of proposals have been progressed – and are included in the Medium Term Financial Strategy - to address this financial pressure, it is unlikely that these proposals will fully address this pressure and further actions alongside the Strategic Plan for SEND (approved in September 2018) - will be required over the next 12-24 months. Any accumulated overspend on the High Needs budget should be required to be repaid from future High Needs Block funding allocations. However, the current projections indicate a continued increasing demand for High Needs support and services.

3.4.21 The legal implications are set out in **Section 7.2**

Schools in Financial Difficulty

3.4.22 There has been a deterioration in the accumulated surplus balance position of schools over the last three financial years, reflecting that a number of schools are dealing with tighter funding that has not kept pace with inflation or regulatory and parental expectations as well as local issues such as changes in pupil numbers. In response the local authority is providing additional support and challenge to school leaders, undertaking curriculum and resource management reviews to help deliver good quality education in a financially sustainable setting. In addition, there are a number of situations where DfE policy results in a position of cross-subsidisation. For example, in some situations sponsored academy deficits are charged to the council on conversion. Provision of £1m on a recurring basis has therefore been made in the 2019/20 Budget.

SEN Transport

3.4.23 Although SEN Transport is a core funding statutory responsibility of the council, it is linked to the significant rise in the number of Education, Health and Care Plans. North Yorkshire has ten special schools but these are often at a further distance for families than they would otherwise be served by a local mainstream school. Financial pressures have continued to rise in 2018/19 with nearly 1,100 children and young people with special education needs requiring transport.

3.4.24 Provision of an additional £1m had been included in last year's MTFS for 2019/20 but this has now been increased by a further £2.3m (total of £3.3m) as there are higher than expected increases in costs in 2018/19. This area has the potential to see further increases but intensive work is set to take place to examine how the increases can be arrested and this area will need to be reassessed in next year's Budget / MTFS exercise.

Children and Families

3.4.25 A number of initiatives within the Children and Families Service within CYPS have been funded from a range of grants. All of these grants have been time limited and there has therefore been a need to make changes as part of an exit strategy. In addition there has been a net income of £390k to provide for a lower case ration for Children's social workers. Case rates are constantly monitored and any changes will be brought back in future Budget considerations.

3.5 KEY SPENDING ASSUMPTIONS

Inflation

- 3.5.1 The Consumer Prices Index (CPI) rose by 2.3% in the year to November 2018, compared with a 3.1% rise in the year to November 2017. Following a fairly flat period of inflation, CPI started to rise in mid-2016. The CPI rate was at the highest rate, since 2012, when CPI rose to 3.1% in November 2017, placing increasing pressure on pay, contracts and prices. Since January 2018 CPI has started to fall to approx. 2.3%. However, this national index does not necessarily reflect the local price pressures faced by local government, particularly given some of the care market pressures, which are often increasing above this national benchmark. It should also be noted that RPI sits at 3.2% as at November 2018.
- 3.5.2 Inflation provision has been reviewed and applied according to need. This includes Highways (2.8%), Street Lighting (13.5%), Concessionary Fares (2.5%) and Children and Adult Social Care (2.4% – 4.5%). Other relevant areas have been adjusted based on the increase in CPI.
- 3.5.3 From 2019-20 an 'inflation' adjustment has also been applied to income budgets. This offsets some of the inflation pressure on expenditure budgets and also acts as a discipline for directorates to review their levels of income and charges. Unless there are specific issues restricting increases it has been assumed that all income budgets will rise in line with the CPI.

Pay and the Living Wage

- 3.5.4 Pay award assumptions are included within the MTFs at 2.0% for 2019-20 and subsequent years with some larger increases for bottom scale points to reflect the impact of the National Living Wage.
- 3.5.5 Provision has also been made in the MTFs for the cost of the government's Living Wage policy which increases the minimum wage from £7.83 to £8.21 per hour from April 2019. There is a longer-term government aim to increase the Living Wage to 60% of median average pay by 2020; this impacts on NYCC in later years but there is a more significant impact on the Council's supply chain and is therefore likely to materialise in additional prices.
- 3.5.6 The increases in the lower pay bandings to incorporate the government's Living Wage Policy has had a compacting effect upon the differentials between scale points. To deal with this, and to iron out the irregular differences, a new scale point structure is being included within the pay award offer, with current scale points being assimilated into the new structure. The introduction of a new national pay spine for employees on NJC terms & conditions will come into effect from 1 April 2019. This has been factored into the MTFs and is considered in more detail in **Section 6** of this report.
- 3.5.7 The Living Wage will continue to be a challenge for councils across the country, particularly those who provide social care and will be one of the biggest inflationary pressures facing the Council over the decade.

Adult Social Care Pressures - Contingency

3.5.8 Provision is again made of an additional £3m (excluding the cost of the Living Wage assessment) for the increasing costs of adult social care in 2019/20. As with current practice, it is intended that £2m is allocated directly to Health & Adult Service budgets to meet the anticipated increase in costs in 2019/20. A further £1m provision will be retained centrally and drawn down following satisfactory evidence of need and/or identification of opportunities to contribute towards the budget shortfall. Due to the uncertainty of funding beyond 2019/20 for local government, additional provision has also been made for an adult social care contingency in future years at £2m per annum in 2020/21 and 2021/22.

3.6 RESERVES AND BALANCES

3.6.1 The County Council uses reserves to manage spending and savings delivery over the longer term – as set out in **paragraph 2.6**. As part of the budget process a review of reserves is undertaken to ensure the reserves held are appropriate and aligned to the Council's strategy.

3.6.2 Reserves are crucial to sustainable financial management but money set aside must be appropriate to the risks facing the organisation and must support delivery of corporate objectives. To this end, the following categories of reserve are maintained:

- General Working Balance – this is the Council's funding of last resort. It provides the contingency to manage risk across the Council and is subject to a policy requirement;
- Operational (Directorate) – these reserves help to manage financial risk, commitments and support improvement within service directorates;
- Strategic – these reserves provide funding to support the corporate objectives and priorities set out in the Council Plan. These include: resources to support the long term viability of the Council; projects to improve infrastructure such as roads and broadband connectivity; provision in the event of non-delivery of savings proposals and funding to repay debt and/or generate cash returns.

3.6.3 A schedule of reserves is set out at **Appendix D** along with their planned movements and supporting notes.

General Working Balance (GWB)

3.6.4 The current policy for the General Working Balance is:

- i) Maintenance of a minimum of 2% of the net revenue budget for the GWB in order to provide for unforeseen emergencies etc. (broadly estimated at £7m for the whole of this MTFS period); supplemented by
- ii) An additional (and reviewable) cash sum of £20m to be held back to support the revenue budget in the event of a slower delivery of savings targets.

3.6.5 **Appendix E** sets out the current policy and also includes a set of "good practice rules". Whilst the savings challenge is more intense over the next two years the progress made to date puts the County Council in a strong position and therefore this level of balance is considered appropriate at this time. This will of course be

kept under review but, at this stage, it is proposed that this policy remains unchanged.

Operational (Directorate) Reserves

- 3.6.6 Taking into account planned movements in 2018/19, the estimated total of Operational (Directorate) Reserves is £78.6m by April 2019. These reserves provide funds for a variety of issues – for example self-insurance and technology replacement. In addition, there are specific earmarked reserves for schools and public health grant funding.
- 3.6.7 These operational reserves have been reviewed as part of this MTFS refresh (and on an on-going basis) and the amount is considered appropriate although work to establish longer term spend profiles continues to be undertaken as part of budget monitoring and financial management arrangements.

Strategic Reserves

Strategic Capacity - Projects

- 3.6.8 A number of specific projects have already been identified, approved and funding allocated. After planned movements outlined above, the balance on these reserves is estimated to total £27.6m at 31 March 2019. This balance includes £13.3m for Superfast Broadband, £6.2m for highways maintenance, £4m for Kex Gill and £3.1m for South Cliff Scarborough / Whitby Piers.

Strategic Capacity - Unallocated

- 3.6.9 This reserve provides the financial capacity to invest in projects and initiatives to support the Council Plan (including infrastructure projects across North Yorkshire) as well as cover for any anticipated budget shortfalls.
- 3.6.10 The unallocated balance at 31 March 2019 is estimated at £42.0m and based on the Local Government Finance settlement and the assumptions within this MTFS, without further savings, a significant amount of this Reserve will be required to support the revenue budget over the next four years. Subject to future funding settlements and delivery of the planned savings programmes, this would leave reduced capacity for future projects and a potential 'cliff edge' as the Reserve reduces. From 2019/20 to 2021/22 £29.1m is earmarked within this reserve to support the revenue budget although non-delivery of savings would increase the call on this reserve. This is in addition to £6.3m drawn down to support the 2018/19 revenue budget. Additional on-going revenue savings would reduce the call on this Reserve and provide capacity to support the Council's priorities.

	19/20 £k	20/21 £k	21/22 £k	Total £k
Net Revenue Budget	382,018	389,836	399,316	
Budget Shortfall (Savings Requirement)	5,335	4,415	4,253	14,003
Cumulative Use of reserves for Budget Shortfall	5,335	9,750	14,003	29,088

Local Taxation Equalisation

- 3.6.11 As core grant funding reduces over time so the importance of Council Tax and Business Rates will grow. Whilst these income streams are certain they are also

subject to volatility – namely Council Tax and Business Rates Collection Fund surpluses and deficits. In order to enable stability of funds this reserve receives these surpluses and deficits – providing an internal ‘safety net’ to smooth these income streams. Examples of volatility include Drax Power Station, Ministry of Defence facilities and challenges from Hospital Trusts.

3.6.12 The balance of this reserve is estimated at £5.1m by 31 March 2019. This will be kept under review and resources released for alternative use as appropriate – a maximum balance of 2% of the County Council’s precept and Business Rates Retention income is proposed - £7.6m for this MTFS.

Total Level of Uncommitted Reserves

3.6.13 It is worth reflecting that the projected level of uncommitted Reserves at 31 March 2019 (circa £70m consisting of Strategic Capacity Unallocated plus General Working Balances) equates to the operational cost of the Council for approximately 6 weeks. This illustrates that whilst £70m is a significant sum, it has to be seen in the context of the scale of the organisation.

3.7 FINANCIAL OUTLOOK TO 2021/22

3.7.1 The MTFS included in this report includes up to 2021/22 in full. This is not an extension from last year’s MTFS as the next Spending Review is expected in 2019 and will have a major bearing on projections. The MTFS does, however, continue with the longer-term planning approach that is now well embedded in the Council’s strategic financial management arrangements.

3.7.2 The Council accepted a four-year Funding Settlement from the Government in 2016 and 2019/20 is the final year of that settlement. The Council will receive no Revenue Support Grant in 2019/20 and whilst there are numerous helpful additional funds from government to address spending pressures, there is no certainty that they will continue. The Table below shows those areas and what assumptions have been made in the MTFS.

Grant Funding	Value in 19/20 £m	Included within Base Budget for future years
Negative RSG	3.7	✓
Additional Rural Services Delivery Grant (now contained within Business Rates as part of pilot for 75% Business Rates Retention)	1.6	x
High Needs Funding	1.2	x
Social Care Support Grant	4.1	x
Winter Pressures	2.4	x
Improved Better Care Fund (iBCF)	11.0	✓
IBCF (£1.9bn)	3.4	x
Better Care Fund	13.4	✓
Total £m	40.9	

- 3.7.3 In addition to the uncertainty of the Spending Review it is unclear what impact, if any, the UK's withdrawal from the EU will have. There are risks in the Council's supply chain and weaker sterling will bring price pressures from internationally based, or exposed, suppliers.
- 3.7.4 The revised funding system for local government is also scheduled for 2020/21. This will only deal with distribution of government funding across councils so even if the Council does better, in relative terms, than in previous years, it could still face a further reduction due to a greater reduction in the overall quantum of funding for councils. The Fairer Funding Review (i.e. the distribution of funding across councils) looks promising at this stage as there appears to be a recognition of the additional costs of delivering services in a rural area (the "rural premium"); but the overall system will not be detailed until later in the year and it is not possible to make any assumptions about betterment or detriment at this stage. It is also still possible that the County Council receives a higher share of the overall levels of funding but the quantum reduces so the net effect is a further net reduction.
- 3.7.5 Given the number of imminent changes facing the public finances it may be tempting to simply take a one year position on the Budget / MTFS. However, the high levels of uncertainty make it even more important that the Council plans for, and is able to respond to, sudden changes which impact upon the finances and operational requirements of the Council. It is hoped that the next Spending Review will bring greater long term clarity but whilst the macro-economics of the UK remain uncertain, this is by no means certain. The MTFS therefore remains a key component in the Council's measured approach to financial planning and risk.
- 3.7.6 The table above illustrates that £29.1m of reserves would be needed to balance the budget over the MTFS period if no further savings were delivered. This assumes that further "new" savings are not identified and is therefore a "worst-case scenario". It does illustrate that the Council would need to use a significant amount of cash reserves which could otherwise be used for investment and other council priorities. In addition, the Council will still have a recurring savings gap of £14.0m to address. It is therefore essential that consideration is given to filling this residual savings gap through the emerging Beyond 2020 Programme which is described below.

3.8 SAVINGS

Existing Savings Programme

- 3.8.1 The 2020 North Yorkshire Programme has now been in place for six years although it has evolved and refined in that period. Further refinements are proposed to savings profiles which have been incorporated within the savings set out in **Appendix A1**. This Programme is effectively the Council's Savings & Efficiency Plan for the period 2019/20 to 2021/22 (although some potential savings have been identified for later years and will be explored further before including within the MTFS). It is underpinned by a set of principles to ensure that there is coherency.
- 3.8.2 As is inevitable in a change programme, there have been some refinements to profiles and quantum of savings that were agreed in previous versions of the MTFS. They are set out in **Appendix A2** for completeness.

Filling the Residual Savings Gap

- 3.8.3 The MTFs set out in this report identifies a recurring shortfall of £14.0m over the period to 2021/22. As we await a new Spending Review and all of the uncertainties there is a clear need to focus on the medium to longer term position and ensure that the Council is able to shape some of its direction whilst also being agile enough to respond to sudden changes. After eight years of austerity it is inevitable that savings proposals are harder to identify; involve some greater element of risk; and are then harder to deliver. As a consequence there is a constant need to look to deploy new techniques and seek out innovation. The 2020 North Yorkshire Programme has served the Council well and many of its components will remain in place but, as we are on the cusp of 2020, it is timely to produce an update of the Programme – the Beyond 2020 Programme.
- 3.8.4 The Beyond 2020 Programme will be further worked up during 2019 but will represent an evolution of the existing 2020 North Yorkshire Programme and its principles. The key high level aspects of the Beyond 2020 Programme are set out below and in **Appendix A**. It is anticipated that further savings opportunities will emerge as the Beyond 2020 Programme firms up and this simply reinforces the need for savings ideas being encouraged and progressed throughout the year, rather than being seen as the product of an annual budget cycle.
- 3.8.5 The existing 2020 North Yorkshire Programme includes the savings programme which was previously approved by County Council in February 2018 and is revised as above. Whilst these savings proposals have previously been approved for the purposes of the MTFs, there is now a requirement to formally approve them as an integral part of the 2019/20 Revenue Budget and to revise the MTFs accordingly. **Appendix A** sets out the savings that County Council are asked to approve as part of this approach (net of the proposed revisions).

3.9 INVESTMENTS & PROPOSED USE OF EARMARKED RESERVES

- 3.9.1 Whilst the recurring revenue budget remains under severe pressure, the Council has committed one-off funds in order to maintain and develop essential infrastructure and projects across the County. A number of further areas of investment are proposed:
- 3.9.2 **Environmental Locality Budgets** – Members were provided with a dedicated local environmental budget following last year's Budget. A sum of £5k per annum was provided for each Member and it was suggested that the scheme be reviewed to assess how well it worked. As the scheme has not yet completed a full year **it is recommended that a further year of funding is provided, totalling £360k on a one-off basis**. The subsequent review will therefore have over 12 months of activity which it can consider and, should the review conclude that there is a wish to extend the scheme, then the funding will be addressed again in the Budget / MTFs report next year.
- 3.9.3 **Beyond 2020 Savings Programme** – the 2020 North Yorkshire Programme has been supported by additional resources to ensure delivery and that there is a good grip on its savings and transformation programme. The period and scale of austerity has increased and the Council's own Savings Programme has therefore grown and extends over a longer period. Provision of £1m was made in the last MTFs for each year of the Programme but given the extension of the savings programme (and

indeed of austerity) it is recommended that a further £1m of one-off investment is made to support the Beyond 2020 Programme.

3.9.4 There may be further areas which require investment on the basis that there is return on that investment – through cashable savings and / or increased staff productivity. Further areas will be reported through the Programme and where additional funding is required it will be sought from the Executive and / or full County Council subject to the budget policy framework.

4.0 REVENUE BUDGET POSITION IN 2019/20

4.1 A summary of the 2019/20 proposed revenue budget is set out below with further detail (including initial forecast MTFs assumptions through to 2021/22 in **Appendix F**). The table below pulls together various strands including:

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

	£ k	£ k
Start with Net Budget Requirement from 2018/19		361,551
Add back net budget funded from reserve		6,280
Add Investments in 2019/20		3,520
Add Inflation in 2019/20		13,238
Add Increased Spend in 2019/20		15,565
Council Tax Collection Fund Surplus/Deficit to reserve		154
Savings and Cost Reductions in 2018/19 over and above 2015/16		
2020 Budget Savings As Approved in February 2017 MTFs	-13,048	
Subsequent changes to the above	1,288	
New Savings Proposals	-3,718	-15,478
Adjustments to funding in 2019/20*		2,523
Total Forecast Spend in 2019/20		387,353
Core Funding Available		
Revenue Support Grant	0	
Council Tax at 4.99%	305,853	
Business Rates from District Councils	28,671	
Business Rates Top-up From DCLG	46,245	
Council Tax Collection Fund Surpluses	1,249	
Business Rates Collection Fund Deficit	0	
		382,018
Total Core Funding Available (= Budget Requirement)		382,018
Funding Shortfall proposed to be met from Reserves		5,335
One-off Investments	3,520	
Underlying Shortfall to be met from Reserve	1,815	
		5,335

* Please note Rural Services Delivery Grant (RSDG) is included within the Business Rates funding as part of NYCC's successful application to become a pilot for 75% Business Rates Retention.

- 4.2 Given the scale of funding reduction, the 2019/20 Revenue Budget is balanced with a contribution from reserves of £5,335k.
- 4.3 An analysis of the 2019/20 Revenue Budget at Directorate level is attached at **Appendix B**.
- 4.4 It should also be noted that the Council, along with the seven District Councils, the City of York Council and the five councils in West Yorkshire, secured **Business Rates Retention Pilot** status – a welcome development. As a consequence, the collective of North and West Yorkshire Councils will retain an additional 25% of business rates over the baseline for a period of one year. At this stage it is not possible to identify the scale of additional funding that will flow to the Council or to the collective of councils. However the additional sums are one-off in 2019/20 and will be reported in the usual fashion through quarterly revenue budget monitoring reports.

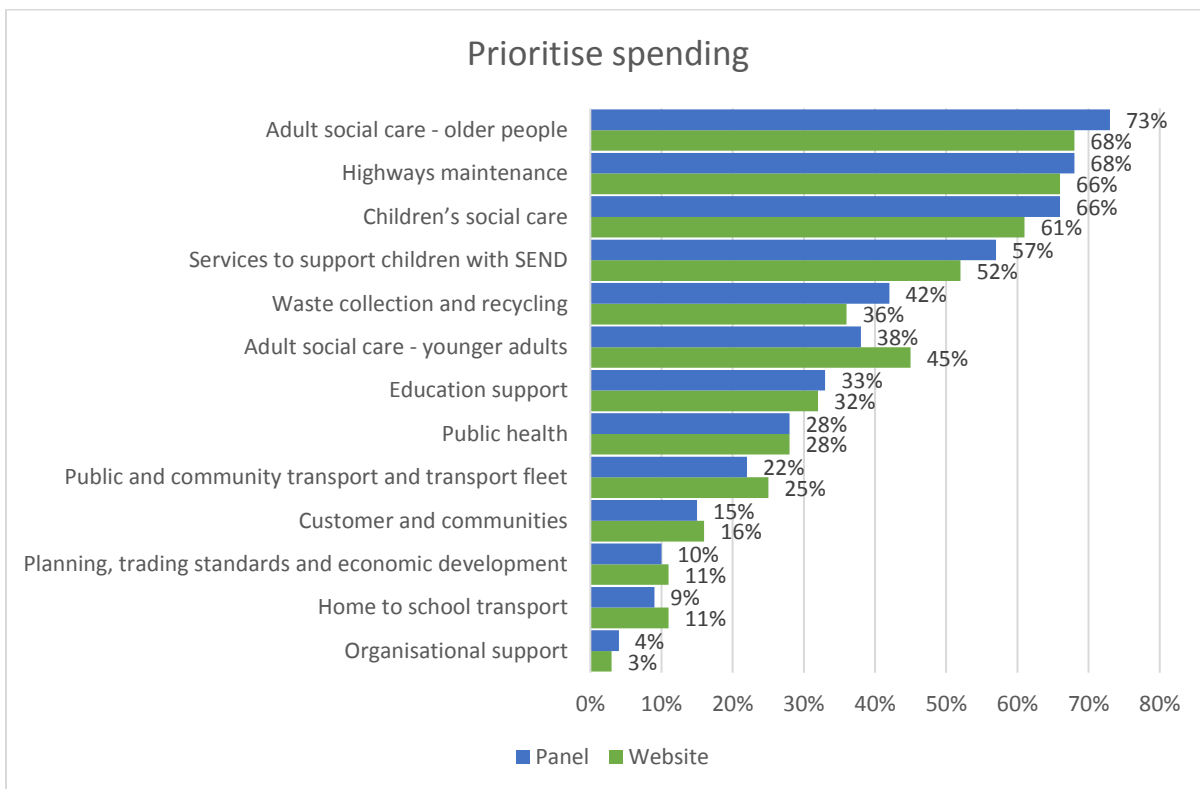
5.0 CONSULTATION

The Citizens' Panel & Wider Public

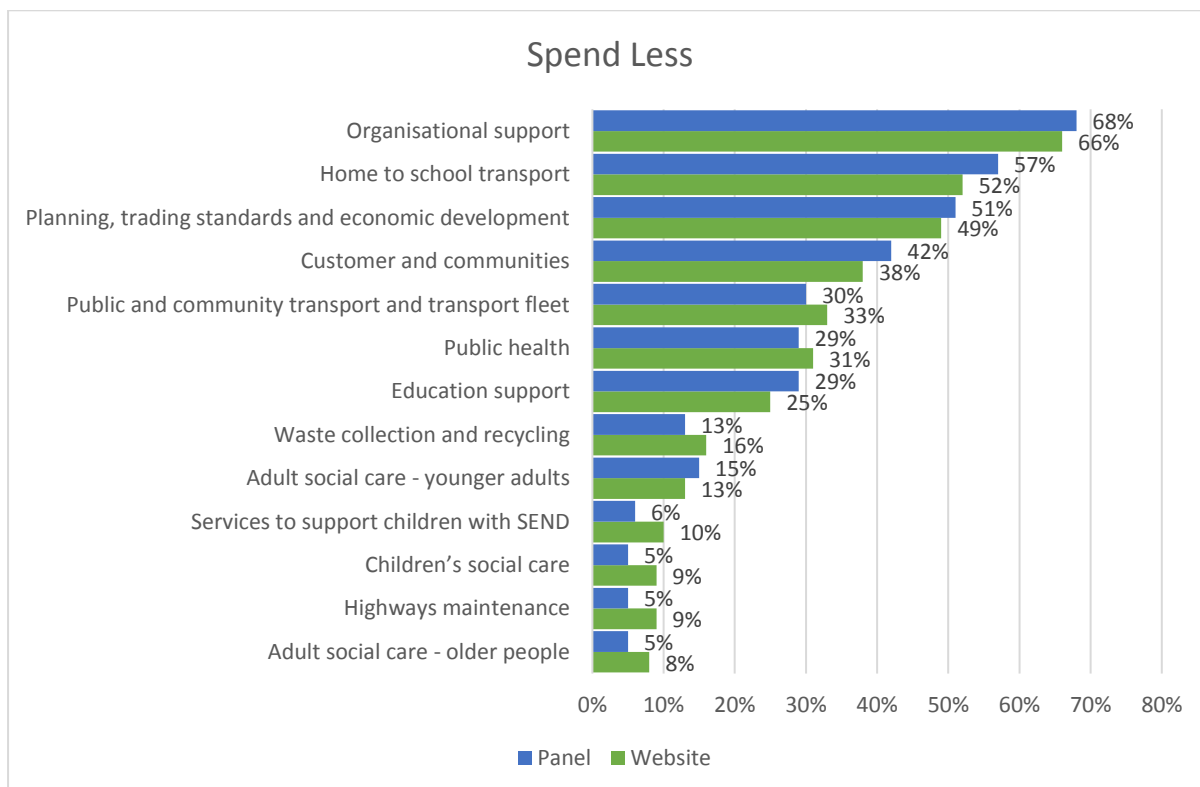
- 5.1 The Council has again used the Citizens' Panel as a mechanism for testing public attitudes towards a range of financial issues. In last year's survey questions were largely restricted to asking about proposals on council tax levels but this year's survey sought to share a better range of financial information with the Panel and thereby test reactions to proposals contained in this Budget / MTFS report.
- 5.2 Additionally, increased efforts have been made to encourage the general public to share their views. The Johnston press, Council's website, social media, press releases, press interviews and a series of budget roadshows were all used to bring the issue to the attention of the wider public.
- 5.3 At the time of writing, the Council has received a total of 1,117 survey responses with 512 of these coming from the general public and the remaining 605 coming from the Citizens' Panel. This represents a significant increase in responses when compared with last year. 56% of panel members and 56% of those completing the online survey support the proposed council tax increase.
- 5.4 All proposals have a majority of respondents stating they strongly agree or agree but there are some differences between responses:-
- The proposals with the most website respondents stating strongly agree / agree are:
 - Continue to make efficiencies in the maintenance of roads and ensure that third parties make a fair contribution towards the cost of repairs (92% strongly agree / agree)
 - Work with districts councils to make savings by taking a more consistent approach to recycling and composting across the county. (88% strongly agree / agree)

- Continue with the approach of providing early support through reablement and the local community to help people to remain independent for as long as possible. (87% strongly agree / agree)
- The proposals with the most panel members stating strongly agree / agree are:
 - Work with districts councils to make savings by taking a more consistent approach to recycling and composting across the county. (92% strongly agree / agree)
 - Continue with the approach of providing early support through reablement and the local community to help people to remain independent for as long as possible. (91% strongly agree / agree)
 - Review how we buy placements for high cost residential and nursing care to get consistency and value for money whilst making sure that individuals' needs are provided for. (91% strongly agree / agree)
 - Review the cost of the NHS and local government contract for disability equipment such as grab rails and walking aids to make sure we pay a fair share and that the budget is spent better. (91% strongly agree / agree)
- The proposals with the lowest percentage of responders stating strongly agree / agree are:
 - Manage public health services in line with the national reduction in the grant provided by central government specifically for this area. (website 59% / panel 62%)
 - Reduce spending on the service that monitors and supports school performance whilst increasing income by selling more services to schools and others. We will only provide the necessary services to schools and will aim to sell more services to schools in North Yorkshire and other local authority areas. (website 60 % / panel 63%)
 - Explore commercial investments such as property to subsidise frontline services. (website 63% / panel 66%)
 - Reduce the staffing costs in management and professional support. (Website – 62%)

5.5 From a list of services, respondents were asked to choose up to five services where we should prioritise spending. The top priority areas for both groups of respondents were: Adult social care – older people, Highways maintenance, Children's Social care and Services to Support children with special educational needs and disabilities.



5.6 From a list of services, respondents were asked to choose up to 5 services where we should prioritise spend less from a list of services.



The areas where people thought we should spend less were organisational support, home to school transport, Planning, trading standards and economic development and customer and communities.

- 5.7 Further analysis and detail of some of the comments from the survey are attached as **Appendix G**.
- 5.8 The survey is set to remain open up until 20 February in order to provide the public with greater opportunity to register their views. The dates for the Executive and County Council have been publicised as part of the consultation but it is intended to bring a verbal update on the most up to date survey results to the Executive on 29 January and then again to full County Council on 20 February in order to be more flexible.

Members Involvement

- 5.9 A number of Member's Seminars have been carried out during the year to include the Budget and MTFS in the run up to consideration of the Budget at County Council on 20 February 2019. These include:-

6 February 2019 Briefing on 2019/20 Budget & MTFS Report

9 January 2019 Update on Budget / MTFS followed by sessions to discuss directorate savings issues

19 December 2018 Provisional Local Government Finance Settlement

5.10 Overview and Scrutiny and the Budget / MTFS

5.10.1 Overview and Scrutiny Committees review the implementation and delivery of budget proposals in the 2020 North Yorkshire Programme, as part of a wider programme of overview and scrutiny of areas of Council activity that have significant budgetary implications. This has involved specific items being brought to formal committee meetings and on-going discussions with Corporate Directors, Portfolio Holders, Spokespeople and partners.

5.10.2 In December 2018, the budgets for Children and Young People's Services and Health and Adult Services were formally scrutinised. This was in response to the concerns about the projected overspends in 2018/19 and longer term demand and cost pressures being faced by those services.

5.10.3 The intention in 2019/20 is to increase opportunities for more formal scrutiny of the budget through the Council's five thematic overview and scrutiny committees.

5.10.4 Corporate and Partnerships Overview and Scrutiny Committee

The committee has reviewed progress with the delivery of the 2020 programme and the savings arising, including:

- Traded services and scrutiny of the Annual Report of the Brierley Group
- A review of the Council's Investment Strategy
- Scrutiny of the first 12 months of the reconfigured Library Service and progress against key targets and milestones
- Progress against the 2020 target of 70% of contacts being managed by customers using digital self-service channels
- Workforce planning, sickness absence and managing organisational change.

5.10.5 **Care and Independence Overview and Scrutiny Committee**

The committee has reviewed progress with the delivery of the 2020 programme and the savings arising, including:

- Implementation of Strength Based Assessment Approaches - particular focus on Annualised Net Savings
- Financial Assistance for People Receiving Housing Support
- Wellbeing and Prevention Services Review
- Community Support Mental Health: Future Commissioning Approach
- In-depth scrutiny of health and social care integration, how it is being progressed in the county and what the outcome are, with a 'select committee' meeting planned for March 2019
- Management of delayed transfers of care across the health and social care system
- Client Contributions: scrutiny of proposals for changes to the charges for the cost of care and the cost of transport to places where people receive a service.

5.10.6 **Young Peoples Overview and Scrutiny Committee**

The committee has reviewed progress with the delivery of the 2020 programme and the savings arising, including:

- Use of the Pupil Premium
- SEND Strategic Plan
- SEND Special Provision Capital Funding (SPCF) – Local Authority Plan for use of Years 2 and 3 funding.
- Scrutiny of the consultation on the reshaping of the high needs budget
- Early Years' Service Across North Yorkshire and a review of the service and challenges it faces
- Place planning and the role of the Council in shaping future education provision in the county.
- Supporting Underperforming Schools – especially those in Special Measures
- School Preparedness – how pupils and parents are supported, including the delivery of 30 Hours Preschool programme.

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

The committee has reviewed progress with the delivery of the 2020 programme and the savings arising, including:

- Scrutiny of the County Council's work with mobile network operators to improve mobile phone coverage in the county
- A review of the work that the Local Enterprise Partnership has been doing with key rural and agricultural interest groups to understand the impact of Brexit, especially leaving the Common Agricultural Policy
- The Annual Report of the highways improvement contractor (Ringway) and the actions being put in place by the highways maintenance to improve performance and communications
- The delivery of the improvement plan for the Adult Learning Service
- Scrutiny of the SEND Home to School Transport proposals and monitoring the impact of the policy changes
- Infrastructure and engagement in strategic groups looking at road developments in the region.

5.10.8 **Scrutiny of Health Committee**

The Scrutiny of Health Committee has also undertaken key aspects of overview and scrutiny work looking at changes to health service commissioning and provision in the county, which in turn impacts upon a range of services provided by the Council, particularly adult social care. This has included:

- Development and implementation of the NHS England Sustainability and Transformation Plans and integrated care partnerships and systems
- Reconfiguration of hospital and in-patient and community-based mental health service provision
- Development of new models for service delivery at the Friarage, Whitby Community Hospital, Scarborough General Hospital and Harrogate District Hospital
- Funding pressures experienced by North Yorkshire Clinical Commissioning Groups and Foundation Trusts and the recovery plans that have been put in place.

5.10.9 **Scrutiny Board**

Scrutiny Board has worked to develop a more co-ordinated programme of scrutiny work across the Council as a whole. It has also worked to improve overview and scrutiny practice, including greater use of performance data, information and analysis. In terms of specific areas that have an impact upon the budget and the delivery of the 2020 programme, the following have been reviewed:

- Planned expansion of the Catterick Garrison
- Communities and Local Government Committee inquiry into effectiveness of overview and scrutiny
- Northamptonshire County Council Best Value Inspection Report March 2018
- 'The lives we want to lead' - the LGA green paper for adult social care and wellbeing.

5.11 In addition, **Constituency Area Committees** were offered the opportunity to have a further briefing session on the Budget / MTFs and to hold the meeting in private or public. The Richmond Constituency Area Committee was held in public on 14 January 2019 and the Harrogate & Knaresborough Constituency Area Committee held a private briefing session on 24 January 2019. Both were supported by the Leader, Deputy Leader (Executive Member for Finance) and the Corporate Director, Strategic Resources.

5.12 The impact of the Budget / MTFs and associated Beyond 2020 Programme is such that on-going Member dialogue is essential. This is particularly the case in relation to initiatives to secure community support and activity, recognising the role of Member as community leader. Individual Members will therefore be kept informed of local issues and the wider Membership will continue to be communicated with through existing channels and further Members Seminars will be held on the Programme and / or further budget related developments.

6.0 PAY POLICY STATEMENT 2019/20

Introduction

- 6.1 The first pay policy statement was published in April 2012 in accordance with the Localism Act 2011. It needs to be produced annually and can be amended in year on resolution by full County Council. It does not require schools staff to be included.
- 6.2 This report sets out the primary changes proposed to the pay policy statement that was previously approved for 2018/19 by full County Council.

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

- 6.3 The pay policy statement details the pay arrangements and salaries for Chief Officers and Senior Management. An appointment will not be made to an alternative pay and remuneration package without a recommendation being submitted by the Chief Officers Appointments and Disciplinary Committee to full County Council and agreed by it. Likewise any severance payments over £100k will not be made without a recommendation from the same committee to full County Council. It is expected that this will reduce to £95k although government implementation of expected legislative changes covering exit payments has been delayed.

Amendments to pay policy

- 6.4 There is no expectation that this policy will need amending during the period it covers (April 2019 to end of March 2020). The policy complies with legislation and so will incorporate any new legal requirements on exit payments which need implementing during 19/20. However if circumstances dictate that a change of policy is necessary and appropriate during the year then a revised draft policy will be presented to full County Council for consideration. National pay settlements for the year 2019/20 apply as and when agreed for relevant staff groups at a national level. A national pay award for most non-teaching staff has already been agreed for 19/20 as part of a two year award. The award for NJC staff is bottom loaded giving a higher percentage increase to staff at the bottom of the pay spine moving to a minimum 2% for staff at middle and higher spine points. It also introduces a new national pay spine which has required a revised grading structure as set out in the **Appendix H** alongside details of impact.
- 6.5 The new grading structure is the result of a year's work and a consultative and inclusive approach. It has been developed during 2018 in partnership with HR, Unison and Directorate representatives. It follows the Council's 'one employer' approach meeting the principles set out in the Council's pay policy to be fair and equitable to all staff, to link pay to performance, to address any staffing difficulties and to ensure pay is underpinned by robust job evaluation. It takes account of external benchmarking of market data with individual business cases for hard to fill posts e.g. Social Workers, Engineers, senior managers. An equality impact assessment has been completed and anticipates it will assist in closing the gender pay gap. Members have been also been involved with the proposals which have been considered and supported by; the Members Workforce Planning Group, the Council's Executive and Chief Officers Appointment and Disciplinary committee in December 2018, with one political group taking up the offer of a briefing and all group leaders having considered and supported the proposals at one of the formal meetings to approve the proposals.

- 6.6 It sees existing pay bands replaced with new grades A to N, and changes to senior manager and chief officer grades as detailed in **Appendix H**. The change to merge the Director 2 and 3 grades is the recommendation of the Chief Officers Appointment and Disciplinary Sub Committee.
- 6.7 The new structure increases pay in 2019 by a minimum of 2% as required by the national agreement with some higher gains at the bottom as a result of the new national pay spine in order to meet the living wage requirements. Typically the increases are between 4-6%, with grades in the middle range having more scope for further progression in 2020 and beyond. Some of the additional costs of the new structure will be offset by reducing or removing market supplement and recruitment/retention payments, advertising, agency and placement spend. The proposal sees the additional cost spread over five years, with higher pay points not accessible until 2020 and beyond. The net additional cost over the full five years is just over 1% of the corporate pay budget or £1.5m, with around £250k in 2019/20 – this additional cost is included within the proposed Budget / MTFS and is identified as an inflationary cost in **Appendix F** as this additional cost is largely as a consequence of changes in national pay bands.
- 6.8 The total five year cost to schools is around £350k, typically an additional 0.5% for primary schools and 1% for secondary schools. The cost for traded services is around £150k with most additional costs attributable to the higher pay increases due to the national pay spine changes for grades 9 (H) and below.

Transparency

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

7.0 LEGAL IMPLICATIONS

General Legal Duties in respect of Budget

- 7.1 The legal duties upon the Council to calculate the budget, consider savings proposals, calculate council tax requirement and the amount of council tax are set out in the report and in the remainder of this section.

Children's Services

- 7.2 There are very specific obligations in respect of Children's Services which are set out in this Section of the report.
- 7.2.1 The local authority has a legal duty under Section 19 Education Act 1996 to make arrangements for the provision of suitable education at school or otherwise than at school for those pupils of compulsory school age who by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless such arrangements are made.
- 7.2.2 Under Section 19 the duties placed on the local authority are to ensure young people who have been permanently excluded from school have access to full time educational provision from day six of the exclusion. The local authority currently commissions places via the PRS/AP providers to meet this duty.

- 7.2.3 Under Section 19 the duties placed on the local authority in respect of pupils with medical needs are to make arrangements for the provision of education as soon as it is clear that a child will be absent due to illness, for 15 days or more.
- 7.2.4 Part 3 of the Children and Families Act 2014 is entitled 'Children and Young People in England with Special Educational needs and Disabilities.' It places duties on Local Authorities in relation to both disabled children and young people and those with special educational needs (SEN). The strategic planning duties in the Act apply to all children and young people with SEND. The Special educational needs and disability code of practice: 0-25 years (2015) is the statutory guidance which underpins the legislation that the local authority must have regard to.
- 7.2.5 Section 27 of the Children and Families Act 2014 required local authorities to keep the education and training provision for children and young people with SEND under review. Local authorities must consider whether the educational, training and social care provision is sufficient to meet children and young people's needs. In carrying out this duty local authorities must consult children and young people and their parent/carers as well as education providers. It is noted that for the three areas of change to the High Needs Budget a full consultation exercise was carried out as detailed in the Executive report dated 15 January 2019.
- 7.2.6 Under section 42 Children and Families Act 2014 the Council must secure education provision in a child's Education, Health and Care Plan and the budget provides for the statutory duties to continue to be funded.
- 7.2.7 Under Section 11 Children Act 2004 the Council in delivering children services, must make arrangements for ensuring that their functions are discharged having regard to the need to safeguard and promote the welfare of children.

7.3 Equality Implications

- 7.3.1 The Council must demonstrate that it pays due regard in developing its budget and policies and in its decision-making process to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people when carrying out their activities with regard to the protected characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. This includes taking account of the additional compounding factors such as the rural nature of the county and the cumulative impact of proposals on groups with protected characteristics across the range of services. The impact of proposals and decisions on the Council's activities as a service provider and an employer must be considered.
- 7.3.2 At the earliest possible opportunity, significant proposed changes in service provision and budget are considered to identify whether there are likely to be any equality implications.
- 7.3.3 If potential equality implications are identified, the Council follows an Equality Impact Assessment (EIA) process to enable the collection of data and analysis of impacts and to try to reduce and mitigate any impact. EIAs are developed alongside savings proposals, with equalities considerations worked into the proposals from the beginning.

- 7.3.4 If a draft EIA suggests that the proposed changes are likely to result in adverse impacts, further detailed investigation and consultations are undertaken as the detailed proposals are developed. Proposed changes will only be implemented after due regard to the implications has been paid in both the development process and the formal decision-making process.
- 7.3.5 Where the potential for adverse impact is identified in an EIA, services will seek to mitigate this so far as it is possible to do so in a number of ways including developing new models of service delivery, partnership working and by helping people to develop a greater degree of independent living.
- 7.3.6 The Council has also carried out a high level equality assessment to highlight which protected groups are affected by the budget proposals in 2019/20, identify any emerging themes and cumulative impacts, and consider them within evidence gathering and more detailed EIAs. The high level equality assessment can be found at **Appendix I**. Members are required to read the individual EIAs to inform their decision making and ensure legal compliance with the public sector equality duty under the Equality Act 2010. There must be conscientious consideration by Members, as decision makers, of the impact upon the proposals on the relevant groups. This duty cannot simply be discharged by officers and due regard must be paid by Members.
- 7.3.7 Pursuant to Section 149 Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

7.4 Overview

- 7.4.1 This section provides an overview of equality issues associated with the Council's budget proposals for 2019/20. It summarises the potential equality impacts identified in relation to the budget, and the steps taken to minimise any potentially adverse impact on protected groups during the development of the budget.
- 7.4.2 Individual equality impact assessments have been carried out for specific proposals identified as having potential equality implications.

7.5 Information used to analyse the effects on equality

- 7.5.1 This assessment is based on a process of consultation and equality impact assessment built into the Council's overall budget development process. This has included:
- Equality impact assessments (EIAs) for specific budget proposals where a potential equality impact has been identified
 - On-going discussions between colleagues, partners and Executive councillors

- Additional consideration of cumulative equality and wider community impact of the proposals
- Responses to public consultation through a number of channels, including on our website and through our Citizens' Panel

7.5.2 Statistical information and research such as demographic data have been referenced where appropriate. Other information has informed equality impact assessments for specific proposals where appropriate.

7.6 Summary of impact

- 7.6.1 Funding provided by central government to local authorities to deliver services has been reduced significantly in recent years. Further funding cuts and significant increases in demand for services mean the Council is now facing more difficult decisions on how we can make additional savings and prioritise spending on services, whilst also protecting the most vulnerable people in North Yorkshire. The projected budget shortfall of almost £200m by 2021/22 has been met in part by achieving £157m of savings so far. However, a further £40m will need to be found to meet the remaining funding gap. This will need to be done whilst dealing with increasing demands for services, particularly in the areas of services for children with special educational needs and adult social care.
- 7.6.2 North Yorkshire County Council, along with almost every eligible authority nationally, has taken up the government's offer to raise an additional social care precept of an extra two per cent on council tax. This can only be used to fund extra costs of adult social care. Without this precept, the County Council would have to find additional savings of around £21m up to 2020. Demand for adult social care is increasing; the costs of care packages are increasing; and the government's decision to introduce the National Living Wage alone is estimated to cost almost all of the extra income due to be raised from the precept.
- 7.6.3 The Council are aware that raising the council tax to 4.99% will have an adverse impact upon household budgets particularly for those of working age with protected characteristics e.g. disability and sex. In the current financial climate, however, a lower council tax increase would require even greater cuts to frontline services. It is likely that the impact will be minimal for most households as council tax does not constitute a large proportion of outgoings. However, the likely impact may be higher where the households are reliant upon social security benefits. More details of how protected characteristics may be affected are included in **Appendix I**.
- 7.6.4 Where possible savings to date have been achieved by improving the efficiency of our back office operations. This has helped us to keep the impact on frontline services to a minimum. However, as further savings are required, it becomes increasingly difficult to protect frontline services, which is why we are working with communities to find alternative ways of providing services. There is an increasing emphasis on preventative provision and a shift towards self-directed support.
- 7.6.5 Some potential adverse impact may occur as supporting vulnerable adults is a very high cost to the Council and more and more people require the Council's support. Around a quarter of the county's adult population is over the age of 65 and 3.3 per cent are aged over 85. Every year the population of older people increases, and with it the demand for the care and support which the council provides.

7.6.6 Potential adverse impacts have been identified regarding the Special Educational Needs and Disability High Needs Funding in respect of children/young people with disabilities. The Council identified three areas for changes to the High Needs Budget: 1) Element 3 allocation Can-do to Banded model; 2) Changing the way provision for secondary aged pupils who are permanently excluded or at risk of permanent exclusion is commissioned and funded and 3) Implementation of guidance 600 hours of education for post 16 students.

7.6.7 The rurality and sparsity of population in some parts of the county also present challenges for the council in provision of services.

7.6.8 **Among the efficiency savings are:**

- reducing the costs of human resources, finance, technology, property, legal and democratic services
- cutting the cost of our contracts with suppliers
- increasing income and introducing new ways of working.

7.6.9 **Among the frontline savings are:**

- replacing elderly persons' homes with extra care housing
- reducing, through prevention work, the number of looked after children
- replacing streetlights with cost saving LED lights
- changes to the high needs budget
- changes to provision for excluded pupils
- changes to post-16 education
- changes to charging for adult social care
- reviewing homelessness support provision

7.6.10 Reductions in budgets will inevitably have an impact on some citizens but measures are being taken to manage the changes in a planned way, consider cumulative impact, and seek to minimise any adverse impacts.

7.6.11 Overall impacts for the protected groups relating to savings proposals are summarised in **Appendix I**.

7.7 **Summary of overall action to decrease adverse impact or increase positive impact**

7.7.1 Various programmes have been implemented to increase resilience in the communities of North Yorkshire and reduce demand on services. These should help mitigate the effects of service reduction, particularly on those with protected characteristics.

7.7.2 Our Stronger Communities team has been set up specifically to support communities to take on a greater role in the provision of services. This is particularly in the areas of community libraries, community transport, activities for young people, children and families, and support for older and more vulnerable people to remain involved and active within their community. The Stronger Communities team recently published their annual report 'Shaping the Future' which looks at the performance of the programme in 2017/18. The report highlights that of the 11 projects that had been fully evaluated, 1,384 individuals have

benefited and 1,468 volunteer hours have been given, which equates to approximately £17,000 of value from awarded grants of £10,199. (This represents a £1.67 return for every £1 invested). Of these projects, seven projects reduced inequalities, and they all improved social connectedness and improved well-being.

- 7.7.3 Also, as part of the wider prevention service, our Living Well Co-ordinators work with individuals (and their carers) who are on the cusp of becoming regular users of health and social care services by helping them access activities in their local community, reducing loneliness and isolation, and supporting them to find their own solutions to their health and wellbeing goals. Team members provide help with practical and emotional issues. Since the service was put in place in October 2015 there have been over 6,000 referrals, many of them for people over 75 years old (44%) and living alone (58%). 91% of people receiving Living Well support said it was successful, with almost three quarters showing a meaningful improvement in their well-being.
- 7.7.4 Through our Extra Care programme we are providing homes where people can live independently, but with care on hand when they need it. We also support people with the skills and equipment they need to live independently.
- 7.7.5 Within the consultation in relation to services for children and young people with special educational needs and disabilities (SEND), potential adverse impacts have been identified.

- In respect of 1) Element 3 allocation Can-do to Banded model:

This potential impact will be mitigated by the statutory duties that the Council has to make provision to meet the special educational needs. The Council has a statutory duty to carry out Annual Reviews for individual child/young person with an Educational Health and Care Plan (EHCP) to ensure that provision is still sufficient to meet need. The Council will continue to meet its statutory duties to meet the needs of the child/young person regardless of which band has been identified.

In addition to the statutory duties, the Council intend to mitigate the concerns regarding potential impact of the change we propose by developing an implementation plan for roll out of the Banding methodology from April 2019. To pick up on the concerns raised in terms of financial impact and training – the implementation plan needs to be robust in terms of the financial modelling and the roll-out and this will be scrutinised through the Spring Special Educational Needs Co-ordinator networks, Special Headteachers meeting and Schools forum.

- In respect of 2) Changing the way provision for secondary aged pupils who are permanently excluded or at risk of permanent exclusion is commissioned and funded:

The drive to reduce exclusion and promote a wider range of Alternative Provision that can be used flexibly will have a positive impact on young people. It will mean that schools can maintain young people on their roll and ensure the young people remain part of the school community, even if the young people are not physically in school five days per week. The positive impact of this will allow young people to retain relationships with teachers and peers in school and participate in events in school.

The impact of permanent exclusion on young people can be negative in terms of academic achievement and life chances into adulthood. Higher proportions of young people who have been permanently excluded rely on long term support from public services, have increased vulnerability and an enhanced risk of becoming involved with the criminal justice system.

The main implication of the changes to Alternative Provision (AP) models relate to transitional arrangements but also ensuring that young people receive the high levels of support and guidance required to ensure they participate fully. This will be mitigated by transitional funding, careful planning for any changes, work with ISOS on new models, phased transition to the new models, ongoing engagement with schools, young people and parents/carers and careful review during and following implementation of changes. The overall development of the continuum of need will also provide mitigation.

In addition for young people with an EHCP the Council has a statutory duty to make the provision contained in that plan and for those young people who are permanently excluded there is a statutory duty on the Council to provide education. In the future positive impact has been identified in relation to the continuum of need which will be developed as part of the Strategic Plan in relation to the protected characteristics of age, disability and sex.

Following the consultation the Council has taken action to amend the original proposal to ensure that there is further time to develop the new models for AP in localities. The Council has also proposed to commit 50% of the discretionary funding to the Pupil Referral Service (PRS)/AP provision until September 2020 to ensure establishments remain financially stable. (PRS also have reserves that can offset reductions to the discretionary funding). The Council remains of the view that there is a need to provide a more flexible range of AP that will support schools to personalise the learning for young people on their roll who are struggling with a traditional curriculum. The Council has heard that young people want us to ensure any new models provide high levels of support, a curriculum range and the options of smaller groups as these are important for success. If approval is given for this proposal the Council will work closely with secondary and PRS heads to finalise the plans for localities by the end of the summer 2019 with implementation actions taken from September 2019 for delivery in September 2020.

- In respect of 3) Implementation of guidance 600 hours of education for post 16 students:

The Council will continue to meet its statutory duties to meet the needs of the young person regardless of whether a decision is taken to fund Special Educational Provision post 16 at the national guidance level.

From September 2019, where a young person has a five day package, this will be funded 2/5 by Adult Social Care and 3/5 by Education. The caveat is that the Council ultimately accepts responsibility for the EHCP as per the Children and Families Act 2014 and the Code of Practice and would ensure that identified needs and provision over five days were supported by appropriate funding regardless of the source of the funding. Implementation work will continue with Health and Adult Services over coming months to

ensure the Council is compliant both with the Children and Families Act 2014 and the Care Act 2014, putting into place well planned and co-ordinated packages and transitions for this group of young people.

- 7.7.6 Recognition of the need for real change has galvanised a strong partnership with a strategic focus on making real and targeted improvement to the lives and learning outcomes for children and young people who live and learn on the North Yorkshire coast. This has resulted in the Scarborough Pledge which is dedicated to having a positive impact on the life chances for children and young people in the area, and empowering them to achieve the best for their futures.
- 7.7.7 The Scarborough Pledge has identified a number of key priorities which are being addressed through project based initiatives and supported by significant funding from the Council. Central to the Pledge is the need to recruit and retain good teachers into our coastal schools by ensuring those wishing to start or develop their career in this area understand and appreciate the positive challenge and the reward and the support they will receive.
- 7.7.8 Reductions to funding to support homeless people are being mitigated by ongoing work to co-produce a redesigned service with the District and Borough Councils. This is with the aim of ensuring that best use is made of the resources available to mitigate the impact of having less resources available. Services for the most vulnerable – those with mental health issues, victims of domestic abuse and complex housing accommodation needs - have been protected.
- 7.7.9 The North Yorkshire Local Assistance Fund has been established to give one-off, practical support for vulnerable people and families under exceptional pressure. Awards are goods in kind, not cash, and do not have to be repaid. A dedicated team within Health and Adult Services also support people to ensure that they maximise their incomes.
- 7.7.10 The Council commissions practical and strategic support to voluntary and community organisations and volunteering from Community First Yorkshire. This helps support the needs of the wider voluntary and community sector, much of which provides support and prevention services for vulnerable members of our communities.

7.8 Protected characteristics

- 7.8.1 **Appendix I** is a summary based on findings of EIAs carried out for specific proposals. It provides background information about the profile of the county and notes other factors likely to affect specific sections of the community. It then highlights any anticipated adverse (6% of total impacts) or mixed impact (5% of total impacts) for each group and notes steps taken to minimise impact. Where proposals are not specifically referenced, impacts are anticipated to be positive (15% of total impacts) or neutral (74% of total impacts). (NB. Percentages are rounded)
- 7.8.2 A number of other projects are also being progressed which aim to increase efficiency and improve customer experience. These projects are not intended to make cash savings in 2019/20 and therefore are not included in the information provided in **Appendix I**.

7.8.3 Specific details of how individual proposals have been adjusted to minimise impact and promote equality are set out in the EIAs for individual proposals which can be found at <https://www.northyorks.gov.uk/equalities-assessment-and-consultation>

7.8.4 Members are required to read the individual EIAs to inform their decision making and ensure legal compliance with the public sector equality duty under the Equality Act 2010.

8.0 Other Statutory Requirements Relating to Budget Setting

Local Government Act 2003 - Section 25

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

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

8.2 The County Council then has a statutory duty to have regard to this report from the Section 151 Officer when making its decision about the proposed Budget and Precept (see **paragraph 8.17** below for the Section 25 opinion of the Section 151 Officer).

8.3 There have been well documented financial pressures in a number of councils across the country, notably at Northamptonshire County Council. As a result, a further review has taken place as part of this year's Budget / MTFS process which has involved comparing this Council's financial position with that of Northamptonshire as described in the Best Value Inspection report conducted in January – March 2018. Further information on this is set out below in **paragraphs 8.12 to 8.15**.

Robustness of the estimates

8.4 The Corporate Director, Strategic Resources, as Section 151 Officer, has undertaken a full assessment of the County Council's anticipated potential financial risks in 2019/20 (**Appendix J**) and the subsequent period up to 2021/22 as far as that is possible, including:

- the realism of the Revenue Budget 2019/20 estimates for
 - price increases (including provision for possible currency fluctuations resulting from Brexit)
 - fee / charges income
 - loss / tapering of the remaining specific grants and / or changes to their eligibility requirements
 - provision for demand-led services
 - the financing costs arising from the Capital Plan. The existing policy decision to establish a cap (proposed to continue in 2019/20 at 10% elsewhere on the Executive's agenda) on the level of capital financing charges as a proportion of the annual Net Revenue Budget provides additional assurance on this aspect of the Budget

- the impact of current and forecast interest rates on the expected returns from investment of cash balances
- the probability of achieving the necessary savings targets required to minimise any further likely drawdown on Reserves / Balances
- the realism of the Capital Plan estimates in light of
 - the potential for slippage and underspending of the Capital Plan
 - the possible non-achievement of capital receipts targets and its implications for the funding of the Capital Plan
- financial management arrangements including
 - the history over recent years of financial management performance including delivery / non-delivery of savings programme
 - the impact on current financial management arrangements of the budget savings required on management within services, and in finance and related functions across the Council, whilst at the same time retaining a capability to help achieve the necessary saving targets across the County Council as a whole
- potential losses, including
 - claims against the County Council
 - bad debts or failure to collect income
 - major emergencies or disasters
 - contingent or other potential future liabilities

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

- the provision of a contingency fund in the Corporate Miscellaneous budget
- specific provisions in the accounts and in earmarked reserves
- a commitment to maintain the level of the General Working Balance at its policy target level of £27m.
- a Local Taxation Equalisation reserve to smooth surpluses and deficits from billing authorities' Collection Funds.
- A Corporate Savings Contingency in the event of non-delivery of savings
- comprehensive insurance arrangements using a mixture of self-funding and external top-up cover

8.6 Estimates used in the Budget for 2019/20 are also based on pragmatic assumptions, taking into account:

- future pay and price increases across all services
- anticipated further reductions in both specific and general grants
- the impact of the economic situation on future interest rates, the Council Tax taxbase, District Council Collection Fund surpluses and deficits, (including the impact of reduced Council Tax Benefit funding) and the future levels of Business Rates collected in North Yorkshire
- policies and priorities as expressed in the Council Plan and associated Service Plans
- best estimates of continuing funding streams for services, particularly that of adult social care (i.e. Better Care Fund)

- commitments in terms of demand for services (e.g. EHCPs, adult social care, safeguarding of children, adverse weather on highways)
- 8.7 Whilst these estimates are based on pragmatic assumptions, some elements are inevitably subject to change. This change is likely to increase as the time horizon extends. As identified in this report, not all of the estimated recurring savings target has yet been met with proposed savings although there are some high level areas identified that will require further work. Given the many uncertainties in the international and national political and economic environment it is inevitable that there will be many areas of high estimation and uncertainty which will require constant re-calibration.
- 8.8 The Council has traditionally operated on a basis of cash-limited budgets for each Directorate. This has proven to not be possible in the financial year of 2018/19 as CYPS has, in particular, exceeded its revenue budget largely as a consequence of the number and costs of EHCPs. Growth has therefore been built into both CYPS and HAS budgets to try and contain such levels of demand and robust monitoring of demand is in place with the intention that directorates do manage within overall budget. The risk remains, however, that further overspends occur and contingencies within individual directorates have been deliberately eroded so they are managed at corporate level as a response to austerity.
- 8.9 These cost pressures and variances are monitored on a regular basis and reported, alongside other key performance information, to the Executive on a quarterly basis. The Budget process also provides an annual opportunity to comprehensively review and recalibrate the future years within the MTFs. These monitoring processes have been, and will continue to be, critical in identifying the progress of the County Council in achieving the savings targets that underpin the proposed MTFs.

Adequacy of Reserves and Balances

- 8.10 Whilst the Council has a good track record on delivering planned savings and has managed well within overall budget over recent years, delivery has proven more challenging in the last three years and there has been overheating in both CYPS and HAS. The availability of “one-off” funding from Reserves and Balances is therefore of crucial importance to support the in-year budget.
- 8.11 The added uncertainty for future council funding also means that there is greater merit in ensuring an adequate level of Reserves and Balances. The Council has a robust reserve policy and maintains both unallocated and earmarked reserves to manage risk and investment.
- 8.12 It should be noted that this report recommends investment of a further £360k in order to fund an additional year of Members’ Environmental Locality Budgets and a further £1m to support development of the Beyond 2020 Programme. The level of Reserves and Balances has also ensured that the Council has been able to invest in a host of other initiatives / projects:-
- superfast broadband
 - highway maintenance
 - extra care provision
 - coastal erosion schemes

- technology and property for council staff
- locality budgets for Councillors
- Kexgill highways major scheme

Comparison with Northamptonshire County Council Best Value Inspection

8.13 Northamptonshire County Council were subjected to a Best Value Inspection in January to March 2018 following government intervention as a result of the parlous state of their finances. They were also issued with two separate section 114 notices from the then section 151 officer which required the Council to urgently consider savings options and to cease all but urgent expenditure. North Yorkshire County Council's finances are in a much different position to that of Northamptonshire but it is a healthy exercise to ensure that lessons are learned and signs of danger are heeded – complacency can be the start of a slide into financial malaise.

8.14 The Best Value Inspection's findings have been interpreted and grouped together into themes by NYCC officers. The key findings are outlined below with further detail, including the s151 officer's judgement on how the Council compares, provided at **Appendix K**.

i) Leadership & Culture

There was little corporate sense of leadership nor the right culture to make robust decisions on resources. Management and leadership were too distracted by design issues and these were both too complex and did not cross-reference to the medium term financial plan. A culture of overspending became entrenched with no sanctions made for failure. Members were sometimes refused access to information and scrutiny levels were generally poor.

ii) Savings Plans

There was too much use of one-off monies to plug recurring budget shortfalls and the savings programme lacked organisation to achieve target savings and ensure value for money.

iii) Financial Management

There was weak budgetary control and inadequate scrutiny of budgets, including overspendings not reported to their Cabinet. Savings that failed to be achieved were left in the MTFS but without clear plans of how they would be delivered and similarly there was limited evidence of robust recovery plans for overspendings. Because of a shared service arrangement no finance staff reported directly in to the Section 151 Officer.

iv) Financial Standards

A Section 114 notice was issued as they were unable to balance the budget in year. Their External Auditor also issued an Advisory Notice in particular highlighting the failure to deliver planned savings, the over-reliance on one-off or short term funding and the inability to ensure sustainable financial decisions were taken.

- 8.15 As can be seen from the analysis in **Appendix K**, the only area where there is some question as to whether the Council has similar characteristics is around the effectiveness of budget monitoring. This is not to say that monitoring is ineffective but that areas of pressure and demand are increasing and there is a need to ensure vigilance and sound monitoring of operational activity across the organisation so issues are captured in sufficient time for effective corrective action to be taken.
- 8.16 Overall, various factors indicate that the Council has a relatively high level of financial resilience:
- The County Council currently has a reasonable level of reserves relative to its revenue expenditure, although these are forecast to reduce significantly over the MTFS period if other funding or further savings are not identified;
 - The County Council has maintained a relatively high level of budget provision for services outside of demand-led services (such as social care) meaning it has more flexibility to potentially identify further savings;
 - The external auditor has given unqualified conclusions on the County Council's arrangements to secure value for money in previous years. This means the auditor is satisfied that NYCC had appropriate arrangements for securing economy, efficiency and effectiveness in the use of its resources.

Section 25 opinion of the Corporate Director, Strategic Resources

- 8.17 Taking all of these factors and considerations into account the Corporate Director, Strategic Resources is satisfied that the:-
- i) estimates used in the Revenue Budget 2019/20 are realistic and robust and that the associated level of balances / reserves is adequate within the terms of the proposed revised policy.
 - ii) associated level of balances / reserves for the MTFS period is adequate within the terms of the proposed revised policy **as long as there is an on-going approach to develop a savings plan that will provide the basis for addressing the residual savings gap and any further shortfalls that may arise, particularly in light of limited future knowledge about funding levels.**
 - iii) high level estimates used in the projections for the MTFS beyond 2019/20 are as realistic as can be assessed at this stage given the government has not committed to levels of funding for local government beyond 2019/20. **This short-term planning horizon gives rise to greater uncertainty but an increased need for longer term local financial planning.** As in recent years, the **decisions taken for 2019/20 and beyond need to be seen in the context of an on-going decline in funding, probably to 2023/24 if not further, in order to ensure that decision making is optimised.**

9.0 RISKS

- 9.1 The Corporate Risk Register is attached as **Appendix L**. It is, however, appropriate to consider a more detailed range of risks at this stage which could adversely impact upon the Council's Budget / MTFS.

9.2 **Appendix J** sets out some of the key financial risks and a ready reckoner to quantify certain potential financial impacts. This should not be regarded as exhaustive due to many national and local uncertainties.

9.3 A brief summary of the key risks is identified below:-

Delivery of existing savings programme – in recent years the Council has seen an increasing number of savings areas that have been reduced / cancelled / re-profiled. This is little surprise as more challenging savings proposals are produced. As a result this year's Budget / MTFS has continued with a "savings confidence factor" which estimates the impact of some non-delivery of savings proposals. This provision has been increased from £5.5m to £7m in this year's Budget / MTFS (but still only equating to 18% of the total amount of recurring savings still to be delivered in the MTFS).

Inability to identify further savings – the residual savings gap will need to be filled and that is why further areas of opportunity are being pursued. Failure to identify further savings will result in an increased reliance on the use of reserves beyond 2020 and this is not a sustainable position. The alternative is to make reductions to budgets with impacts upon service standards. The medium term strategy therefore provides for a planned approach which reduces this risk.

Further government grant reductions – whilst the Council will receive zero Revenue Support Grant from April 2019 onwards, the government could still reduce ring-fenced grants or business rates levels. Future changes cannot therefore be discounted.

Unfunded additional responsibilities – the government may transfer new responsibilities to local government without the required funding. In the past the Council has not fared well when public health and concessionary fares were transferred with funding cuts from the start and the introduction of EHCPs did not bring any new burdens funding but it is clear now that the extra costs are very significant.

Financial assumptions – the MTFS includes assumptions around council tax levels and base; business rates levels; pay; and inflation (including cost of care exercise). Brexit negotiations and the eventual terms of the EU exit will all have impacts upon currency exchange rates (as will the speculation in the interim) which are likely to impact upon prices.

Impact of Brexit on supply chain – it remains unclear what short term impact there will be on the Council in a post EU environment. There are, however, risks that suppliers of services with significant exposure to workers from the EU and / or currency fluctuations will seek to recover additional costs from customers including the Council. It is clearly extremely difficult to assess the impact with any precision and provision has therefore been made within the Budget / MTFS for £3m in 2019/20 which then reduces to £1.5m in 2020/21 (zero in 2021/22) for any unavoidable and unfunded extra costs.

Demand for services – certain services such as children's social care, EHCPs and adult social care will continue to be pressure points and the profile of such services can also be subject to national news and events.

Legal challenge – savings proposals may be subject to legal challenge from third parties resulting in delays, expense and potentially ceasing implementation of some proposals.

Health & Social Care – this issue is picked up in greater detail earlier in the report (**paragraphs 3.4.2 to 3.4.11**). This issue remains a high risk and high profile area. The continuation of the various strands of the Better Care Fund are essential to avoid a local and national crisis. The Social Care Green Paper is also eagerly awaited as a sustainable social care system remains essential both for the Council's finances; for effective whole systems working with the health sector; and not least for the benefit of service users.

Schools / DSG – more schools are now operating with deficit budgets and the aggregate level of school balances is forecast to be fully deployed in the next two years. In addition, the recently implemented school funding arrangements result in more prescription on how DSG can be used for funding Council services which the Schools Forum has previously supported. There is currently circa £5m of Council service which is funded by DSG and any erosion will simply provide the Council with further financial challenge.

Emergencies / incidents – greater incidents such as flooding and severe winters will incur additional costs which it is simply not possible to predict.

- 9.4 In some cases there is the ability to mitigate the financial impact (e.g. using GWB to fund unexpected expenditure incurred on emergencies) whilst in other areas it is simply necessary to plan and continuously review the Council's assumptions and respond accordingly.

10.0 DELEGATION ARRANGEMENTS

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

11.0 CONCLUSION

- 11.1 The Council has made savings totalling £157.4m since the start of austerity. The vast majority of these savings have been made without detriment to frontline services. It is estimated that there is a further year on year savings requirement of £40.3m up to the end of 2021/22. This report includes savings proposals which total £26.3m, leaving a residual savings gap of circa £14.0m per annum.
- 11.2 Work will continue through the Beyond 2020 Programme to identify additional savings proposals as the current residual savings gap will result in the need to use £29.1m of reserves over the life of the MTFS to balance the budget.
- 11.3 This Budget / MTFS reflects a significant increase in demand for services notably Special Educational Needs & Disability, SEN Transport and Adult Social Care. £23.3m of additional funding need has been provided for in this Budget / MTFS to

reflect this additional demand (£19.3m of which was not previously included in last year's MTFS).

- 11.4 The report assumes that council tax is increased by 4.99% in 2019/20. This represents an uplift on the council tax base of 2.99% for general council tax and an additional 2.00% for the final year of the adult social care precept.
- 11.5 The future of the Council's finances beyond 2019/20 remain deeply uncertain. A Spending Review is due sometime in 2019 and the Council, along with others, has a high dependency upon various and complex funding streams for adult social care; a woefully inadequate level of High Needs funding to support the rise in demand for SEND; and, delivery of an ever increasingly difficult savings programme.

12.0 RECOMMENDATIONS

- 12.1 That the Executive recommends to the County Council:
- a) That the Section 25 assurance statement provided by the Corporate Director, Strategic Resources regarding the robustness of the estimates and the adequacy of the reserves (**paragraph 8.17**) and the risk assessment of the MTFS detailed in **Section 9** are noted.
 - b) That, in accordance with Section 42A of the Local Government Finance Act 1992 (as amended by Section 75 of The Localism Act 2011), a Council Tax requirement for 2019/20 of £305,852,694 is approved and that a Council Tax precept of this sum be issued to billing authorities in North Yorkshire (**Section 3.3** and **Appendix C**).
 - c) That, in accordance with Section 42B of the Local Government Finance Act 1992 (as amended by Section 75 of The Localism Act 2011) a basic amount (Band D equivalent) of Council Tax of £1,311.16 is approved (**paragraph 3.3.10** and **Appendix C**).
 - d) That a Net Revenue Budget for 2019/20, after use of reserves, of £382,018k (**Section 4.0** and **Appendix F**) is approved and that the financial allocations to each Directorate, net of planned savings, be as detailed in **Appendix B**.
 - e) That in the event that the final Local Government Settlement results in a variance of less than £5m in any single year then the difference to be addressed by a transfer to / from the Strategic Capacity Unallocated Reserve in line with **paragraph 3.2.8** with such changes being made to **Appendix D** as appropriate.
 - f) That the Corporate Director – Children and Young People's Service is authorised, in consultation with the Corporate Director, Strategic Resources and the Executive Members for Schools and Finance, to take the final decision on the allocation of the Schools Budget including High Needs (**paragraph 3.4.16**).
 - g) That £360k is provided for Members Environmental Locality Budgets in 2019/20 in line with **paragraph 3.9.2**.

- h) That a further £1m is provided to fund the on-going 2020 North Yorkshire Programme and its emerging successor (Beyond 2020 Programme) in response to the need to plan for further savings proposals as set out in **paragraph 3.9.3**.
 - i) That the Medium Term Financial Strategy for 2020/21 to 2021/22, and its caveats, as laid out in **Section 3.0** and **Appendix F** is approved.
 - j) That the Corporate Director – Business & Environmental Services is authorised, in consultation with the Executive Members for BES, to carry out all necessary actions, including consultation where he considers it appropriate, to implement the range of savings as set out in **Appendix A1 (BES 1 to 7)**.
 - k) That the Corporate Director – Health and Adult Services is authorised, in consultation with the Executive Members for HAS, to carry out all necessary actions, including consultation where he considers it appropriate, to implement the range of savings as set out in **Appendix A1 (HAS 1 to 17)**.
 - l) That the Corporate Director – Children and Young People’s Services is authorised, in consultation with the Executive Members for CYPS, to carry out all necessary actions, including consultation where he considers it appropriate, to implement the range of savings as set out in **Appendix A1 (CYPS 1 to 7)**.
 - m) That the Chief Executive is authorised, in consultation with the Executive Members for Central Services, to carry out all necessary actions, including consultation where he considers it appropriate, to implement the range of savings as set out in **Appendix A1 (CS 1 to 17)**.
 - n) That any outcomes requiring changes following **Recommendations j), k), l), and m)** above be brought back to the Executive to consider and, where changes are recommended to the existing major policy framework, then such matters to be considered by full County Council.
 - o) That the existing policy target for the minimum level of the General Working Balance is retained at £27m in line with **paragraphs 3.6.4 to 3.6.5** and **Appendix E**.
 - p) That the attached pay policy statement (**Appendix H**) covering the period 1 April 2019 to 31 March 2020 be approved as set out in **Section 6**.
 - q) That the recommendation of the Chief Officers Appointment and Disciplinary Sub Committee to combine current grades Director 2 and 3 into a single grade be approved as set out in **Section 6** and as incorporated within **Appendix H**.
- 12.2 That the Executive notes and agrees the delegation arrangements referred to in **Section 10** that authorise the Corporate Directors to implement the Budget proposals contained in this report for their respective service areas and for the Chief Executive in those areas where there are cross-Council proposals.

12.3 That the Executive have regard to the Public Sector Equality Duty (identified in **Section 7** and **Appendix I**) in approving the Budget proposals contained in this report.

RICHARD FLINTON
Chief Executive

GARY FIELDING
Corporate Director, Strategic Resources

County Hall
29 January 2019

29 January 2019

**SCHEDULE OF APPENDICES TO MEDIUM TERM FINANCIAL STRATEGY 2019/20 TO
2021/22 & REVENUE BUDGET FOR 2019/20**

Appendix	Title	Section Colour
A	<u>Savings Schedule:-</u>	Cream
A1	Directorate Savings	
A2	Changes to Existing Savings Proposals	
B	Directorate Spending Analysis	Lilac
C	Calculation of Council Tax Requirement	Mid Green
D	Reserves Schedule	Light Blue
E	Reserves & Balances Policy	Buttercup
F	Summary of 2019/20 Budget and MTFs to 2021/22	White
G	Budget Consultation	Pink
H	Pay Policy Statement	Dark Blue
I	Equalities Impact Assessment	Mid Green
J	Risk Assessment	Mint
K	Northamptonshire Comparison	Orange
L	Corporate Risk Register	Lilac

Beyond 2020 Programme

The Council has a strong record of delivering innovative and ambitious objectives through the sustained period of austerity. Despite our track record, the budget challenges facing the Council in terms of increased demand and lower spending power are significant.

Following a decade of austerity and a near 40% reduction in the Council's spending power, there is little scope left for delivering easy efficiencies. Maintaining a strong financial grip on the organisation requires a relentless focus on service delivery, innovation and forward planning.

It is important that we leave no stone unturned in the pursuit of customer focus and more cost effective service delivery. Our approach operates at all levels in the organisation, from strategic through to operational service and team.

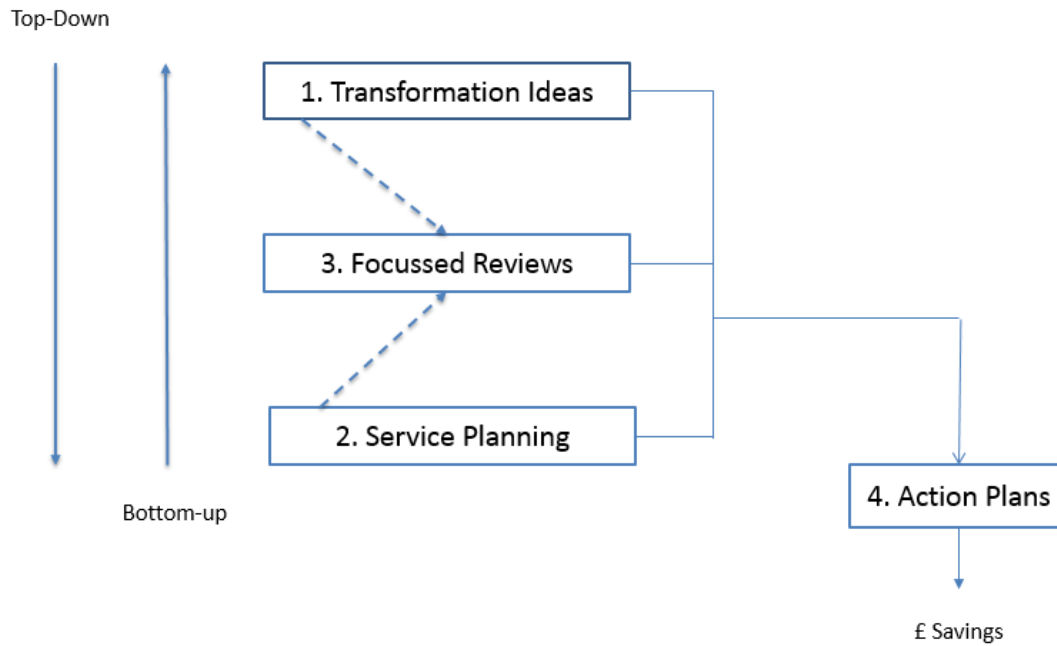
The 2020 North Yorkshire Programme has served the Council well and continues to set out relevant principles that underpin the Council's approach to change. These principles will therefore continue but, as we approach 2020, it is important that we look forward further to Beyond 2020. A Beyond 2020 Programme is therefore being developed and the high level approach is set out below:-

At each stage we test service delivery against four defined and customer focussed considerations;

- **Demand management** – can we deliver better customer outcomes by working differently with partners, communities and individuals to be more resilient and avoid the need for services? Where services are required are they delivered at the most appropriate level to meet customer needs?
- **Assessment gateway** – can we make our processes more customer focussed and effective by supporting the most vulnerable people to access the right community or partner services to meet their needs, prior to or following contact with the Council?
- **Professional decision making** – can we be more cost effective at delivering the most appropriate outcomes to meet customer need?
- **Overall efficiency of process** – can we deliver better customer outcomes and reduce wasteful effort by improving our ways of working, systems and procedures?

Whilst maintaining financial grip is critical, we have to manage our efforts within finite resources. Therefore, our approach is targeted around areas of greatest opportunity or risk whilst a more robust and universal approach to service planning ensures every part of the organisation contributes.

In order to provide further definition we have structured our budget, service and performance planning around 4 key areas of activity as set out in the Table below:-



1 Transformation ideas – Targeted, top down

A number of key themes have been identified which are to be explored further based upon research. This research cuts across service areas and provides consideration of opportunities for delivering innovative new ways of working.

Research will test the North Yorkshire operating context against class leading peers nationally and internationally and provides the basis for learning from the very best.

2 Focussed Reviews – Initially targeted moving to universal

Focussed reviews provide precise and data led approaches to reviewing processes across the organisation. Reviews use research on how the class leading peers deliver services, detailed analysis of North Yorkshire data and process mapping.

Reviews are delivered by a core central team who work with services to provide an objective view of improvement opportunity, including process redesign and revised performance and financial models.

Initially, reviews are targeted at areas of overspend or poor performance but, it is envisaged, will eventually provide universal coverage of all services on a 3 year rolling cycle.

3 Service Planning – Universal, bottom up

A strengthened, more rigorous approach to service and team planning has been developed which has built upon the process carried out during 2018 which gave rise to many of the savings proposals contained within this Budget / MTFS report. The revised approach

provides services and teams with the opportunity to bench mark their performance and spend against that of peers.

Financial and performance data is collated by a central team using national, statutory data sets to compare North Yorkshire performance with that of peers. Services use this data to identify high performing peers from whom learning can be applied to improvement plans locally.

Service planning now incorporates multi-year medium term financial planning targets, improving transparency and strengthening the relationship between spend, performance and improvement activity. It is expected that savings from operational activity will be identified in this approach.

Utilising benchmarking data, Management Board scrutinise plans to ensure appropriate challenge is applied to financial and performance proposals.

4 Action Plans - Planning & Delivery

The Council has a well-developed approach to governing the delivery of savings and improvement activity, through its budget planning, programme and performance management arrangements. Proposals set out in this paper will be managed through these tried and tested existing governance arrangements although it should be noted that additional (and harder to deliver) areas of activity will mean that there is a need to prioritise alongside existing areas of activity.

It is intended that a fuller Beyond 2020 Strategy is produced during 2019 which will further develop the thinking identified above and incorporate the existing 2020 North Yorkshire Programme. In the meantime, the savings proposals for 2019/20 to 2021/22 are set out in the remainder of this Appendix.

Savings proposals for Business and Environmental Services (BES) directorate

Introduction

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

Proposals

Throughout 2018/19 the Directorate began to successfully deliver on a number of planned initiatives, including phase 1 of the accelerated installation of LED street lights and introduction of street works permitting. Whilst both of these projects are delivering to their respective planned targets, they continue to require close monitoring arrangements to ensure the business case benefits are fully realized.

Alongside this, the Directorate have investigated and reviewed further opportunities to deliver further savings for the MTFS period.

Highways & Transportation

The H&T savings are made up of a number of initiatives:

- Continue with phase 2 of the accelerated installation of LED street lights; this will enable delivery of the further £1m p.a. savings proposed in the BES plan – a full £1.3m p.a. saving over the life of the project.
- Developer's "One Stop Shop" – a project to establish the feasibility of a 'one stop shop' facility where a suite of chargeable services would be available to developers. This suite would include the offer of a design and build service for improvement schemes linked to a particular development.
- Continue with the implementation of street works permitting to improve quality and timeliness of utility works on the highway. The effective introduction in 2018/19 has allowed for the proposed savings to be accelerated in 2019/20.
- Review of various aspects of winter maintenance, including a proposed delay to the start of full winter service delivery; beginning two weeks later in mid-October each year. The provision of standby cover during the earlier period in October, will enable savings without increasing the risk to service delivery. In addition there will be a review of salt heaps to identify efficiencies.
- A range of other smaller efficiency savings continue to be explored within the service.

Waste Management Services

The focus of the service has been on development of the Allerton Waste Recovery Park and associated benefits. As such there are future opportunities included in the BES plan for working alongside Yorwaste.

The proposal to reduce the amount of recycling credits paid to Districts and Borough Councils for the collection of green waste has been reviewed with the expectation for savings to be achieved in 2019/20.

Options are also being considered to improve recycling performance in household waste recycling centres and within the waste collection system.

Integrated Passenger Transport

Having experienced a trend of reducing demand on the concessionary fares budget, the base budget for the service was reviewed relative to the expected level of future demand. As such there was opportunity to reduce the budget without impacting on the quality and availability of the service currently provided. The expected saving for 2018/19 was achieved and further reviews identified more opportunities to further reduce the budget.

Other initiatives are being explored to improve efficiency of service delivery and review services provided through the Council's own subsidy.

Further Savings

A number of ideas continue to be developed to a position where a decision can be made, most of these ideas will require an upfront investment and therefore full analysis has to be undertaken prior to any decision being reached.

Business & Environmental Services

Project No.	Savings Area	Description	2019/20 £000	2020/21 £000	2021/22 £000	Total £000
Highways & Transportation						
BES 1	Highways	Various Highways & Transportation initiatives including streetworks coring, developer's one-stop shop and other efficiency gains.	640	128	0	768
BES 2	Highways	A range of initiatives to help improve the efficiency of the winter service.	150	150	30	330
BES 3	Highways	Accelerated LED street lighting project (phase 2 savings profiled across 2019/20 and 2020/21).	500	500	0	1,000
Transport, Waste & Countryside Services						
BES 4	Waste Services	Various Transport, Waste & Countryside Services initiatives including reviewing disposal of hazardous household waste and reviewing the assumptions in the previous MTFS for 'Teckal' income.	500	0	0	500
BES 5	Waste Services	Reduction of recycling credits paid for collection of green waste by District and Borough Councils.	890	0	0	890
BES 6	Integrated Passenger Transport	Various initiatives including the refresh of the budget assumptions in the MTFS in respect of reduced demand for concessionary fares.	590	0	0	590
Growth, Planning & Trading Standards						
BES 7	Planning Services	Develop further commercial opportunities to generate income to offset service reduction.	10	0	0	10
			3,280	778	30	4,088

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

Introduction

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

- Good and outstanding educational provision liberates individuals and can change the nature of both individual trajectories and communities;
- The Council, whilst maintaining a strategic overview of educational outcomes, recognises the evidenced improvement made through collaborative, sector led arrangements;
- Families need to have access to high quality information advice and guidance including web-based advice;
- High quality whole family interventions are increasingly provided through early help to those needing more targeted prevention to prevent those problems escalating;
- We continue to protect the provision of care and protection for those with higher level needs; and
- We aim for children to live safely with their families within communities but, where care is needed, that high quality provision should ideally be family based and more locally available.
- We continue to seek further integration across services and opportunities to enhance partnership working and commissioning;
- We continue to seek opportunities for creative shared use of existing buildings.

Proposals

The proposals are informed by the previous transformation of delivery arrangements for services but also recognise opportunities to provide more integrated services.

In developing proposals, we have continued to give priority to key statutory responsibilities to those children and young people who are at risk of harm and/or in need of care and protection.

Children with special educational needs

In September 2014, the **Children and Families Act** introduced new arrangements for assessing and supporting children with special educational needs and disabilities. Whilst this was broadly welcomed, the impact of the legislative change has been to bring greater expectation on local authority resources. Since 2014, the number of children and young people assessed as requiring Education, Health and Care Plans (EHCPs) has risen by over 50%. This is an unfunded burden and places additional financial pressure on services funded through the High Needs Block of the ring-fenced Dedicated Schools Grant. This includes alternative provision, funding for Special Schools and other inclusive education support services. Although some council resources have been identified to assist with this pressure, it is necessary to take

a transformative approach to deliver high-quality and financially sustainable services. A number of proposals have been consulted on during Autumn 2018 and, subject to approval of final proposals, will be implemented in 2019/20. These include: (i) post-16 and post-19 600 guided learning hours, (ii) transformation of PRS funding arrangements, and (iii) replacement of the CAN-Do Resource Allocation System (RAS) with a banded hours system for allocating top-up funding to mainstream and special schools in respect of children and young people assessed as requiring an EHCP.

The increase in EHCPs also significantly impacts on the cost of providing home to school transport.

In September 2018, the Council approved a Strategic Plan for SEND. Linked with this, the local authority continues to develop a systemic review across all areas of SEND including reducing the need for statutory assessment, building capacity in schools and confidence of parents/carers together with ensuring the right educational provision is in the right place to ensure children can be educated locally without the need for extensive travel.

Children and Families

We have set challenging targets for **reducing the numbers of children in care**. This is an ambitious challenge which reflects our values and principles in supporting children to remain at home or with family, where it is safe to do so. The approach seeks to safely reduce the unit cost of care in order to meet the savings target. This should not impact upon either the rigour of our child protection arrangements or the quality of care provided for those that we have assessed as requiring it.

We have been successful in several national innovation bids which now see a transformation in delivery arrangements for adolescents with some of the most complex needs. Early help services and integrated working will come into effect from March 2019 which will prioritise the delivery of statutory services, strengthen locality arrangements and relentlessly focus on improving and maintaining good practice. This will provide a solid foundation for a review of the delivery model for the Virtual School and a fundamental review of the accommodation pathway for young people presenting as homeless.

Further savings are expected to be achieved through further efficiencies following a post-implementation review of Youth Justice Services.

School improvement and the role of the Local Authority in Education

Our School Improvement service is expected to operate within a smaller core funding envelope. This recognises that the strategic role of the local authority, in monitoring and oversight of education outcomes for children and young people throughout the county – and in all educational settings – is still relevant and vitally important. Further savings from a streamlined core service are anticipated, but the reach and quality of additional services will be secured through increased trading.

Our aim remains to ensure that every child in North Yorkshire has the chance to be educated in a good or outstanding school.

Children & Young People's Service

Project No.	Savings Area	Description	2019/20	2020/21	2021/22	Later Years	Total
			£000	£000	£000	£000	£000
CYPS 1	Assessments and Supporting Families	Post-implementation review of the effectiveness of a new model of delivery for Youth Justice. Review of the Safeguarding Unit.	106	60	0	0	166
CYPS 2	Support for school improvement and early years	Review of the School Improvement Service to define and deliver a core offer for North Yorkshire schools to meet statutory obligations and ambitions for support and monitoring of schools to ensure high quality educational provision for all children.	500	210	0	0	710
CYPS 3	Other school and LA support services	Review of a range of strategic LA functions including school place planning, pension provision, and a contribution for overheads.	81	66	141	0	288
CYPS 4	Early Years & 0-19 Health	A full review of all 0-19 Health-related services coupled with a system-wide review of all services impacting on 0-5 age ranges.	-15	0	0	0	-15
CYPS 5	SEND & Mainstream Transport	Implementation of proposals to introduce greater opportunities for families to receive personal transport allowances, to change post-19 transport arrangements for young people with special educational needs and disabilities, and introduction of 16-19 charging to bring charging structures in line with mainstream transport provision. Further review of policy to identify efficiencies.	610	390	290	150	1,440
CYPS 6	Children and Families	Implementation of the Children and Families restructure aiming to achieve integrated working, efficiencies, streamlining the number of roles, and strengthening and streamlining management arrangements. Review of Virtual School and accommodation pathways.	600	150	500	500	1,750
Additional Projects							
CYPS 7	High Needs and SEN	Review and implementation of changes to the number of education-funded guided learning hours for post 16 and post 19 provision. Implementation of funding changes to Pupil Referral Service and Alternative Provision. Development of proposals to restructure the Inclusion service and review of specialist equipment funding arrangements.	1,009	241	305	0	1,555
TOTAL			2,891	1,117	1,236	650	5,894

*Please note later years figures are for illustrative purposes only and do not form part of the MTFS (which currently runs to 2021/22). The Savings relating to the MTFS period 2019/20 to 2021/22 are £5.244m.

Saving proposals for Health and Adults Services (HAS) directorate

Introduction

The Health and Adult Services directorate commissions and provides adult social care and public health services and leads on the Council's joint work with the NHS. Public Health is funded via a separate ring-fenced specific Grant from Government. The proposals set out here relate primarily to the social care element of the Council's budget.

Most people want to be supported to live at home and to use services at home, or as near as possible. They want to remain with their family, in their community and to contribute to the community and the economy. They also want information and advice, support for their carers and short-term services to get them back on their feet. To this end, a new model of social care has been introduced, focusing much more on prevention and keeping people as independent as possible, as well as providing long-term support where it is needed. The Council works with people who use services, carers, voluntary and independent sector colleagues and the NHS to deliver these services.

As part of this approach, we continue to expand our extra care housing provision across the County, with 22 schemes (over 1000 apartments) already in place and up to 10 more planned. We have invested in prevention through our Stronger Communities programme (which works with community groups and the voluntary sector) and our Living Well service. And we have developed our reablement service, working closely with the NHS, to help prevent unnecessary admissions to hospital and to support people back to independence following a hospital stay. We are also piloting new approaches to the use of digital technology to keep people well at home and to reduce social isolation. Moreover, we are implementing major changes to our social care practice, to an approach which is called "strength-based" practice: starting with what people's strengths are, how they can live independently and what support is available in the community.

Whilst significant savings have had to be made in social care over the past few years, the social care budget has had relative protection and now forms 43% of the entire Council budget. It is also important to note that the social care budget is also increased by growth of £3m per annum and is inflated for the cost of care and other pay / price increases. As a result, the cumulative impact is entirely consistent with the principles of the adult social care precept.

Proposals

Social Care Practice, prevention and reablement

A key part of our work will be to make sure that wherever possible, people's support needs are met through prevention and reablement services and, where needed, longer-term support. This covers a number of our current 2020 projects including the strength-based practice, which is the biggest change to adult social care practice in a generation. We will focus on making our practice more consistent and ensuring that reablement services across the County match the performance and outcomes of the

best teams in North Yorkshire. We will continue to develop and expand our Living Well service, including the roll-out into GP practices.

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

This programme accelerates the current work on replacing the Council's own EPH estate with Extra Care Housing to improve accommodation choices for people who need support including those with complex needs.

Support and prevention for homeless people

Whilst borough and district councils lead on housing services, the County Council also plays a role in contributing funding for vital services that support people who are homeless, facing housing problems as a result of long term illness or domestic abuse. It has been agreed that domestic abuse refuges, mental health supported accommodation and hostels for homeless people will be prioritised for funding and support. In addition, we will work with the boroughs and districts and wider partners to review the support provided to prevent homeless people where the County Council is a funding and service partner, with the aim of reducing duplication and providing better joined-up support which focuses more on prevention, mental health and the links between housing and social care.

Charges for Services

There are two areas where we are looking at which may increase the level of contributions made by people towards the cost of services. A public consultation is taking place on these between October 2018 and January 2019. They include:

- Development of a strategy for transport provision for people accessing adult social care including implementation of system to 'track and bill' for journeys undertaken to ensure accurate charging and collection and to reassess the proportion of transport costs paid by the Council and by individuals.
- The purpose of this project is to review charging policy to align it with the Care Act and strength-based approaches and ensure that appropriate personal contributions are made towards the total cost of care and support.

Charging in Extra Care

This project initially looked at introducing a banded charging system for providers in Extra Care Housing schemes, but following an appraisal of how this might be implemented, the focus moved towards ensuring consistency in charges made to residents to cover support costs within the schemes. Housing providers will implement this new approach on behalf of the Council.

New Projects for 2019 and beyond

The targets already agreed by the Council in 2018 have been increased by £3.9m, largely by looking at existing projects and investigating opportunities for further savings. These includes further efficiencies sought from our Extra Care/EPH Programme (including bringing forward changes to EPHs and starting new extra care

schemes if appropriate) and implementing phase 2 of the Strength-Based Approach to practice (Supported Living and Mental Health).

New projects have also been identified for:

- Reablement: review of the service to determine optimum capacity and service offer to support independence.
- Equipment: better managing demand within our joint contract with the NHS. We will ensure that better multi-agency governance and prescribing is in place before incurring costs and also that the apportionment of these costs is appropriate.
- Working practices in social care assessment: A pilot on streamlining working practices in Ryedale is expected to achieve efficiencies which can be rolled out across the county, with no impact on service quality.
- E-rostering – we will introduce e-rostering in Provider and Reablement Services to improve productivity
- Brokerage: we already provide a brokerage service to parts of the NHS and we intend to expand this service, on a cost-recovery basis, as well as reviewing the pathways between care assessment and financial assessment; and between financial assessment, brokerage and direct payments
- Welfare Benefits: ensuring that we have a cost-effective approach in identifying and helping the residents of North Yorkshire to take up all payments that they are entitled to.

Health & Adult Services

Project No.	Savings Area	Description	2019/20 £000	2020/21 £000	2021/22 £000	Total £000
HAS1	Care and Support Restructure	Funding allocated by government to support Adult Social Care pressures will be used to ensure that a robust staffing structure is in place to support the principles of the new operating model for care and support. This will ensure that the Directorate is able to work to ease financial pressures on the NHS as well as provide capacity to manage demand efficiently and reduce overspends within the service.	990	0	0	990
HAS2	Strength Based Assessments	We will have a greater focus on meeting people's support and recovery by using their strengths as well as community based assets, such as services run by community groups or voluntary sector partners, to meet their needs. We will also work with Health partners to deliver improvements in service delivery through integrated multi-disciplinary working. This project will have delivered £4m savings by 2019-20	311	0	0	311
HAS3	Extra care housing and EPHs	This project continues the Directorate's current work on its Extra Care Housing programme of ensuring that people can continue to live in their own homes within their localities whilst replacing its Elderly Person's Home (EPH) estate with Extra Care Housing to improve accommodation choices for people who need support including those with complex needs.	145	425	575	1,145
HAS4	Supporting People	This project aims to maximise existing work with partners and other agencies to minimise duplication through service redesign to review and reduce spend on identified non-statutory services. Domestic abuse and mental health services will be prioritised for protection.	742	250	0	992
HAS5	HAS Contracts Review	This piece of work reviews existing contracts aimed at delivering the Council's overall social care and public health offer on a value for money basis, and seeks small efficiencies in the various contracts providing non statutory support.	25	0	0	25
HAS6	Charging in Extra Care	This project initially looked at introducing a banded charging system for providers in Extra Care Housing schemes, but following an appraisal on how this might be implemented, the focus moved towards ensuring consistency in charges made to external providers residents to cover support costs. Agreement has been reached with providers and this means that the savings target will be achieved through this approach.	125	0	0	125
HAS7	Public Health	Cash-limiting Public Health Grant reductions.	600	0	0	600
HAS8	Transport	Development of a strategy for transport provision for people accessing adult social care including implementation of system to 'track and bill' for journeys undertaken to ensure accurate charging and collection and to reassess the proportion of transport costs paid by the Council and by individuals. A public consultation is taking place on this aspect between October 2018 and January 2019.	250	0	0	250
HAS9	Short Breaks	NYCC have a mixed approach to offering short breaks – this can be through a day service placement or residential respite placement or a direct payment. Provision is both in house and within the independent sector. There is evidence that the allocation of respite is not allocated based on assessed need but weighted in favour of certain client groups. There is some under utilisation of in-house provider services.	300	0	0	300
HAS10	Supported Employment	The Directorate has a single Supported Employment service offering support to people predominantly with a Learning Disability, Mental Health Issue or Physical Disability. This project will look at embedding the service within the prevention offer, with a full review of service delivery.	100	0	0	100
HAS11	Client Contributions	The purpose of this project is to review charging policy to align it with the Care Act and strength-based approaches and ensure that appropriate personal contributions are made towards the total cost of care and support.	100	0	0	100
	Additional Projects					
HAS2	Strength Based Assessments	Complete Strength-Based Assessment Phase 2 (supported living).	400	200	0	600
HAS2	Strength Based Assessments	Review SBA approach in supporting Mental Health (purchasing and residential placements).	0	110	120	230
HAS3	Extra care housing and EPHs	Improve management of sickness in Extra Care.	0	50	0	50
HAS3	Extra care housing and EPHs	Investigate potential for new programmes in addition to original scope.	40	60	60	160
HAS3	Extra care housing and EPHs	Look at the possibilities for new in-house provision as the main provider in extra care sites.	0	500	0	500
HAS3	Extra care housing and EPHs	Review of existing residential in-house provision with potential to bring forward closures where financial business case can be identified prior to replacement with the extra care programme.	0	0	200	200
HAS12	Reablement	Service review of Reablement to determine optimum capacity and service offer to support independence.	0	250	0	250
HAS13	Equipment	Equipment Contract Management - review of current contract and managing partnership arrangements with NHS.	302	0	0	302

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HAS14	Working Practices	Complete streamlining working practices innovation pilot in Ryedale and demonstrate improved efficiency of C&S operational practice. Investigate potential for countywide roll-out.	0	100	0	100
HAS15	Provider Services	Scope and deliver e-rostering solution for provider services.	0	150	0	150
HAS16	Brokerage	Look at potential for provision of brokerage services to partners.	0	50	0	50
HAS17	Welfare Benefits	We will look at ensuring we have the most efficient support in place to enable us to maximise the income due to residents of North Yorkshire.	0	50	0	50
TOTAL			4,430	2,195	955	7,580

Savings proposals for Central Services directorate

Introduction

Central Services is split into three principal categories;

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

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

The approach taken as part of 2020 North Yorkshire has been to simplify, standardise and share services across the Council and to rationalise the “back office”. The majority of support services have delivered savings early to date (for example in HR services, Business Support Services, Finance etc.). However prioritisation of frontline services over support services presents the Council with challenges, as it faces a period of sustained change and demand for support services is at a premium.

Better Efficiency through Sustained Transformation

Whilst a benchmarking exercise undertaken has highlighted that the Central Services Directorate already offers value for money, it continues to explore ways to further improve efficiency of services provided. A large number of ideas have been put forward from across all teams in the Directorate. These areas cover opportunities to utilise technology, such as automation; improve the way customers interact with the services and also further streamlining of process. These ideas form the basis of the future proposals and are in addition to the existing savings.

New systems and ways of working - planned savings will be delivered through a programme of centralising systems, allowing for detailed contract reviews to take place. This will bring efficiencies by reducing the number of separate systems within the Council.

Other Proposals

The Procurement service is on track with its phased plan of savings delivery. This has been achieved through better purchasing and improved contract management arrangements. Further contracts, due for expiry, have been identified for review and it is expected that these will achieve the savings target for 2019/20. Whilst the Procurement savings have been delivered to date no future savings have been built into the MTFs at this stage, it is anticipated that following this current round there will be an improved view of what can be achieved.

A merger of the management of the Libraries, Customer and Community services function into the existing structure has allowed for a reduction in a senior management position.

Commercial

The Council already has a successful set of commercial ventures within the Brierley Group with turnover approaching £100m and an existing contribution to Council costs of £5.3m annually. The Council's reputation for strong, local delivery through a trusted partner has helped achieve this. There is further opportunity to grow and extend the offer both outside of North Yorkshire but also outside the existing customer base.

As many of the existing commercial services reside within Central Services, there is a clear dual rationale to improve how efficient and effective they are: not only will that deliver direct savings, as noted above, it will also enhance the marketability of those services.

Treasury Management

A combination of increased forecasts for interest rates and pursuing alternative investments should yield an increase in investment income.

Contingencies

Re-assessment of required corporate contingencies including release of £1m from the corporately held Adult Social Care Contingency.

Inflation

Directorates are reviewing options to identify efficiencies which can be used to mitigate against future price increases.

Central Services

Project No.	Savings Area	Description	2019/20 £000	2020/21 £000	2021/22 £000	Total £000
Strategic Resources						
CS1	Corporate Property	Rationalisation of property across the Council as part of the 2020 North Yorkshire Programme should reduce property related costs including repairs & maintenance.			856	856
CS2	Technology & Change Services	Combination of contractual savings and restructuring of elements of the service in light of anticipated reductions in a number of separate systems and internal customers.	390	134		524
CS3	Technology & Change Services	Various initiatives involving reviewing processes and efficiencies.		150		150
CS4	Finance	Reductions and review of service on risk assessed basis and reflecting anticipated reduction in budget over longer term. Updating of systems and ways of working implemented to help with capacity.	77	77	77	231
CS5	Finance	Various initiatives including the review of the Internal Audit Service Level Agreement.		25	25	50
CS6	Procurement & Contracts	A year-on-year target has been given to reduce the price of goods and services bought in across the Council by using category management and improved contract management.	350			350
CS7	Treasury Management	A combination of increased forecasts for interest rates and pursuing alternative investments should yield an increase in investment income.	1,356	1,433	1,450	4,239
CS8	Strategic Support	Strategic Support phase 2 – further consolidation of functions.		50	50	100
Business Support & HR						
CS19	HR Services	Further HR restructuring and staff savings.	112			112
CS10	Business Support	Reductions in levels of service on risk assessed basis and reflecting anticipated reduction in staffing levels over the longer term. Updating of systems and ways of working also implemented to help with capacity.	111			111
CS11	Business Support	Various initiatives involving reviewing processes, systems and efficiencies.	50	100	50	200
Libraries, Customer & Community Services						
CS12	LCCS	Saving from merger of LCCS function into existing structure following retirement of a Senior Manager.	71			71
Legal & Democratic Services						
CS13	Legal & Democratic	A range of savings measures including reviewing areas of spend.	30			30
Chief Executives Office						
CS14	Resilience & Emergencies	A range of measures and efficiencies within the team helping to deliver a saving.	30			30
Other						
CS15	Commercial Challenge (NYES)	Opportunities are to be sought to increase net income contributions into the Council. These can then be used to offset savings requirements, thereby protecting frontline services.	1,000			1,000
CS16	Inflation Challenge	Budget Managers are to be challenged to identify efficiencies to mitigate against price increases.	300			300
CS17	Corporate Contingencies	Re-assessment of required corporate contingencies including release of prior year's Adult Social Care Contingency.	1,000			1,000
			4,877	1,969	2,508	9,354

Re-profiling of Savings

The revisions to savings profiles over the MTF5 period are now set out in the table below with explanation for the proposed changes. The schedules in this appendix have been amended on the basis that they are approved.

Savings Review		Notes	19/20 £ '000	20/21 £ '000	21/22 £ '000	22/23 £ '000	Total
Re-Profiling							
CS	Property Review	1	-856	0	856	0	0
CS	Technology & Change	2	-134	134	0	0	0
BES	Highways Efficiencies	3	300	-300	0	0	0
BES	Review of CCTV Provision	4	-60	60	0	0	0
CYPS	Safeguarding Unit Review	5	-60	60	0	0	0
HAS	Supporting People	6	-250	250	0	0	0
HAS	Extra Care Housing & EPH's	7	-1,000	117	883	0	0
Changes							
CYPS	Safeguarding Unit	5	-44	0	0	0	-44
CYPS	Pension Enhancements	8	15	0	0	0	15
CYPS	Early Years	9	-215	0	0	0	-215
CS	Treasury Management	10	1,087	133	-550	0	670
CS	Chief Executive's Office	11	-71	0	0	0	-71
TOTAL			-1,288	454	1,189	0	355

Notes:

- Property Review** - Significant progress has been achieved in the property rationalisation programme with planned savings from multiple sites across the county, most notably in Harrogate, Northallerton and Scarborough. Updated projections have resulted in a new profile for the savings programme.
- Technology & Change** - Detailed plans have been worked up in three project areas: System Centralisation, Digital by Default and WAN (wide area network), the remaining balance of £134k has been re-profiled into 2020/21.
- Highways Efficiencies** – Saving is expected to be realised earlier than originally anticipated.
- CCTV Provision** – Reassessment of timing of realisation of savings.
- Safeguarding Unit** – Increases in child protection and children in need cases have resulted in additional pressure on the Independent Reviewing Team. A review of the wider Safeguarding Unit will be undertaken to identify options around service delivery models and management arrangements.

6. **Supporting People** – this has been reprofiled over two years to take account of contractual obligations and changes which will start to come into effect mid-way through 2019.
7. **Extra Care Housing and EPH's** – this has been reprofiled over two years to take account of contractual obligations and changes which will start to come into effect mid-way through 2019.
8. **Pension Enhancements** – Further analysis has been undertaken resulting in a higher than anticipated saving.
9. **Early Years** – Proposals have been reassessed following the implementation of Phase 1 savings.
10. **Treasury Management** – Revised targets based on latest projections for interest rates and balances held.
11. **Chief Executive's Office** – Reassessment of proposals and replaced by removal of Senior post within Libraries, Communities and Customer Services.

MTFS Savings Proposal Summary

	19/20 £ '000	20/21 £ '000	21/22 £ '000	Total
Directorate				
Business and Environmental Services	3,280	778	30	4,088
Central Services				
Service Areas	2,521	536	1,058	4,115
Treasury Management	1,356	1,433	1,450	4,239
Adult Social Care Contingency	1,000	0	0	1,000
Children and Young People's Services	2,891	1,117	1,236	5,244
Health and Adult Services	4,430	2,195	955	7,580
Total	15,478	6,059	4,729	26,266

New Savings proposals included within the above for Feb 2019 Budget/ MTFS report	3,718	2,490	1,601	7,809
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2019/20 REVENUE BUDGET AT DIRECTORATE LEVEL

BUDGET REQUIREMENT	Latest Base Budget £ '000	Additional spending needs						Savings		Funding	Total
		In-Year Adjs. £ '000	Inflation £ '000	Adult Social Care £ '000	Other Recurring £ '000	Funding Adjs. £ '000	Other One-off £ '000	2020 £ '000	Other £ '000	£ '000	Budget/MTFS £ '000
Directorate Net Budgets											
BES	74,644	6,086	2,449	-	-	-	20	-3,280	-	-	79,920
CYPS	69,834	-1,011	2,330	-	-	-1,330	11,240	-2,891	-	-	78,171
HAS	154,669	-1,626	6,973	2,000	-	-	-	-4,430	-	-	157,586
CS	49,906	6,595	1,928	-	-	-	2,500	-871	-4,006	-	56,051
Directorates Subtotal	349,052	10,045	13,679	2,000	-	-1,330	13,760	-11,472	-4,006	-	371,728
Corporate Miscellaneous											
Interest Earned	-1,655	-333	-	-	-	-	-	-	-	-	-1,988.30
Capital Financing charges	23,684	111	-	-	-731	-	-	-	-	-	23,063
Corporate Contingency	4,500	-1,000	-	-	3,500	-	-	-	-	-	7,000
Brexit Contingency	-	-	-	-	-	-	3,000	-	-	-	3,000
HAS Demographic growth	3,000	-1,000	-	1,000	-	-	-	-	-	-	3,000
2020 North Yorkshire	1,000	-	-	-	-	-	1,000	-	-	-	2,000
Business Rates Grants	-1,896	-	-	-	-1,000	-	-	-	-	-	-2,896
New Homes Bonus	-1,614	-	-	-	-	-129	-	-	-	-	-1,743
Rural Services Delivery Grant	-8,284	-	-	-	-	8,284	-	-	-	-	-
Community Fund (affordable housing)	400	-	-	-	-	-	-	-	-	-	400
DSG Contribution to Corp Overheads	-1,149	-	-	-	-	-	-	-	-	-	-1,149
Pay & Price Inflation Contingency	-	-	-441	-	-	-	-	-	-	-	-441
Council Tax Surplus to reserve	1,095	-	-	-	-	154	-	-	-	-	1,249
Apprenticeship Levy	800	-	-	-	-	-	-	-	-	-	800
Social Care Support Grant	-	-	-	-	-	-4,140	-	-	-	-	-4,140
Traded Service Contribution to Corp Overheads	-1,328	-78	-	-	-	-	-	-	-	-	-1,405
School Improvement Monitoring and Brokering Grant	-500	-300	-	-	-	-	-	-	-	-	-800
Adult Care Support Grant	-3,949	2,434	-	-	-	-	1,515	-	-	-	-
Other	-2,028	-3,996	-	-	-	-5,121	-	-	-	-	-11,145
Sub total	12,076	-4,163	-441	1,000	1,769	-952	5,515	-	-	-	14,804
PIP	6,703	-5,882	-	-	-	-	-	-	-	-	821
Corporate Miscellaneous sub total	18,779	-10,045	-441	1,000	1,769	-952	5,515	-	-	-	15,625
Net Expenditure	367,831	0	13,238	3,000	1,769	-2,282	19,275	-11,472	-4,006	-	387,353
General Working Balances and/or Additional Savings Budget / MTFS shortfalls											
2014/15 budget											
2015/16 budget	7,171										
2016/17 MTFS	-7,803										-
2017/18 MTFS	-1,319										
2018/19 MTFS	-4,329										
Subtotal	-6,280	-	-	-	-	-	-	-	-	945	-5,335
Net Budget Requirement	361,551	0	13,238	3,000	1,769	-2,282	19,275	-11,472	-4,006	945	382,018
External Corp Funding											
Revenue support grant	-7,560									7,560	-
Business rates											
From Districts	-18,918									-9,753	-28,671
Top up from DCLG	-46,220									-25	-46,245
Council tax collection fund	-1,095									-154	-1,249
External Corp Funding Total	-73,793	-	-	-	-	-	-	-	-	-2,372	-76,165
Council Tax Requirement	361,551	0	13,238	3,000	1,769	-2,282	19,275	-11,472	-4,006	-1,427	305,853
Tax Base	230,418										233,269
Band D Council Tax	£ 1,248.85										£ 1,311.16
Year-on-Year Increase											
£	£ 45.64										£ 62.31
%	4.99%										4.99%

REVENUE BUDGET AT DIRECTORATE LEVEL

	2019/20		2020/21		2021/22
BUDGET REQUIREMENT	Budget/ MTFS £ '000	Changes	Budget/ MTFS £ '000	Changes	Budget/ MTFS £ '000
Directorate Net Budgets					
BES	79,920	-4,107	75,813	2,492	78,305
CYPS	78,171	5,692	83,863	2,084	85,947
HAS	157,586	11,338	168,924	13,034	181,958
CS	56,051	-3,138	52,913	-1,377	51,536
Directorates Subtotal	371,728	9,785	381,513	16,233	397,746
Corporate Miscellaneous					
Interest Earned	-1,988		-1,988		-1,988
Capital Financing charges	23,063		23,063		23,063
Corporate Contingency	7,000		7,000		7,000
Brexit Contingency	3,000	-1,500	1,500	-1,500	-
HAS Demographic growth	3,000	-	3,000	-	3,000
2020 North Yorkshire	2,000	-1,000	1,000	-1,000	-
Business Rates Grants	-2,896		-2,896		-2,896
New Homes Bonus	-1,743	157	-1,586		-1,586
Rural Services Delivery Grant	-		-		-
Community Fund (affordable housing)	400		400		400
DSG Contribution to Corp Overheads	-1,149		-1,149		-1,149
Pay & Price Inflation Contingency	-441		-441		-441
Council Tax Surplus to reserve	1,249	-1,249	-		-
Apprenticeship Levy	800		800		800
Social Care Support Grant	-4,140	4,140	-		-
Traded Service Contribution to Corp Overheads	-1,405		-1,405		-1,405
School Improvement Monitoring and Brokering Grant	-800		-800		-800
Adult Care Support Grant	-		-		-
Other	-11,145	1,900	-9,245		-9,245
Sub total	14,804	2,448	17,252	-2,500	14,752
PIP	821		821		821
Corporate Miscellaneous sub total	15,625	2,448	18,073	-2,500	15,573
Net Expenditure	387,353	12,233	399,586	13,733	413,319
General Working Balances and/or Additional Savings					
Budget / MTFS shortfalls					
2014/15 budget					
2015/16 budget					
2016/17 MTFS	-		-		-
2017/18 MTFS					
2018/19 MTFS					
Subtotal	-5,335	-4,415	-9,750	-4,253	-14,003
Net Budget Requirement	382,018		389,836		399,316
External Corp Funding					
Revenue support grant	-		-		-
Business rates					
From Districts	-28,671		-27,608		-27,587
Top up from DCLG	-46,245		-47,170		-47,188
Council tax collection fund	-1,249		-		-
External Corp Funding Total	-76,165		-74,778		-74,775
Council Tax Requirement	305,853		315,058		324,541
Tax Base	233,269		235,601		237,957
Band D Council Tax	£ 1,311.16		£ 1,337.25		£ 1,363.86
Year-on-Year Increase					
£	£ 62.31		£ 26.09		£ 26.61
%	4.99%		1.99%		1.99%

Appendix C**CALCULATION OF COUNCIL TAX REQUIREMENT, PRECEPT AND BASIC AMOUNT OF COUNCIL TAX (BAND D EQUIVALENT) 2019/20**

1. The County Council has a statutory duty as a major precepting authority in accordance with Section 42A of the Local Government Finance Act 1992 (as amended by Section 75 of the Localism Act 2011) to calculate its Council Tax requirement each year. Additionally in accordance with Section 42B of the Local Government Finance Act 1992 (as amended by Section 75 of the Localism Act 2011) it must also calculate the basic amount (Band D equivalent) of Council Tax for each financial year.
2. Based on the Government's Provisional Funding Settlement figures announced in December 2018, the Council Tax and Precept position is set out below:-

Council Tax Requirement	£k	£k
Net Expenditure Budget		381,073
Contribution to Reserve		945
Net Budget Requirement		382,018
Funding from Business Rates		
Share (9%) of BR income from District Councils	-28,671	
BR 'Top up' from Government	-46,245	-74,916
Revenue Support Grant from Government		0
Share of Business Rates Collection Fund Deficit		0
Share of Council Tax Collection Fund Surpluses		-1,249
Transitional Grant		0
Council Tax Requirement		305,853
District Council Tax Base (equivalent number of Band D properties)		233,268.78
Basic Amount of Council Tax per Band D property		1,311.16
Increase over 2018/19 (£1,248.85)		
£ increase		62.31
% increase		4.99%
Basic Council Tax Increase (1.99%)		£24.85
Additional Flexibility on Council Tax (1.00%)		£12.49
Adult Social Care Precept (2.00%)		£24.97
Increase in Basic Council Tax (£k)		12,074
Increase in Adult Social Care Precept (£k)		6,020
Total Basic Council Tax (£k)		284,009
Total Adult Social Care Precept (£k)		21,842

3. To produce a Council Tax per property, the amount required to be levied has to be divided by a figure representing the 'relevant tax bases'. For the County Council, this figure is the aggregate of the 'relevant tax bases' of each of the seven District Councils.

4. Each District Council prepares an estimate of its 'relevant tax base' expressed as the yield from a Council Tax levy of £1 as applied to an equivalent number of Band D properties. This calculation takes into account the number of properties eligible for a single person discount, reductions for the disabled, anticipated property changes during the year and the extent to which a 100% recovery rate may not be achieved. The following information has been received from the District Councils:

Billing Authorities	Tax Base (Band D Equivalents) 2019/20
Craven	22,525.86
Hambleton	36,847.22
Harrogate	62,460.71
Richmondshire	19,831.02
Ryedale	21,811.78
Scarborough	38,397.00
Selby	31,395.19
Total	233,268.78

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

<u>Total Council Tax Requirement</u>		305,852.694
Relevant Tax Base		233,268.78
@ Band D	=	1311.16

6. Using the appropriate 'weightings' for other property bands as determined by statute, the Council Tax precept for each property would be as follows¹:-

Band	2018/19 £ p	2019/20 £ p
A	832.56	874.11
B	971.33	1,019.79
C	1,110.09	1,165.48
D	1,248.85	1,311.16
E	1,526.37	1,602.53
F	1,803.89	1,893.90
G	2,081.42	2,185.27
H	2,497.70	2,622.32

¹ All figures are rounded to the nearest penny

Reserves Schedule

Appendix D

	Actuals @ 31-Mar-2018	Est & Plan Movement 2018-19	Est @ 31-Mar-2019	Est & Plan Movement 2019-20	Est @ 31-Mar-2020	Est & Plan Movement 2020-21	Est @ 31-Mar-2021	Est & Plan Movement 2021-22	Est @ 31-Mar-2022
GWB	(27,270,000)	39,000	(27,231,000)		(27,231,000)		(27,231,000)		(27,231,000)
Operational	(105,416,430)	26,817,177	(78,599,252)	24,248,580	(54,350,673)	4,260,082	(50,090,591)	2,296,400	(47,794,191)
Business & Environmental Services	(11,020,377)	7,054,203	(3,966,174)	10,935,664	6,969,490	762,082	7,731,572	32,600	7,764,172
Business & Environmental Services - Misc Grants	(20,211)	765	(19,446)	-	(19,446)		(19,446)		(19,446)
Central Services	(14,286,200)	2,761,368	(11,524,832)	6,457,380	(5,067,452)	1,010,000	(4,057,452)	695,000	(3,362,452)
Children & Young Peoples	(107,450)	190,677	83,227		83,227		83,227		83,227
Children & Young Peoples - Misc Grants	(9,688,948)	3,337,293	(6,351,655)	2,190,440	(4,161,215)	488,000	(3,673,215)		(3,673,215)
Children & Young Peoples - Schools & DSG	(19,613,395)	9,513,500	(10,099,895)	3,000,000	(7,099,895)	2,000,000	(5,099,895)		(5,099,895)
Corporate	(14,523,732)	1,969,273	(12,554,460)	1,194,996	(11,359,464)		(11,359,464)		(11,359,464)
Health & Adult Services	(20,815,836)	1,990,100	(18,825,736)	470,100	(18,355,636)		(18,355,636)	1,568,800	(16,786,836)
Health & Adult Services - Public Health	(6,031,858)		(6,031,858)		(6,031,858)		(6,031,858)		(6,031,858)
North Yorkshire Education Services	(9,308,422)		(9,308,422)		(9,308,422)		(9,308,422)		(9,308,422)
Strategic	(80,970,914)	6,250,692	(74,720,221)	11,669,210	(63,051,011)	14,287,499	(48,763,512)	14,003,310	(34,760,202)
Strategic Capacity - Projects	(28,007,654)	416,611	(27,591,043)	6,333,900	(21,257,143)	4,537,559	(16,719,584)		(16,719,584)
Strategic Capacity - UNALLOCATED	(48,715,860)	6,672,227	(42,043,633)	5,335,310	(36,708,323)	9,749,940	(26,958,383)	14,003,310	(12,955,073)
MTFS Shortfall		6,280,010	6,280,010	5,335,310	11,615,320	9,749,940	21,365,260	14,003,310	35,368,570
Strategic Capacity	(48,715,860)	392,217	(48,323,643)		(48,323,643)		(48,323,643)		(48,323,643)
Local Taxation	(4,247,399)	(838,146)	(5,085,545)		(5,085,545)		(5,085,545)		(5,085,545)
Equalisation Reserve (CTax & BR)	(4,247,399)	(838,146)	(5,085,545)		(5,085,545)		(5,085,545)		(5,085,545)
Grand Total	(213,657,343)	33,106,870	(180,550,474)	35,917,790	(144,632,684)	18,547,581	(126,085,103)	16,299,710	(109,785,393)

APPENDIX E**COUNTY COUNCIL'S RESERVES/BALANCES****1.0 Introduction**

1.1 As part of the Budget process all balances and reserves have been reviewed as to their adequacy, appropriateness and management arrangements.

1.2 A schedule of the Reserves/Balances held at 31 March 2018 together with forecast movements over the four years 2018/19 to 2021/22 is provided at **Appendix D.**

1.3 All the Reserves/Balances listed are reviewed and monitored on a regular basis by the Corporate Director – Strategic Resources. The level of the General Working Balance (GWB) is specifically reported to the Executive as part of each Quarterly Performance and Budget Monitoring report. Reserves are reviewed to establish:

- The current justification of the need for the reserve together with its intended use and the timing of that use;
- The likely value of any potential liability and whether the Reserve is sufficient;
- Whether the liability is better met as part of a wider Council Reserve (i.e. either as part of GWB or another dedicated Reserve) thus eliminating the need for a specific earmarked reserve.

2.0 Reserve Classification

2.1 In order to provide clarity over the purpose and use of reserves they are categorised into the following types of Balances/Reserves:

- General Working Balance – this is the Council's funding of last resort. It provides the contingency to manage risk across the Council and is subject to a policy requirement;
- Operational (Directorate) – these reserves help to manage financial risk, commitments and support improvement within service directorates;
- Strategic – these reserves provide funding to support the corporate objectives and priorities set out in the Council Plan including: resources to support the long term viability of the Council; projects to improve infrastructure such as roads and broadband connectivity; and funding to repay debt and/or generate cash returns.

2.2 The operation of reserves and balances are subject to the following:

General Working Balance

- 2.3 The current MTFS policy as agreed in February 2014 is to maintain the minimum level of GWB at:
- a) A minimum of 2% of the net revenue budget (rounded to the nearest £m) in order to provide for unforeseen emergencies etc. supplemented by;
 - b) An additional (and reviewable) cash sum of £20m to be held back in the event of a slower delivery of savings targets.
- 2.4 The above policy is also accompanied by a set of "good practice rules".
- 2.5 These "rules" are as follows:
- (a) that any underspending on the Corporate Miscellaneous budget at the year-end will be allocated to the GWB only if the balance drops below the target balance. Any other underspends will be allocated to the Strategic Capacity Reserve;
 - (b) that should there be any call on the GWB during a year such that the Target level (as defined in the MTFS) will not be achieved at the respective year end then:
 - (i) that shortfall be addressed in the next Budget cycle; and/or
 - (ii) that revenue or capital expenditure reductions be effected in either the current or following financial year, in order to offset the shortfall;
 - (c) that in order to implement (b) the Executive should review the position of the GWB on a regular basis as part of the Quarterly Performance and Budget Monitoring report process.
- 2.6 The estimated profile of the GWB to 2021/22 is summarised in **Appendix D**.

Operational (Directorate) Reserves

- 2.7 These are specific funds for a range of initiatives and projects – current balances have been subject to challenge and work to establish appropriate spend profiles occurs as part of the council's budget monitoring and financial management arrangements. Appropriations to and from these reserves will be considered on a case by case basis.

Strategic Reserves

Strategic Capacity – Projects

- 2.8 These are specific funds for individual initiatives and projects which support the County Plan. Appropriations to and from these reserves will be considered on a case by case basis and funds will be allocated from the Strategic Capacity Reserve.

Strategic Capacity - Unallocated

- 2.9 This reserve was created from available balances within GWB and Corporate Miscellaneous as at 31 March 2016. Appropriations to this reserve will be dependent upon in-year revenue surpluses (beyond those required to top-up GWB) and windfall resources. The first call on this reserve will be to fund any revenue budget shortfalls after planned reserve movements.
- 2.10 Subject to available resources, appropriations from this reserve to fund specific projects will be subject to approved business cases.

Local Taxation Reserve

- 2.11 This reserve was created in 2017/18 to receive the surpluses and deficits on the County Council's share of Council Tax and Business Rates Collection Funds administered by the billing authorities (district councils) in North Yorkshire. The purpose of this reserve is to mitigate the risk of a significant Collection Fund deficit impacting on the revenue budget in a single year.
- 2.12 A maximum balance which is sufficient to provide a reasonable internal 'safety net' is proposed at 2% of these income streams – estimated at £7.6m for 2019/20.
- 2.13 Should this maximum balance be exceeded then the excess will be released to the Strategic Capacity Reserve for alternative use.
- 2.14 A minimum balance of £1m is held and if this is insufficient to meet an expected net Collection Fund deficit, then the Strategic Capacity (Unallocated) Reserve will be used to fund any shortfall and reinstate the minimum balance.

**NORTH YORKSHIRE COUNTY COUNCIL
MEDIUM TERM FINANCIAL STRATEGY (MTFS)
2018/19 to 2021/22**

EXECUTIVE SUMMARY

	2018/19	2019/20	2020/21	2021/22
	£000's	£000's	£000's	£000's
A Starting Position	359,203	361,551	382,018	389,836
B Inflation				
Pay Awards	2,906	3,124	2,960	3,017
Other Inflationary Costs	8,657	5,380	13,341	14,045
Living Wage - Internal Impact	800	984	-	-
Living Wage - External Impact	3,500	3,500	-	-
Pay Review	-	250	1,000	250
	15,863	13,238	17,301	17,312
C Increased Spending / Growth Requirements				
BES				
LED Streetlighting	5,398	20	(5,418)	-
Central				
Appropriation to Reserve - C Tax surplus	(1,832)	154	(1,249)	-
Appropriation from Reserve - BR deficit	797	-	-	-
Locality Budgets	(1,500)	-	-	-
Community Libraries	(350)	-	-	-
2020 North Yorkshire	-	1,000	(1,000)	(1,000)
Environmental Locality Budgets	360	-	(360)	-
Corporate				
Pension Fund Provisions	-	-	1,900	-
Treasury Management	(1,469)	(731)	-	-
Corporate Contingency	2,500	3,500	-	-
Business Rates Adjustment	-	(1,000)	-	-
County Council Elections	(1,000)	-	-	-
Property	-	2,500	(2,500)	-
Brexit Contingency	-	3,000	(1,500)	(1,500)
CYPS				
CYPS Budget Pressures	1,000	-	-	-
Early Years	850	-	-	-
Children and Families	1,200	740	-	(350)
SEN Transport	-	3,300	-	-
Schools in Financial Difficulty	-	1,000	-	-
High Needs	-	6,000	3,600	2,000
Disabled Children's Services	-	200	(200)	-
HAS				
Adult Care	3,000	3,000	2,000	2,000
Better Care Fund	6,860	(3,444)	-	-
	15,814	19,239	(4,727)	1,150
D Cost Reduction / Savings Requirements				
BES				
2020 Budget Savings	(1,200)	(3,280)	(778)	(30)
Central				
2020 Budget Savings	(2,209)	(871)	(536)	(1,058)
Commercial Challenge	(500)	(1,000)	-	-
Inflation Challenge	(200)	(300)	-	-
Procurement & Contract	(400)	(350)	-	-
Treasury Management	(1,551)	(1,356)	(1,433)	(1,450)
Corporate Contingency	(2,000)	(1,000)	-	-
CYPS				
2020 Budget Savings	(4,179)	(2,891)	(1,117)	(1,236)
HAS				
2020 Budget Savings	(3,277)	(4,430)	(2,195)	(955)
	(15,516)	(15,478)	(6,059)	(4,729)
E Adjustments to Funding				
Corporate				
Education Services Grant	2,000	-	-	-
New Homes Bonus	587	(129)	157	-
Rural Services Delivery Grant	(1,636)	8,284	-	-
Social Care Support Grant	-	(4,140)	4,140	-
CYPS				
School Improvement Grant	(300)	(150)	-	-
CCG Financial Contribution to Short Breaks	400	-	-	-
School's Central Services DSG	64	63	178	-
High Needs Funding	-	(1,243)	1,243	-
HAS				
Better Care	(12,118)	(2,277)	-	-
Public Health	600	600	-	-
ASC Support Grant	919	1,515	-	-
	(9,484)	2,523	5,718	-
F Use of General Working Balances (GWB)				
MTFS Balance/(Shortfall)	(4,329)	945	(4,415)	(4,253)
	(4,329)	945	(4,415)	(4,253)
G Total Net Budget Requirement	361,551	382,018	389,836	399,316
H Funding Sources				
Revenue Support Grant	(7,560)	-	-	-
Business Rates Top Up	(46,220)	(46,245)	(47,170)	(47,188)
Business Rates District Councils	(18,918)	(28,671)	(27,608)	(27,587)
Council Tax District Councils Collection Fund	(1,095)	(1,249)	-	-
	(73,793)	(76,165)	(74,778)	(74,775)
I Balance Required from Council Tax	287,758	305,853	315,058	324,541
J District Council Tax Base (Band D equivalents)	230,418.38	233,268.78	235,601.47	237,957.48
K Basic Amount of Council Tax (Band D)	1,248.85	1,311.16	1,337.25	1,363.86
Annual % Increase (£1,099.98 in 2015/16)		4.99%	1.99%	1.99%

MTFS Balance/Shortfall Workings

1,248.85	1,311.16	1,337.25	1,363.86
287,757.99	305,852.69	315,058.06	324,540.69
292,087.00	304,907.99	319,472.69	328,794.06
(4,329.01)	944.70	(4,414.63)	(4,253.37)

Blue highlight as per 'Summary Version Control & Movement' file / 'MTFS 1819 Version Control' Tab

Summary of In-Year Budget Shortfall	(6,280)	945	(4,415)	(4,253)
Cumulative Budget Shortfall		(5,335)	(9,750)	(14,003)

Budget Consultation Results

We have received 1,117 responses to the survey. 512 from the survey on the NYCC website and 605 from the Citizens’ Panel.

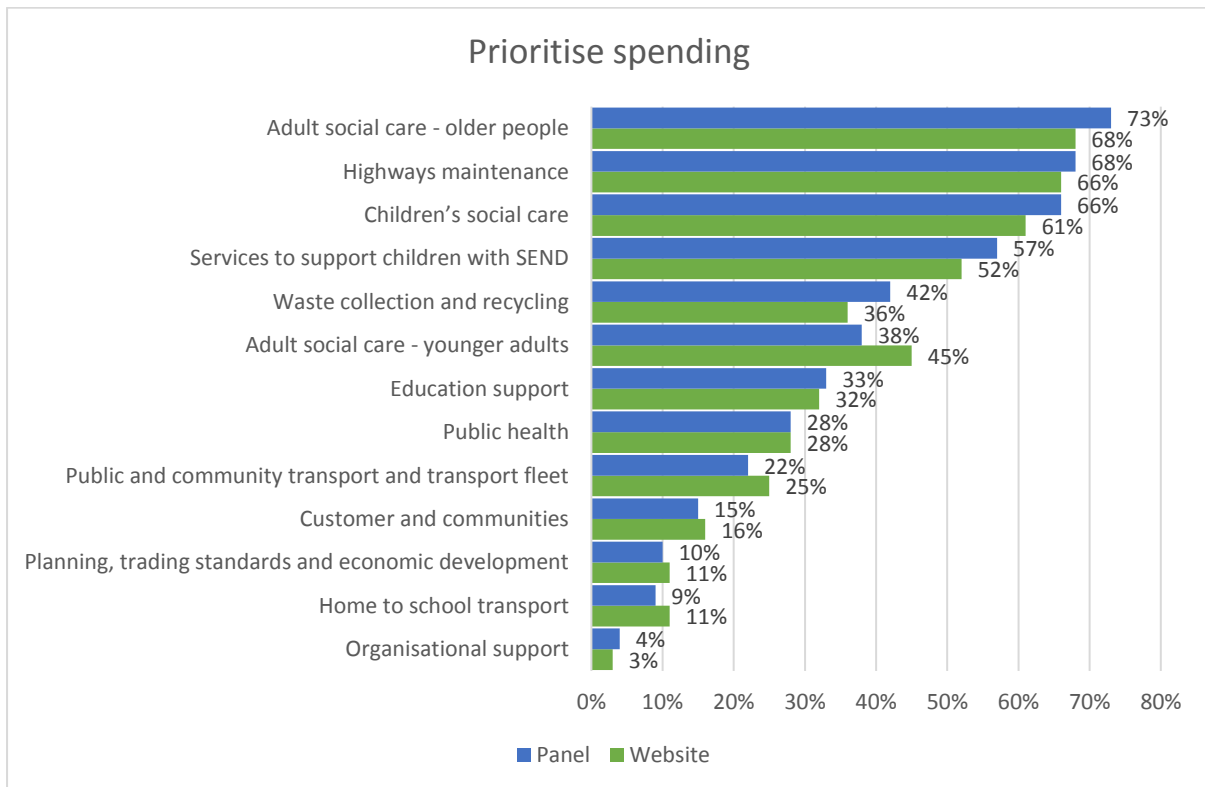
This document details the unweighted results of both surveys.

Summary of main findings

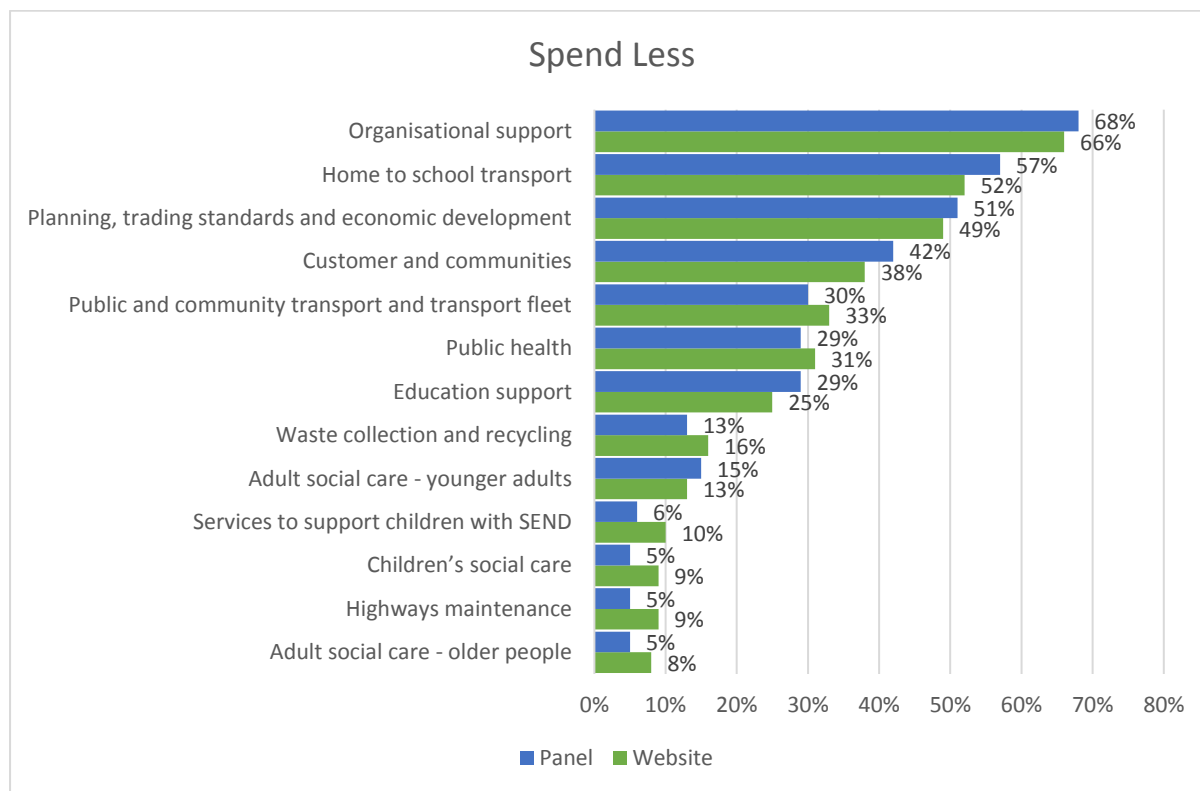
Priorities

From a list of services, respondents were asked to choose up to 5 services where we should prioritise spending.

The top priority areas for both groups of respondents were Adult social care – older people, Highways maintenance, Children’s Social care and Services to Support children with special educational needs and disabilities.



From a list of services, respondents were asked to choose up to 5 services where we should prioritise spend less from a list of services.



The areas where people thought we should spend less were organisational support, home to school transport, Planning, trading standards and economic development and customer and communities.

Savings approach for 2019/20

Respondents were asked to indicate how strong they agreed or disagreed with a list of savings proposals group by area.

All proposals have a majority of respondents stating strongly agree or agree.

The proposals with the most website respondents stating strongly agree / agree are:

- Continue to make efficiencies in the maintenance of roads and ensure that third parties make a fair contribution towards the cost of repairs (92% strongly agree / agree)
- Work with districts councils to make savings by taking a more consistent approach to recycling and composting across the county. (88% strongly agree / agree)
- Continue with the approach of providing early support through reablement and the local community to help people to remain independent for as long as possible. (87% strongly agree / agree)

The proposals with the most panel members stating strongly agree / agree are:

- Work with districts councils to make savings by taking a more consistent approach to recycling and composting across the county. (92% strongly agree / agree)
- Continue with the approach of providing early support through reablement and the local community to help people to remain independent for as long as possible. (91% strongly agree / agree)

- Review how we buy placements for high cost residential and nursing care to get consistency and value for money whilst making sure that individuals' needs are provided for. (91% strongly agree / agree)
- Review the cost of the NHS and local government contract for disability equipment such as grab rails and walking aids to make sure we pay a fair share and that the budget is spent better. (91% strongly agree / agree)

The proposals with the highest percentage of website responders stating strongly disagree / disagree are:

- Reduce spending on the service that monitors and supports school performance whilst increasing income by selling more services to schools and others. We will only provide the necessary services to schools and will aim to sell more services to schools in North Yorkshire and other local authority areas. (18%)
- Reduce the staffing costs in management and professional support. (16%)
- Where there is little or no use of salt bins we will consider removing them and delay operation of the main fleet until mid-October. Alternative provision will be available should there be extreme weather in early October and this proposal will not affect the number of routes treated. (15%)
- Continue to ask for financial contributions towards post 19 SEN (special educational needs) home to school transport in line with mainstream pupils. (15%)

The proposals with the highest percentage of panel members stating strongly disagree / disagree are:

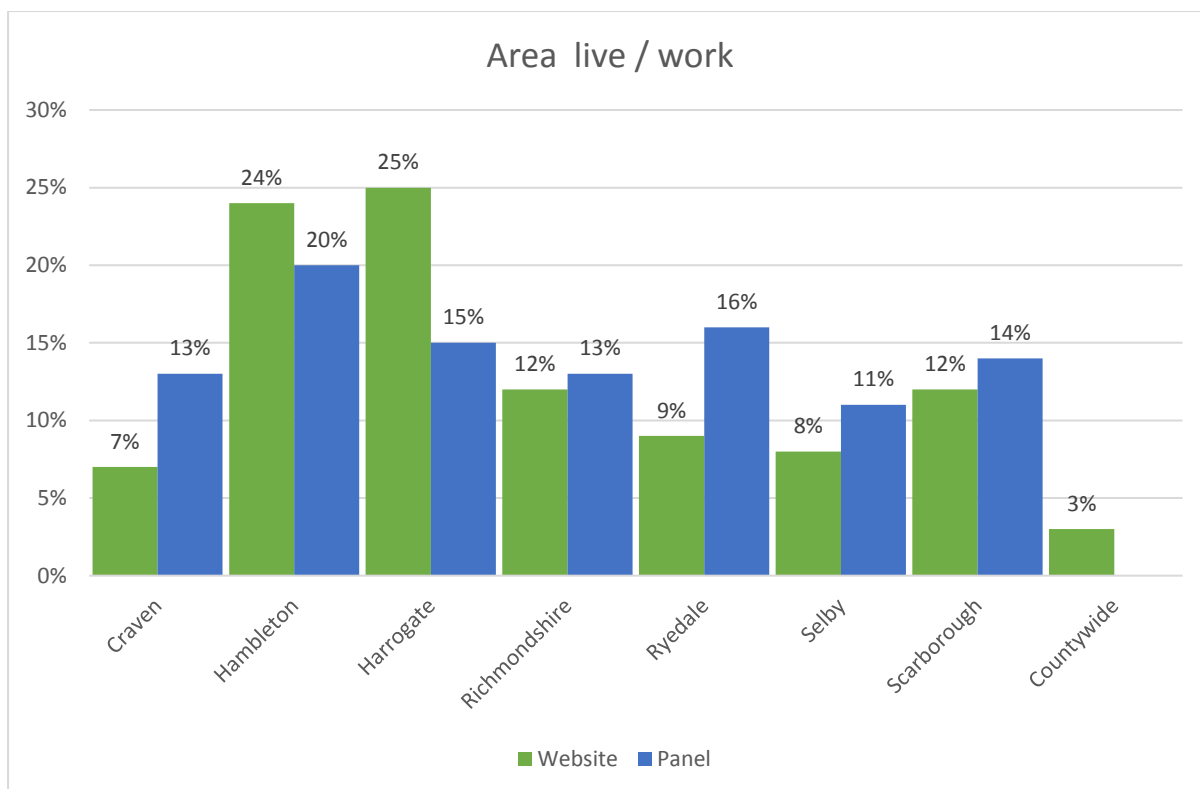
- Reduce spending on the service that monitors and supports school performance whilst increasing income by selling more services to schools and others. We will only provide the necessary services to schools and will aim to sell more services to schools in North Yorkshire and other local authority areas. (17%)
- Continue to ask for financial contributions towards post 19 SEN (special educational needs) home to school transport in line with mainstream pupils. (14%)
- Explore commercial investments such as property to subsidise frontline services. (14%)

Council tax

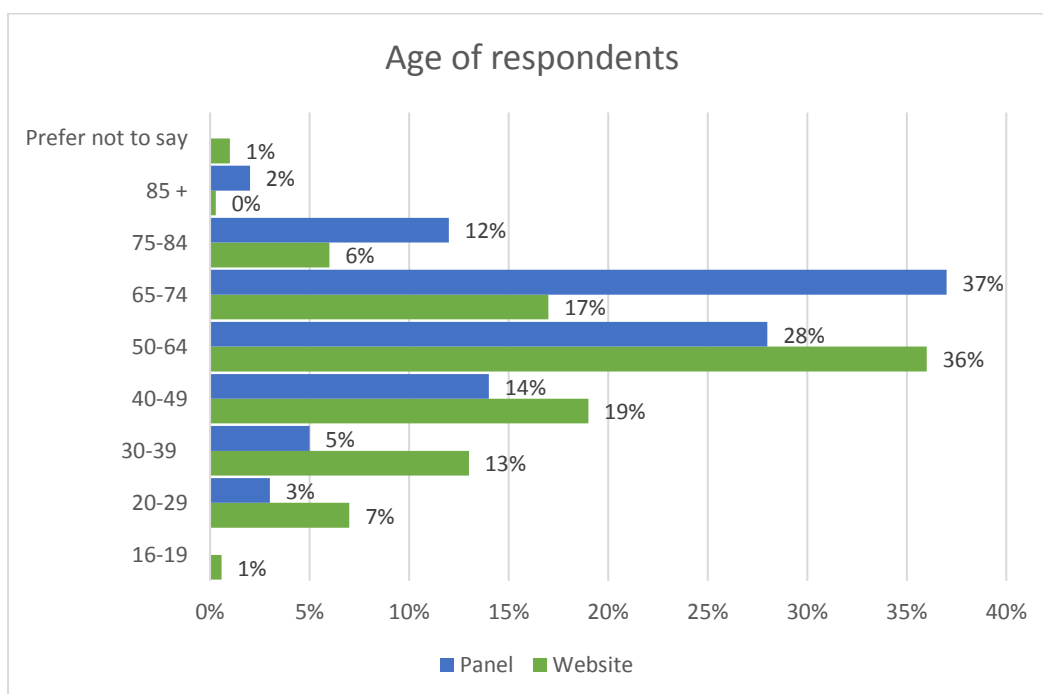
Respondents were asked whether or not they supported the proposed council tax increase of 4.99% for April 2019.

56% of panel members and 56% of website respondents agreed with the proposed council tax increase.

Respondents



Respondents from across the county completed the survey. In the panel survey the highest proportion of respondents came from Hambleton, followed by Harrogate whilst in the website survey the highest proportion of respondents came from Harrogate, followed by Hambleton whilst in the website.



The majority of website respondents were aged 50-64 (36%) whilst the majority of panel members were aged 65-74 (37%).

13% of website respondents and 11% of panel members stated that they considered themselves to be a disabled person or to have a long-term, limiting condition.

2019/20 Budget - Our challenge, your services, your say

Unweighted results

Responses

Website Survey: 512

Citizens's Panel: 605

Priorities

	Prioritise Spending		Spend Less	
	Website	Panel	Website	Panel
Children's social care	61%	66%	9%	5%
Home to school transport	11%	9%	52%	57%
Education support	32%	33%	25%	29%
Services to support children with special educational needs and disabilities	52%	57%	10%	6%
Adult social care - older people	68%	73%	8%	5%
Adult social care - younger adults	45%	38%	13%	15%
Public health	28%	28%	31%	29%
Waste collection and recycling	36%	42%	16%	13%
Highways maintenance	66%	68%	9%	5%
Planning, trading standards and economic development	11%	10%	49%	51%
Public and community transport and transport fleet	25%	22%	33%	30%
Organisational support	3%	4%	66%	68%
Customer and communities	16%	15%	38%	42%

Savings approach for 2019/20

Children and young people

Proposal	Strongly Agree / Agree		Neither		Strongly Disagree / Disagree		Don't know	
	Website	Panel	Website	Panel	Website	Panel	Website	Panel
Review how we use our money to deliver back office and professional support for early years services to help manage spending in line with the government grant.	67%	75%	25%	16%	8%	6%	-	3%
Review the way that we use our money to meet the needs of children and young people with SEND (0-25) and those that are at risk of exclusion as detailed in our strategic plan for SEND provision. This will help manage spending in line with the government grant.	66%	72%	21%	15%	13%	9%	-	4%
Reduce the staffing costs in management and professional support.	62%	67%	21%	20%	16%	9%	-	3%
Reduce spending on the service that monitors and supports school performance whilst increasing income by selling more services to schools and others. We will only provide the necessary services to schools and will aim to sell more services to schools in North Yorkshire and other local authority areas.	60%	63%	23%	18%	18%	17%	-	3%
Continue to ask for financial contributions towards post 19 SEN (special educational needs) home to school transport in line with mainstream pupils.	67%	69%	18%	15%	15%	14%	-	2%
Review eligibility criteria for home to school transport for new mainstream pupils so that distances to travel are assessed only against their nearest school. (Existing arrangements would not be affected to avoid disruption for families).	73%	77%	15%	10%	12%	9%	-	3%

Review the arrangements of how the council supports accommodation for some young people with a view to saving contract costs and potentially delivering a different type of service.	67%	74%	23%	15%	11%	6%	-	5%
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Health and adult services

Proposal	Strongly Agree / Agree		Neither		Strongly Disagree / Disagree		Don't Know	
	Website	Panel	Website	Panel	Website	Panel	Website	Panel
Continue with the approach of providing early support through reablement and the local community to help people to remain independent for as long as possible.	87%	91%	9%	5%	4%	2%		1%
Continue to deliver more extra care facilities (supported housing units in the local community) where people can live independently with support rather than more traditional council run residential homes.	80%	87%	13%	7%	8%	6%		1%
Review transport charges so that they reflect the real cost of providing the service and that the entire cost of a person's care package is considered as part of the means-test for care costs.	69%	72%	20%	14%	11%	9%		5%
Continue with the approach of assessments based on a person's strengths so that we can help people to maximise what they can do for themselves with our support.	82%	87%	14%	8%	4%	4%		1%
Review the staffing structure of parts of the service delivering care and support so that it can meet the needs of our customers.	81%	87%	15%	8%	4%	3%		1%
Review the cost of the NHS and local government contract for disability equipment such as grab rails and walking aids to make sure we pay a fair share and that the budget is spent better.	83%	91%	13%	6%	5%	2%		1%

Review how we buy placements for high cost residential and nursing care to get consistency and value for money whilst making sure that individuals’ needs are provided for.	86%	91%	11%	5%	4%	2%		1%
Review the arrangements for supported living with adults with learning disabilities to establish if more cost effective arrangements can be made which still provide the required support.	78%	84%	14%	9%	8%	5%		2%
Proposal	Strongly Agree / Agree		Neither		Strongly Disagree / Disagree		Don't Know	
	Website	Panel	Website	Panel	Website	Panel	Website	Panel
Review arrangements for care provided to adults with mental health issues by focussing on what people can do to support themselves and where possible avoiding residential and nursing placements.	73%	82.00%	15%	9%	12%	8%		2%
Manage public health services in line with the national reduction in the grant provided by central government specifically for this area.	59%	62%	27%	19%	14%	14%		5%

Business and environmental services

Proposal	Strongly Agree / Agree		Neither		Strongly Disagree / Disagree		Don't Know	
	Website	Panel	Website	Panel	Website	Panel	Website	Panel
Continue to make efficiencies in the maintenance of roads and ensure that third parties make a fair contribution towards the cost of repairs	92%	88%	4%	5%	4%	6%		1%
Continue with the roll-out of replacing streetlight units with more energy efficient LEDs thereby reducing energy costs	84%	88%	10%	7%	6%	4%		1%
Work with districts councils to make savings by taking a more consistent approach to recycling and composting across the county.	88%	92%	8%	5%	4%	1%		1%

Where there is little or no use of salt heaps we will consider removing them and delay operation of the main winter maintenance fleet (gritting or salting) until mid-October. Alternative provision will still be available should there be extreme weather in early October and the proposal will not affect the number of routes treated.	71%	81%	14%	10%	15%	7%	2%
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Other

Proposal	Strongly Agree / Agree		Neither		Strongly Disagree / Disagree		Don't Know	
	Website	Panel	Website	Panel	Website	Panel	Website	Panel
1. Continue to reduce spending on back office services.	70%	80%	17%	12%	13%	5%		3%
2. Continue to reduce prices on contracts with our suppliers.	77%	83%	18%	11%	6%	4%		2%
3. Generate additional income by winning more contracts to deliver services for other councils and schools.	77%	82%	13%	10%	10%	7%		2%
4. Explore commercial investments such as property to subsidise frontline services.	63%	67%	21%	14%	16%	16%		4%

Do you support the proposed council tax increase of 4.99% for April 2019?

	Website	Panel
Yes	56	56%
No	44%	32%
Unsure		12%

Completing the survey as a

	Website
Resident	95%
Rep of a group	4%
Rep of a business	1%

Which district of North Yorkshire do you work / live in?

	Website	Panel
Craven	7%	13%
Hambleton	24%	20%
Harrogate	25%	15%
Richmondshire	12%	13%
Ryedale	9%	16%
Selby	8%	11%
Scarborough	12%	14%
Countywide	3%	

Which age category are you in?

	Website	Panel
16-19	1%	
20-29	7%	3%
30-39	13%	5%
40-49	19%	14%
50-64	36%	27%
65-74	17%	37%
75-84	6%	12%
85 +	0%	2%
Prefer not to say	1%	

Do you consider yourself to be a disabled person or to have a long-term, limiting condition?

	Website	Panel
Yes	13%	11%
No	80%	86%
Prefer not to say	7%	1%

Website Survey – Full Breakdown of Savings Approach Results

Children and young people

Website Survey only	Strongly Agree	Agree	Neither	Disagree	Strongly Disagree
Review how we use our money to deliver back office and professional support for early years services to help manage spending in line with the government grant.	25% (121)	42% (204)	25% (119)	6% (27)	3% (13)
Review the way that we use our money to meet the needs of children and young people with SEND (0-25) and those that are at risk of exclusion as detailed in our strategic plan for SEND provision. This will help manage spending in line with the government grant.	26% (126)	40% (198)	21% (105)	6% (30)	7% (33)
Reduce the staffing costs in management and professional support.	31% (151)	31% (153)	21% (104)	11% (5)	5% (24)
Reduce spending on the service that monitors and supports school performance whilst increasing income by selling more services to schools and others. We will only provide the necessary services to schools and will aim to sell more services to schools in North Yorkshire and other local authority areas.	24% (117)	36% (174)	23% (109)	11% (51)	7% (34)
Continue to ask for financial contributions towards post 19 SEN (special educational needs) home to school transport in line with mainstream pupils.	32% (155)	35% (168)	18% (89)	10% (50)	5% (22)
Review eligibility criteria for home to school transport for new mainstream pupils so that distances to travel are assessed only against their nearest school. (Existing arrangements would not be affected to avoid disruption for families).	37% (177)	36% (174)	15% (74)	8% (40)	3% (16)
Review the arrangements of how the council supports accommodation for some young people with a view to saving contract costs and potentially delivering a different type of service.	29% (141)	38% (183)	22% (108)	7% (34)	4% (19)

Health and adult services

Website Survey only	Strongly Agree	Agree	Neither	Disagree	Strongly Disagree
Continue with the approach of providing early support through reablement and the local community to help people to remain independent for as long as possible.	48% (231)	39% (190)	9% (45)	3% (14)	1% (3)
Continue to deliver more extra care facilities (supported housing units in the local community) where people can live independently with support rather than more traditional council run residential homes.	36% (172)	44% (210)	13% (62)	6% (28)	2% (8)
Review transport charges so that they reflect the real cost of providing the service and that the entire cost of a person's care package is considered as part of the means-test for care costs.	29% (140)	40% (189)	20% (96)	8% (36)	3% (15)
Continue with the approach of assessments based on a person's strengths so that we can help people to maximise what they can do for themselves with our support.	31% (148)	51% (242)	14% (68)	3% (15)	1% (3)
Review the staffing structure of parts of the service delivering care and support so that it can meet the needs of our customers.	33% (155)	49% (232)	15% (70)	3% (12)	2% (8)
Review the cost of the NHS and local government contract for disability equipment such as grab rails and walking aids to make sure we pay a fair share and that the budget is spent better.	41% (196)	42% (200)	13% (60)	4% (17)	1% (6)
Review how we buy placements for high cost residential and nursing care to get consistency and value for money whilst making sure that individuals' needs are provided for.	41% (195)	45% (215)	11% (50)	3% (12)	1% (6)
Review the arrangements for supported living with adults with learning disabilities to establish if more cost effective arrangements can be made which still provide the required support.	33% (159)	45% (214)	14% (67)	4% (21)	4% (19)
Review arrangements for care provided to adults with mental health issues by focussing on what people can do to support themselves and where possible avoiding residential and nursing placements.	31% (146)	42% (201)	15% (70)	8% (39)	4% (20)
Manage public health services in line with the national reduction in the grant provided by central government specifically for this area.	23% (109)	36% (169)	27% (129)	10% (49)	4% (19)

Business and environmental services

Website Survey only	Strongly Agree	Agree	Neither	Disagree	Strongly Disagree
Continue to make efficiencies in the maintenance of roads and ensure that third parties make a fair contribution towards the cost of repairs	61% (297)	31% (153)	4% (19)	3% (15)	1% (3)
Continue with the roll-out of replacing streetlight units with more energy efficient LEDs thereby reducing energy costs	52% (253)	32% (157)	10% (46)	3% (16)	3% (14)
Work with districts councils to make savings by taking a more consistent approach to recycling and composting across the county.	56% (273)	32% (154)	8% (37)	3% (12)	2% (8)
Continue to provide the most comprehensive winter maintenance service in the country but where there is little or no use of salt heaps consider their removal. Delay operation of main winter maintenance until mid October.	34% (165)	37% (182)	14% (66)	8% (41)	7% (33)

Other

Website Survey only	Strongly Agree	Agree	Neither	Disagree	Strongly Disagree
Continue to reduce spending on back office services.	41% (198)	29% (142)	17% (84)	9% (45)	4% (18)
Continue to reduce prices on contracts with our suppliers.	44% (213)	34% (163)	17% (81)	5% (26)	1 (4)
Generate additional income by winning more contracts to deliver services for other councils and schools.	40% (196)	36% (176)	13% (65)	6% (27)	4% (21)
Explore commercial investments such as property to subsidise frontline services.	32% (155)	31% (153)	21% (101)	9% (45)	7% (33)

Citizens' Panel – Full Breakdown of Savings Approach Results

Children and young people

Citizens' Panel only	Strongly Agree	Agree	Neither	Disagree	Strongly Disagree	Don't Know
Review how we use our money to deliver back office and professional support for early years services to help manage spending in line with the government grant.	21%	53%	16%	6%	1%	3%
Review the way that we use our money to meet the needs of children and young people with SEND (0-25) and those that are at risk of exclusion as detailed in our strategic plan for SEND provision. This will help manage spending in line with the government grant.	22%	51%	15%	7%	2%	4%
Reduce the staffing costs in management and professional support.	28%	40%	21%	8%	1%	3%
Reduce spending on the service that monitors and supports school performance whilst increasing income by selling more services to schools and others. We will only provide the necessary services to schools and will aim to sell more services to schools in North Yorkshire and other local authority areas.	24%	39%	18%	13%	4%	3%
Continue to ask for financial contributions towards post 19 SEN (special educational needs) home to school transport in line with mainstream pupils.	21%	47%	15%	11%	3%	2%
Review eligibility criteria for home to school transport for new mainstream pupils so that distances to travel are assessed only against their nearest school. (Existing arrangements would not be affected to avoid disruption for families).	32%	45%	10%	7%	3%	3%
Review the arrangements of how the council supports accommodation for some young people with a view to saving contract costs and potentially delivering a different type of service.	22%	52%	15%	4%	2%	5%

Health and adult services

Citizens' Panel only	Strongly Agree	Agree	Neither	Disagree	Strongly Disagree	Don't Know
Continue with the approach of providing early support through reablement and the local community to help people to remain independent for as long as possible.	42%	48%	5%	2%	0%	1%
Continue to deliver more extra care facilities (supported housing units in the local community) where people can live independently with support rather than more traditional council run residential homes.	38%	49%	7%	5%	1%	1%
Review transport charges so that they reflect the real cost of providing the service and that the entire cost of a person's care package is considered as part of the means-test for care costs.	19%	53%	14%	7%	2%	5%
Continue with the approach of assessments based on a person's strengths so that we can help people to maximise what they can do for themselves with our support.	31%	56%	8%	3%	1%	2%
Review the staffing structure of parts of the service delivering care and support so that it can meet the needs of our customers.	31%	57%	8%	3%	0%	2%
Review the cost of the NHS and local government contract for disability equipment such as grab rails and walking aids to make sure we pay a fair share and that the budget is spent better.	41%	49%	6%	2%	1%	1%
Review how we buy placements for high cost residential and nursing care to get consistency and value for money whilst making sure that individuals' needs are provided for.	39%	53%	5%	1%	1%	1%
Review the arrangements for supported living with adults with learning disabilities to establish if more cost effective arrangements can be made which still provide the required support.	24%	60%	9%	4%	1%	2%
Review arrangements for care provided to adults with mental health issues by focussing on what people can do to support themselves and where possible avoiding residential and nursing placements.	29%	53%	9%	6%	2%	2%
Manage public health services in line with the national reduction in the grant provided by central government specifically for this area.	15%	47%	19%	10%	4%	5%

Business and environmental services

Citizens' Panel only	Strongly Agree	Agree	Neither	Disagree	Strongly Disagree	Don't Know
Continue to make efficiencies in the maintenance of roads and ensure that third parties make a fair contribution towards the cost of repairs	46%	42%	5%	4%	2%	2%
Continue with the roll-out of replacing streetlight units with more energy efficient LEDs thereby reducing energy costs	48%	40%	6%	3%	1%	1%
Work with districts councils to make savings by taking a more consistent approach to recycling and composting across the county.	51%	42%	5%	2%	0%	1%
Continue to provide the most comprehensive winter maintenance service in the country but where there is little or no use of salt heaps consider their removal. Delay operation of main winter maintenance until mid October.	28%	54%	10%	6%	1%	2%

Other

Citizens' Panel only	Strongly Agree	Agree	Neither	Disagree	Strongly Disagree	Don't Know
Continue to reduce spending on back office services.	38%	42%	12%	4%	1%	3%
Continue to reduce prices on contracts with our suppliers.	40%	43%	11%	4%	1%	2%
Generate additional income by winning more contracts to deliver services for other councils and schools.	39%	43%	10%	5%	1%	2%
Explore commercial investments such as property to subsidise frontline services.	27%	40%	15%	10%	4%	4%

Verbatim Comments – Website Survey

Comments as received, all obscenities have been removed. Where reference is made to specific proposals a short title has been added to aid the reader.

Comments on the Children and your people proposals

Staffing

- Spend more on out on the front line staff and less on people in manager roles
- Amount of staff in office appointments is excessive, stream lining staff levels and higher pay scales need to be reduced.
- Employ the right staff to manage the finances.
- Staffing for local plans, consultants etc should be reviewed. Highways depts should he held more accountable. Planning for sites goes ahead builders are told to do thing and they don't. Then residents are left to clear up the incompetency of district councils and pay offs by the builders. They loose paper work and are rude to you. If district council staff work outside the public sector they would be unemployable
- Professionals need managerial support otherwise you will lose staff.

Home to school transport

- *[Eligibility criteria for home to school transport]* I agree with this proposal but should state nearest school with an available place for the child to attend. It would not be fair to say someone is not eligible as they live close to a school if that school is unable to offer them a place.
- Cut support for all schools - they get far too much proportionally of the budget. Cut school transport in total - if adults wish to have children they should pay fully for them to get to/from school - it is the parents responsibility, not the council's responsibility.
- Kids refusing to go to school get a taxi?!? Get a minibus and they'll just have to get up earlier!
- I think any review should try no maintain the services for the most vulnerable children. I feel that parents should be prepared to contribute to transport services to take children to school.
- Reduce the number of children eligible for transport by making it free for the most needy on a grading scale to the least until they pay full cost. Always ask what the parent is willing to pay, you may be surprised.
- Why not organise car pooling resources for home to school transport or promote other services such as walk and cycle schemes
- Feel some contribution for school transport should be made by parents. I lived in a rural area and my parents had to pay towards transport to school. Whilst it is good the funding for accommodation for young people is being considered hope this will not mean children with special needs being accommodated far from home.
- Could you look at a fleet of cars/our own taxi company that could transport children and young adults around instead of using private hire taxis that charge extortionate amounts because it is for the "Council"
- All current home to school transport should be reassessed to prevent instances where parental refusal to allow their children to attend the allocated school due to additional travel. in one known case this was just an additional 5 miles for which the council has agreed to paying for extra teaching provision.

- Home transport. The rest are vital.
- I have been extremely concerned that Leyburn Cp school and Wensleydale school have not coordinated their teacher training days this year. This has led to half empty coaches and buses still being run. For example the catterick garrison bus comes through Bellerby on its way to Wensleydale school. Then another mini bus comes to Bellerby from garden to collect the primary and secondary school children. Then another mini bus Sayers drives to the top of Moor Road Bellerby I pick up 1 child. Because the parent can't drive the child down to the village main pick up point. What does it actually cost for those 3 buses to come through or stop and collect on a daily basis. The free bus service should be means tested. Hopefully once the Bellerby to Leyburn cycle/footpath is built in 2020, bus services will be optional. As a nation we are constantly suggesting that children need to get fitter well they will be able to walk. The free bus service criteria was set because there wasn't a foot path .,
- I disagree with spending any NYCC funds on transport costs for school children as these should be met fully by parents unless a rural school as recently closed causing a real transport issue. That's not to say that NYCC shouldn't promote the use of school bus services but parents should meet the full cost.
- Parents should not be able to choose state schools and should be the nearest accessible school to their home. More care should be given to the needs of vulnerable and disabled young people and their particular needs.
- Choice should be made normalised, particularly for those without Sen. For example, if a child wants to move due to bullying, the non Sen should walk to a new school, rather than transport needed for the Sen pupil.

Pupil Referral Service

- The PRU in Harrogate at The Grove is an essential service, where demand already exceeds supply. Funding should be increased if anything, certainly not reduced.
- I disagree strongly with the proposed cuts to the PRS. Schools do need more money to prevent exclusions, but this will not help
- I strongly disagree with question 2. The council should continue to fund PRS at current levels as the strategic plan is poor and is about saving money and not about reducing exclusion rates.
- We need a PRS service, it is of social importance that this service is not changed in ANY way that disables its effectiveness. This service is required both to ensure the children that access the service are able to succeed, and also to ensure they do not become a drain on the welfare state in the future.
- Reducing money given to PRS effectively shuts the service down. The staggering of the cuts makes little difference in the long run. These pupils who can't cope in mainstream need the therapeutic services that are very efforts at the moment. These pupils will get lost in the system and in the future cost the state more in benefits, prisons and police costs. Let's save them now before it's too late.
- No cuts should be made to the PRS... this provision is vital and a safety net for vulnerable children. No real plan is currently in place as to where these children will go if the cuts go ahead in April. It is outrageous.
- I am very concerned at the risk to funding for Pupil Referral Units, they look after some of our most damaged and vulnerable children. I am very concerned that should they no longer exist o the funding cut to such a degree, our most complex children will end up within the criminal justice system, as a pose to having the opportunity to re-shape their lives.

Early years/SEND

- An review of EY services has already been completed.
- Delivery of early years services is vital for children to flourish & parents to work if they can. Sure start was a means of mitigating damaging effects of poor parenting and social inequality. Cuts here escalate down the line if these children do not achieve. Keep professionals in the field as much as possible, not behind desks. Having a child with SEN is very challenging and trained staff and schools/ services are vital or you will fund them later as dependent adults.
- Lots of work into supporting under school age children with SEND in accessing appropriate EY provision. Provide appropriate training to ey settings, consider the schools send budgets
- if spending eg for early years and special needs can't be managed in line with the government grant then, if the council believes that investing in early intervention is the right thing to do (reducing later social care burden) then it should subsidise this. Reducing business support and asking highly paid specialists to support themselves seems to be a misplaced way of saving costs
- If a child has special needs I am assuming that they will get extra in benefits for that child. Should this not be spent on paying for the support that child needs?
- Mainstream schools/settings are clearly not inclusive enough and therefore many EHCPs are being sought due to the anxiety around children's needs not being met. Look at the underlying reasons and take proactive rather than reactive action to rectify this. Give schools incentives for taking and including children without EHCPs.
- All children in special schools should be provided with home school transport it is ridiculous to expect a child with SEND to walk to school every morning and night. When the nearest mainstream school cannot meet need, transport should always be available. Renegotiate transport costs - taxi companies are profiting too much from SEND transport. There needs to be more investment in special school buildings so they can be more economical - some have been underfunded for too long.
- They do not include actually being very vocal about the national issue that the money for eg SEND does not match the cost. Whilst as a conservative council you clearly do not want to criticise the government the tie has come to stop this bias and clearly and publicly point out the issues as they affect the people living in the area. There is also nothing about the savings by reviewing the balance between district and local costs and how to jointly get efficiencies.
- Having worked in Special Needs teaching for many years, I do know that other local authorities are reducing home school transport to make savings. I believe they still provide transport for children and young people with complex needs, where parents would be unable to provide specialist transport to school.
- Stop cutting budgets to education, and in particular SEND education. The cuts are getting ridiculous, you barely provide adequate service as it is.

Accommodation for young people

- *[Review the arrangements of how the council supports accommodation for some young people ...]* Point 7 is very vague however if this refers to the homelessness prevention partnership, then yes, the service does need be reiewwed as the contracts come to end, however not at the detriment of vulnerable young people who require a housing solution and save CSC by young people not having to become looked after or use up other frontline CFS resources. Different commissioning models also need to be considered.

- Contract costs could potentially encourage young people out of more appropriate accommodation - needs to focus on 'prevention' rather than filling homeless accommodation voids. There is a high need for appropriate outcome accommodation in Scarborough and North Yorkshire where young people are supported to become contributing adults.
- Nobody should be on the streets more help with training to be not so judgemental on ppl who isn't from Scarborough and make them feel like an outsider not wanted
- Ensure accommodation is best for the person not just for savings, the balance should always be in the individuals interest.
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No further cuts to children and young people's services

- Services to children and young people already cut to the bone leaving many families without support
- Childrens Services have lost too much, we endangering many young people with neglect and exclusion with more cuts
- Money to youth justice and health plus the policing on anti social behaviour would be dramatically saved if you reinstated the youth service and CYC. The work they did in our town made a huge impact. Now anti social behaviour, teenage pregnancies and young people with nowhere to go taking drugs and alcohol has dramatically increased. Its an utterly ridiculous decision.

Parential responsibility

- The amounts spent on young persons are shocking. Harrogate area is affluent in comparison to others and parents should contribute to provide for their children, as our parents did, without any Council handouts. Transport to school should be stopped for all but the most severely disabled, if they can benefit from this.
- Parents should take more responsibility, including financially, for their own children rather than always relying on local authority funding
- Bottom line is that parents take more responsibility and that costs incurred by the council for any service/intervention is based on a needs basis ie it is not an expectation from parents.
- More support for parents would surely reduce the cost of professionals but parents should be made to understand & take their responsibilities seriously ie not rely on the school/nhs/coouncils etc to do the job of parenting.
- Stop wasting money giving grants that are often wasted or taken up simply because they are there. Any money you give away, first has to be expropriated from someone else who has earned that money. Most of the grants given are not actually needed they just get applied for because they are there. I am aware of grants that have been given to business that clearly don't need the grant aid as they are able to afford to purchase vehicle within a few days of receiving a grant! I was recently at a parish council meeting where applications for grant money was being discussed. The PC were going to apply for some of the grant budgeted that the local County Councillor get allocated: this was not based on need, just that there

was a pot of money and if our parish council did not get a grant from it, then someone else would! Why are you giving any grants when we are supposed to be in times of austerity? Stop wasting other people's money.

- Concentrate on mandatory services and introduce charges for non-mandatory services. The planning administration costs should be fully funded by applicants and users of the service, the same applies for other elective services like libraries. Automation and use of IT solutions to handle regular interactions with the public are sources of efficiency. Social housing should be provided at rates in line with the private sector, Disabled and the elderly should have their allowances increased to mitigate the costs, whereas the general council and association housed tenants should no longer be subsidised by tax payers. this will have the extra benefit of reducing demand and reducing the waiting list for social housing.

Government policy

- This is an impossible questionnaire for a public citizen to answer. Of course we don't agree with a rise in council tax but services assigned to council are essential. We are all struggling to maintain the standard we had five years ago but a rise in council tax will cause many households to spend less on food or prescription drugs with catastrophic effects on our health and welfare departments. Many of the questions above refer to 'reviewing' surely this has already been done. Maybe it is time for a cost benefit analysis of the implications of government funding cuts to be presented to government, together with the health, safety and welfare predictions.
- All that needs to be addressed in this questionnaire is not available. If the people in higher management making the decisions are not qualified to do so then they should go. Get people in positions that can make and understand the decisions. One problem I have is Selby could and should be invested in to promote this town. It has a lot to offer eg in tourism but is sadly lacking investment in the town. Incentives should be given to shop keepers to promote their businesses this would improve the look of Selby high street and with the abbey it could be a major tourism destination. Self generating by investment/ incentives from the local communities and local government. Stop taking the rates and state to invest in Selby giving back some of the money you have squandered in many years of neglect. I would sort it given the chance.
- Although I'm aware that we have to stick to the budget, it feels like Local Government is becoming less about supporting people who need it, and more about doing everything possible to balance the books.
- Ask Julian Smith if North Yorkshire pupils receive the same support as children in London via a bus transport for all students to and from school. In London pupils travel for free on trains, buses and underground to and from school.
- You should be pressing your conservative colleagues in central government to aver from their austerity policies and increase general taxation rather than demand savings on essential services.
- How about the conservative council lobbying the conservative government to stop reducing the grants at the same time as upping the precept in order that those of us who are able to afford more actually help to improve services for the most vulnerable.
- Every effort should be made to persuade the Government that central funding for NY should be brought more in line with funding for other areas of the UK.

- I would rather that you lobbied Govt harder to change its policies and provide more funds. All the above will ensure more misery, hardship and poverty for those least able to deal with it.
- I am concerned about continuing savings imposed by central government that take services from children and families and other vulnerable groups in north Yorkshire. This will have a knock on effect that will increase expenditure in the future. I understand that NCC must cut costs but ideologically this has the risk of moving away from assessment and provision based on need to what resources are available.
- Permanently excluded students need support and a dedicated education

Review

- What does "review" really mean? Surely you should always be reviewing all expenditure and the best way to deliver any "service".
- It is difficult to argue with the need to 'review' but hard to know what this will mean in practice. Any measure which impacts negatively on vulnerable children and adults cannot be justified.
- Review is a pointless term. Everything should always be reviewed. The question is whether funds should be increased or decreased.
- Why would we NOT ask for you to review all these items - isn't this routine activity for the service managers? Why are you not asking why there are so many demands for these services - parents have the responsibility for their children, not the state.
- This is an impossible situation and I assume that reviews previously completed identified a possible route for this financial year. It is on this basis that I have replied, above.
- Neither agree or disagree has been placed by reviews that may indicate increased spend need

Other – service related

- We need to bring "out of county" care, which is extremely expensive, back in county. We need to contact our current in county providers to understand why they're not in a position to provide the type of support we require and see if we can support them to be able to get into a position where they can provide services in county.
- Reducing the number of staff reduces the quality of the service being provided. Are funding options such as Short Breaks a priority given the reduced budget. The amount of money put into Children & Families service should not be reduced as these services are vital to give children the best start in life and help them reach their full potential. Cutting budgets in this area will only place further strain on other services in the long term.
- Reduce the amount wasted in relation to excess funds held in Direct Payment accounts.
- Be more rigorous in assessments
- Invest more money towards children's mental health. This will enable a future saving as if done correctly there will be less anti social and destructive behaviour from them as they grow up. Also if more mentally healthy then fewer visits to their GP. Many aches and pains, tiredness and lack of sleep, etc are ultimately to do with their mental health. There is a now known connection between the brain and the gut so it's no wonder people with mental health issues produce physical aches and pains.
- Some of the service provision costs are very expensive particularly LD services mainstream services should be considered first own tenancy care package at home before shared lives
- Essential that we maintain preventative and early help services to children and families using multi-agency professionals including supporting families/carers managing children with

emotional/behavioural or trauma difficulties before these multiply into complex problems. To look at school and community facilities to be jointly used - libraries, sports and art facilities etc.

- *[Reduce the spending on the service that monitors and supports school performance]*
Proposal 4 - I do not see how it is possible to sell more services to other councils as they will presumably be trying to do the same. Also in selling services to schools this is surely making one area of the council budget look better at the expense of schools' already tight budgets.
- Some difficult decisions to be made

Other

- I dont know enough about this subject to agree/disagree.
- We should be supporting our most venerable.
- Harrogate has a distinct age profile and finances should reflect that.
- none
- i think north yorkshire county council or a exslont council the verrey best in cutrey better than derbyshire county council bicus you do companyon bus pass and lots more
- Today is the 7th jan 2019. I received this email at 11.56. the consultation in thirsk is on the 7th jan at 12 or 12.30, i can't remember off hand I call this poor communication. how are we meant to plan our time? what sort of turn out was there? i have left the questionnaire blank as obviously i had no chance to go. very disappointed

Comments on the Health and adult services proposals

Supporting people with disabilities

- Cost affective vs ability of those with learning disabilities is hard to quantify. Please listen to parents and continue to fund mencap services, they are a life line to many and are v cost affective. Funding swimming and other accessible sports through local charity's may help you reduce costs by improving the health of those with disabilities.
- There is not a never ending pot of money but young adults are not getting the help they need. Too much paperwork and not enough staff on the ground floor!
- If there were better services working with disabled and autistic young people so parents manage better, particularly when the are having "meltdowns" in the home, parents would feel they can better cope and manage and so more young adults would end up staying with their parents rather than being rehomed and save the council a fortune
- 8 [*supported living for adults with learning disabilities*] as long as it still remains person centred and not reverting back to the previous arrangemetns of residential hostels for people with LD.
- High cost placement in certain areas are very expensive work should be carried out to secure placements at realistic cost effective rates. this could involve enforcing capped rates and possible block contacts of rooms
- Community resources are more cost effective and often better for young people with SEND, shared housing is often a better option than a person living by themselves with care workers. Bespoke doesn't have to be by themselves.
- Disabled people's capabilities vary vastly, look at the Paralympics and Invictus games for examples, people want to do what they can for themselves. That said, assessments should be carried out by doctors, not contracted out "experts" and those most in need must get the most funding.
- LD services need reviewing the costs are ridiculous when some could rent a flat have a tenancy in their own right and have individual care packages which develop independence. However most have lived in these settings as their homes for many years and some skills will require higher cost care.packages initially.

Care provided to adults with mental health issues

- I think care for those with mental health issues needs greater priority. It is right that people continue to live in the community when they can, but we hear of too many instances where people who struggle to look after themselves receive inadequate support because mental health is not considered enough of a priority.
- Mental health already underfunded
- Think about involving local people to help out when neighbours are poorly or have mental health crisis. If someone in my street needed some small support to help them stay in their home whilst they are poorly, I would put my name in a rota to pop in and check in on them and also be on call through the night. I am trained in first aid, mental health first aid, youth and community. Etc etc etc Most people want to help out and volunteer but not on a weekly basis as people have different lives now. So if you could look into what community support there is in every street in North Yorkshire and see if you can come up with a new support network that is already there and will save you a huge amount of money in crisis care/medical costs. Also stop paying private ambulances £300 a time to transport people in s

mental health crisis to hospital. Employ your own staff and lease ambulances if you can't afford to buy. Or ask local businesses to sponsor ambulances. Please stop wasting money.

- *[Review arrangements for care provided to adults with mental health issues by focusing on what people can do to support themselves and where possible avoid nursing placements]* sounds like just about saving money at the expense of their personal needs that would be in their best interests.
- As a person affected by mental health issues, there is no care, only crisis care. Crises are being exacerbated by the systemic neglect of mental health funding. consistent underinvestment in the NHS is wrong, be it nationally or regionally decided.
- There are many individuals with mental health who should not be living alone. The mental health support service is the worst of all services provided.
- Better targeted care towards individual needs rather than a general approach. This particularly applies in mental health cases and the support they are given, which may mean directing people towards voluntary groups.
- consultations that don't listen? MH budget in NY is shameful & most services degrading. I sought help, only offer 'Next Steps'-crafting clubs/cheap cake-more Mencap than MH support, we are not imbeciles

Early support through reablement to remain independence

- Only acceptable in a person centred way, enforcing "independence" (i.e.no service/no cost) is not what individual wants/needs. Getting 'community' to run things is fine, if resourced well, quality check & ensure correct skills . having 'mystery shopped' libraries - web pages out of date, most don't respond to email and if they do, unable to answer questions/provided wrong info (e.g. wrong days for clubs).Volunteers never provide truly reliable service - if they don't feel like volunteering, they have every right to not turn up. My mother missed many appointments when volunteer transport not turned up.
- I believe that independence is key in supporting health in the community. But placing people with similar problems is not necessarily the answer. European practice, based on research, supports this view; eg child care within elderly supported living. I do not agree with means tested benefits. I believe that answering affirmative to Qu 10 condones this governments reduction in grants
- Make residents responsible for their daily lives and stop trying to be part of the 'nanny state'.
- Promote the living well service
- Prevention is better than cure - Desiderius Erasmus An ounce of prevention is worth a pound of cure - Benjamin Franklin BMJ 2004;328:115 doi: <https://doi.org/10.1136/bmj.328.7431.115-a> (Published 09 January 2004)
- Preventative and support services are required but not the 5 or 15 min slots. Needs to be local services within communities based in joint work with GP's using their facilities and knowledge. This is about developing joint working strategies, pooling budgets, identifying local population needs, sharing information, community services that support people and do not involve mass travelling time (wasted time). Joint working across NHS and adult social care, whilst leaving adult protection as a separate LA owned, staffed and ran service.
- There should be much more reablement available to everyone as an initial service to determine a persons strengths and therefore enable a better plan for longer term support going forward. To achieve this the reablement teams/ service needs to be increased to give better capacity to take on more assessment work. Promoting independence is vital if the

local authority wants to save money in the long term, however the LA must 'speculate to accumulate' and take the risks associated with widening this service.

- Make reablement services have more capacity and make it mandatory for any increase or new support to be via reablement first.
- Money can be wasted on providing short-term fixes for elderly people e.g. going through the stages of trying to keep them in their own homes with equipment such as grab rails, etc. when these are clearly not going to be the answer in the long term. Keep cases open for longer so that Social Workers for elderly people get to know their clients and their needs over a longer period so that decisions don't have to be 'quick-fix' and everything is done in a panic. Look at longer term care solutions to avoid having to move self-funded people into different care homes once their money runs out. Think long-term not just short term.

Extra care/residential and nursing care

- Would there be any scope for having "respite options" for the elderly - in CYPS there are foster carers to look after vulnerable children - could we have some people assessed that could offer a weekend to an older person to ease going for respite into residential homes (if it was feasible) or respite in their own homes etc
- Very worried about elderly people having to be placed a long way from home in care homes as all closed locally.
- People in care homes should not be being subsidised by the inflated fees paid by those having to pay for themselves. It isn't equitable.
- More extra care is required. Residential homes need reviewing as most do not accept people with high level mobility issues even though they do not meet for nursing some need to be placed into NH.
- Supported living for the elderly does not & never should replace care homes. The elderly get abandoned in supported living flats!

Staffing structure of the service delivering care and support

- *[Review the staffing structure of the service delivering care and support ...]* If point 5 means reducing staff I would suggest that staff are already stretched this does impact on the time they have to source information to be creative with people in supporting them to achieve their outcomes.
- Independence assessment teams need more staff as workloads appear unmanageable.
- Bin living well service.

Paying for services

- Cut the service. If people can't pay themselves, only give only the bare minimum. Allow older people to die when they have little quality of life left. There is huge generational inequality, with many who have had money but have spent or given it away. Don't put this huge burden disproportionately on the younger generations.
- Those who are able should pay their fair share. If small improvements to a property can help the person remain there, then these should be budgeted for.
- Further means testing for wealthy pensioners for care

Transport

- *[Review transport services]* No 3 above Review transport charges ensure that an 18+ year old part of Health and Adult services is treated in the same way as an 18+ year old in Children and young peoples services for transport charges.
- Transport is a service in rural areas & will always run at loss.

Disability equipment

- Closer monitoring of disability equipment on loan must implemented. It is the norm for mobility/disability aides to be loaned to users and no checks made to see if they are still required at any time. All too often disability aides are installed in a persons home when there would be additional and extremely beneficial benefits in encouraging users to be taken to a local elderly persons home to be bathed and to join in with social interaction.
- The NHS throws out walking sticks even though they have been used for only a short time - why?? Could many other items which could be recycled after cleaning etc not be passed on instead of going to landfill? It seems to be a very visible waste of resources.
- Make grab rails mandatory as new houses are built. Making this a normality should help reduce future expense
- 6. we are aware that most aids for disability e.g. frames, crutches, wheelchairs etc are not monitored currently there when a person dies these are often thrown away. 8. I don't believe the existing support is adequate
- Could savings on installation of aids and adaptations be made with partnership with voluntary sector as in Care and Repair in Leeds? Maybe need to review aids provision to care settings as in some other Local Authority areas.
- Make it easier to return disability equipment after usage. How much do all of the reviews cost???
- With regard to walking/mobility aids, people who no longer need them need to hand them back rather than throw them away. There should be an incentive to look after equipment and reuse it where necessary.
- Not sure why some of these proposals have not already been implemented. Example item 6 *[disability equipment]*, surely the council should be getting best value from its contracts anyway?
- I also think a loan fee for equipment should be considered how much equipment do we see in charity shops or for sale in selling pages!!

Commissioning & procurement

- We spend a lot of money on Adult Social Care so the contracts should be robustly contract managed. Holding regular meetings with providers doesn't constitute good contract management. A Supplier Relationship Management approach should be maintained allowing for relationship building and open and honest conversations. All providers should be asked on an annual basis whether they can provide better value - this may be the same service for less money or it may be some additional service for the same money. We need to offer providers the chance to be innovative, to come to us with ideas. We need to build a vibrant market of providers while minimising our costs.
- Feel that contracted service always overcharge the local authority as they believe they have a limitless budget. Needs more scrutiny and more competition from contractors

- Instead of getting the above provided by commercial partners who MUST make a profit from you [us!] bring the services back in house thereby saving money and placing quality of provision first instead of profit
- By review, you really mean cut provision, or get a cheaper provision. But you must realise that when you pay peanuts, you get monkeys. Provision must be of an excellent standard. You pay for what you get.
- I believe the culture of outsourcing services has led to higher costs and poorer public services.
- Support not for profit services, even if they seem to cost a little more.

Public Health

- Decreasing public health spending will lead to increased costs further down the line
- Persuade people to learn how to help themselves and keep fit not fat
- Sexual health services, school nursing, health visiting are Important NHS interfaces and part of the matrix for early interventions with families needing support & the prevention/reduction in communicable diseases. Schools should have a designated nurse for teaching staff to liaise with, a safety net for neglected children or those where health is impacting on education eg hearing, sight, coordination. Health visitors can target needy families & depressed new mums. Depressed people living alone may be a suicide risk & need a period of support while they recover & regain a will to work and live.
- *[Manage public health service ...]* I broadly agree, but to a point. We need to ensure that our pensioners are supported and are enabled to have a good quality of life. Difficult with a shrinking grant but something we need to keep at the forefront of our minds when making decisions.
- More money needs to be spent on Public Health services to ensure we can reduce the costs of older people are reducing year on year
- Want to see accountability. What did 'Mates time' and Time2Change anti stigma achieve?

Government policy

- [1] Health services should be funded by the NHS, not from Council tax raised by regional or district councils [2] The Council correctly identifies that the element of Council Tax which currently goes to elderly care amounts to a form of 'insurance premium'. However this should not be coming from Council Tax at all. Instead it should be raised as part of National Insurance contributions.
- Again, what we are being asked to comment on is how to reduce spending. What should be happening is that we, those members of the public who can afford to contribute more towards support for the most vulnerable, should be expected to do so through a raised precept. Additionally, conservative councils should stop being subservient to the conservative government's decision to reduce local government grants. (Incidentally I am not a labour voter!)
- Challenges should be made to Central Government about the fact that medical services are being taken further away from outlying areas with no means of getting any / or reasonably priced transport to appointments or treatment. Out of hours services based 20 miles away the journey to which would fail any risk assessment for anyone over the open moorland overnight in snowy or frosty weather. Severe waste of funds caused by mismanagement of emergency services when a patient simply requires an assessment to confirm whether hospitalisation is needed.

Staffing/councillors

- Staffing levels need to be looked at, too many staff who do not directly contribute yet get paid a high pay packet. Lack of basic knowledge and understanding of people.
- Cut councillor s expenses and wage/allowances.
- There seems to be a lot of 'management' positions within health and social care - could this be stream lined so that there are more reablement / support workers working on the ground, giving them more time with Clients etc. Often there are too many over paid chiefs and not enough Indians

This survey / review

- Again, why would we NOT ask for you to review all these items - isn't this routine activity for the service managers ?
- You should be reviewing all these items all the time.
- Once again the term review is useless. You should always review everything. You should be asking if spending should increase or decrease in specific areas. In Private Business, everything is always under review.
- Too much suggestions for reviews ... just get on and do things far more efficiently. Engagement with adult services showed how inefficient they are.
- Review - and then what? there is a lack of clarity here. I am concerned that we should not commoditise vulnerable individuals - 'reviewing' supported living arrangements, for example, might mean a major disruption to a vulnerable individual.
- Why are you only planning to 'review' these items now? Surely you should be constantly looking at ways of reducing cost and ensuring, we, the people who end up paying for this are getting good value. You should also look to see why it is necessary to pay the CEO of organisation such a substantial salary. Stop spending other people's money without trying to reduce the amount being wasted.
- Why ask for agreement to review. Review then consult on outcomes.
- "Review" is meaningless, why not put increase spending or cut spending
- Where you say 'review' I would kinky be in favour providing that it did not involve using expensive external professional services or consultants, you would be well served by your Inhouse staff in most cases.
- A number of the above questions are really 2 questions 1) Review - to save costs hopefully and 2)Provide the required support i.e. spend more money! It looks as though the questions are based upon a survey that will provide the answers you want!
- It's hard to disagree with many of these statements, due to the way they have been phrased. They all sound very balanced and reasonable, but make no suggestion that any of the changes could have any kind of negative impact on individuals.
- You don't really make it clear if yu are trying to do a better job or reduce your expenditure.
- they read as thought its just efficiency reviews- since you ought to be carrying this out anyway I assume it means cuts-therefore your words as disingenuous and lack clarity of what you mean(yes I have read your docs and whilst I am dyslexic I am not thick-indeed in theory part of the top 3% of the country) . If its about taking more money off those who happen to have houses and you can sell the to get the money back you should have the honesty to say so- and also pressurise the government to allow assisted suicide so the old can decide how much to pass onto the young and how to die with dignity without just being a shell or even worse a heartbreak to the children who have to watch powerless. Its about

having an honest discussion about death in modern society and because of the costs you are part of it whether you like it or not. At the moment you are part of the problem because you are obscuring things and are causing very significant cost to occur. I am a These are all invidious choices which would be unnecessary if we had a government which was more intent on spreading the wealth of the UK rather than preserving it for those that are already wealthy.

- As an economist I strongly object to the phrase "cost effective" when it clearly means "cuts". NYCC should be more blunt by stating something like "We can't do all we would like to do because of the austerity measures imposed by central government cuts in grants - which cuts in services will hurt the least?"

Other

- north yorkshire county council or frst clas services
- See response to q4
- Do not cut things to save penny's and cause problems mounting to pounds Save a penny spend a pound mentality.
- Cut none of these
- This section does not appear to include childrens social care and health services. I believe if these are cut any further it is storing problems for later as seen recently in the Colburn area. Early help and support for young families cannot be overlooked if this does happen there will inevitably be a greater cost in the long term
- A large proportion of residents are older and a very large number of visitors to Harrogate are not young.
- Making sure that those who need support get it but via assessments and those able to help themselves do so.

Comments on the Business and environmental services proposals

Efficiency in road maintenance

- Again, why would we NOT ask for you to review all these items - isn't this routine activity for the service managers ? Why are third parties not forced to make FULL contribution, not just FAIR - and ensure a proper restitution of surface is achieved ? They wish to avail themselves of the public roads and pathways to route their utilities - and then leave them as a second rate broken patchwork enabling potholes all of which are then fixed by council spending.
- North Yorkshire has recently been named as a council not using powers to fine utility companies etc... overrunning on works to maximum allowed - this to be done (provided financially viable re: cost of raising the fine)
- Introduce cohesive working with utilities ie: don't let them dig up A road you have just re surfaced. Surely this can be co-ordinated for general works
- If utility companies har to pay the full cost of restoring roads after digging them up they might be more careful in no constantly doing so! If they funded a co-ordination office at NYCC then maybe they could dig the road up fewer times and all work in the same place at the same time. A low cost win for all parties!
- Make utility companies responsible for the damage to roads caused by poor restitution of road surface after carrying out repairs.
- Utilities should bear the full cost of their repairs, including the cost of NYCC governing the quality to ensure repairs do not undermine the quality of the road surface in the long term at taxpayer's expense.
- Prioritise road maintenance, road safety and the use of more sustainable transport above spending on adult social care.
- Stop wasting money replacing kerb stones that don't need it.
- Unnecessary highways work carried out i.e replacing / re-seating cobbles in low traffic use areas. Street lights in some vulnerable public foot path areas have been off for excessive length of time and reports have been ignored.
- Motorists pay enough in road tax and fuel duty/VAT. Provide a better repair of potholes so the repairs last - not a bloke in a van who tips a bag of stuff into the pothole then drives over it a couple of times before leaving. The pothole was back within a week. A proper permanent repair is required. Also stop using tar and chips - much better and longer lasting to use hot rolled bitumen with stones in the mix. It provides a much better repair. Where tar and chips was used last summer, the edges of the road have collapsed already. A very poor job indeed.
- No mention of 'pot holes' here?!?
- I agree that there should be efficiencies in the maintenance of roads, however, i feel that this is often being done at the expense of the quality of repairs. Pot holes that are 'temporarily' refilled are back to how they are or worse in no time at all.
- *[Continue to make efficiencies in the maintenance of roads ..]* Item 1 - so long as efficiencies doesn't mean more cutbacks.
- I believe that the maintenance of roads reduces accidents, but so does appropriate signings, speed limits, cycle routes, and footpaths. People can find alternatives to paying for green bins to be emptied.
- We consider there should be no reduction in maintenance of roads and winter maintenance in many areas is inadequate.

- Roads in rural communities need to be maintained to a higher standard as they are the lifeline for people getting to work, shopping etc. If you continue to remove services from local communities, eg banks there needs to be support for people to get to towns etc.
- You wouldn't need to be making efficiencies in road maintenance if you maintained them properly. Spend more on quality work not less.
- Avoid false economy of poor roads resulting in damage to vehicles, injuries and claims.
- Unadopted roads in the county need adopting as many are beyond repair. This will incur additional costs however will reduce injury in areas where there are real issues.
- Road maintenance should be pro-active not reactive (especially clearing drains), and roads need to be prioritised as we have recently seen minor use roads resurfaced whilst main road are in dis-repair. Sporting cycle events should only prioritise road repair if they provide some contribution.

Street lighting

- Street lighting: led give less light. As a partially sighted person, this move in York stopped me going out. Please do not do this in Scarborough! The idea is great, but you will need to nearly double the number of lamp posts, and I don't think you are able to invest to save in this way. Salt heaps.
- Highways is an area where the NYCC seems addicted to spending more money, Installing solar powered lighting on signs in areas that are already street lit is a waste of money. Indeed I would argue any lighting of signage is a waste as cars have headlights! Similarly is changing to LED lighting so efficient now that many lights are on for fewer hours, what is the payback period. Why are there so many road signs and why are they so big? Why are you installing signs for cyclists - sat navs will in the medium term render directional signage a thing of the past. Why do roadworks take so long, are contractors being charged the max for the duration of their works I would guess not judging by the length of many road works. Why is the cost of waste so high when most of the collection is done by district councils? Surely there can be savings made here? Road repairs are inefficient a pothole might get repaired but a smaller one next to it is ignored as is a crazed area....
- Regarding LED installations, it appears NYCC is making progress but there seems to be little visible work getting done by district councils (Hambleton in this case) I worked on street lighting decades ago and there still seems to be total confusion on who is responsible for particular luminaires.
- The new LED streetlights are far too bright and make it difficult for our young daughter to sleep in her bedroom. Since they have been put in on our street, it doesn't ever feel like nighttime! It's a bit like standing under a UFO with the glare and brilliance of the lights cascading everywhere. I know they are cheaper and more efficient, but I do miss the gentle orange glow of the old lights, which were plenty bright enough. I would not wish these new lights on anyone else.
- LED street lights are awful in comparison to the old style lights, nowhere near as bright so potential for more dark zones.
- Street lighting is an issue on the Garrison even though new LED installed lights are turned off or are just not coming on. We have no street lighting at Colburn Drive and live next to business park at Colburn where lights are blazing all night. Makes no sense.
- The cut backs in lighting in our village is too much and leads to an unsafe environment.
- Turning more street lighting off at night should be considered further
- Extend the time that street lights go off to save costs

- Look at Council mileage costs Consider removing/reducing streetlighting in areas or switch off earlier at night
- Please review switching street lights off between 12am onwards as this would help to reduce the crime rates in our communities.

Waste

- *[Work with district councils to make savings by taking a more consistent approach to recycling and composting across the county]* what does number 3 mean and how will it save money?
- I agree that there should be a consistent approach to recycling and composting across district councils, but I also feel that more could be done to increase recycling, especially plastics. At present, my District Council only collects plastic bottles, yet most plastic can be recycled. When I lived in the East Riding, we had one bin in which we could put most plastic, paper and cardboard, tins etc and a compost bin which could also take food waste. I hardly put anything in the general waste bin! If it can be done there, why not in North Yorkshire too? Plastic waste is a major environmental issue and subject of public concern, and it's time North Yorkshire got to grips with it.
- Recycling rules need to be made the same wherever u live. It should also be made law that u have to recycle. People need to be educated regarding what to recycle and be able to see the benefits. Why should people just not be bothered? They are contributing to global warming but people who do recycle don't receive anything. So there's no incentive.
- As an example of consistency please standardise recycling bins in the county and all recycling facilities.
- My self like many others I have spoke to feel you should review the use of recycling centres, to charge a resident to take rubble/hardcore to the centre has increased the fly tipping especially in our area. In a lot of cases it is such a small amount that the resident will end up putting in the their landfill bins rather than attempt to take it to the centres knowing they will be charged. Or in some cases you will find it on the side of the road leaving the District Council footing the bill to clear it away
- Don't charge for rubble or getting rid of waste as it is causing more fly tipping.
- Do more recycling at waste amenity sites, back to basics, allow people to deposit for free and to take away anything safe deposited to reduce landfill and discourage fly tipping.
- cut the cost of waste services by eg reducing frequency, pressurise the government to vastly increase the the jailtime and fines for flytipping-including confiscation of assets whether or not they are 'proceeds of crime' , increase costs to business of waste collection to make them cut down etc. , make houses which produce more waste per person(say the top 25% so its obvious) than others pay more.Excess waste(non recyclable) has all kinds of adverse effects and councils need to play a better role in ensuring people understand waste costs.
- I don't see how it is possible to make any savings on recycling. This should be an area of investment. Looking at how Germany does it (best country for recycling), they have guides that tell them exactly what can be recycled. We need bigger, solid bins for it too.
- Can we work with all local supermarkets regarding packaging eg black trays? Companies making large profits cannot expect councils to pay for disposal of unnecessary cellophane, polystyrene, plastic bags. Mount a campaign where we leave packaging at the supermarket, give us recycled paper bags. We cannot keep bringing all this stuff home for landfill!
- 3.Incentivise recycling - e.g. people with waste food bins then get free compost as in East Yorks. 4. We seem to get it wrong every year.

- Work with and enforce that distract councils charge for commercial waste and they enforce it! Scarborough council has increased their income by over 200k by writing to all holiday let business and telling them they have to have contractual waste arrangements in place. Why does this not happen with every business in every town? Unfortunately, not many councils enforce the requirement of Waste Transfer Notes so many fly tip commercial waste and recycling centers as domestic waste (to the cost of NYCC). Can you not improve signage at recycling centers to explain why all business need to recycle and have arrangements in place for storage and collection of waste.
- Do more proactive work to ensure all business pay for waste collection. You have a list of all business on council tax, use it to enforce having a waste traders note! In turn business will opt for getting a contract and maybe with the council which I. Turn will help raise funds and reduce fly tipping. I am amazed at how many hotels put their commercial waste in a domestic bin!
- We need a joined up strategy on what to do with our 'dirty' plastics waste-particularly from farmers. As consumers of plastics both the general consumer, or farmers need either alternatives to using dirty plastics, or a clear collection method. Perhaps North Yorkshire should lead the way on this.
- Change the bin collections to monthly
- I would consider charging for black bins to encourage recycling.
- Provide green bin services again! I pay over £3000 per annum Council Tax and get one black bin per fortnight. Other than roads I do not use other services.
- Why does Harrogate - in autumn, not allow residents to take & use leaf litter (carefully collected by council employees) instead of either burning it or putting it into landfill as is the case at present?

Winter maintenance

- As someone who drives along rural roads (work mileage often 1000 per month) to reach my caseload, I really appreciate the excellent winter gritting service provided. It's money well spent as it keeps all other services working efficiently and reduces demand on emergency services.
- Grit the roads more often keep our rural roads moving I loose work when the roads aren't kept open
- *[Where there is little or no use of salt heaps we will consider removing them and delay operation of the main winter maintenance fleet ...]* In respect to Q4 it would only be the rural areas that would be affected and these are at the bottom of the pile when it come to gritting and salting.
- Pay farmers to clear nearby roads in snowy weather. Recycling can be utilised in power production, such as anaerobic digestion plants. Glass recycling is extremely inefficient, bottles should be levied with deposits and returned to shops for refunds (like 30 years ago), then the bottles should be sterilised and reused (energy efficiency). Tax single use plastics. Businesses create jobs, incentivise them by offering a reduction in rates if they employ additional staff.
- What happens to funds when as this year no gritting has been needed to date - mid December? Maybe funding could be spent on road repairs instead?
- I've still not had a response as to why a public bin was removed at the bottom of West Cliffe Grove, Harrogate. I initially got a response from two councillors, just before their elections,

saying they weren't aware of it and would look into it. Then after elections were done I heard nothing. Would appreciate a response and wonder if this is going to be replaced.

- People who choose to live in areas subject to problems in winter should make use of winter tyres etc
- The loss of salt heaps prevents community minded persons to use this in areas of high foot traffic and in extreme conditions, when council employees are fully engaged. They were seldom wasted.
- Have you considered community salt bins? These have coded padlocks, and the community responsible uses their own shovels to clear and salt pavements. When I lived in Woking, we had one in the little housing estate I lived in. I don't see why this would not work in Scarborough.
- Were I live in Dene Park Harrogate we had a grit bin on site for many years but it has been removed sometime ago and there are many elderly/disabled wheelchair users me being one who struggle to get out the home when council have not cleared the paths or ramp to my home and my wife goes to her place of employment in her electric wheelchair but was unable to last year because council did not clear the paths or ramp to our home a grit bin on site was something we needed so that those of us in wheelchairs can help from those around us to enable us to get out of our homes
- instead of salt heaps being determined by county council why not consider parish councils having this budget to spend as they sit fit and avoid gritting/salting until Nov unless severe weather.
- Whilst salt heaps are not always used and maybe should be spread out more i do feel that ny do a fantastic job of keeping travellers on the road. I travel from danby to Skelton and on to saltburn and the best roads are ny roads. I cannot praise them highly enough for their dedication to our roads but salt boxes do need spreading out More. The sheep just eat it all anyway.
- Salt heaps could be away forward as people could access them when needed.
- I would suggest that ALL councillors are forced to drive up Swaledale and over Buttertubs pass in bad winter conditions to see how hugely important it is to make sure that these roads are cleared and that the salt bins remain. I have had several occasions where I have had to get out of my car and use the salt to grit the road ahead to prevent accident and continue essential journeys to work. The Council team in this area do a fantastic job in very challenging circumstances which very few others would even contemplate. Please please do not make any more cuts in this area.
- *[Where there is little or no use of salt heaps we will consider removing them and delay operation of the main winter maintenance fleet ...]* Question 4 - It seems to be b----- obvious - if a road needs gritting it will if not it won't - what has mid-October got to do with it?
- less gritting is not an option, without endangering rural communities. NO
- I live near a steep hill on a main road yet it only seems to get salted once the bad weather has already hit. NY is a huge area, is there no way of spreading the fleet out more to be able to respond more quickly??
- There may be little or no use of salt heaps due to absence of bad weather. This doesn't mean there'll be little or no bad weather in the future!
- Far too much of the scarce resources are spent on gritting/salting roads. More resources should be used to discourage motorists from using roads in adverse conditions and if they ignore this it should be at their own risk, not subsidised by the public purse.

- The treatment of priority two routes should be before the road freezes. Not after, pre salt P2 routes!
- *[Where there is little or no use of salt heaps we will consider removing them and delay operation of the main winter maintenance fleet ...]* Point 4 should not be removal, just relocated, move them to areas with no grit support, we live close to a route that gets daily grit and bins that do not get touches, yet on our road we have neither.
- I think we can learn from Scottish Councils regarding extreme weather conditions. In the highlands this year it only took 20 minutes for gritters to get to the position of an impassible icy road, despite long queues.

Other

- All good ideas
- What is gritting and what is a street light. We have neither despite paying the same rate of council tax as others
- Integrating all transport functions with Districts, ideally through a unitary Council, but if that is still a pipe dream then at least create an integrated transport and highways body
- Stop employing consultants to do what the area engineers can do themselves, cheaper too!
- I don't know how much compensation for pot holes costs us but we need a robust infrastructure not only to keep these costs at a minimum but to make North Yorkshire an attractive place for businesses to locate to. There must be options to work closely with District/Borough Councils to save money by joining contracts eg grass cutting/gardening? Work needs to be done on NYCC's estate - we have old buildings which are lovely but often have the heating blasting and the windows open.
- Look at local planning council processes and procedures.
- I suspect that the object of the exercise is to allow the council to continue to make cuts but at the same time to be able to say that they are doing what the electorate wish. I do not want you to continue making cuts to vital services.
- Use planning powers to make housing firms pay a significant amount towards local infrastructure
- Why are items 1, 2 and 3 not already happening? For number 3 in particular it's frustrating for the general public when you ask for their opinion on something that should be business as usual. You should already be working closely with district councils for get best value.

Comments on the other proposals

Back office services

- I think that reductions in spending on back office services have gone far enough.
- The Council always seem to cut back office staff while increasing management, how is this financial sense.
- Most interesting question do far! Back office is cheaper than professionals: don't cut back office so that professionals have to do office work, cut professionals if you have to, you will get a more productive team. Be aware that people with dyslexia often rely on back office staff: they simply struggle/leave - upping your costs!
- Reducing back office spend is a good idea as long as it doesn't put a strain on staff capacity. If processes can be streamlined to make savings that's acceptable but reducing staff and expecting remaining staff to pick up their work isn't sustainable and will cost NYCC more in the long run with sick pay/absence. While it might sound a good idea to explore commercial investments and to generate income by winning contracts to deliver services for other councils, there must be capacity to do this. In my experience, service areas are prioritising such work to the detriment of the "business as usual" work and this may have negative consequences for our reputation. We don't want to be a jack of all trades but master of none. We want to offer good quality at the best possible price.
- Often costly professional time can be wasted by professionals doing admin tasks. Some back office functions are invaluable when the pressure is on for professionals to tackle mounting casework with fewer staff.
- Cut spending on adult social care. Back office staff are essential to the running of the Council. Do not disrespect and devalue them this way by suggesting they can be cut.
- I feel that the back office services are already stripped to the bone and it will be detrimental to all services if they are to continue to reduce spending in this area
- if you cut the back office then you pay expensive staff to take longer to do something that an apprentice could do more efficiently as they do it more often. it is impossible to win contracts when services are fighting to deliver the minimum service- this takes investment in staffing
- It always sounds attractive to reduce spending on back office services, but it depends on what these are and the implications of any reduction. If they are unnecessary, why are they there in the first place? So of course efficiency savings should be pursued where possible, but sometimes savings in these areas can have significant knock-on effects on efficiencies in other areas, so need to be considered on a case-by-case basis.
- Frontline services are crucial and should have a lot of money spent on them. However with out the back door services a lot of frontline would struggle.
- Any reduction in back office or contacts has a knock on effect into the livelihoods of employees and contractors. This is basically passing on the cuts to those who can least afford to take the fall.
- and what are 'back office' services. i couldn't go to see the plans as i had no warning about the meeting
- Reducing back office services to far could become counterproductive and result in a much poorer service for the customer
- Services only run efficiently & cost effectively with clerical support. Cuts here can be counter productive with higher paid professionals spending their day typing! I still think the model of

councils running good residential homes for the elderly can be supportive and possibly cost effective?

- An effective back office is an essential component of service, if cut to deep all services are affected, as happened at North Yorkshire Police in 2011. Selling services to other public sector organisations simply money's the same money around, innovative to the private sector, provide them with infrastructure and pull money into the system.
- Back office reductions impact hugely on front line staff who's job expectations and remits increase exponentially
- *[Continue to reduce spending on back office services]* we need to know the impact on the reduction to services as back-office services can help to make efficiencies. But if we should be revising processes so that they are automated where possible.
- reducing back office staff has a detrimental effect on front staff. reorgansie them instead and go back to names officers for ess/hr/buying/procurement/ info gov -- then people have ownership and take responsibility

Reduce prices on contracts

- reduced contract prices but not quality
- When looking at contracts cheapest is not always best. That has been proved by the pot hole saga. You need to look at what other countries are using on the road surface and not blame weather conditions.
- Do not trust precurement! They will tell you one contact is cheaper than 20. But one contract with a firm in London is not as beneficial as 9 contracts in North Yorkshire and one in Doncaster. Consider business rates when allocating contracts. Also consider equalities: buy 50% from women-lead companies (it makes economic sense!)
- Join 'cohorts' regionally it nationally for procurement to save billions
- Reduction of prices for contracts is OK as long as it does not result in a lowering of standards
- Get rid of contractors and take all services back in-house. Outsourcing maybe a little cheaper but the quality is dire as all the contractors are interested in is making a profit. Not providing a decent service.
- There's no point dragging prices down and achieving a poor service. In my time in Building Services at County Hall it seemed odd that a contract would be awarded to a supplier based on price alone. Things may have changed, but it's impractical to have a 'non-technical' clerical/admin person + an elected member looking at tender lists with no evidence of suitability, and only looking at the initial cost.
- I agree that we should be getting a good deal on contracts, but they need to be fair to smaller businesses. driving down the cost of something shouldn't be to the detriment of the small business owner. Perhaps review contract terms for large company providers vs small businesses.
- I only support continue to reduce prices to suppliers if its not making the front line of the those services(eg in the care provision service) accept impossibly low wages or are in efect cross subsidised by the private people(eg in care system wuth houses)
- *[Continue to reduce prices on contracts with our suppliers]* Re question 2. There is no point in reducing prices if the quality is so poor the service needs replacing or repairing much earlier. "Best value" is better than "cheapest" in the long term.
- Make sure contracts are brought back in house where possible
- Why not emply spmeone from private industry to negotiate contracts. Authority staff haven't a clue about getting a good deal you always overpaid.

- Whilst I agree with negotiating for lower prices with suppliers, it must not be at the expense of quality as some of the items supplied by YPO for cleaning products have been very poor. The saying, 'you only get what you pay for' is true for a number of products and because better quality products are not on the core list we are prevented from purchasing them but they are more durable, better quality which results in less wasted money and more suitable for purpose. Items from the stationery contract are also of poor quality and more expensive than YPO but again we are not allowed to go off core.
- See if there are any more services which can be outsourced to ALCOs or Trust status
- Concerned that with Q3 you are just devolving more costs on to already stretched school services. The market ideology implicit in some of these questions is part of the ongoing problem with deteriorating public services. Public goods cannot ultimately be run as private profit making ventures.
- Don't always look to reduce the cost on contracts but seek better "value for money"
- Employ strong negotiators from the private sector
- Join with a larger municipal council with more spending power e.g. Leeds, York

Generate additional income

- Beware - winning contracts for other councils is a predatory zero sum game for the UK - and means other councils may also do the same to NYCC
- And vice versa, buy from other public sector bodies!
- Need to be careful of underfunding care in care home setting leading to care home poor standards, financial instability and closure.
- Ensure that non-mandatory service provision pays for itself by raising service charges.
- Exploring other avenues of raising income is commendable if that revenue is in fact invested in front line services directly and not frittered away on useless management and 'project' costs.
- Councils are not businesses. They should be adequately funded by the public in order to provide necessary services. Services to schools should be part of their remit and not be charged for
- Do your own services better and not do it for others
- I don't like commercialisation of services - that's not the point of public service provider. It takes focus away from the role and need of the council if you become a competitor in a false market scenario.
- If the NYCC sells services to schools etc, is that not a case of giving with one hand and taking away with the other?
- Re 3-absolutely. Though with limited resources N Yorks shouldn't suffer. And we should develop to be a centre of excellence in these areas to ensure we get maximum revenue.
- The council needs to focus on services for that council and not consider providing services, not matter any income, to other councils etc. The council tax people pay needs to be prioritised to providing efficient services to payees. The council is not there to make a profit, if it has property that is not being used it should be sold.
-

Investments

- I think council investment into town centres would be a great way to revitalise struggling areas and generate income. Blackpool council have bought attractions such as the Blackpool

Tower to generate income and if towns can be made more attractive to businesses that would bring in more money from business rates and boost local economies.

- Now this is the Really Big Idea! I love it! As a local authority landlord, you could take more "risks" with those who you will use as suppliers. You could shape communities. And you could convert above the shop spaces and let them to housing associations. Kudos!
- Be careful, I have seen Councils be badly bitten trying to take on commercial enterprises and it can distract from core business.
- *[Explore commercial investments ..]* Point 4 - use the commercial investment in property to benefit the community such as apprenticeships, employment opportunities
- *[Explore commercial investments ..]* Only attempt item 4 if you have experts on the payroll - don't do it unless you are certain to win.
- I thought new/ refurbished council offices (e.g. in Harrogate) were meant to deliver great savings on back office services? Councils should not speculate on property, only concentrate on what they already hold.
- Civil servants are notoriously incompetent at sustaining profitable commercial investments. Stick to providing core local services and doing it efficiently without administrative waste.
- Public service or Private Enterprise? I see a move to devalue and undermine public service provision, which is ideologically driven and will do nothing to address the driver of austerity, the national debt and deficit
- NYCC could be a real source of good for all if it set up community partnerships and enterprises to run things. As to commercial investments why not insist that all property developments in our area must allow NYCC to have some equity invested?
- I think commercial investments should be approached with a high degree of caution, as I'm sure they will be, as mistakes when investing would be dangerous. I don't think NYCC should be tempted into taking undue investment risks, because of the pressures of austerity.
- *[Explore commercial investments ..]* Proposal 4 - possibly short-sighted, but unless using capital for investment, this detracts from money which needs to be spent now. Also results in legal/advice fees so unsure how much money this would yield. Proposal 3 - see answer to Q4.
- The Council needs to become more commercial and act more like a business. Looking at bringing in external funding and innovative, forward thinking projects for example renewable energy, electric car charging, selling listed properties. Think for the future. We are quite a conservative Council in my experience.
- Local government should not get involved in commercial investments to make more money.
- Building investments need to be looked at more closely to avoid white elephants.
- Invest in leisure facilities to raise funds. Being very short of sporting and leisure facilities in an area with a high rate of fit people surely it would make sense in commercial projects like ski runs, an ice rink, bowling alleys and sports forums. All these and more would surely generated an income which could fund many necessary services.
- Although commercial investments may generate a good deal of income they also may loose it and risk public monies. This could be considered in future but not at this time.
- NYCC need to take a risk averse approach to commercial activities like property investment or commercial contracts to avoid exposing taxpayers to undue risk.
- Sell high value properties to fund low cost social housing development, which should self finance by charging market value rent. No-one in local government should earn more than a Government Minister.
- Do NOT sell off valuable land in order to generate income

Review

- ONce more, why would we NOT ask for you to review all these items - isn't this routine activity for the service managers ?

Unitary

- The single biggest way to release funds in North Yorkshire is surely a unitary authority which would release both immediate cash savings as well as longer term savings through better Prevention and demand management, improved purchasing, best use of housing stock etc .
- Having worked for a Unitary authority I see no advantages with the structure of County and District councils. In fact most residents do not understand why we have this structure. There would be considerable savings in removing the district councils. I also believe that there are too many county councillors. Again there would be savings in reducing the number.

Other

- You no longer support small charity's with free online training, many charity's now have to close due to not having enough money to train volunteers. A few accessible sports charity's which have helped keep your adult social care bill down have now closed because you started charging them for training. How is that saving money? Reduced one budged and the other goes up ten fold.
- Schools could open up their canteens to the general public once a week. Local people can gain a hot healthy meal and meet other people. This could help prevent loneliness whikst raising funds.
- Invest in people, good staff are invaluable. But they need robust management systems to provide quality services (eg ISO:9000, ISO:45001)
- Too many chiefs, not enough Indians!
- Reduce senior management costs
- Reduce inappropriate use of public funds. Planning, spatial planning. Councillors working with the public and being more supportive and encourage openness and fairness. Planning and spatial planning totally ineffective, rude and a total waste of time. They forget we pay our taxes to pay for. them. Parish councils being made accountable for money they spend and grants that they get. They have trust funds that they don't declare that should be taken into account.
- Spatial members waste of money and waste of time pretending to do the necessary paperwork. But doing none.
- Nycc needs to be more commercially savvy in all areas of operation. There are many anecdotes we hear of waste and unnecessary spending
- I believe that reviewing practice and procedure is always a useful exercise. This would have to be applied to qu 2 and 3 to ensure that poorer services were not being delivered. The application of Qu 4 depends on expertise, in NYCC already. Do property investments only generate income when they are sold?
- Stick to running basic services that the majority of the community need. Highways, and bins emptied. Social care for the elderly and disabled. Cut staff to the bone, stop issuing grants for anything whatsoever, [it is not your money you are giving away!] Stop providing library's these are a relic from another age and really are not longer essential. Anyone wishing to read a book should be prepared to pay for it. It is not fair to charge those who don't borrow books with the cost providing books to those who want to borrow them. Library's stopped

being an essential social good over 20 years ago but keeps getting provided as it is 'something we have always provided'! Well stop now, it is no longer necessary to provide books free of charge. You don't provide other forms of entertainment free of charge so why books?

- As always, people are yet to see the 'pain' evenly shared. I would like to see the council go to a zero budget on hospitality for vanity events, councillors receive their financial entitlement in line with % attendance, closer management of sub committees and attendance (e.g. I was at a forum recently where there were 8 members of NYCC staff, completely unnecessary. Only one person is needed to share information from NYCC and gather information to circulate to colleagues). Is it really necessary to have so many committees with sub tasking groups and implementation groups?? E.g mental health strategy group, crisis care concordat, suicide prevention group and so on. Who is responsible for monitoring the achievements of these groups and holding them to account when actions are not completed in line with their own timetables??
- The council need to think longer term. They are getting rid of the youth club building in Filey. Youth work has been in the national news frequently recently. If they bring it back or even make it statutory and NYCC has to respond to find new facilities, equipment and all the rest will cost the council more in the long run. Instead they should be looking at ways to use the spaces commercially when not in use
- See earlier response
- These should be ongoing priorities, irrespective of grants received - good business practice.
- Everything is about cuts. None of this seems to show the true need of the people at the needs end.
- Stupid questions. This should always happen even without austerity.
- I am losing the will to live - the above is what any well run company would be doing without needing a survey!
- See earlier response
- See earlier response

If you do not support the proposed council tax increase of 4.99%, where do you suggest the council makes additional savings?

Central government

- Object to central government. Organise a petition for us all to sign and hand to Theresa May.
- lobbying government
- Lobby Government whilst engaging the media for the funding based on their expression that austerity is over and in real terms Council Tax has increased year on year with less services for money paid.
- I don't know. More pressure on central government to increase increase spending through local MPs and pressure groups. Support from private businesses. Increase footfall into the town by encouraging more businesses (reduce business rates), stop Brexit.
- Central government should stop reducing its contributions which are forcing a rise in the council tax to bridge the gap.
- Its a no because its above inflation and you are not willing to be more vocal about the impact of the government impossible demands. If you were willing to be vocal it would be a yes because you would be doing what you could and also putting the blame in the right place. You also could raise income by making those who produce the waste pay. The time has come to go beyond just trying to educate them.
- I suggest the Tories speak to their central party and push to end this ridiculous austerity which is clearly getting worse notbbetter.
- As noted at Q.6: [1] Health services should be funded by the NHS, not from Council tax raised by regional or district councils [2] The Council correctly to identifies that the element of Council Tax which currently goes to elderly care amounts to a form of 'insurance premium'. However this should not be coming from Council Tax at all. Instead it should be raised as part of National Insurance contributions.

Changes to council tax

- Increase council tax on second homes
- Council tax needs re banding in line with current house prices more brackets needed
- The council tax bands have not been reviewed since the 1980s resulting in owners of properties building extensions on their houses and the council tax on the property is not increased until the property is sold.
- Adult Social care should be funded through national taxation and personal responsibility. It feels like we are paying more and more for less services.
- The fairest system would be for council tax to be 'per person'. Why should single people, or couples, pay the same as larger families. V little benefit to many of us so do the fair thing and introduce a tax which reflects the numbers of people within a house
- I believe it should be a sliding scale as many people in smaller homes struggle as it is so only a smaller increase in band a and b for example with it rising as the bands rise.
- Households should be assessed individually to determine if they should pay more or not. Why should people who don't contribute to society through work or volunteering in their community pay the same as people who are taxed through PAYE for instance people who recycle should not pay as much as people who don't recycle as they are contributing to global warming.

Council tax impact / level

- It should be higher.
- I cant tell you that until i see a full costing of all job wages and contracts, however i can tell you that i have not seen a pay rise that is 4.99% and council tax has continued to rise above inflation every year.
- Not my problem, council tax is high enough, cost of living is increasing annually.
- Less increase
- 3% be more fair.
- I appreciate the need for an increase in council tax. I personally would not mind paying it but not all households would be able to absorb such an increase in outgoings. No excess income, increased food bills and fuel poverty are already common for those households that earn above the level for financial support from benefits.
- Literally anywhere other than asking residents to once again bear the biggest burden. Council tax increases more than inflation and wage increases every year.
- I can't keep paying more and more out each month. £60 may not sound much to you but eventually you will squeeze us so hard that we will sell up and leave. I would suggest you set up NYCC cafe/restaurants which would also be a housing/council hub. You pay out to keep buildings open such as libraries etc then these could be used in a new way. Speculate to accumulate. Set up council run community cafes and see the money role in. You could have cheaper food on offer in the day times and then turn into a push bar/bistro in the evenings. Food and drink make huge profits. You could set these up as training centres for young people, train them and you will have them for life.
- Increase council tax by all means but not by such a large amount. People's income does not increase by that amount & certainly not a state pension. The increase in that doesn't buy a loaf of bread.
- I can see an increase is necessary, but 5% is too much - our family income has remained unchanged for a number of years.
- I appreciate this is difficult in the current financial atmosphere - but the burden cannot continue to fall on council tax payers who do not see an annual increase in their income in most cases.
- Have you ever been in the position where you have had to choose between feeding your children or paying for a life saving medication (yes, some life saving medicines still have to be paid for)? This sort of hike in a compulsory tax cannot be applied whilst our benefit system is in such a mess.
- Thde large size of this increase will be very difficult for some to manage - it shpuld be introduced more gradually than 5% all in one go
- We all pay enough Council Tax as it is and the council and public services e.g Emergency Services, NHS, local council still providing us all with inadequate/unfair service and unprofessionalism.
- Too high for families. Appreciate the need for investment but feel that a 2-2.5% would be less likely to push families into poverty
- That is for council to determine but constant rises above wage and pension increases cannot reman sustainable for households.
- I think there are more urgent and appropriate things to spend our 4.99% on.
- Council tax in our local area is already scandalously high (Harrogate), to the point it's becoming unaffordable to live here. Perhaps savings could be made in the new council offices?

- Putting the council tax up is hitting the people who are hard up and already struggling. They are people who get their council tax paid for and many of these people with other benefits are better off than working people. Especially when people get council tax benefits and don't even live in the property
- For those that pay council tax, work, have families the banding is expensive enough
- Yet again more costs are passed on to the individual, hitting the poorest proportionally hardest.

Reduce spending on management / staff / councillors

- less management spending and more front line staff
- Also, although many frontline services such as libraries have had the customer facing staff cut or replaced by volunteers there still seems to be a lot of tiers of management higher up. A restructuring of those would save money.
- Reducing the number of managers
- Look at managers salaries and also structures of staff.
- Be more efficient and cut down on office staff and make sure you counciler cut down on your expenses as you lot waste more money on expenses than other departments
- Savings should be made by councils by reducing the high salaries of council leaders and management!
- Remove CEO s from local councils and use savings for frontline services.
- Management salap
- Cutting Management where possible and improving efficiencies where possible. Also reducing any added privileges to NYCC Councillors where possible. In other words anything that isn't necessary has to be reviewed.
- I think there is still scope to reduce the number of senior managers within the organisation and this should be looked at again
- Cut wages and allowances for councilors.
- Reduce top executives salaries
- Reduce salary cost for the top tier of councillors and managers.
- Cut down the number of higher paid staff in admin posts and thin out the admin staff.
- Lower councillors expenses and pay. Less management grades in the council.
- Reduce councillors expenses claims by reviewing what is an eligible item to claim for, and review mileage claims.
- By reviewing salaries and contribution of highest salaried staff
- Senior Management structures and administration costs
- Wages and councilors.
- Get rid of expensive management that is not needed.
- Make cuts to council officials high up!
- Look at wages paid to high end executives!
- Get rid of some of the big earners in the council
- This is Always the first answer to the problem. I do wish you would look at the amount higher management salaries are costing you first. Ask yourself are they worth it. The answer no there not.
- Stop paying councillors "expenses".
- Staff, bureaucrats, waste, expenses and management.

- Get rid of company cars Reduce the wage bill of managerial staff or reduce the number of managerial staff as in all organisations many are not worth what they get paid (my opinion)
- Decrease in amount of managerial positions.
- Senior management need to take a pay cut and put that money towards the short fall. I live in an old property that falls into a higher bracket council tax because of the area I live in, as a single wage earner on a low income I do not feel I should pay anymore council tax.
- Less senior management roles,
- Reducing middle managers wages.
- Look at staffing.
- Reducing the wages of some councillors, more efficiency from staff working for the council, reviewing all management structures, are jobs being duplicated, are people doing their job properly.
- Cut the amount of high paid managers and under managers! No pay rise for me for years. Where do you suggest we get the 4.99% extra from? How do you suggest I make additional savings
- Lower salaries for higher management
- Reduce pay of councillors and MPs.
- reduce your salaries for sitting on your backsides and doing nothing for the communities. Reduce the number of people sitting on there backsides in the council offices.
- Less managers and more ground workers
- Higher management cuts.
- Reduce amount of staff with salaries over national average. Pay NO one more than the prime minster. Don't tax people who can't afford it to pay ridiculous salaries and pensions for council staff, particularly those at the top.
- staff cuts especially those on big salaries, councillors expenses, we are skipton born and bred andwere once so proud of being skiptonians but when we see what councillors are doing to our lovely once thriving market town it is upsetting
- Salaries, Expenses & Allowances of Councillors
- Reduce payments to councillors.
- Reduce costs in management in Craven we employ senior managers half of which we could do without Whenever a restructure is acried out it is always the lower paid staff which lose their jobs.
- Review salaries for senior council members
- Work with less senior management who are overpaid
- Reduce number of elected county councillors and their pay/expenses.

Pension

- Review pension schemes
- Reduce pensions
- cease defined benefit pension schemes and place all staff on new defined contribution schemes with a capped 8% contribution from the employer
- Reduce the pension costs burden by REDUCING local authority pensions to reflect the rest of society i.e. the NORMAL people who are paying for these (and other) over generous COUNCIL provisions.
- Remove NYCC pension contributions

Consultants

- Consultant fees for a start.
- Spend less on consultants and agency workers.
- Get professional cost reduction specialist advice.

Improved ways of working / back office

- Consider increasing home working for staff in other words look at ways technology can help reduce costs in relation to reducing staff travel costs where possible and look at reducing staff travel costs in relation to travelling to conferences or work related activities. Consider reducing commercial costs in relation to hiring vehicles for work related activities.
- The council's own admin costs, the pension scheme for employees... the theme of this survey has been how to cut customer services - not once has there been a question on cuts at the council. How about taking more control over school budgets - head teacher salaries, demands for ubiquitous, expensive and often unnecessary IT ?
- Fewer corporate functions with food/drink included. Spend less on unwieldy, clunky IT systems Focus on quality rather than quantity Reduce travel by enabling staff to work more in their localities
- Look at the waste of money spent on people doing tasks that could be completed using technology. Look at every process and question the need for it and how it could be done better. The cut staff
- Departments that have very little impact on the real lives of the communities. Reduce pointless CPD for staff. Reduce beaurocracy and admin. Streamline services and make more efficient.
- Better planning by services
- Reduce operating costs
- With efficiency savings at Head Office level and efficiency markers on Senior Staff use of time.
- cut admin. Too many plans are drawn up where the council has no hope of influencing behaviour. Concentrate on the absolute basics I really don't believe it would be very difficult to save millions. Your previous savings demonstrate how much money you were wasting previously!!
- Do away with non-jobs like ethnic diversity, LGBT diversity/rights etc
- Reduce your admin costs.
- I only see cuts in services - so I'm not sure how you can warrant nearly a 5% increase? I certainly won't be paying it. What about all the proposed ideas in the rest of this form and in the document? Isn't the point to be more efficient, not just levy more council tax on people? To be honest, it's ridiculous.
- Internally. Cut your administrative costs, secretarial costs, salaries, bonuses etc. North Yorkshire County Council have increased council tax every year that I've lived and paid it in the district. I see no benefit personally. I live on a road that is unadopted and I can't get it retarmaced or rely on the council to improve it. I have to save my £63+ per annum to be able To pay a private company to come and improve my road so I'm not paying the council any more money to make fictitious improvements to areas that do not directly effect me. My opinion will not matter and you'll increase it anyway, but you might want to ask yourself why people are moving out of the NYCC and Craven districts, especially those in my age category who can't afford to live here.
- Corporate overheads

- By reducing overhead cost in there offices , I believe they are over staffed, review their offices across the region sell them off if they are old and replace with modern up to date ones, I have seen properties in knarsborough that could be sold off , they are used by nurses and other staff that could be housed in medical centres.
- Reduce printing and postal costs buy using electronic methods,
- Reduce wastage within county hall by cutting staffing in departments that are non profitable.
- Staff efficiencies within the council
- Administration!
- There are opportunities for the LA to rein in costs in its administration and support staff and LA officers.
- Reduce operating costs across all services and facilities, removal of some services including a reduction in staffing costs.

Procurement

- Also use Procurement Teams to make sure that all commercial contracts are run efficiently so there are no overlaps.
- Procurement
- Council needs to use local services instead of buying in expensive services.
- things like the building contracts or how the council buy things. I was a governor at school. We used to get quotes from the council contractor and would sometimes cost a couple of thousand more than other building contractors and take months waiting. Its absolutely moronic to continue using these services at such a high cost. It may be more efficient when contracting multiple projects but if someone was employed to source cheaper local quotes they would probably save their salary in one month. EG wanting a plug socket moved, we were quoted a grand, and a month wait. We got someone local who did it for £25, came that afternoon, did a great job.

Property

- Stop building expensive properties in Harrogate when exist8ng ones will do
- reviewing rent paid to council by companies renting buildings.
- reduce excessive heating in County Hall. Turn off half of corridor radiators. Fit thermostatic valves on all radiators and lock the + settings.
- County Hall buildings - sell and use smaller and less expensive accommodations for the Council. Less consultants/ feasibility studies etc. Less elected members - far too many not earning their keep.
- Many Council services have reduced so its time for a significant reduction in Council staff numbers and associated staffing costs including Council buildings.
- Get rid of buildings that are not utilised to full potential.
- Also review energy use in public buildings, like council offices. I see many rooms unused but lights still left on, for example.
- Stop spending/ wasting money on HQ repairs and maintenance at Northallerton encourage work from home and reduce the need for such an ostentatious building which is half empty and underused.
- Too much public money being put into private hands due to commissioning for services that could be done by public services. In education, there are huge sums to be saved by not using private provisions.

- Look at options for outsourcing services into ALCOs or trust status so that services can be maintained but taken off DC books. Provides opportunity for more efficient and flexible service provision.
- Procurement savings and review staffing needs. Sack the politicians

Specific services areas

- adult social care
- By keeping current levels of spending on adult social care. Let families take responsibility for their elderly relatives. The U.K. has become a nanny state.
- Cut spending on adult social care. By that, I mean stop providing services, not by cutting staff wages.
- End the living well service, should save a considerable amount with the number of staff involved given that the service is frequently discussed as poor and does nothing but increase burden on already underfunded charities. Hold someone to account for poor value projects eg. mates time, 40K on what? A small handful of followers on social media and a website?? Councillors should receive out of pocket expenses only. Quality assess adult learning provision and reduce the number of 'nonsense' courses.... how does 'writing folkelore' making someone more employable?
- Reducing the amount spent on children/adults with special needs - as I am aware of people having too much benefit and having to find ways to spend it eg paying for their family to take them on holiday, just to get rid of the bank balance so that they will continue to receive benefits.
- Think we pay enough now spend more money on children and young people and doing more for them
- Children & young persons support.
- Transport. Also I am for from convinced about the need for a crime commissioner or the costs she incurs. She appears to me to be nothing but an empire builder who resents any criticism
- Cease all school transport subsidies. Consider further reduction in subsidised bus services.
- Transport out of area for students
- Cut all school transport - it is the parent's responsibility to get their children to school - not the council's responsibility. Stop funding non-essential services, such as libraries. If people want a book they should buy it from a book shop or download it from the internet - hence all libraries can be closed - they are a throwback to another time and only old people use them. Lobby government about the free bus passes so old people pay £1.00 per journey.
- Most schools in North Yorkshire are now academies. So is the education department necessary? Schools are buying in services from other councils and private entities at a lower cost.
- Waste collection.
- Planning department mis use of money especially CDC should held accountable
- Look at the CDC planning dept. all those ineffectual council employees who are wasting time and money. Especially where you have teams where husband and wife work together spatial planning CDC and planning CDC. Conflict of interest.
- Stop wasting money pointlessly ie loosing key correspondence in planning depts. not on my door step attitude. Then having to fight with solicitors and barrister costs.
- Road maintenance
- Redesign very expensive school improvement service
- Highways and care for elderly

- Stop wasting money on certain project eg anything health related should be the responsibility of the CCGs and NHS NOT the council. Children services...making parents take more responsibility for their children especially around anti-social behaviour which is adding additional costs to policing etc.
- Tailoring resources more appropriately in Highways, for example, planning around weather forecasts so that road repairs are made to last and do not need re-doing too soon after 'repairs' have taken place.
- By not endorsing an expensive bypass in Harrogate and consider cheaper alternatives such as removing traffic lights along the A59 and replacing with roundabouts. And ensuring adequate transport to provide children easy access to school without families dropping them off, this could be chargeable to cover the costs of the extra buses To use our position as a local authority to commission cost effective domiciliary care and residential care in the Harrogate Area
- Reduce or eliminate any spending for cycling races unless there is a PROVEN business case that brings financial rewards DIRECTLY back to NYCC or HBC.
- Scrap funding for discretionary activities and specifically cycle races including the Tour De Yorkshire
- Stop spending it on tour de Yorkshire events and other unacceptable events.
- By asking the people who qualify for free bus passes to pay for them. Many can easily afford to make a voluntary contribution towards the services and would be happy to do so
- Scrap the number of free bus passes you give out. It's totally disgusting that bus routes are cancelled because they are receiving less money to sustain this. It is just acceptable that OAP's get free bus travel but why the heck should unemployed, drug users etc get them. Your policy is the cause of bus routes being withdrawn.

Right first time

- Do jobs properly the first time eg road repairs so they aren't constantly having to be redone. Use office staff more efficiently
- If pot holes were repaired properly in the first place then it would be more efficient that visiting time and time again. Refrain from fitting kerb stones on narrow country roads as it prevent natural drainage in to verges.

Grants

- Stop locality budgets for councillors Cap expenses for councillors
- Stop all grant money that you provide. There is no need to be providing grants. Stop for a year and see what 'real' difference this would make, I would suggest it would be zero. From my experience the grants are simply abused. A local business to me was given a grant 2 years ago for some new equipment. Within a week of the photo opportunity that followed the awarding of the grant, this business purchased a new Range Rover! I am not sure any business that can afford to purchase a new Range Rover as a company vehicle needs to be given a grant for new equipment. Grants are seen as 'free money' and something to be applied for as the money is there and is just going to be given away regardless of who actually get it, so why not apply! I fully understand this but this money has been expropriated from someone who earned it, in order for you to give it away. There is something very wrong with this when you are looking to increase the council tax way more than the rate of inflation. Get a grip.

Other

- cut non-essential services or make service users pay to finance the service. Increase social housing rents in line with market rates. Insist that building companies contribute more to maintain and build new roads, waste treatment, schools and medical services.
- Council has to focus purely on its legal obligations and see all else as extra spending. Its a major philosophical shift but once achieved the non legislative services can be reduced accordingly as has been achieved with library provision
- I appreciate that £12.5m is a lot of money but in the scheme of around £100m a year for adult social care costs for NYCC, it's a drop in the ocean for NYCC and therefore, won't have much impact. We need to look at our statutory duties, ensure preventative measures are in place where appropriate, encourage community input (the good old days (!) when extended families supported their older relatives???, ensure we actively and robustly manage our contracts as I feel there is scope to make significant savings in this area along with children's social care
- Savings could be made by using the unemployed to do voluntary cleanups of hedges beaches etc.
- Not sufficient details to answer this question
- You have enough money .. just use it better
- Cut everything, it can't be worse than it already is.
- Be creative about selling services to others! Rent out spaces in properties. Lessen rents on properties so at least they are filled! Encourage more businesses to come into the town centre, therefore gaining more business rates, but don't make them so high! Look at what other councils are doing to fund themselves, stop fighting people at costly tribunals over your failings to provide adequate services... I could go on...
- through better use of resources that can raise money from the public - school resources, savings by delivering community and preventative services rather than expensive residential adult services or community services provided from centralised locations rather than GPs.
- Stop pushing through a new town in Green Hammerton against the wishes of the local people and contrary to actual demand for housing. Sack all the planning officers and find some councillors who understand about supply and demand.
- Secondly look at ways of generating more income to the town it's not rocket science so get your thinking caps on stop charging people to park in Selby advertise it and see what happens. I won't pay to park and many of my friends are the same. It's criminal to ask some to pay and it's stops people coming to shop.
- General services. Too much is expected of the local council. Housing costs are too high for social housing. There are some people who get support who don't need it and play the system.
- Stop these idiotic surveys that someone will be spending their time analysing for no benefit!
- stop sending money to charity aboard and we didn't sign up for this and the money should be spent in NYCC then i will be happy to pay upto 3% and also stop wastage of money
- Stop wasting money where it is obviously being wasted. Council tax keeps going up but services don't seem to improve at all!
- Stop supporting people who can work and would be working if they didn't live in this type of nanny state.
- An effective management of finances and ensure everyone pays the correct amount for their care , ensure all are means tested this doesn't happen .someone I know wasn't means

tested for a year. , now in debt 3k yet only paying £50 a month yet can afford to pay more and have savings . If that's one person how others are there . Would should I pay more council tax because of maladministration

- The council could give serious consideration to getting more involved in encouraging community volunteers to assist in doing jobs that reduce the need for paid staff. This could include coordinating the voluntary sector. It could include schools assistants, visiting elderly residents, gardening enthusiasts to produce plants for sale, hospital volunteers, youth groups etc . This would assist non-working residents to get work experience, retired people out and about in the community and ultimately save Council money long term.
- Police
- Less assistance for immigrants of low skills
- It's not about cuts and savings it's about investment into businesses which will create an income to pay for services and provide local employment.
- Fine Firms or better having a system when they pay for leaving Temporary lights up on our roads causing lots of unnecessary delays and costs to Motorists. So longer on road they pay more ..but guess need someone to enforce unless have like up to 2 days a fee, going up 7 days a certain fee , to 14 days fee ..over 14 days fee. See so often temporary lights.(Delays) ..but no workforce working! it NOT right!
- Stop spending silly money on new building for themselves. Parking reinforcements on residential areas (the oval for example).
- Tax the rich
- Spend less on vanity projects.
- Reduce the waste of having district, borough & county council. The bureacracy of this is ridiculous and totally unnecessary. All that is needed is a county council or look to the areas and challenge the way things have always been done in Yorkshire, in times of other forms of working & communication people dont need district & borough councils they are an unnecessary expense
- The LA also has £70 million in reserves.
- When government paid positions get a pay rise then maybe I'd be happy to pay more, but you're talking about cuts to every area. What exactly would I be getting as an extra for this price rise? Absolutely nothing, that's what.
- Too many to list.
- Close forest moor

Any further comments

- Reluctantly - but yes.
- Why is Q11 only about savings, why not additional income as touched in in Q9 ? How about charging more for building developments and forcing the developers to make much more significant contributions to upgrading local infrastructure (roads, paths, schools, healthcare etc) on which their developments place a massive strain - and street lighting, open space upkeep for which new incremental demands are created
- Please ensure you reduce and improve access for all. In times of austerity disabled people have taken the brunt force. Are you a disability confident leader?
- Unfortunately it is required, just a shame there wasn't a more progressive way to implement the increase, but your hands are tied by a poor funding structure.
- These comments do not relate to this council tax but I do need to question the proposed spend on tour de Yorkshire. Is this really necessary when we are experiencing cuts everywhere else. Another question is about health care provision in schools. A couple of weeks back I experienced the flu vaccination at my sons school (Primary), there were THREE nurses carrying out the process. One got the vaccine ready, one administered and one handed out the tissues.... seriously? You could reduce this by 2 people as the teacher was present the whole time. On a whole I think the county council do well with the drastic challenges they face but there are some things that are just daft.
- You cannot keep increasing the council tax every year whilst reducing the services. You are putting the public into the poverty line with the increases and also the community are litter picking, cutting grass verges which the council should be doing.
- I think you should mention in this question how much central govt support has been cut. It is not a question of you wanting more, it is a question of you needing more, to balance the books.
- Massive sums are being granted to minority interest groups by the council, most people have no idea where their money is being spent. Concentrate on core services. Businesses produce prosperity and jobs, reduce rates to help them thrive and grow the tax base.
- although while I pay the top band of council tax we get very few services ie no gritting, no street lights , no help when flooded and cut off never seen the police here (don't think they know our village exists) no public transport, pot holes that lead to middle earth, so basically no general services - but happy for increase for social care would rather our share went there in full
- Surely 4.99 per cent is well above the rate of inflation and is a lot out of a persons wages or pension.
- Review council tax rates please why am I paying for churches when I'm non religious . I'm in an apartment rated hand a with no garage and no wheely bins we have to put our rubbish on the street in bags
- Why should we pay for social costs. If people want kids you don't expect us to pay for them. Families should take more responsibility for their children and adults who are less privileged.
- I could do the job of CEO for less than £30000
- I believe that you could make more savings from libraries. While this would only achieve a small % of your savings I believe that most of us who are involved in running community libraries can see where you could make more savings in staffing and that a failure to do so is potentially disempowering Community Libraries and raising questions about how serious the Stronger Communities Programme really is. I think it is time to ask the Community Libraries

whether they really need the Supervisor Role and how the Outreach Librarians could be used to better effect.

- Council tax is already very high for this area we support tourism which is okay but as I've moved into the area I find the council tax much more expensive here and have for reducing services eg library , cheaper to live out of North York's by far
- There are so many ways we could save money. We could reduce the price per mileage we pay to people using their own cars, we could reduce the number of pool cars we keep, we should be pushing for travel and accommodation spend to be for essential reasons only and utilise Skype/conference calls. We could save money on the furniture that is being purchased as part of the 2020 refurbishment, I mean do we really need chairs that cost £25k each? Ten of these chairs would pay for a person in a care home for a year. Centralising more contracts as has been done with stationery, cleaning etc. Standardise core lists - for example, why don't all our EPHs use the same cleaning items? Some say specific items are a requirement while others don't need these items at all.
- Our particular council tax is very high but we get very little for it. Roads are poorly maintained, our village verges are no longer maintained.
- Why don't you councils try collectively standing up to the Govt and say enough is enough no more cuts. LAs shouldn't have to be making decisions like these on where to prioritise spending. It is all vital to the health of our society. Austerity was a political choice by this Govt to pare back the state and you all fell for it hook line and sinker. Grow some 🌾🍷🍷🍷
- Everything you have asked is all about money/revenue. What about 'people?' 'Us' the humble residents, we go to work and pay our way then we have our kids and contribute to society and local communities. Then we retire get old, maybe get ill and then die. This situation is not going to ever change, reeking out the same old questionnaires asking 'us' where we can save money, is very much a huge cop out in the part of the council. I have worked in youth and community work here for 22 years and I am not blind or stupid and I have seen the 'special' car park right outside county hall for the posh BMW's Landrovers and Audi's, and for the 'Fat Cats' special council members who take presidency over disabled people or staff. We know our place and we know you are really taking liberties asking 'us' what 'we' think 'you' should do to save yet more money. Number one would be that 'no one' no members or staff should get 'free food or drinks' at any event. There should always be a contribution made.
- Happy for any increase to be used towards support and care services. Disapprove of increase being used to increase pay of management staff
- Taxing yourself out of debt is not viable and unprofessional.
- Cut spending on adult social care.
- Don't pick on easy targets such as libraries. Libraries a crucial for society, for networking, for friendship and learning
- Try providing smaller rural areas with appropriate policing and services instead of charging us to support the bigger towns!!! Try making savings in the towns and stop upping rural council tax. Also disgusting to charge council tax on empty/uninhabitable premises!!!
- More should be spent on services for children with SEND and those with mental health needs
- I do not support 2% of this being used for adult social care considering the percentage of the overall budget spent in this area. I feel that there is still a lot of work to do in this area to make savings as has been done in other services.

- Loads of wasted money. Everyone has a story whether about the council sending two vehicles for an unwanted bin or dozens of workers staring at one pothole. Employ people with common sense and get rid of lazy councillors. Cut their allowances. They don't need food allowances.. They can feed themselves.
- Why engage consultants to do councillors work. They cost an arm and a leg and only come up with a result that the council wants. Quid pro quo.
- The council need to reduce their 'layers ' of management to help reduce cost to the people of North Yorkshire instead of cutting front line services and staff, consider reducing upper management costs and possibly a reduction in pay for councillors would help build support from the people who pay their council tax to NYCC One upper management or councillors salary would pay for at least 3 full time reablement workers.
- I support it if it's spent wisely, and for the people, and not used as a pay increase for the people at the top. Should also be used for mental health services in Harrogate instead of sending people to out of town places that will increase anxieties, increase travelling costs for their family and not good for anyone! When someone is going through a mental health issue they need their support system round them, if they are sent off to another town then some families won't be able to see them often and increase their depression/anxiety and take them longer to recover.
- I agree with reluctance as an 80+ year old, but so long as you cut costs of excessive staff and premises, it will help the younger generation and also the care of the elderly
- The recycling of recyclables should be the responsibility of the supplier and user and not the council. For one thing, all drinks containers should have deposits and where possible be reused and not just recycled, as applies in other countries.
- Please review the property banding.
- Urge the UK Government to make changes to the system of property values to more reflect the top end which should have more categories after G, ie H, I, J, etc.
- I do not consider that council tax should subsidise commercial activities for example the thousands of pounds being spent annually on the cycling Tour of Yorkshire. (which does not include the hidden Highways maintenance and policing costs . If this is such a Successful event as promulgated by Yorkshire Forward and the "Guesstimate" from Sheffield University then why are commercial organisations not falling over themselves to sponsor and meet the full cost of the event ????? This is an obvious saving which also means that the Road Maintenance Budget could also be used to repair roads which are not on the cycle route.
- Cut high levels of salary and pension contributions to senior level staff (which some how does not get a mention in this survey) use some of money to increase low paid staff. Bit of a mister as to why you consider difference between low pay and high pay so acceptable
- It is vital to have robust management systems (eg ISO:9000, ISO:45001), to ensure consistent services in Scarborough, Selby, Skipton, North Yorkshire, Cornwall, etc.
- How do you expect people such as myself on fixed incomes to pay such a large increase. Next year you will be back for more and the next year
- Already the burden of costs forced by central government upon the council is disproportionately large. As a consequence, and despite claiming 'single person occupancy', COUNCIL TAX IS ALREADY THE LARGEST SINGLE ELEMENT (15%) IN MY ANNUAL BUDGET. Indeed I pay more in Council Tax than in Income Tax. Council Tax, more than for food, and Council Tax costs me 150% of what I pay for domestic heating and electric power combined.
- I just hope that there is a better division of resources from the south.

- I would be happy were this to be higher if this would result in better services for the most vulnerable.
- This entire questionnaire seems to state the obvious. Everything should always be reviewed, costs minimised. We don't have gritters, street lighting, bus services etc., only pot holed roads so how can it get worse.
- why are we not being consulted on spending? this is about saving? I want to know why we are investing in County Hall property, bike races etc when we are making cuts elsewhere. I would like to see evidence that these initiatives bring more than a feel good factor.
- Please try to persuade central Govt. to waste less on vanity projects such as HS2, and more on supporting crucial local Govt. services such as care services for young, elderly & disabled or ill people!
- Council tax should not increase above the rate of inflation
- No rise in council tax should be more than inflation.
- Council Tax is an unfair way of raising revenue.
- Cut number of councillors and pay them less
- Stop spending money on cycle racing Mend roads
- Councillors being accountable for their wards
- Do the job properly in the first place. Councillors and planning giving you the run around. If they were in the private sector they would be shown the door.
- If North Yorkshire is not to become an expensive retirement home and a good place for young families the wealth elderly will need to contribute more to their care in the future.
- i think north yorkshire county council or best council in cutrey
- I think it's important that we do what we can to fund essential services, but hope that the Council will continue to make strong representations to the Government about the inequities in Council funding, ideally with the support of local MPs.
- You do not explain adequately enough, the logic behind consistently increasing costs annually every single year. Stating increased cost of provision is not an acceptable reason every single year when you do not specify clearly what reductions you have made to reduce costs. You seem to forget that a continual increase in levies to the public may not be balanced by the public's income increases. You need to state quite clearly what savings have been or will be made. Without prevarication.
- We would be happy with it increasing further to ensure the needs of the less well off are supported in our community
- Stop giving NYCC Councillors the discretionary £5k grants to dole out to local communities, this money would be better spent by the core departments who know how to get best value
- Think outside the box! Think of better use of what is around rather than traditional services being delivered separately from each other. The lack of NHS, GP and adult service link ups is poor.
- Please put a policy in place to limit the amount a "consultant" can be paid as a daily rate - whatever they consult on - these should be a minimum and a maximum.
- Why not increase the amount of council tax for people on benefits - they have a greater need for the resources so should contribute an increase of 10%
- I would always vote for increased taxes rather than cuts to services. The current position cannot continue. You need to put pressure on the current Government
- Almost a 5% increase is ridiculous. Council tax is already too high. Too many unnecessary services are provided by the council.

- Make more use of online services. Stop sending out invoices in the post for social care etc - use the web portal and e-mail bills.
- If the budget is going to impact people who are venerable then we should increase it more.
- I have no objection to raising council tax provided that this is not supplemented by trimming off services to the less populated areas in favour of the towns and larger populated areas. By your own admission the Council has taken advantage of the resilience of people living in the outlying sparsely populated who freely and generously give of their time to help their own communities whilst those with services on their doorstep get priority.
- Relaying roads and footpaths around Almsford area etc whilst Leeds Road is a disgrace - why - does a councillor live there?
- Most people are already struggling to pay their council tax and are dissatisfied with services
- Reading your documentation, it's concerning all the references to making additional cuts and doing away with more staff etc. It begs the question that if the council has saved colossal sums in recent years, why was it so profligate and over staffed decades ago - where did you go wrong in the 'good times'?
- I hope that representatives from NYCC have made clear to Central Government that the impact of reducing the Central Support Grant to LAs, with the consequent shrinking of the public sector and the local services it provides, is an unacceptable piece of dogma in action which affects all NY residents.
- Use the money to address the excessive cuts to Youth services
- Too many paid workers wasting time. We saw 3 before Xmas in cafe Nero and heard every word they said.. Could read their laptops too.
- We cannot continue to take government cuts to our counties funding needs without making it clear that we are continually falling back through the ages. How many schools are still unable to provide hot meals because of their distance from a kitchen? How many GP's are taking early retirement because they are unable to provide the service for which they were trained? How many teachers are leaving the profession because reduction in resources prevent them from providing suitable education. How many people are getting delayed appropriate care because of reduced resources in our care services. And, how many of the above are becoming dependent on others? We must continue to keep our population mobile, independent and educated. Concessionary fares for retired people enables them to meet up with friends, not only adding to their mental health but also supporting local cafe's. Free access to computers in the library assists peoples education.
- The cost of living here in N Yorks is in many ways less than when we were in London. But, while still opposing the unfair metropolitan bias in local Govt funding, we should expect to have to pay more for the privilege in living in a sparsely populated rural area.
- I fully support increases if the said service is actually going to benefit. However NYCC seem to spend money willy billy on creating extra jobs to oversee these projects this then impacts on the service so they miss out directly. I also worry that the over inflated salaries of the hierarchy within the council needs a complete overhaul clear out the deadwood. There are teachers and specialist school partnership advisors etc that are hanging on for their pensions. Jobs created to secure roles that otherwise aren't required. The whole authority within the education setting works on jobs for the boys! I just imagine how much could be saved .
- was this display/ meeting etc a last minute decision?
- Services have to be paid for - as long as you are efficient council tax should be raised to pay for the services people want.

- The proposals are in line with a responsible approach to using public funds in extremely difficult times. But a radical approach is needed to challenge the government's view that it's OK to keep on squeezing councils (ie working people or those on pensions they worked for years to obtain) for as long as they can get away with it. Councils around the country should stand up against this once and for all.
- I agree, as local authorities need all the money they can get at the moment. However, I think more should be done to make people aware if they are eligible for a council tax reduction, as I believe the statistics show that not everyone eligible for the reduction claims it. Given that this inequitable tax places a disproportionate burden on the poor, the least we can do is ensure that anyone entitled to a reduction receives it. Although I know NYCC has no powers to reform council tax, if enough local authorities were to push for making this tax higher for higher-income families and lower for those on low incomes, this might convince central government to push through long-overdue reform of this outdated and unfair tax.
- Investing in children and supporting them early on through services and education will be the best investment and will save money in the future
- Lobby Govt to provide more funds. We pay enough taxes already
- From top to bottom you are simply wasting money at every level. From paying your management team far too much to giving away money that is not needed to be given and wasting money through inefficient departments. Your Highways department is out of control and if the management team at the Highways found themselves employed in private enterprise, most of them would find themselves unemployed very quickly. The waste at Highways that I know of is disgraceful but your senior management do not appear keen to take a look let alone take action. Just cut £12.5 million from the budget and see what essential services you could still provide I would suspect that you would still manage perfectly well. You have just grown accustomed to wasting other peoples money and think it is essential to continue to do so: it really is not!
- The average household is struggling already! More and more people are having to use foodbanks.
- Without doubt NYCC complies with government spending limits (austerity) much to the detriment of all sections of the community. Silence reigns when protests are needed to produce an equitable taxation and distribution system with regards to geographic inequalities (the SE slant on spending), with regards to taxation levels for different income levels. The effects of George Osborne's austerity produced the Brexit shambles and continues to blight our nation. As a major county council YOU should be leading the protests to reverse this situation.
- I think question 1 and 2 are unfair questions, there is no clear explanation of what those services cover so any decisions have the potential to be made on limited knowledge.
- The rate of inflation is 2.17% which is well below suggested increase in council tax.
- I work for the council so have been through several reviews where services have been cut and budgets slashed and every time seen people fight for their jobs. I feel it is time that some of the councillors at the top level need to take a pay cut.
- Funding is needed to provide services I am concerned at the lack of sufficient central government funding to nycc and other councils.
- Although I have given my support it is in the knowledge that the Tory government keeps personal taxation lower at the expense of local taxation through council tax. If we really are a caring society we need money to care for the vulnerable and accept when we are a high earner we must contribute more whilst never feeling hungry, stressed about bills, worried

about childcare or school support and transport. Inequality widens and enrichment through day centres and libraries decreases. Local authorities are grounded within their communities and should be given the respect they deserve.

- Agree reluctantly as it is necessary, and shows how central government are passing costs over to local councils so that they can appear to the taxpayer to be prudent. Regular annual council tax increases look very unaffordable for many people on fixed incomes or low wages.
- Increasing council tax is the only way to preserve services in the current climate
- As long as we don't get another £24 added by Julia Milligan The time right to increase tax on second homes as a major income capture need (I speak ad a former second home owner)
- I would be happy to pay an extra tax allowance if I knew it was going directly into local services department to increase care service provision and local hospitals
- I would prefer a higher increase in order to maintain public services.
- A simple way of means-testing for free bus passes would be to ask whether the person was able to drive and had use of a car. Public transport needs to be supported and used but not at the expense of council tax payers where the person has an alternative or could afford to pay for a bus fare.
- There seems to be overall a general mindset of "somebody should be doing something about that". Perhaps all councils could make the effort of ensuring that all residents are made aware of the costs involved in maintaining the individual services we all expect and enjoy. Certainly the Council Tax demand does give some idea of costs but a monthly more detailed breakdown of running costs of the different services could perhaps be given in the local paper All residents should accept that we all have a responsibility in the area we live in and contribute in any way we can to lighten the burden of councils as well as helping to ensure that the less well off (financially/physically or in any other way) are all taken care of. We are a society - we all need to help each other
- Council tax is far too high, even before an inflation busting increase is applied. My pension increase will not match this level of council tax increase - increases of this nature will force hardship on many others in the community. The council is only looking at IT'S OWN BUSINESS, not the effect on others.
- Are you offering your staff the same increases in their wages? If not, why are you giving them a pay cut in real terms?! Please ensure you are fairly grading your staff! Too many local authorities down grade their staff pay to the detriment of the tax payer, crap pay mostly leads to posts going unfilled, hardship and the appointment of staff who lack the required skills to do the job. Most local authority jobs are already paid £10k less than the private sector, don't make it worse!
- I don't think you can continue to cut and cut back office services, you do not have the required resources nor capacity to plan and deliver the required changes you stipulate as being necessary. How can you make even more changes without people there to physically enable this to happen. You are stretching your current staffing capacity to the brink of collapse.
- I understand that increases are necessary, and adult social care should be invested in. I would like to see a wider economic plan to understand the vision for the county, and how residents, businesses and tourists can all play a part. E.g if we can subsidise business rates for small independent shops, and make town centre parking free for shoppers that will encourage more tourists. If we can ensure our high streets are interesting, and not a clone, with a mix of value and high end shops we will encourage a mix of people to live here.

- The yes above is as long as it gets spent on essential services. You need to break down the general service's into detail. More help & support is required for families looking after/supporting vulnerable adults & support for carers. After all they are saving the council a fortune by being unpaid carers!
- Could a chargeable service be offered to self finders for assessment, use of supporting them to find a provision like other authorities.
- An emphasis on education and road improvements, beyond maintenance - are two issues requiring attention.
- You do need to check you are getting value for money for the services you do provide.
- I would just like the council to remember that the money paid by council tax payers is being spent properly and that ALL waste is eliminated. I can only wish but doubt it will happen as it would already be happening and there would be not need for these questionnaires!!!!
- NYCC should make it completely clear that this increase is to offset the reductions from central government NOT just to raise more cash.
- By the above I do not mean making people redundant but when contracts end, look at how volunteers may be best utilised to fill gaps.
- I support the increase for adult social care but do not undersatnd the need for the other increase.
- Compulsory pension contributions for council staff of at least 10 or even 15% ie contributions by the staff not the council. 2. Get rid of HR and scrap all the health and safety 'initiatives' along with the so called expts 3. Expand the catchment areas of good schools like Ripon Grammar School to improve the attractiveness for parents and pupils who wish to settle in North Yorkshire. 4. Insist that the government rebuilds the train line and station to Ripon.
- More control is required on council tax benefits. Look at contracts the IPT drivers/PAs have. Money could be saved here if you look at hours actually worked To contracted hours, many get paid for doing nothing
- You need to support libraries far more.
- The ratings for council tax are unfair and should be supplemented by a local income tax on the wealthiest.
- If the council tax is increased by 4.99% this year then there should be a guarantee to payers of no further increases for 5 years.
- Fight tory austerity ans do more to show people that their council tax pay a for front line services rather than coming from central gov
- The council brag about income that has come in following Tour-de-Yorkshire yet still find the need to increase council tax. The money expended for the event out weighs the income.
- Investment in better transport links are a must... why cant we have a train station like Northallerton and Darlington? Richmond, like other North Yorkshire towns e.g. Harrogate Knarsborough and Ripon is a beautiful town with architecture, countryside and fantastic community spirit. So instead of filling the town centre with charity shops and discount shops why not go up market and work on encouraging investors to bring artisan and bohemian shops which will help our town become a must to visit. There are times when we need to g"grasp the nettle with our hand" but for goodness sake stop strangling owners and tenants. We already pay one of the highest council taxes. Could a group not start moving forward with genuine and original ideas how to raise commerce in this town?
- Where I live i get a bin emptied ever other week for my council tax bill. its a joke. and i have to drag that half a mile to the road as you wont come up our lane. I dont see why a few grit

bins to help the school bus and the 15 adults (who all work and contribute) should be an issue. just relocate some bins that never get used and re plan you inspection route to accomodate them.

- The importance of providing financial safety and an increase of support to vulnerable adults and children outweighs the problems with increasing council tax. Support must be provided to those that need it most and more resources must be given to them and an increased flexibility to support workers and social workers.
- Highways seem unable to manage road repairs, when they are done they last 5 minutes, they do not know how to get value for money and should not be in the position they are. In a private company most of the people at the top would be gone. Why should we be asked to pay more in tax for such poor performance. Learn how to get value for money and then come back and ask!
- As part of the council tax increase it should be noted to all residents how much things cost in the county. For example little people will know about the true cost of repairing a pothole, street light, etc.
- There doesn't seem to be any other way until Central Government changes its strategy on funding Councils.
- we are pensioners and can not afford any more increases we are worried how we are going to be able to pay these massive increase
- Improve waste collection and recycling. Improve road surfaces.
- I'm pleased I respnded to this consultation, it was a useful exercise in understanding what my contributions pay for. On the face of it I was disheartened to hear of the rise, however I am content to pay an extra £60 per year to ensure those less fortunate than myself can access the services they need.
- I strongly agree that any tax should be increased should it allow for development of services in the face of Tory cuts
- whilst I am not a NY resident i would support this within the LA where i live, to go towards essential front line services.
- I support the rationale for using CT increase to fill the gap but believe this should be met by central govt grants not required by their cuts.
- Council tax should be assessed on a gradual scale of income rather than just property values.
- I have a good idea! Lets pretend North Yorkshire is a profit making organisation and run it accordingly you will soon see what you need to do. How do profitable organisations do well? They manage their spend efficiently!!
- When the VPC's were installed, was it necessary to replace the keyboard and mouse which were working with the desktop computers? The whole idea of creating a buying team was intended to save on back office services but how many jobs have been created? We were previously allowed to choose products from preferred suppliers and expenditure was always within budget. The system causes delays in delivery of the items as some suppliers deliver the following day but this is not possible when the order has to be processed by the buying team.
- Make it possible that people can donate in wills to the Council! Like do to charities. Support your local Council !
- I would like to see 10% of the Local Growth Fund capital budget which is currently allocated to highways, to be ring fenced to deliver the Cycling and Walking Investment Strategy. Currently there is no funding specifically available for cycling and walking infrastructure in the 19/20 budget which is essential in reducing traffic congestion in our towns.

- Taxpayer's wages aren't increasing at 4.99% so NYCC's services shouldn't be increasing at this rate. My Council Tax bill is over £2,000 per year, money that comes out of income that is already subject to tax and National Insurance.
- Whilst I broadly support the increase in. Council tax people are already struggling to pay it and in work poverty is causing many people problems, you are very quick to propose legal action if people have short term problems with council tax and seem to judge harshly those who want to pay as against those who don't
- I would hope that many of the 'review' items in the previous questions should be done as a matter of course; common sense!
- Should be increased by more if needed - without consideration of 'Will they vote for us next time?'

Verbatim Comments – Citizens’ Panel

Comments on the proposals

- Found many of the questions loaded, 2. The word review was used in many questions, review with an aim to do what?
- *[Salt heaps and winter maintenance]* 21) Assessment of salt usage should be overuse aggregate of 5 years... assessment in a warm winter would not reflect need in a cold winter. If salt has been delivered in the past atca site there was probably a good reason to have it there. *[Review arrangements for care provided to adults with mental health issues by focussing on what people can do to support themselves and where possible avoiding residential and nursing placements]*16) Mental health .., fine providing there is access to good emergency cover when there is a breakdown. Important that provision of help is available and that this is not just used as an excuse not to provide nursing and residential places *[Continue with the approach of assessments based on a person’s strengths so that we can help people to maximise what they can do for themselves with our support]* .11) sounds like a euphemism intended to obfuscate and make no provision. We have all faced questions like “you can do this can’t you?” To get the answer the questioner wants (it’s a bit like an abuser asking the abused for confirmation that they like what is happening to them... the closed question produces the affirmative answer not the truth. *[Review transport charges so that they reflect the real cost of providing the service and that the entire cost of a person’s care package is considered as part of the means-test for care costs]*10) don’t like the way this question was formulated ... it is one thing to ask if cost of transportation cost should reflect the true cost to the provider... I agree with that but I can’t agree that a person’s care package is considered as part of a means test for care costs as a result of that first question ...could you? It should’ be an entirely separate question formulated on your proposal that all care packages should be means tested. What a good way to stop people asking for help and this save money! *[Continue to deliver more extra care facilities...]* 9) sorry but you need more residential homes... the private sector is failing to provide for need and you need places for the very frail elderly/dementias who can no longer be cared for in ECFs *[Reduce the staffing costs in management and professional support.]* 3) I can’t support the cutting of costs in professional support though I can support cutting down on management costs if that means reducing manager numbers.
- *[Work with districts councils to make savings by taking a more consistent approach to recycling and composting across the county.]* (20) In this country I witness items which have been taken to our local tip which are fine and could be re-used. Residents could be asked to identify such unwanted items and the council could work with designated charities to get such items back into usage. We throw away too much. *[Continue to reduce spending on back office services]* (22) work with other councils to centralise functions and thus share costs. Payroll, legal, finance. Additionally set up cross council working groups to identify councils that provide services more efficiently. That way best practise could be identified and costs reduced.
- 4.99% is a large increase for OAP. That's the reason I am not supporting your proposed increase
- All areas are important and it’s very hard to suggest reducing spending except where there re obvious inefficiencies
- All procedures should continuously be kept under "Review" to ensure best value for money. But if the term "Review" is a euphemism for "let's look at what reduced services we now

provide with the sole aim to reduce spending (Implying that standards might not be maintained) then I strongly disagree. All reasonable savings or re-organisation should have already been made in previous year's reviews since 2012. There is no fat left anywhere now, any review should now only produce improvement of service even if it means INCREASING costs which should be raised by General Taxation centrally. Therefore I can only tick the "Neither" column in Q2

- All savings should be made on areas where the government is mainly responsible for
- As a motorist it would like to press for more spending on road maintenance etc. - but have to recognise the greater priorities for children and the elderly. Philip Hammond promised £300m for roads
- As a retired civil engineer I know that you need to review all aspects of costs and efficiencies. I also know that in the county a lot of short-term repairs to highways is wasteful of resources
- As a senior manager in the prison service in this region, I am always amazed that there isn't a better join up of services to ensure as efficient service is provided as is possible. Much more use of services provided by those in open prisons could contribute to reducing council costs and provide meaningful activity for appropriately risk assessed men and women keen to give back to the community
- As this is for public to respond to, it would have been helpful to put the questions in a more simplified manner. Most are written in jargon. A lot of the questions asked seem to be common sense and should be already in use as common practice
- Assessments of older people can be threatening and unnecessary as they feel someone has come to take something away from them. These should be avoided. The amount of time a carer gets to do her work for each person is detrimental for both parties. Extra money should go with this area so people can be treated with dignity
- By reducing costs in this way it may take a few years to show in the budget. I think it is essential that the public are kept aware of where actual costs are being saved rather than being lumped together as a saving in 'business and environmental services' or 'Other Services', this would mean nothing to the general public.
- Can understand why certain street lights go off, but why do they go off on the main road through Sherburn-in-Elmet from the traffic lights towards South Milford? The main roads should be lit all night, we pay towards this
- Children to go to schools in our area, not cross boundaries. Don't just patch roads as false economy, it doesn't last
- Children, families and the elderly are priorities. Transport and highways management is essential. Wherever, give people the chance to manage their lives without creating 'learned helplessness'
- Commercial investments by councils has had some mixed press so not sure I understand the risks involved in this option.
- Contracts should always be reviewed on a regular basis. Introducing new operators where possible to keep 'regular' operators on their toes re price. Most of the questions to no3 were on reviews. Don't just rely on the approved list you have on survives.
- Contracts should be more carefully looked at because if you favour the lowest cost you invariably end up with work comparable with the price which you have paid
- Cost effective. Value for money. Think before you buy. Cut all and any waste
- Council staff are not investment experts and should not spend taxpayers money on anything they are not experts - it could result in very expensive mistakes

- Despite the information provided, I found it very difficult to make judgements on the above questions and wonder what use a survey like this is? Are you just doing it to claim 'well we did consult'? I recognise you have a real problem but you can't expect anyone to agree voluntarily on a tax increase!
- Develop possibly many more much smaller extra care hub to enable older people to remain as independent as possible but within their local community. This is particularly so in very rural areas where long held friendships are vital to an old persons mental and physical and emotional welfare. Transport difficulties make long distance contacts much harder nowadays for older people. I would like to see composting bins introduce to all households to enable recycling of food waste
- Difficult not to agree with reviews in all areas of local government spending but no opportunity to comment on reducing the cost of ineffective council governance at district, county and regional level. How does NYCC compare to other County Councils on elected Councillors expenses and attendance at council meetings? Do we need services managed at district council level?
- Difficult to respond impartially when taking age and medical requirements into account. Most important aspect in this is to ensure all departments are efficient and cost conscious. Ensure there are not too many 'managerial' grades
- Do away with some management levels, I am sure you can spend their salaries better. Does anyone check road patching after it's done? That on the A169 from Sleights towards Goathland junction is an abomination. The gritters will do a grand job of taking it back off
- Do you assess the impact of cuts in one service on other parts of the organisation? I.e. whether you put pressure on other services through one service making their budgetary reduction targets?
- Don't cut the funding of pupils excluded from schools by withdrawing support for pupil referral units. Need at present outstrips demand and will get much worse. It's vital these young people get the support they need, otherwise more money and effort will be needed dealing with other problems
- Ensure any outsourcing represents excellent value for money and quality of service delivered is managed to ensure value. Do not abrogate council responsibility when anything is outsourced. Ensure employees are managed to maximise efficiency
- Every person has a value and is worth being supported to live life to the full. Instead of cutting costs you should be demanding more money from central government. Austerity cuts have come from government and they should be responsible for the consequences. We are not a poor country and each person should be given the best they deserve. There will always be people who can't support themselves. They should not suffer nor should they be penalised for living in the countryside
- Every single improvement to services and service providers is valid ... but impossible to maintain with budget cuts/ restrictions. Demands for support in every age group exceeds supply. Regular reviews / pragmatic priorities and realistic outcomes requires creative decision makers.
- Every time I see NYCC highways repair team they are standing around doing nothing. So, review working practices, staffing levels and efficiencies. Put work out to independent contractors
- Explore and review are great words for looking afresh - if we truly look rather than seeking to cut costs, see to find out what particular services deliver and what differences can be made with a different provider

- Far too much emphasis is given to the young demographic at the expense of the older demographic probably because they make most noise and are more demanding - the social playing field needs levelling to represent those who have contributed more during their lifetime
- Feel a number of statements are concealing the fact that there will be reductions in service as a result of 'reviews'
- Harsh but until government funding returns to a 'real world' level, you have little choice!
- Have a key person to coordinate voluntary services and encourage the pooling of community resources. Involve the public much more where possible (many more people would help given the opportunity)
- Having had first hand deadlines with social services for my 90 year old mother (deceased) and also with my granddaughter, unfortunately I have found the level of incompetence by both departments is unbelievable. They could only be employed in the private sector as cleaners. They are not fit for purpose. Scruffy and unkempt in appearance means untidy mentally. the department need a big shake up and paid on results - not just for turning up
- How far can you reduce back office support and still review all these services?
- I am involved in planning and delivering accommodation and support for older people and other people with care needs - proposal is too narrow in that it refers to extra care housing alone, yet extra care is relatively expensive in terms of both capital costs and company cots. Therefore other housing based models of provision must be considered to ensure that alternatives to care home can be delivered across the whole county and in large numbers
- I am not impressed that conservative Councils have consistently supported government cuts to local government with the result that the most vulnerable in society are now paying the price. I would prefer that taxes and community charges had continued to rise in order to pay for the services that the most vulnerable need.
- I am very worried about another increase in council tax. Shortly my husband and I won't be able to pay!
- I believe you should send a leaflet to everyone to tell them the extent of conservative funding cuts and the effect this is having on local government resources, Pressure should be put on local MPs to reverse these cuts as we have been told austerity has ended. This would be more beneficial when I believe cuts to any of these services is detrimental to people's health welfare and safety.
- I don't think its good use of public money to give free bus passes to all senior citizens, many of who are well able to pay for themselves. 50% reduction would be more than sufficient. I speak as someone who will receive the pass next year!
- I feel very strongly that the council should not be subsidising school transport, particularly for faith schools, as this is a parental choice
- I find that all of the welfare services have reduced in quality as well as quantity. The phone reception is safeguarding for children is poor and payments for elderly people in care homes are as low that self funders are subsidising the local authority - totally unfair
- I have an interest in supported living for severely disabled young adults (a service my son will need) - other councils provide flats (say 4 adults sharing) with similar needs which is a compromise between single occupancy and a residential home. Also more cost effective. some parents have even grouped together to buy a flat but ask only for the 24hr care cost to be covered

- I hope my responses are of use: I'd like to think the experienced and knowledgeable managers in their areas would develop plans to achieve savings and deliver improved services far better than a layman can advise
- I hope that the county council listen to council tax payers
- I live in a rural area and the highways must be a priority
- I ring the highways on many occasions about road gully's blocked, street lights not working, road markings missing in Pickering for years. Does any Councillor in Pickering do anything? Useless big time!
- I suffer from a mental health problem - schizophrenia. I don't qualify for incapacity benefits (PIP) because I can manage all my chores pretty much independently. I can only manage small amounts of work on a low wage; (retail or such like) and my living expenses are high because I'm an extroverted character. How can I afford to live when I'm not working or looking for work? I would like a solution for people with mental health problems (such as myself) who don't qualify for PIP
- I think that instead of making cuts upon cuts it is time to tell the government no more. This is all punitive and unnecessary and needlessly cruel
- I think this survey is asking me to agree / disagree to review items / topics of course I agree to you reviewing them if you have the skills to do so but its actions not reviews that are needed
- I think your focus on prevention as an approach, rather than reactive support, is excellent. In particular, I think priority needs to be given to children of nursery school age before they reach primary school
- I work with young people with special needs and am sometimes shocked at the cost of services for them. However, I am also aware that many have complex needs which are not immediately apparent. I am concerned that a move to cheaper more efficient services for them may result in placements which are unsuitable, ultimately costing more when they break down
- I would like to see an extensive restructure of the councils senior management teams - this is where considerable, long term savings could be made - whilst efficiency and productivity could be improved by investing in competent and dedicated front line staff
- I'm all in favour of long term prevention and not short term reaction i.e. Positive review and planning
- If there is an improvement in the prevention of alcohol and drug dependency and support is provided to those people with mental health issues, the knock on savings to policing and emergency services may well go toward some of the funding, monitoring the impact of this would then allow a further review into the efficiencies.
- If you are closing the courthouse in Northallerton (we the public don't all agree) are you going to sell it? You would have funds to spend on other services!
- I'm over rural environment how much does the farming industry contribute to the maintenance of roads? The ever increasing size of farming vehicles is a different issue with regard to the deterioration of roads - the use of suitable vehicles on long distances should be imposed instead of the use of large tractors and trailers
- I'm somewhat alarmed to read that these proposals are not already in place
- In adult social care young people should be encouraged to fend more for themselves and not rely on councils to provide everything, just as all young people have to learn this, to live a good life. Teach and train them some life skills like cooking and how to look after themselves

- In relation to reducing the price on contracts with suppliers, this makes sense in pursuit of value for money but not if this means paying less than the cost of the service or risks making a service unsustainable. For example in terms of social care costs have risen to providers of care but the rate paid by local authorities in some cases has not risen and has meant that care providers have closed or have had to increase charges to private clients. It is not fair that private clients have to offset under payment by local authorities and it is not realistic to push providers out of business as that puts users of the service at risk and creates a bigger issue and more costs as you then have to find another provider and are unlikely to get a favourable deal at short notice and in a crisis response.
- Introduce food waste bins. External recycling. Very worried about reducing residential care homes, the home care service are not sufficient, residential care provides a community and social setting for people who would suffer more through loneliness and isolation
- Is pressure being put on central government and our conservative MP (Ryedale) to reverse continual cuts on funding provided by government grants allocated to councils?
- It is essential that value for money is obtained on all contracts. If need be, lobby central government for more funding! Austerity must end
- It is false economy to re-chip roads, they need a proper surface. I don't agree with helping people with NHS funds if they are self-inflicted like drugs and booze.
- It is very hard to comment on some of these questions when I do not have the full facts. Efficiency is paramount, cutting back and saving in the short term often means higher costs in the future everything needs to be fair.
- It seem that lots of effort is being spent to understand how services can be provided. I must strongly agree with most of the proposals thank you for the communication
- It would be more useful if North Yorkshire had the same waste/recycling options throughout the districts. It is very confusing if you move around the county!
- It's difficult to make informed choices when the question starts with 'review' how will this review happen? Will it be done in a fair and transparent way?
- Just deliver a service that is adequate then you would not need time and resources wasting on reviews
- led street lighting is currently too bright - lower wattage could be used. In built up areas the light is too blue and can disrupt sleep patterns for residents, particularly children.
- Less use of consultants and only use approved contractors who deliver value for money. Employ staff who are fully qualified and experienced for their role
- Let's spend in areas sooner such as preventative matters that save larger amounts long term. This does mean lowering thresholds and placing a greater expectation on service users/the community to engage. Its everyone's responsibility
- Living in a rural area the Highways must be a priority for maintenance and winter maintenance
- Living in Rosedale Abbey , I have seen school taxis take children from home to school many of their children come from homes where their parents could easily take them to school themselves without having to rely on taxis paid for by North Yorkshire CC.
- Make sure disabled people are looked after i.e. Keep supported employment *** has been a god send for me I would have killed myself without her help and support
- Management of 25 [*Generate additional income by winning more contracts to deliver services for other councils and schools*] would probably cost more than it generates. Lack of experience.

- Many of the above are 'reviews' and it is timely actions against these activities that matter. One presumes that the Strengths and Weakness of resources available are monitored regularly as appropriate to needs and compared nationally and regionally to those available in other councils considered to be high performers. By doing this (Benchmarking) in an efficient way, the Strengths may be turned into Opportunities to make money and the Weaknesses may mean buying in a resource is more effective. Costs are obviously important, and undoubtedly there is a continuing squeeze, but skills available are also very valuable as is motivation.
- Many, if not all, schools are struggling financially. It is important that the support given to schools and children is prioritised. They are our future!
- Money spent on accountability is well spent! i.e. The filling of potholes is atrocious - the work on the A169 has made the condition of the road worse than it was in the beginning - the repairs have clearly not been inspected
- More cycle paths and footpaths needed!
- More of road tax revenue should be directed to road maintenance i.e. Potholes and not sent to a central fund
- More work should be undertaken when negotiating contracts with 3rd party companies and suppliers
- Most of the issues in Q1 [*Children and Young People*] and Q2 [*Health and Adult services*] are about people who require real assistance where cuts would have a dramatic effect. More effort to reduce costs in purchasing equipment and materials by linking with other service providers to bulk purchase and therefore reduce unit costs
- Most of the questions ask about a review, which should be a habitual method of management. I appreciate that a shrinking budget in a time of increasing costs is a very difficult situation. It is time to decide which statutory obligations the council have imposed upon them, should be the responsibility of central government, and therefore their duty to enforce and pay for
- My commiserations, an impossible task, Compounded by central Government, to recognise the real state of North Yorkshire impoverished people.
- Need to retain sufficient and appropriate staff to be able to successfully pursue the proposals
- Not really but I suggest making savings in the majority of occasions is making cuts
- NYCC can talk the talk but often seem that they can't walk the walk. Contracting out services is both more costly (Directors' fat salaries etc.) and poor service on drain clearing and pothole repairs. These contractors have told me that every job is time limited and they have no discretion to take more time than allocated, hence jobs don't get done thoroughly!
- NYCC needs to be absolutely honest with rate payers and this means county councillors becoming statesmen/women and not petty politicians always trying to score points. Council staff must be seen to be effective and efficient and fair. Some of the questions are far too simplistic. One size does not fit all. There is no point reducing staff to such an extent a crucial service fails and in the end costs more. assessing peoples strength [*Continue with the approach of assessments based on a person's strengths so that we can help people to maximise what they can do for themselves with our support*] is a really blunt instrument if their weaknesses outweigh the strengths and if there is no money for support
- Of all the points raised, I think Q26 and the last is potentially the most risky proposal. Tread very carefully if going down this route as commercial investment could go wrong. Other savings probably can be made by looking at wastage and efficiency. Energy use for example

- Once again, NY seems to spend time and effort talking about doing and never get round to doing anything - get on with it we are all having to make cuts, its time you did
- Only allow private companies to dig-up road surfaces if they resurface the whole road surface when they have finished. Too many road surfaces are in poor condition, which I believe is due to poor re-surfacing of trenches dug-up and re-filled by various utility companies. Also only allow disruption at certain times of the year, so all the respective companies have to do their work in a limited time.
- Other councils have turned street lights off at midnight until 6am. I believe this is a good idea, as this can save you a lot of money. If the council works with communities to establish a time where we can have the lights of, this will reduce people protesting if they did not like the idea. Another idea is charging the water, gas, electric and telecommunication companies if they wish to dig up the roads. This way you also save money. so if the water board wanted to dig the road up to make changes to the pipes, then they pay the council the money needed to repair the road after then have finished
- Outsourcing is often a dreadful waste of money. If a private company can do the job (often they do a poor job) and make a profit, why can't you?!
- Overall savings are being made but the council is not using its assets as well as it could. Money should be saved on less red tape and from using technology and modern computer systems
- Overall seems reasonable; possibly need to be harder on cost saving
- People who don't recycle and just use landfill bins should be written to and possibly fined
- Please don't cut schools budgets anymore. We have many staff who give over and above their contracted time because they see the need in school. We have many children who should receive more funding for their needs/support but they receive nothing so staff try to do extra to help out
- Please safeguard the futures of children and young adults with SEN. Schools are struggling financially and have to buy support - how is this fair to the children and families who also struggle?
- Priority should be given to proposals where there is scope for further saving - often called spend-to-save
- Purchasing rebuts and reliable tools for the job, local authorities need to work on a ten year planning cycle. The purchase of equipment and major services cannot be based solely on Price. Need to develop Life Cycle operating cost verses the on-going annual maintenance and fuel usage costs. Short term savings at the point of purchase can fall into insignificance when evaluating 5/7 years running costs Critical to concentrate on running costs or recurring costs.
- Q18 when you say get third party to contribute to the cost how? and what happens if they do it on the cheap and the surface starts lifting or deteriorating before it's shelf life
- Q21 re roads. Only major roads should be gritted. If people know there is no gritting they will drive more safely according to the conditions or stay off the roads entirely. Q25 re property. It is not the business of the council to be dabbling in the property market. It is too risky with tax payer's money.
- Q22 If spending improves efficiency and therefore shows an overall saving then I support this. Q23 Reducing prices has to ensure that this is not at the expense of the quality of the service Q24 In principle I am against the authority acting as a business but if it is carrying out work that another council would have to do and it is producing economies of scale and therefore producing an income surplus then this is acceptable. Q25 *[Generate additional*

income by winning more contracts to deliver services for other councils and schools] I do not think the authority should be getting involved in non-essential business such as property investment

- Q24 [*Continue to reduce prices on contracts with our suppliers*] reduction of costs must be seen in a mid-long term scenario - is the service/quality of service of an equal or better standard - if not, it is a false economy. The geographical area covered means that services need to be different in the urban and rural areas, e.g. distances to schools, medical services, so services can't be the same to be effectively delivered
- Q26 [*Explore commercial investments such as property to subsidise frontline services*], 33 refers to investment to meet the shortfall. This view should be taken with staff/employees as well. Personally I am a commercial manager for Highways England. I work to deliver best value for money in road maintenance. We have poached excellent staff from NYCC just by offering marginally improved terms. The result has been exponential increases in vfm. We are delivering more, for less than ever before. Some members of our supply chain comment that local authorities are essentially easy prey and consider us much more diligent customers. In terms of any outsourced contract, you need to review your commercial department
- Q3 [*Continue to make efficiencies in the maintenance of roads and ensure ...*] - who are the third parties involved in road maintenance? Is this utility companies? Q3.4 [*Continue to reduce prices on contracts with our suppliers*] - how can prices on contracts with suppliers be reduced without a reduction in their quality or frequency? Were they not competitive enough in the first instance? How can it be possible to provide services for others (councils and schools as stated) while asking our own to make 'efficiency savings' to budgets and services? Is the exploration of commercial investments such as property to subsidise frontline services a 'one off' or are these such assets plentiful? Could a large windfall be pending?
- Q3.1 all seems to be about reviewing things rather than actually saving anything.
- Q3.4.24 [*Continue to reduce prices on contracts with our suppliers*] It must also raise quality not just cut cost. Q3.3.20 [*Work with districts councils to make savings by taking a more consistent approach to recycling and composting across the county.*] why is it district and county council make it one service
- Question 1/2 - why isn't public health funding coming from the NHS pot? I find it difficult to prioritise they are all important and it seems a bit like Hobsons choice. How is education funding by NYCC affected by the academy /Mat re organisation? Shouldn't central Government provide more to these schools?
- Questions are worded giving bias towards certain answers
- Re 10-16 reviews should be done anyway as part of good management, Re 3 a reduction in management and professional effort is to do but what about the cost of failures and / or lost opportunities through lack of resource? Ditto 23 & 24 forcing down prices may result in false economy with a shabby service
- Re priorities - in general this is very difficult to complete as there is an argument to prioritise them all!
- Reduce old not fit for purpose offices and buildings. Sell off unwanted land and buildings. Be more competitive in selling services to schools and other councils. Invest in low cost housing schemes
- Reducing the funding to pupil referral units is an aberration. Have any of you ever worked in a mainstream school and seen the disruption caused by some students with

behaviour/emotional disorders, to the education of others. These children need extra help and support to guide them through life and withdrawing funding is having an adverse effect on everyone in the schools. Come over to Scarborough and spend a week in one of the secondary schools to see for yourself. Please!

- Ref Q3.1, 3.2 Why on earth are you even asking the questions? This should be done automatically as a matter of course. Q3.3.19 street lights should only be converted to LED when they malfunction!
- Reintroduce free compost bin collections. Charge or make companies re-do poor quality road repairs where they have had to dig up the highways
- Review services in a business-like manner. If profit were the bottom line instead of expenditure the top line, more radical decisions would be taken.
- Road maintenance is a high priority due to the rural area and the need to travel for work, shopping, services etc.
- Road safety measure should be prioritised including speed limits in rural communities
- Roads - A budget equating to the amount of road tax % allocated to the council should be spent on roads. Consideration should be given to roadworks and the costs and implications of such. I have lived in Selby for 8 years, on an annual basis there has been inconvenience with regards to roadworks usually on two of the main routes in and out. Better planning is required and common sense. Education - Funding for schools should be prioritised to ensure that standards do not slip, equipment and schools are becoming dated. Regarding transport, means-testing should be done for transport to school. Council - Costs to run the council are high. The red tape involved newer days is costly and somewhat crazy, simpler systems should be introduced. Property investment - Judging by the way councils manage council housing arrangements I do not think property is a wise investment.
- Savings can always be made by outsourcing back office services, it's about being clear what you can safely outsource and ensuring that the culture and values of the identified organisation is compatible
- School transport should be means tested. Road repairs/costs need to be passed to third parties where there is clear evidence of third party damage
- Seriously explore commercial investments and potential businesses that could then be rented/outsourced at a profit by 3rd party companies. maintaining assets and making an income
- Stronger control on disruptive children in school, better value for highway maintenance it is cheaper to get private contractors than use NYCC contractors. We have experienced medical care to an aunty at Sandsend who ended up with 3 comodes,3 Zimmer frames, it wasn't needed but high cost
- Sub contract more council services to private providers which would lead to efficiencies and cost savings, review council workers conditions of employment which are more generous than private organisations
- Support should be targeted at the most vulnerable children, the elderly and disabled people. Community support facilities such as libraries, youth clubs and drop-in centres should get more funding. Public and community transport support is essential to reduce the carbon footprint of the area by encouraging people to use the services provided
- Surprised that some of these proposals are not policy already e.g. Full cost of care packages against means test and free home to school transport calculated to nearest provided school
- Take a look at East Riding Bridlington waste and recycling which is much better and more efficient than Richmondshire this is very poor with far too many bags and boxes. They also

have a very efficient recycling and public disposable plant. The whole of England should all have the same waste and recycling system if I were P.M or Environment Minister - yes it would cost UK money but money better spent in England than spending so much to other countries, look after our own nation first.

- The background document refers to NYCC spending of £9m on bus passes. Has the council considered asking for direct payments (contributions) from better off senior citizens (or any that would wish to help protect other services?)
- The council needs to consider ways to raise more income perhaps through business or social enterprise e.g. Cafe in the library etc. Not through raising taxes! Council tax for us is already too high when our income is stretched significantly
- The council should means test senior citizens before awarding free public transport and automatic cold weather payments
- The dreadful state of many of the county's roads seems in large part to be the result of very poor reinstatement after work by utility companies and poor quality resurfacing which breaks up after no time at all. Requiring better standards would save money. The council should focus on delivering services within its areas of responsibility rather than becoming a commercial contractor.
- The increase in children stated to have SEN's is ridiculous. Surely this figure needs further investigation. Is this a reflection of pushy parents of the current trend for stretching to infinity the 'autistic spectrum' some children will never achieve earning a large and education budgets should be focused largely on those who are future wage earners. The balance of per capita spending should be reversed. Parents should be requested to help look after their own SEN children in school where possible
- The LED lights are too bright for dark street area
- The only proposals I really agree with are those which involve generating income. The other proposals, for cutting costs, all worry me. If you cut or dilute services which are key to the more vulnerable in our community, we will pay for it in a few years by having much more social unease and poverty.
- The payment to careers must include the time between calls. At the moment they can't give proper care as they are supposed to leave one client and be at the next at the same time. This is impossible as sometimes there may be a 20 minute trip to the next client. This is patently stupid. This travel time must be included and paid for and then client care will improve
- The wording of the questions can be misleading for those citizens who have no knowledge of the workings of the local authority. As a result, they may actually tick the wrong box. The questions can be ambiguous
- There is no proposal to reduce social isolation in village communities. This needs to be addressed!
- There may be reasons I don't know about, but I know a lot of motorists are frustrated at the number of times roads have been dug up, fencing put round, traffic lights installed and there is nobody there working and on occasion there have been diversions of up to 11 miles. This never used to happen. Health and safety rules? I have seen up to 4 sets of traffic lights at once between Ferrington and York
- There should be no disruptive changes to services provided for disabled people in supported accommodation. Disruption/upset is too traumatic for them.
- These proposals to review and make efficiencies appear woolly in their place definite quantitative targets for savings and reductions are needed.

- They all seem to be necessary, and appear sound
- They sound good in theory as long as they occur as planned. I'm always sceptical
- This is the most difficult survey I've done. People should be responsible for themselves, but not everyone is lucky enough to be able to. Every time something is reduced it possibly puts someone out of work! The government should be ashamed of themselves for letting the difference between NY and Westminster start. The system needs reviewing!
- To reduce the costs of removing fly-tipping, scrap charges at council tips for domestic and small business use. Make appropriate charges for home to school transport. Make savings on unnecessary highways schemes such as those produced for Bond End in Knaresborough and the Leeds Road/Hookstone Road and Leadhall Lane crossroads in Harrogate. These not only waste time and money but label the CC Highways Dept. as inept. Too late now to do anything about the Allerton incinerator, but make sure that no similar future major capital projects are properly researched and fully costed before reporting to committee for approval
- Try to make sure that children go to the nearest schools in their towns
- We need to spend more - how to persuade people is a problem
- When the council approves plans for housing developments, the council should ask for contribution towards highways costs and to the local amenities that are already struggling i.e. Schools and health services. A % of what they make goes back to council, like commission
- Who does all the reviews proposed/already done? If the same people do the same reviews, the same answers will be given. Maybe a fresh pair of eyes is needed?
- Why cut library funding? Why make them pay business rates? It's the last 'free' thing offered (paid by taxes) and you don't want the expense
- Why not offer to sell NYCC compost? - via home delivery with the first of the year green waste collection? Maybe as a pilot? Make it known more (Stray FM/other radio stations) you can buy compost at the recycle centre. Maybe offer NYCC wood chippings for gardens?
- Yes the commercial investment the council never have made any profit so stay away from implementing this
- You have to make some impossible choices - no matter what you decide, someone will find fault and reason to complain! Logically, you need to focus on the big expenditure items (older people; young adults; children's social care; work) and see how you can make savings there - a few % savings there has a bigger impact than in the smaller expenditure. Is 4.99% the most you can increase by? Why not 5.99%?
- You offer a dismal prospect - let us hope for a change of government and a more enlightened approach to funding local government services.
- Your planning department is agreeing to housing developments which are totally inappropriate to the area or without considering the effect this will have on resources.

Do you have any suggestions on how the Council can make additional savings?

- 1. Sell county hall for housing it's next to the station and find modern office accommodation at lower cost, 2. Reduce speed limits on 'A' roads to reduce damage by HGV's 3. Visitor tax in national parks
- 2% for adult social care alone seems a large sum
- A change of government is needed
- A long term idea. Start a NYCC sovereign wealth fund. Aim - commercial income increases. Purchase cheap commercial property in the region and either sell on or manage for a profit. Maybe compulsory purchase unused property for undue period of time. As they are planning in Scotland
- A review of the senior and middle management positions to possibly combine roles and therefore reduce salaries.
- An increase will put people into arrears which will cause more problems. Why not increase by 2.5% then 2.5% again following year? Wages aren't going up and with the possibility of Brexit round corner, cost of living is going to go up. Also I believe all council properties should have solar panels to reduce costs and vehicles should go down electric route where possible
- Appoint a responsible person to oversee spending in all departments who would make judgements on how our money is spent, and enforce council departments to act on this
- As above work with other service providers to bulk buy
- As for A4 and contract clause for failure to provide
- As Q4, remote tiers of management. Reduce councillor expenses, reduce all salaries over £30,000 by at least 10%, it is indecent that big salaries are paid when ex-military are homeless
- Ask us when you have 'reviewed' services/items to rather than ask us whether we should spend money on reviews (10 of the first 17 questions on section 3)!
- Become a unitary council. district councils are a waste
- Being careful with contracts that cheaper may not mean a better service - the provider needs to be held to account to provide the services and product they are contracted to - this should mean maintaining current service levels if a new agreement is made - in the long run paying a bit more may mean saving as it would mean a quality service and less chasing the contractor (time and money in hours doing this- could be a false economy)
- Better management of road repairs i.e. Fill in potholes before they get bigger and require maintenance and claims for damage to vehicles. More reduction in street lighting
- Better negotiation of senior management salaries. Councils are supposed to govern for the people and not personal gain.
- Better self-management and management reduction, instead of looking at reducing services etc.
- Brexit is costing us millions which should not be spent, central government should be contributing more to help fund local government spending.
- By employing senior managers with business experience not career civil servants by comparing the pay of your managers with those in business how many could run a Lidl store
- By not employing people as managers of mature years who have already got a pension then giving them high salaries; these jobs could be done on a smaller salary, some of us worked hard as secretary's/PA's to these people and understand their jobs

- By not wasting money on projects which money has already been allocated; then delay after delay on starting the project
- Cancel the OAP type free bus pass and create same as children i.e. half price and this will cut out costly office costs and bring in much needed revenue. A lot of elderly people really do not even use the bus service so this has been used by a minority (of those using it a considerable proportion can already comfortably meet the bus fare costs anyway) and brings to mind the idea that this is a mismanaging of our council funds. Special offers could be created much as Northern Rail offer through the Harrogate Advertiser for £10 travel on one day on the counties buses. This should all be possible to start by 2020.
- Cap senior management salaries and pensions. Pension contributions should be the same paid into by employees as would be in the private sector. Save on salt spreading by monitoring when it is applied, ice does not form immediately the temp falls to zero, your gritters are out to soon, you are panicking.
- Carefully consider whether suggested (and by whom) road "improvements" are really needed.
- Centralise more services/ offices, Ensure contractors efficiency - from my own local observations a person sat on a chair all day (at times asleep) to stop traffic is poor use of a wage. Would proper highway repairs save money on on-going quick fixes?
- Concessionary fares for older people or those who pay nothing - charge a flat rate per trip which is less than the usual cost e.g. 50p to £1. Charge for children using buses to attend school. All should pay a contribution not just those who live within the 3 mile distance to the school. Joined up work between adult health/social services. too many different people/departments - not a joined up approach
- Consider more community based projects to aid where reduced costs impact the public
- Consolidate council buildings by utilising space and selling/renting unused buildings. If private businesses can make profit from recycling, why can't the council?
- Continue to encourage the government for fairer distribution of funding across the country.
- Council tax increases should not exceed inflation. Have a local Lottery.
- Council tax should be increased by inflation rate. 4.99% is double. Not good enough
- Create more employment opportunities across North Yorkshire, especially in rural and national park areas where the age profile of the population is increasing and thus putting strain on Health and social care services.
- Cut admin costs
- Cut allowances to county councillors and reduce the cost of democracy. Estimate the value of service within the allowances
- Cut back on jobseekers allowance and benefits to those who are long-term beneficiaries? Work to get them employed, rather than effectively paying them to not work. Charge for litter bugs in public places, particularly during peak times to persons who use the South and North beaches and leave rubbish on the sand, impose fines.
- Cut councillor allowances and sack chief executive
- Cut senior management!
- Cut staff and reduce the managerial levels in the town hall
- Cut street lighting switch off alternate street lamps on main roads not residential streets
- Dare I suggest a reduction of councillor's expense accounts? Yes, I dare, especially the expense for broadband etc. No household needs to pay excessively for provision of broadband and laptops/tablets do not cost excessive funds to warrant large expense accounts. also mileage allowance is excessive

- Difficult not to agree with reviews in all areas of local government spending but no opportunity to comment on reducing the cost of ineffective council governance at district, county and regional level. How does NYCC compare to other County Councils on elected Councillors expenses and attendance at council meetings? Do we need services managed at district council level? Council tax rises above inflation are not acceptable.
- Dissolve the authority and hand responsibility and budget back to Harrogate
- Do all staff pay for car parking at County Hall and other council premises? This has been the case at hospitals for many years and actively encourages alternative transport uses (e.g. Public transport or cycling)
- Do jobs right the first time so they don't need more and more attention after the problem has become bigger. For example a hole in the road could be patched up 20 times - or it could be done well once - I propose that may create additional savings. More front line staff so that they have time and motivation to do their jobs well first time
- Don't see how you can. You can't get something for nothing
- Don't send out these types of surveys in paper format, do it by computer!
- Don't spend so much on the firework display in Selby! I mean, its lovely, one of the best I've ever been to and certainly way better than York, but really? If you need to make cuts of this magnitude then surely it needs to be toned down a bit or at least charge a nominal entrance fee £1 or £2 per person even! surely it would help
- Don't you make money from selling your services to other councils surely that would come back in to the pot?
- Encourage people to manage their environments better and fine individuals for not recycling, parking illegally, feeding gulls, etc. Make examples and be firm people are very able if encourage but will be helpless if over helped.
- End subsidised dining for members, stop the use of highly paid consultants to cover unfilled vacancies. Cut the number of performance related managers
- Ensure contracted companies and to some extent, council employees, are doing what they are supposed to i.e. not hanging around and/or wasting time when they should be working. Reduce time spent on identifying unnecessary things - such as land for housing development when there isn't any need for further housing development in certain areas.
- Ensure that money is spent wisely. For example, was it necessary to send a printed copy of the Citizen's Panel questionnaire to those citizens who have provided an e-mail address and can complete the survey online?
- Ensuring contracts are competitive and the Council doesn't get ripped off (because it is an authority and not a private individual). Expanding housing projects funded by the Council
- Fight the government for more money
- For children's and young people's activities, you could work with activity organisers to see if they wish to use our libraries. This way, if you are paying for their buildings, all is within one building and thus reducing cost. Why not move adult and learning services into libraries (you could also sell this service off to colleges then work the colleges/universities) as this will reduce costs for the buildings. Scarborough library, for one, is large enough to do this and has computers already. Thus saving money on equipment and IT support. working with universities/volunteers to see if they wish to volunteer their time to help with IT issues, especially for deep freezes and easy to resolve issues
- Form a unitary council for North Yorkshire. Review vol sector contracts and terminate if not delivering. Reduce the number of county councillors. Introduce councillor attendance only payment. Reduce the allowances for councillors, especially portfolio holders. Reduce

mileage allowances for councillors and staff. reduce management levels and share services with districts

- Get rid of all non-jobs. Utilise criminals to do work in the community
- Get rid of top managers and stop giving pay rises to CEOs and deputies.
- Go back to council tax being "per adult" in the house (no matter if they are working or not)!
- Have an annual charge for the use of libraries - a small amount - £10? You can only buy 1 book for this amount but can borrow hundreds each year. Also charge for school transport if a child is attending a school out of catchment area - even under 16s
- Have staff be more efficient, less bonuses. Plan thoroughly. Look around for the best price
- Higher band council tax in line with property values
- Home to school transport for 16+, not sure if this is charged for but if now perhaps should be tested likewise, concessionary fares, if this would be legal. Are any of the councils assets possible or appropriate for use by film or tv , can the council profit from this, council apprenticeships to attract funding, charge a higher rate of council tax on 2nd homes in holiday rentals, not sure if you do this but it would also benefit the communities.
- Hopefully the proposed reviews listed in this questionnaire will uncover more opportunities for saving, as a 5% increase in council tax seems excessive when compared to general inflation.
- I appreciate you have to provide free bus passes for those of retirement age. Many users would willingly pay at least something towards this service provision. I'd suggest you explore the possibility of introducing a scheme whereby elderly people could pay something towards this cost. For instance a poster campaign could suggest use your free card on every other journey and pay the full price on the other occasion. Or use you pass 2 out of 3 trips and pay the full rate on the 3rd. Collection of the money could be through a separate "donation" letterbox on the vehicle.
- I believe the council like many organisations employ people on very high wages which are not always reflective of their role. I also believe that often contracts are too expensive and better deals need to be made. There will undoubtedly be places that the council is wasting money, for example I recall a conversation about the ordering of memory sticks some time ago now, they could be purchased for a fraction of the cost but because they had to go through an official supplier they cost substantially more. Also cut back on the cost of lunches and buffets for meetings!
- I don't oppose the increase in charges if it is kept at the same level next year
- I found this survey extremely difficult to complete and I did not feel qualified to answer many of the questions properly despite reading the background document carefully
- I have said yes to the above increase, I don't want to pay more but I know it has to go up in small amounts each year rather than no increase for a few years then a large amount. If this happened lots of families would suffer.
- I know that the state of the roads has been extensively discussed and that it is not unique to this area, but I have heard so many people saying that they are putting in a claim to the council for either injury to themselves or harm to their car. Surely this is more expensive than repairing the roads - would be interesting to see
- I strongly support restriction on school transport to a school which is not the pupils closest. Significant numbers of children are bussing large distances when there is a suitable school in their own town. If parents wish to send them away, this should be their responsibility
- I suspect that a great deal more work could be achieved for the same cost if the Highways department was properly managed and supervised

- I think all local councils should lobby the government for realistic grants and the ability to raise the money needed through higher community charges (Which, in my opinion, should be related to income).
- I understand that because of the draconian reductions in government grants, that the council has been forced to make 'efficiencies' (cuts) to services. But, enough is enough even for a conservative dominated council. Councils should band together to protest and force government to pay towards restoring services from the magic money tree that seemingly appears when political expediency makes it necessary i.e. one billion to the DUP
- I would be prepared to pay more for garden waste removal service.
- I would bring back the dog license £200 a year, why do us council tax payers pay for wardens, shit bins, signs, bags, park signs and still people let their dogs crap on the footpaths! 8.9 million dogs £200 x 8.9 million - £1.78 billion revenue
- I would gladly sell on these suggestions and no doubt make my own fortune but I don't have them
- I'd like to know the breakdown of 'general services'. The council tax is massive, particularly for people who rent. This all needs looking at as I don't feel that we get value for money.
- If a child can use a bus why do they require a taxi to take them to school? At £10 per day for a taxi, £50 per week. For 36 weeks is £1800 per child - 10 children £18,000, 100 children £180,000. All it needs are inspectors to check up. Give responsibility to parents - fine them if they don't send their children in to school. this happened in the 1950s
- If my pay rise was 5% I'd be happy but as its 1% that's all I'd see as fair.
- I'm astounded at the cost of transport to school and think more information to understand this significant cost is needed. There may well be ways to reduce this substantially
- Improve productivity of staff
- Increase council tax as Q5 but reduce or remove it from people on benefits, including those at work and not earning enough
- Investigate potential 'green energy' production
- Investing in commercial properties to subsidise frontline services is a long term solution to a short term problem. This is too large a gamble which needs a great depth of knowledge. It is not a good investment for councils, even when the government is offering cheaper loans. It is a house of cards, a pyramid, which will collapse
- Investing in more training and recruitment of volunteers to support statutory services where appropriate
- Invite those of us who live and work in the area on to the review and exploration panels - having a real experience can feed into assessing and reviewing which is not obvious to those who do not have the insight of those living with the effects of being in receipt of services
- It has to be run as a business - we are all shareholders in effect. Minimise waste, put the right people in the right jobs. Look at other ways to generate income, county hall is not fit for purpose but could be a tourist attraction. Make sure it is a great place to work and look after staff and the wider community
- It's always a good idea to ask your staff, especially from the staff, about savings ideas!!
- Keep perks for members to the least. I have served in many organisations and have paid my way
- Keep staff levels low
- Less chiefs, more Indians!
- Less consultancy fees. Cut back on high pension/redundancy payments. Staff cutbacks. Minimum holiday pay as per private sector

- Less higher management, and more people made self-employed. People don't have time off work if it hits them in the pocket.
- Less spending on the national park, make them generate more revenue for the council and generate more income via speed cameras in a joint effort with the police?
- Lobby central government to stop free bus passes etc. It is better to pay half fare and have a bus service. Council tax needs to be raised as far as it is allowed. All non-essential grants should stop. A charitable fund needs to be set up and people encouraged to contribute their winter fuel money as a cash equivalent to a 'food bank' so that extra help can be given when needed. The Armed Service charities and other charitable sources should be used to help fill gaps. Parents need to be told they may have to help fund-raise for their schools if repairs are needed. Please be honest. A wartime cabinet is needed so all councillors pull together
- Look at cheaper suppliers. Higher management wages. Brochure costs and amount of brochures, leaflets, even this consultation
- Look at how much is spent on the management side of all the departments. This is tax payer's money and no individual should be receiving huge salaries when most people at the working end are on little more than minimum wage (particularly in the care sector). Social services transport is inefficient, look at better and cheaper ways to transport people and rationalise where they are going and why. Get rid of free bus passes, most people would happily pay for a discount card or a card which gives half price travel on buses when they need to travel. This would stop the people who just cruise around on the buses because they have nothing better to do and it is free. NYCC should only be providing what it is legally bound to and cut out all the unnecessary stuff. Decide what you are going to provide and fund that properly rather than trying to hang on to everything and making a bad job of all of it.
- o Look at how your staff operate. I watched four men clearing up leaves in Harrogate last year. Four men! To do a very simple and straightforward job. It is ridiculous. I was there for an hour and in that time they stood on their mobile phones, one had a cigarette and they chatted. What a complete waste of 4 salaries. It was a one or maximum two man job which should have taken no more than 15 minutes. My husband would clear more leaves than they had in our garden in 15 minutes. Stop spending money on activities/resources that are not needed. Get a list of priorities and focus on those. Just because things have been done before does not mean they need to continue. I rang NYCC twice a number of months ago about a planning query for a build going on next door to us. I am still waiting for a call back.
- Look more carefully at people who do not try to improve themselves is good old fashion self-respect things are given sometimes to people who are spoon feed all the way through life is start with school first.
- Look to support other organisations (voluntary sector) that provide services similar to those provided by NYCC. Many in the voluntary sector have their own buildings or facilities, great use of these facilities would enable the council to reduce their property portfolio.
- Lower councillor's allowances etc. They should serve as voluntary - not as a means of making money
- Lower salaries for top directors in services such as police and community services.
- Make positive steps to work towards a unitary authority (as works in places like York) and do away with the extravagance of dual authorities sell all the expensive office buildings etc.

- Make sure contracts that you have in place are cost effective and not just a standard contract that never gets looked at its productivity and that they are performing the service to a high and efficient standard.
- Make sure the Council is getting value for money from suppliers and not being overcharged.
- Make sure this is a good work ethic among employees. I am always amazed how many times I hear that council employers are absent through illness or stress
- Make the planning department more accountable to local communities and where possible, remove subjective elements from decisions. This should save money by speeding up the process
- Make the savings, don't tax us on wages which have not increased in a decade
- o Many people, especially older residents/tenants are on fixed incomes. Have you any idea what impact a rise of 4.99% would have on a disabled pensioner? Do you even care? By all means increase the council tax for higher priced properties, of which there are many in North Yorkshire but remember, not all residents have excessive funds at their disposal.
- Maximise efficiency
- Means test senior citizens before awarding free public transport and cold weather payments. Remove unnecessary funding to mayors/mayoresses-they can get on a bus-they do not need expensive large cars
- Merge smaller district councils, unnecessary layer of bureaucracy - Ryedale could be split between York (Malton area), Scarborough (Pickering area) and Hambleton (Helmsley area). Schools overstaffed - far too many support staff who add little value to teaching and learning
- More use of in house expertise rather than consultants.
- Move to electric vehicles for transport services
- My Pay / household income has not risen by 4.99% in the past year plus I have to pay extra for my green bin already = extra charges = standard of living
- NHS equipment not returned, some for sale at car boots such as grab rails, ball aids, wheelchairs, crutches just abandoned
- No because this is putting additional costs to the poorest whilst allowing the richest to avoid taxation. Tell the Government no we need additional taxes from those that can afford it.
- No free bus passes unless means tested so that the budget goes to those who need it. I live in an affluent village and have neighbours with free bus passes who are 2 car households and have several holidays abroad every year. Reduce the charges for tradesmen who take rubbish to the tip - we've had many incidents of fly-tipping and some of these HDC have to remove. Charging too much is self-defeating. the police have to spend their valuable time investigating fly-tipping
- No I have no suggestions. I have no idea how I will make my own household savings, let alone the huge savings the council will have to make. Just keep an eye on every penny! Good luck in 2019
- No mention is made of private consultations - when these are used, is it necessary, the council employing managers at great cost who, presumably know their jobs. Are consultants suggestions/proposals rigorously assessed and evaluated? How many of such are actually implemented and found to be effective economies/benefits to the council?
- Not pursuing awards, validation and accreditations that make councils look good but don't directly benefit residents. Allow staff to make decision/act more efficiently by reducing levels of permission needed i.e. Give people trust and more autonomy
- Not really - central government policy gives local councils an unrealistic task. More funding should be provided by central government via higher income taxes perhaps

- Now retired, worked all over NY and England. Some of our district councils perform better than others. Save money by revamping from seven district councils to five. I live one of the poor ones
- NYCC have schools shut. At Northallerton sell them. NYCC have children's care home not fit for purpose. The sale of these homes are more than new build cost. Skipton - Harrogate. NYCC Farms should make a profit
- Officers of the Council should reduce their expenses. I cannot understand why councillors are able to claim for food whilst working when they would be eating anyway. This means that council tax payers are subsidising councillors' meals. This is wrong. I would like to know how much each councillor claims for food and drinks whilst working. The only expense they should claim is hotel accommodation while away on council business and travelling expenses. Reduce the number of high earners and their expenses and salaries by at least 10%. A reduction of 10% of 100,000 would still leave a spending sum of £90,000.
- Pay cuts for heads of services, directors etc. Less bin collections. Downsize offices owned by the council
- People to contribute to services. Reduce expectation that someone will always sort it out
- Perhaps look at the exceedingly high pension costs of employees? Pension costs, and resulting financial outlay is bordering on the 'silly'. They need reducing significantly.
- Personally, as a mother of three children, I would pay more if the extra went into education in this country
- Please prioritise the repair / rebuild of beautiful old bridge in Keldholme, Kinkbymoorside - damaged by car driving into it in early 2017.
- Possible staff reductions which include moving members of staff to different departments
- Prioritise social housing for local people. More use of community service within local areas
- Probably not a massive saving, but reduce unnecessary hedge trimming. Look at energy use and get best deals, reduce energy use where possible, install low energy lighting etc. Introduce incentives to staff to save on vehicle fuel costs
- Production of forward 5 and 10 year plans to allow pre planning and ability to give longer term contracts providing cost savings
- Promote walk/bike to school within safe parameters e.g. train concept
- Q5. we live 8 miles away from Malton and 4.99% increase would be laughable for the services we receive. No street lights. No gritting. Approximately 3-4 salt heaps up Settington Hill which is woefully inadequate given the road needs to stay open for vital livestock supplies. Fortnightly recycling (house bin was stolen from the road end several years ago). Fly tippers. No policing. No bus service. I have to travel 3 miles to take our son to the bus for school every day. Plus lots of other inadequate services. 4.99% increase in a rural community is excessive compared to 4.99% in a town
- Re tender for highways maintenance contracts with immediate effect. Also re tender for essential services including recycling and waste management. Cap all expense claims by local and county councillors with immediate effect.
- Re transport for send children, if parents are in receipt of DLA or PIP to meet the extra costs of caring for their child then the cost of transport is included in the award and not a NYCC responsibility
- Recycling mobility aids seeking some deposits to ensure returns. More planned maintenance to avoid reactive repairs. Review quality of road resurfacing materials, the cheapest are not always cost effective.
- Reduce blue bin collection to be monthly (is your blue bin when collected?)

- Reduce contribution to the police. Too many police vehicles are trying to catch speeding cars on the A19 and too few are looking to catch criminals, burglars in and around Northallerton to name but one!, The police are only trying to raise revenue for themselves and are not currently servicing + protecting the public, so cut their funding.
- Reduce expenses to the top management and councillors
- Reduce large pay packets for top managers; reduce middle management; reduce large pension pots
- Reduce staffing, reduce building costs. Increase the charges for Planning Applications and services, people who choose to extend their property can afford to pay more for Planning Services. Those residents that have already extended their properties should have their Council Tax banding re-assessed immediately and not wait until the property changes hands. The Council is losing out on a large source of income by not pursuing these post improvement banding re-assessments. Start 'means testing' support for adult social services provided in people's homes. I know of many elderly people who are provided with free support who can easily afford to contribute to the cost but are never asked. In addition they are provided with free household aids and told they don't need to be returned. We appear to be living in a 'Nanny State' and therefore it's not surprising that the costs keep escalating for all these 'free' services.
- Reduce street lighting. Perhaps move to motion sensors so that lights are only on when people are about
- Reduce the amount for benefits for those on job seekers who have no health issues.
- Reduce the amount of housing benefit paid. invest in catching people committing benefit fraud
- Reduce the costs of support for schools - given that there are many more Academy schools in the area. Make sure that there are no more people employed than is absolutely necessary and be tough with department heads about reducing staffing costs.
- Reduce the number of contracting companies you use and bring staff in house. Look at your sickness policy for staff. Work more effectively and ensuring all systems are up to date with the relevant information for residents within the communities.
- Reduce the number of councillors and give the remainder a larger area.
- Reduce the number of councillors and reduce to a single tier authority.
- Reduce the number of councillors, reduce perks to councillors! Expensive reviews and consultations should be avoided. Interest payments on loans should be avoided
- Reduce the payment to elected members, subsistence and travelling costs. Install motion sensors on street lights. Ensure utility companies repair roads and pavements to a higher standard
- Reduce wastage in staff not doing their jobs, releasing money to support for the elderly make social services more efficient in use of time and resource, cut bureaucracy in the council structure.
- Reduce waste collections. Turn off street lighting after certain times. Force businesses to clean up their mess e.g. McDonalds outside their businesses. Reorganise school transport e.g. Taxis only bringing 1 child to school. Renewable energy schemes in schools and compulsory new builds - solar and wind power
- Refrain from involvement with property.
- Refuse collection could be less frequent If people recycle more. Also if the recycle boxes were bigger, maybe a similar size to the refuse bin, this would allow them to be collected

less. The boxes are quite heavy when full and also when its windy, litter ends up all over the village

- Refuse to make more savings
- Relate extra higher bands in line with house prices
- Remake roads rather than patch them for long term savings Review how the public can be involved to help with some services, such as having speed cameras in their possession to raise money for the local community and create a safer environment. Additional income would mean savings.
- Review early retirement and pension provision for staff. Reduce road salt/grit use by only using when there is an actual frost and not when several degrees above freezing or when it's raining! Less traffic calming measures and excessive road signage. review business rates to encourage more start-up companies to create jobs
- Review how labour is allocated to repair/visit to council housing. Frequently see 2-3 vans and 4/5 trades people at 1 property
- Review length of working week, review staff wellbeing to reduce sickness
- Review roads maintenance contract terms from my experience the current contract is not in the council's best interest and very contractor friendly and I was a contractor.
- Review salaries of higher earners e.g. middle and senior management. Schools 'buy in services' some of these come at high cost. Are they charging more as service provider? E.g. accounting support to early years offer high when local person a lot less.
- Review the layers of management in each area - what does each layer contribute?
- Review the 'top end' management structure and associated salaries - none productive 'hands off' positions should be reviewed and removed if quantifiable performance can't be determined or proven
- Review the use of taxis to take children to/from school. Much of it is unnecessary or could be another, cheaper solution. Invest in public events to raise revenue
- Sadly I cannot think of anything at all which might be cut without lowering services to the populous in general.
- Save money by giving the top management in County Hall a pay cut. Telephone number salaries make a mockery of trying to save money in looking after the poor. Write this survey in plain English
- See comment above. I would also add the need to learn from other authorities who have good records
- See Q4. reduced the number of free bus passes
- Sell off unused council owned buildings or re-let to other businesses. Let accommodation in little used council offices to other organisations or businesses
- Sell the council premises next to Tesco. It is an eyesore 'walk the walk' not just talk about it. Get on with it
- Spend less on ICT. Higher tax on aerosols (suggest to the government). Suggest to the government a scale with higher income tax levels for those with higher than average incomes! (on top of what people currently pay)
- Staff pay freezes
- Staff pay rises for exceptional staff not for those who perform below or at accepted standard
- Stop giving yourselves huge pensions! Use our money for services for the people
- Stop paying expenses to councillors
- Stop paying such generous allowances to councillors. Stop providing expensive IT equipment for members

- Stop producing these ridiculous questions with answers that start with 'review'
- Stop squabbling review all councillor salaries, reduce number. 17 years in Borough have never met my local representative. Never seen improvements of services only reductions i.e. Bus service, library, toilets
- Stop waste and inefficiency.
- Stop wasting money on slurry sealing pavements in Skipton
- Talk to other local authorities about how they save money, particularly anywhere the council tax hasn't increased
- The council must continue to lobby government that increases in council tax is not a fair way to generate more income with no effect on the quality of basic services
- The council really needs to further investigate if further income can be raised through increased and consistent recycling, is it time to take back recycling centre's from contractors and promote / encourage re-use of serviceable waste instead of paying for disposal. Is there any value in the purchase of high street properties in market towns in order to prevent town centre decline? Some other counties are already doing this. Have NYCC considered a tourism levy on hotel bookings, this is also happening elsewhere.
- The council tax should only be increased in line with the pension as if not the pensioners will be unable to pay
- The county council and district councils have executive officers (CEO, financial officers etc.). This is duplication. The 'work' done by the district council officer could be done by the county council officers in their spare time (be honest - for their salaries they are not overworked). This would save the council tax payers millions. Why do we need parish councils?
- The dilemma I face as a retired individual is in the county should we be spending so much (£114m) on the older population
- The efficiency of road repairs is poor. Original roads have lasted for fifty years or more, yet patch repairs seem to last less than a year. Also when carrying out repairs if there is evidence of pavement disruption and you only repair a small section is false economy.
- The local authority will receive a boost in council tax from the additional residential units being built and the central government incentives for allowing the consultation. People will demand to see where the money is being spent. Using it for a shortfall - whether relevant or not, wont impress residents. This links to the above point of a more diligent and aggressive commercial department earning greater value for money it will give reassurances that the cash is being better spent/delivering more. I would also strongly advise a review of authority owned property, with a view to selling brown field sites and older facilities. New facilities often pay for themselves reasonably quickly
- The rate should reflect the value of its initiative. Reducing the adult social care to 1% would reduce the income to 3.99%. A charge for paper and plastics removal at base (i.e. Home etc.) could also reduce the rate further (I believe the general service rate would be reduced to 2%) this in total will give a rate increase of 3% which is helping all rate payers in these stringent times
- The sooner that old age care is combined with the national health service, the better
- There will always be a certain amount of waste in any organisation - fact. However, some 'vanity projects' and 'empire building' can and do get approve by committees that are not accountable for mistakes or profligacy. There should be a senior member/project manager who 'carries the can' when things go well over budget or are a complete shambles just like in the commercial world

- There will be a limit eventually to making additional savings the focus will need to be on growing revenue through making mere use of assets such as property, services such as transport, charities volunteers charging for use of say schools for education input from companies such as their business growth managers looking at their areas in UK and abroad for ideas encouraging recent graduates in North Yorkshire recently qualifying in architecture.
- They and run a service that is fair to the consumers
- Third parties pay for their services and...greater encouragement for all to provide and support themselves, and not to expect government services to be a do all crutch due to lack of effort at a personal level.
- This is difficult because I have no idea if the council pay more than necessary for anything. My wife had NYCC adult home care. Then it wasn't NHS adult home care. NYCC local decisions were made 'hands on' the latter was simpler and easier but I don't know which was the lowest cost
- This questionnaire could have been emailed rather than sent by post or use of a link to survey monkey, would have been quicker and probably more efficient to analyse?! Reassess benefits and access to Motability - how can it be ok to get an Audi on Motability when we are a couple who both work full time and could never afford to buy such a vehicle?!
- Time efficiency
- To achieve meaningful long term savings requires radical organisational change to protect County - wide services - take out district council " overheads" as a suggestions merge 1 Scarborough dc with Ryedale DC 2 Harrogate dc with Hambleton Dc then choose two dc main offices in Malton and Northallerton (TFG: residual staff and services to county hall site) and a small Malton town office as an information centre.
- Transport costs in North Yorkshire will always be high because of distances and county size. Where possible families (children) could be rehoused closer to schools. Similarly for support for older people in their own homes would be less costly if treatment 'hubs' were formed by removing/rehousing individuals receiving this service. this should be possible for those in social housing and offered to those in private accommodation
- Turn off more street lights. Monitor road workers more carefully. Too many are sat in cabs doing nothing or watching someone digging a hole!
- Unfortunately there is a piece of legislation missing in the 4k; civil responsibility of all parents for their children until majority. This should make families responsible and prevent behavioural issues in the community that are very costly
- Unitary authority creation of county and districts urgently needed
- Unitary Councils rather than County plus 6 District Councils could lead to savings in addition to simplifying where responsibility lay for various services.
- Use an efficient road maintenance. The men work slowly and 3 men watch, one man works. They take tea breaks all the time. Reduce staff in the office. The management in hospital care is terrible money and time wasted. The old method of a meeting and team work. reporting lines go up and don't meet
- Use small local companies for building maintenance (for smaller jobs) instead of contracted companies
- Waste less
- Wasting money on consultant who have no idea about a town, I live in Malton and the signs and road structure, is rubbish ,and it has taken over 2yrs to put a new road at the turn off Newbiggen, Malton , and still not finished,
- We should become a unitary council and scrap the district councils to make savings

- We should stop trying to ensure people live to a great age unless they are healthy and able to live independently, my husband had dementia along with several other residents in his care home. He had no quality of life and should have simply been allowed to die with dignity this would free up places and reduce costs for both council and NHS.
- What we receive in return for our council tax is a disgrace. We have no street lights and refuse collectors who won't even collect from outside the house, I see no value for money. I pay over £2k per year!
- Where possible use voluntary services to support your own e.g. Libraries. Encourage of sharing support etc. for schools (parents not on benefits) transport costs e.g. Sharing special transport arrangements with voluntary groups
- Where services are called on because of owner negligence, they should be charged i.e. Fire brigade called for illegal bonfires etc.
- Whilst we appreciate a council tax rise is inevitable we are not sure such a rise will be used as well as it could be
- Why do over 65yrs still get a travel concession? This is grossly exploited and should be needs and/or income assessed.
- Why doesn't include band A
- Why have you agreed to make these cuts as a council you should be against and until savings that lead to a poorer service e.g. Look at the state of the roads. Which must tell you government is not doing its job
- Why not include the cost of brown bin collection in the cost of council tax instead of it being optional? People would have paid for it 'unseen' but once a figure of £36 was levied separately, that is when the tight fisted people baulked. Can a continental style of waste collection be adopted? I.e. a large container at a village hall that could be pre collected more often than once a fortnight. Think of stop/start for the refuse lorry. Please make tipping free for everyone - builders included. The harder it is to dispose of items and the more costly it is - the more it will encourage fly-tipping. Unfortunately, that is human nature. Again, incorporate this increase under the gross council tax. from my retail experience, the public are happy with the final figure, but if an itemised breakdown is shown, they will look for something to chisel
- Why the reversion to paper (print costs, labour, envelope, postage - out and return)? Citizens' panel has been run find by email/online. Why go backwards?
- With computers as they are now, a lot of work can be done at home so reduce buildings and associated costs. Less face to face meetings, have conversation calls so no travelling expenses incurred. Why have two people doing a job that can clearly be done by one with back up. Councillors seem to get expenses for what? As a health care member if I had to drive to a meeting I paid for my own fuel!
- Would it be possible to achieve economies of scale by working more closely with other councils in the UK so that you can get a better deal from suppliers? Is the county council pooling resources, expertise and economies of scale with the police, fire services and district/borough councils? If outside agencies are tendering for contracts, perhaps the contract should cover all services. So the same cleaning firm for schools, leisure centres and other buildings. allow the public to donate books and other resources to libraries
- Would like to see closer working and sharing of back office services with District Councils, does the County Council require County Hall, which must cost a lot of money in heating and maintenance, sell the building and move to a more cost effective and energy efficient

building for the 21st century. highway maintenance could be share with neighbouring authorities to reduce costs and obtain better roles from contractors

- Yes, there is a strong suspicion that departments review spending from their budgets towards the end of each financial year and if it seems that an under-spend is likely, then the money is spent in order to protect the budget for the following year. This often results in wasting resources and should not be permitted to happen, especially when overall spending is being reduced.

Any further comments

- 2% seems a lot for one area is adult social care
- 4.99 is not affordable - many people in the private sector haven't had pay increases for the last 5 years
- A cost value exercise to determine it moving from the head office in Northallerton to new purpose-built accommodation on the outskirts of the town should be completed. It's a very valuable asset and would sell quickly in the current climate. A new eco-friendly head office would be a sensible long-term investment
- Adult social care is close to my heart but no penalties should be made against someone regardless of how much money they have they should all be treated equally, because often it's the family have no funds to help their loved ones. I recently had to get a loan to pay for car parking at a hospital to visit a long stay relative!
- Architecture town planning, accountancy, business admin and economies to contribute ideas. Alter approach PLCs for example BT PLC, Sainsbury's to loan (at their expense- they gain much benefits) senior managers or executives to work on such ideas. For example BT found senior directs/ execs to sit on main board of Yorkshire post some years ago.
- Are these additional costs for a 3 tier council structure? Do we need parish councils?
- As a council elected by the people to look after them, then you need to fight for them. Don't sit back and do nothing but cuts
- Better management control of NHS equipment issued after operations for patients needing short-term after care aids, there is no mention of a need, or cost importance to return them.
- Better provision of bus services, encourage less car use. What is the county councils sustainable transport policy? With the proposed 4.99% increase and police and fire brigade increase, some pensioners are now seeing a quarter of their pension spent on council tax and services which is not sustainable
- Central government need to be lobbied re cuts. So much is being spent on Brexit and contingency plans.
- Contractors must be held to account. Cats eyes on the A684 were installed, came out within hours and were never repaired. Contract management is essential, so if reducing back office resources means money is wasted it makes no sense. The electorate need to know if their representation is wasting officers time
- Contracts for local councils and N Yorkshire County council should be continually assessed and maybe a person needed to do this. For schools / repairs / etc.
- Council Tax Bands are out of date and more cash could be provided from larger properties without impinging on the population who are only just coping.
- Council tax charges now take up to 15% of my income - this is too much

- Councils should band together to protest this is effecting councils, don't take if stand up to the MP's if they think there jobs are on the line they may do something.
- Don't add pensions to wages. If they want pensions other than old age make them pay themselves
- Don't suppose you had forward planning to cope with baby boomers, born just after the war. Common sense would have told you that when they reached old age they may need assistance and that time is now!
- Don't waste money getting in management consultants, they are a complete waste of time and money
- Employ more men than women, they are more reliable and don't take time off for child rearing, measles etc.
- Energy audits - electricity contracts, gas etc. IT services - work with other councils. Sell not swap surplus equipment. Lease vehicles
- Essential services are now at absolute minimum for example bus services in rural villages which limit ability of vulnerable people to live in these areas. There are many who are not connected to internet and don't drive. Their existence is becoming impossible
- Fix potholes quickly on main road outside council offices
- Following a recent visit to the Selby Council recycling yard, I was amazed at the lack of knowledge these guys have regarding recycling and their lack of offers of help. I was left to struggle with a heavy washing machine, compulsory training would help!
- Frontline staff and provision are what make the difference!
- Glad to be consulted. Makes people feel more involved and to be informed council services are vital, so preserving them is important
- Has no one learnt - the public voted for Brexit not understanding what it was about - you send this out for consultation and will 'listen' to the views of those who don't understand - you have experts paid to work this out - listen to them
- Has thought been given to a visitors/hotel tax? (Very common in Europe)
- Have you considered a pilot scheme for a central point for a 'dumpster' (sorry, an American expression) for recyclables i.e. Village hall? Can you promote euthanasia more enthusiastically or even coffin less funerals? A huge saving all round
- Holiday home owners should pay full council tax. Most claim to be businesses and pay nothing. There are a lot of holiday homes in our area and the additional income would be significant
- How many hours have staff spent on continuous improvement? What evidence, if any, is there of any positive outcome from such activity?
- How much money is made by selling recycled waste?
- I believe a lot of money is made out of public services and all expenditure and costs should be overseen. I see the prices paid by my local parish council for work are extortionate. Experienced purchase negotiators could be used, possibly a group of volunteers from the business world
- I believe that any increase in council tax should be limited to the % pay increase of public sector workers, who for 9 years, have continued to see a real terms pay cut every year.
- I cannot imagine any area where cuts of any sort could be made without seriously affecting the lives and health of the population in general. The only way the present already lowered standards can be improved or even maintained is by persuading Central Government to allow further additional funding which inevitably will mean raising income tax to ensure that the burden is spread fairly across society.

- I could always see where the boundaries between NYCC maintained roads and the neighbouring authorities were as the NYCC roads were much better. Not now though. Most main roads round Whitby are now positively dangerous at night as hardly any of the cat`s eyes work and many of the white lines are faded.
- I don't follow the 4.99% suggestion surely 5% would have been a simpler choice.
- I found Q1 and Q2 virtually impossible to answer because of course the real answer is that you should have to reduce spending on any of these services. It's appalling that it has come to this where you are essentially asking people 'who is more important: the elderly, the disabled, kids?) What you want most: schools, libraries or roads that work?
- I have not ticked any boxes as, I suggest, all citizens want what is best for families and communities and would tick the first box. Harrogate and area is scruffy. Both councils should fund a plan to include: regular street cleaning, grass removal from pavements and road repairs as a priority. This might encourage better community spirit and less vandalism
- I have reservations about the 4.99% tax raise given the difficult financial situation facing most households. Few private sector employees have seen incomes rise at all in real terms for many years
- I support the increase of council tax, but it should not be for adult social care again. Schools are suffering from budget cuts in real terms and many rural Primary Schools have a deficit. This year's increase should go to other budget areas, but in particular Schools.
- I think austerity has been used as an excuse to weaken local democracy. Local government finances have been unfairly penalised by lack of government funding. This forces the rises in council tax whilst at the same time boasting about reducing taxes nationally
- I think the way you have worded these questions looks as though you are giving us options but really it feels like a way for you to use us as a scape goat - you can prove you consulted with us but I don't believe you have given us a real choice I don't trust you because of the way you have written this consultation
- I think you do a marvellous job under very trying circumstances and I am very grateful for everything the council (esp. Craven Social Services) have done for my disabled son. Thank you
- I understand Ryedale council offices in Malton is being closed and a new building built near Eden Camp - when the council is pleading poverty what a waste of funds!
- I understand the problems re financing repairs to roads but I think that in looking at the needs more attention should be given and cyclists (I am one). There are places where the deterioration of the road surface makes them dangerous for cyclists
- I was brought up in 1940-50 left school at 15 1959. sweet rationing which is a good grounding we have too much choice these days and throw away food " I don't"
- I was very impressed with the 2019/20 budget consultation document. It is clear NYCC is a well managed and modern council and I appreciate being able to contribute to these difficult choices
- I would like more details of the contributions to local services made by developers through planning gain to be made much more visible
- If North Yorkshire is so underfunded, compared to Westminster, why isn't our local MP raising this issue and making a noise! Local MPs should be fighting our corner, not accepting the unfair allocation of funding nationally. Every taxpayer in North Yorkshire should be notified of this so they can lobby their MP. I wasn't aware of this
- If you reduced the cost of garden waste collection would more people use it and could you sell more compost? Does the cost of clearing up fly tipping outweigh the charges obtained

for disposing of at recycling centres? Better use of council buildings although this is probably HBC, The Royal Hall and international centre are significantly underused

- If you want lay-people to fill in these forms, why have you put so much of it in jargon, not words that are used in everyday speech? What does review.... mean? It is an empty phrase. Do you mean improve this service, reduce this service or discontinue this service? Review means nothing
- I'm afraid I gave up after the first question on this form. When realised that the health and care priorities should be NHS funded and not a burden on local authorities who are not sufficiently funded. I can't therefore, be objective in assessing services and would rather pay more tax to have them delivered effectively
- I'm concerned that the council tax is just becoming a replacement an increase in direct government taxation and I therefore think that the suggested 4.99% is excessive.
- I'm sure you already do this but partnership with charities in care provision?
- IMO everyone is far from treated fairly and equally. We are now a generation being asked 'to pay finance debt we did not build up and now we are being asked' to pay for services and facilities for a generation with increasing demands who forced us into this situation. This is unfair to ask. We should not have to continue to provide for those who have already
- Impossible task under existing funding arrangements. You can't win! Good luck
- In future double check that questions are not repeated
- In my view, Ryedale council do a very good job - congratulations!
- In theory I support the increase in council tax if that money is used in a fair, sensible, sustainable and transparent way.
- Increase too high
- It amazes me that £117m can be saved when the Government puts a squeeze on, why was the cash wasted before
- It is about time there was more transparency on the costs of the NYCC pension contributions for retired staff. You should be honest about the amount of money you require from council tax each year - which you need to put to one side before you can offer services.
- It is completely wrong that the government has cut local authority budgets and now expects local residents to pay more council tax. I do not object to paying council tax and support the services provided by local authorities but object to services being cut only for local people to face significantly above inflation increases. Disgraceful behaviour by this government, they should be ashamed.
- Keep challenging government about the 'poor deal' that we get here compared to the metropolitan areas like London!
- Keep up the good work!
- Local government services have more immediate impact on the general public than those of central government
- Many houses have 4 or 5 adults in a house, and only pay council tax based on 2 person household.
- More effort is needed to enlist the help of volunteers.
- National Parks should focus on big issues not Mickey mouse issues
- NYCC staff are your main asset, treat them fairly
- Only that I believe that taxes, based on ability to pay, should be levied in order to fund the needs of those who cannot meet their own needs. It may surprise anyone reading this to know that I am not a labour voter, nor a Corbyn supporter, but we must look after those in

greatest need and not pretend that reviewing services in order to save money will result in anything other than disgustingly poor service.

- Part of a Council's modus operandi is to 'lobby' government on how they can help lower costs and assist in other areas - this should be continued in an organised way nationally and communicated within the area. Perhaps stronger linkages can be used to the Northern Powerhouse group to develop better finances?
- People do get disability benefits to enable them to do things so I think it is fair to ask them to contribute more to extra services they use e.g. Day centres etc.
- People generally feel good about giving to charities and many services for which the CC is responsible are tendered and delivered by charities. Is there not a way of charitable fund raising that will see funds specifically going towards these CC services e.g. for children with SEN or early years provision. I believe there could be results for them
- Perhaps a charity type shop at recycle depots for nearly new items for resale. This would be much better than putting them into landfill
- Prosecute or find repeat planning applications which cost HDC a lot of money to process
- Public consultation needed on parking
- Radical change to service delivery in the home for older people, increase use of telecom contact and visual contact using the internet links - supported by local village I.T. user "volunteers" with county hall network and technical support.
- Ratepayers have not seen their income rise at 4.99% for many years so why should the council be entitled to special treatment. Everyone must live within their means including the council.
- RDC has £12m in reserves so in my opinion some of that should be spent on services now instead of looking at bank statements and thinking 'wow' look at all that money we won't spend!
- Recycling - it has been suggested that not all recyclable waste is treated as it should be i.e. Put into landfill!
- Regional/council services to support/maximise school performance is admirable but surely the role of the Head Teacher? The ability for them to network, share good practice and peer-audit reduces demand on the council
- Remove the green bin charge
- Should much more vigorously pressurise government to redress the imbalances between urban and rural areas regarding council tax paid and government funding received - this should be listed as one of the priorities and a strategy worked out as to how to achieve it
- Social care services in this area are underfunded and workers are facing unrealistic workloads which is reflected in staff turnover. More money needs to be invested in this area and in front line staff.
- Some questions in the priorities section ongoing too many factors to be able to answer precisely
- Stop giving out blue badges to people that can walk as good as most! If they can walk around a supermarket they are not disabled!
- Stop the ridiculous expense on Tour de Yorkshire. It is not a valid use of taxpayers money
- Student transport: a door to door transport service really means children are not getting an option to walk/exercise on their way to school. Bus companies should maybe have to drop off at allocated points 15-20 mins away from school to increase exercise.
- Target Redcar and Cleveland BC re providing their gritting/snow clearing. In 23 years of committing to Teesside, NYCC have always provided a much better, efficient service

- The already extortionate council tax is high enough without another above inflationary rise of 4.99%. Services are getting worse and the cost of such service increases.
- The authority needs to engage with local communities instead of forever paying lip service! No more open ended commitments to developers to block roads into major settlements
- The council could save the annual repair bill for Morton-on-Swale bridge simply by moving the 30mph sign to the other side of the bridge towards Bedale on A684, thereby causing traffic to slow down before reaching the bridge. It is common sense!
- The Council needs to operate more efficiently and stop taking the easy route every year of increasing Council Tax without a referendum. Council Tax is mandatory, it is a tax on income which has already been taxed once and therefore becomes more unpopular every year through proposals for continual increases like this.
- The council tax system, based on notional property value, is an unfair basis for raising local revenue as it takes no account of the occupying household's income or the extent to which households draw on county services. The issue may be a national one but it shouldn't prevent the council from making representations for a review investigating a local, household income based system.
- The number of people employed in 'management' is excessive. In some cases, 'empire building' continues with little or no improvement. In front line service, middle management in particular is a level in which savings can and should be made. Upper management should scrutinise this more closely
- The police presence in Tadcaster is totally inadequate. Hence the increase in burglary and anti-social behaviour. I have lived here since 1988 and very occasionally you would see a policeman walking about. This is now non-existent. They can all fly about in fast cars but now seem unable to walk
- The proposed 4.99% council tax increase is not a true reflection of the total increase the taxpayer will face - fire service, police, district and parish council will surpass this with similar uplifts!
- The regard of NYCC to rail travel within the county is a disgrace and shows a lack of understanding of county transport issues
- The roads in Harrogate are a disgrace - potholes everywhere and dangerous. Sort out the buses where you have 2 in competition on a route operating a service which is 5-10 minutes apart. Streets lights - keep on until 1am and turn on at 6am - dangerous walking home especially if you are on your own
- There are many references to 'back office' – how would you explain 'back office' does this include the high paid members of the council or only those on lower salaries.
- There is so much time wasted on rules and paperwork. I know a policewoman. Too much bureaucracy, limiting efficiency
- There is too much over - administration in offices; too many managers not enough workers. Recruit more sell off 'not fit for purpose buildings and repurpose modern, empty buildings'.
- There needs to be a greater understanding as to why the demand for services is growing more than the reputation. If that situation is acceptable then the growth in council tax should be anticipated and residents worked to budget accordingly
- There will always be disputes about council tax/rates but pensioners should be a 20% discount over 75 years of age by which time of life we have contributed far more than the younger generations who have to have all the latest gadgets/gismos

- They way that the government distributes funding to councils does seem unfair. What can be done about this? What does our MP say? Perhaps the council could encourage council tax payers to make their views heard about this
- Think about reducing highly paid manager within the staffing structure of the council. This would save a lot of money
- Think about selling County Hall
- This consultation represents the almost impossible decisions you as a council are being asked to make. I can only suggest a much stronger across LA campaign to persuade the government that their cuts to council budgets is verging on criminal
- This is the first paper copy I have received. Normally I do it online, happy to carry on on-line, so save printing and postage costs on this one
- This is the most difficult survey that I have completed so far, I personally think that North Yorkshire County Council is doing a good job when compared to the majority of county councils. If council tax needs to be raised again in the future to maintain services, then in my opinion this must happen if no additional money is available from the government.
- This questionnaire is meaningless. The questions are skewed to give the answers you want. Who could disagree with most of the statements that you will try to save money. The main problem is the cost of social care. Social services and health should work together to provide a solution. At the moment the buck is being passed from one to the other to each protect your budgets with the tax payer left to pick up the bill. Council tax is already an enormous burden on ordinary householders and every effort must be made to reduce it not increase it. People should be taxed on their income not by the value of the house they happen to live in. My salary isn't going to rise by 5% so where am I supposed to get the extra money to pay for council tax to increase by 5%?
- Those who get paid the same as a Lidl Manager see if they could run a Lidl store if not get someone who can
- Too little to do in working day. Too many managers looking at jobs. Too few ground workers
- Try to make services as local as possible
- Use all the resources on site
- Very few facilities in our rural area so annoying to have council tax increases with less and less facilities, even though it is understandable
- We feel that this will have cost more for the survey than could possibly be saved as most of the savings/review should happen as good business acumen
- We get very little for our rates as we are more than 20 miles from Harrogate, which gets far more for its payments
- We struggle to pay our council tax each month it is nearly as much as a mortgage. I understand business rates are equally as prohibitive. People and businesses are at breaking point and services to provide physical and mental support need to be retained.
- What role is NYCC playing in regional devolution and why are the cost savings not itemised as an option in this consultation?
- Whilst council services are important, so of us are on limited incomes and will not be getting 4.99% rises.
- Why do the bin men run when collecting my bins, it is so they can be finished by lunchtime, there work schedule is lacking, secret monitoring should be done to evaluate their small workloads and an incentive scheme set up to encourage more bins per man. Then you could reduce staffing levels.

- Yes the miss mass of dealing with Benchmark why are we not informed of the mess Why do we pay someone to run a property which the council will never get any interest back on Bad decisions
- You have a very difficult problem. Please ask councillors to consider accepting as little remuneration as they can manage.

Written comments received**Escrick Parish Council - Response to North Yorkshire County Council budget consultation 2019-20**

Escrick Parish Council wishes to make the following points:

1) We recognise the challenge:

We note and understand the budget pressures that the Council is facing.

2) Impact of previous cuts is increasingly prominent:

We wish to highlight that as a Parish Council we are now regularly receiving concerns from residents about the impact of previous budget decisions. In particular the impact on highways, including the deteriorating condition of pavements, infrequent clearing of blocked drains, and lack of funds for highways improvements.

3) We have had to increase our precept to offset impact of some previous cuts:

As a Parish Council we have in the past sought to mitigate the impact of some previous decisions – for example, procuring and taking on responsibility for filling grit bins where NYCC has reduced the network covered by its own gritters.

This has a direct impact on the Parish Council budget and precept. Early notice of proposed changes is desirable to help us budget accordingly.

4) Further cuts are undesirable, but where unavoidable keep options open for others to fund:

We would generally prefer that services provided by NYCC are continued. Where services are unavoidably cut, we welcome the continued ability for the Parish Councils or other community groups to contribute funding to retain services locally, or to take on the provision of the service, if there is a local demand to do this. (For example, as we have done with grass cutting and grit bin provision). Specifically, any new policies adopted to reduce costs should be constructed so as to distinguish between what NYCC will fund, and what NYCC will permit if others are willing to fund. In some highways areas it appears as if there is a blurring of policy and budget position, where policy has been constructed to protect the budget position, but in so doing precludes others from investing in improvements.

**NORTH YORKSHIRE COUNTY COUNCIL
PAY POLICY STATEMENT ON PAY STRUCTURE,
GRADING AND CONDITIONS FOR SENIOR MANAGERS
COVERING THE PERIOD 1ST APRIL 2019 TO 31ST MARCH 2020**

- 1.0** This policy statement covers the following posts:
- **Head of Paid Service**, which is the post of Chief Executive.
 - **Statutory Chief Officers:**
 - Corporate Director Children and Young Peoples Services
 - Corporate Director Health and Adult Services
 - Corporate Director Business and Environmental Services
 - Corporate Director Strategic Resources
 - **Senior Managers on the Management Board** who report directly to the Head of Paid Service:
 - Assistant Chief Executive, Business Support
 - Assistant Chief Executive, Legal and Democratic Services (Statutory Monitoring Officer)
 - **Assistant Directors (All Directorates)**

The pay and grading of all posts are provided at Appendix 1. Pay for management board posts is detailed below and the Assistant Director details are provided at Appendix 2 as at 1st April 2019.

SCP	Pay 19/20	Grade
84	180,423	CE1
83	176,300	
82	172,000	
81	168,000	
78	137,249	DIR2
77	133,261	
76	127,250	
75	122,543	
74	118,000	
71	110,950	DIR1
70	109,100	
69	104,889	
68	101,000	

Grade		SCP	Salary*
CE1	Richard Flinton	84	179,430
DIR2	Stuart Carlton	77	132,528
DIR2	Richard Webb	76	126,550
DIR2	Gary Fielding	76	126,550
DIR2	David Bowe	76	126,550
DIR1	Justine Brooksbank	70	108,500
DIR1	Barry Khan	70	108,500
	Total:		908,608

***The above figures reflect the 2 days unpaid leave which has applied since April 2012.**

In addition Janet Waggott and Stacey Burlett are employed by Selby and Ryedale District Councils respectively in joint leadership roles as their Chief Executives and also have part time Management Board roles for NYCC as Assistant Chief Executive (0.2fte), paid £21,848 and £20,400 for their NYCC role.

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

2.0 Pay Principles

- 2.1 The Authority has a clear and transparent pay structure and approach which applies consistently to all (non-teaching) Council staff including Chief Officers and senior managers. All pay related decisions are taken in accordance with relevant legislation.
- 2.2 NYCC operates a pay system based on objective criteria as part of a job evaluation approach implemented in 2007. Job evaluation determines the relative worth of posts

in comparison with all posts. The Job evaluation score is then set within a pay structure which determines what posts are paid.

- 2.3 NYCC is part of the national pay framework with annual pay awards determined by the various national bodies NJC, JNC for Chief Officers, JNC Youth and Community and Soulbury).

NYCC in common with many other authorities has a locally determined extended pay spine beyond the SCP where the current national NJC pay spine ends. The Green Book which sets out national NJC terms and conditions confirms that any national pay award applies to NJC staff on points SCP 44 and above where they are not covered by separate JNCs for Chief Executives and Chief Officers.

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

- 2.4 There has been increasing flexibility in national agreements over recent years resulting in greater discretion for local determination. This resulted in 2007 in the introduction of a formal locally integrated pay and conditions framework contained in a “Collective Agreement” between the County Council and Unison as the recognised union (non-teaching). This sets out the local pay framework and all local terms and conditions. It applies to all staff equally including Chief Officers and senior managers and is incorporated into all contracts. It is reviewed annually as part of the local consultation arrangements with trade unions and is available to all staff via the intranet.

- 2.5 Local pay and terms and conditions arrangements are changed as necessary with small changes made locally via local bargaining with Unison and larger changes made in response to legal or national requirements or changes. Local pay, terms and conditions are based on a “one employer” approach and do not permit varying benefit arrangements for different staff groups such as senior managers. The approach is to have a pay and benefit structure which;

- Is fair and equitable for all staff,
- Addresses the County Council’s need as an employer to link pay to performance
- Has the ability to address staffing difficulties where and when they occur.
- Incorporates the application of national and local collective agreements and any authority decisions on pay

There have been 3 significant reviews and changes in recent years;

> In April 2007 national equal pay requirements including the introduction of job evaluation schemes required a wholesale review of local terms and conditions.

> In 2011 in response to austerity local terms and conditions were changed to save £2m

> Again in 2018 the introduction of a new NJC national pay spine has resulted in a fundamental review of the Council’s grading structure.

- 2.6 The 2018-2020 2 year pay settlements for NJC staff, Chief Executives and Chief Officers increases pay for all grades by a minimum of 2% each year, with higher sums for those in Band 9 and below. It also includes a new pay spine to be implemented in April 2019. The pay spine starts 50p/hour higher overtaking a number of existing bottom spinal column points, has spinal column points of different value and includes a number of completely new points which do not exist in the current spine. It applies to all staff on NJC terms and conditions, including those on the locally determined pay points above the national points. Working jointly with Unison a new grading structure has been developed to apply the new pay spine. This work adhered to the principles

of the council pay policy outlined above. The new structure had to avoid removing and significantly eroding pay differentials across pay grades, so pay continues to reflect the job evaluated value of the different size, scope or responsibility of roles.

- 2.7 The proposed change for staff in terms of their position on the current grading structure compared to the new one is as follows:
- Staff in current bands 1-6 move over to the new pay spine based on their current pay point as prescribed in the national agreement. The pay increase for staff in these grades in 2019 is typically between 5 and 6% due to the new pay spine starting at a higher level.
 - Staff on existing bands 7-9 gain additional pay from the new grading structure due to the increase of between 2 and 4% on their current pay point, as prescribed in the national agreement, and on the basis of having access to an additional pay point which they previously did not have. These bands are now 6 points in length compared to the previous 4, and end 1 increment higher. This is due to the need to accommodate the 5 new pay points in the new pay spine which impact on these bands.
 - For staff on existing bands 10-12, in addition to the nationally prescribed 2% pay increase, these bands remain 4 points in length but start one point higher than the nearest one on the current pay spine and gain an extra point at the top. These bands have essentially moved up in comparing the grade to their previous one due to the new additional points in the previous bands which move the starting point higher.
 - Bands 13-16 have changed more significantly and are replaced by 3 new grades L, M and N which instead of 4 are now 5 points. These grades cover standard and senior professional/practitioner posts and have staff groups which attract the majority of market supplements and recruitment and retention payments. These payments will in the main be removed as unnecessary on the adoption of this proposal.
 - For management, current grades at Senior Manager (SM), Assistant Director (AD) and Director 1 (Asst CEX grade) are increased in value line with the rest of the grading structure. Specifically SM1 increases by 1 scp and AD bands have been split into three grades from the current two with the higher one restricted to four posts. The senior management grading structure has not changed since 2007 but has been significantly impacted by restructures which have removed some 20% of management posts overall and 30% at AD level and made most posts larger. For AD roles this has resulted in a move to more posts being at AD2 and it was felt there needed to be a greater ability to distinguish between the different sized posts in this band. Senior management posts often attract market supplements and recruitment and retention payments, evidence of ongoing recruitment difficulties, which will in the main be removed by this structure.
 - The Chief Officers Appointment and Disciplinary Sub Committee, which is responsible for Chief Officer and Chief Executive pay and grading, has considered and supported a proposal to combine current grades Director 2 and 3 into a single grade in order to address the changed roles, bring the grades into line with the pay policy and remove any potential equal pay issue. The CEX pay was not considered and remains unchanged.
- 2.8 Staff will move from the existing grading structure to the new one in 2 stages. Firstly staff will either receive an increment or have one withheld/removed under the current grading structure. On the basis of where they then sit they will assimilate to the minimum point on the new grading structure prescribed in the national agreement, or the new minimum point of their new grade if appropriate, whichever is higher. The new grading structure incorporates the nationally agreed 2% uplift, so all staff will receive at least a 2% increase in pay. Staff who have moved to a longer pay grade with scope

for additional incremental progression will have the opportunity of further pay increases in future years but will not receive a higher increment until April 2020.

3.0 Pay Structure

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

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

3.2 Pay bandings were determined in 2007 based on job evaluation outcomes taking into account the requirements of the job and the level of induction and development staff will need before becoming fully competent. These have been reviewed again in 2018 in preparation for the new pay spine and structure and can be reviewed at the request of management or staff in post, as and when required due to role changes and restructuring.

3.3 In 2007, as part of job evaluation implementation, the pay bands for senior managers were benchmarked externally and set at the median quartile plus 20%, considered a reasonable level based on NYCC's size and complexity, the need for salaries to be competitive, and the fact NYCC was a well performing authority which needed to recognise managers' efforts in achieving this. Further benchmarking reviews were undertaken in 2009, 2011 and 2014, and AD pay bands extended by 1 (AD1) and 2 (AD2) points respectively. Extensive benchmarking of senior and hard to fill posts has been carried out in 2018 and used to inform the positioning and length of the new grades, and value of the pay points above the national pay spine for senior managers. Professional and senior management posts at NYCC have a pay maximum at around the median for the benchmarked role.

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

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

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

For staff already on the top spinal column point in the pay grade, the criterion above applies and if not met the top increment is removed resulting in a pay reduction.

The Chief Executive's appraisal and assessment against the above criteria in order to receive an increment or retain the last increment if at the top of the grade, is undertaken by the Leader in consultation with members of the executive and other group leaders.

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

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

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

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

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

- Mileage and limited subsistence expenses
- Annual leave (23 – 33 days based on service) and 2 days unpaid leave (with some exemptions for frontline staff where cover for leave is needed)
- Sick pay (up to 6 months full and half pay)
- Maternity, adoption, paternity and shared parental leave.
- Other leave mostly unpaid (compassionate, time off for dependants, extended and special leave)
- Pay protection for staff moved to a lower graded role on redeployment/restructuring for 1 year at a maximum of £6k.

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

3.7 **Termination payments** for Chief Officers and senior managers follow the same arrangements and policies for redundancy, redeployment and pension payments as applicable for all other NYCC staff. Staff pension contributions are in accordance with the LGPS and employer contributions as determined through each Triennial Valuation of the North Yorkshire Pension Fund. The Local Government Pension Scheme provides employers with discretion to make monetary awards including additional benefits, payments and shared cost ATC arrangements that can add significant value to members' accrued pension benefits. However, the NYCC Discretion Policies (updated in 2014 and planned for 2019) state that no such award will be made to any member of staff. NYCC redundancy payments are calculated for all staff as per the Redundancy Modification Order based on one week pay for every years' service (1.5 weeks for years worked over the age of 40) up to a maximum of 30 weeks. In line with recent case law redundancy calculations will now include employer's pension

contributions up to the statutory maximum of a week's pay for redundancy purposes (£508, 2018).

- 4.0 Remuneration Committee** - The Chief Officers Appointments and Disciplinary Committee is responsible for determining and amending as necessary the terms and conditions of Chief Officers. Remuneration, terms and conditions will apply with the Pay Policy Statement and any proposed amendments will be submitted to Full Council for approval. The Committee determined the Chief Officer pay package in 2007 as part of the Council-wide job evaluation grading process and had only made one amendment since then to reduce the Chief Executive's salary in 2010 from £179k spot salary to a pay band range at the time of £155k - £170k. The Committee met again in 2018 to determine the new Director 2 grade points which combines the 2 existing grades for the 4 Chief Officers in order to address changes in the roles and equal pay risks caused by the separate grades.

It has been the Council's policy that severance payments for Chief Officers and senior managers over a cost of £100k will be considered and if deemed necessary recommended by the Chief Officers Appointments and Disciplinary Committee to Full Council for approval. The components of any such package will be clearly set out and may include pay in lieu of notice, redundancy payment, pension entitlements and holiday pay. Statutory changes originally due to be introduced in 2017 are still awaited, which would require Full Council approval for termination payments at or above £95k. If they are introduced during 2019/20 the threshold will be reduced to £95k.

5.0 Pay Multiples and Wider Pay Structure

The complete pay structure and examples of jobs at each band is detailed at Appendix 1. The lowest paid staff are at new SCP 1 on a salary of £17,364 as of 1st April 19 (a £1,000 increase on 2018). The highest paid salary is £179,430 paid to the Chief Executive. The median average (excluding schools) in this authority is £19,945 per annum (equivalent to bottom of new Grade F). The ratio between the median and the highest i.e. the 'pay multiple' has reduced to 9:1, which compares well with the recommendation in the Hutton Report that the multiple should not exceed 20. NYCC does not have a policy on maintaining or reaching a specific pay multiple, but is conscious of the need to ensure that the salaries of the highest paid employees are not excessive and are consistent with the needs of the authority as expressed in this policy statement and its wider pay policy and approach.

6.0 Senior Teaching Staff

The pay and grading of all teachers including Head teachers is determined nationally. There is currently just 1 Head teacher paid above £100k. In addition there are 35 Heads and Deputies in posts with salaries equivalent to Assistant Director pay grades. This does not include Academies which set their own pay for Head teachers and all other staff.

Appendix 1

New scp	April 19 Salary	NYCC NJC pay structure proposal for implementation 1st April 2019:	
1	£17,364		GRADE A - 217-258
2	£17,711	GRADE B - 259-308	GRADE C - 309-345
3	£18,065		
4	£18,426	GRADE D - 346-369	
5	£18,795		
6	£19,171		
7	£19,554		GRADE E - 370-397
8	£19,945	GRADE F - 398-422	
9	£20,344		
10	£20,751		
11	£21,166		
12	£21,589		
13	£22,021		GRADE G - 423-447
14	£22,462		
15	£22,911		
16	£23,369		
17	£23,836	GRADE H - 448-474	
18	£24,313		
19	£24,799		
20	£25,295		
21	£25,801		
22	£26,317		GRADE I - 475-509
23	£26,999		
24	£27,905		
25	£28,785	GRADE J - 510-550	
26	£29,636		
27	£30,507		
28	£31,371		
29	£32,029		GRADE K - 551 - 587
30	£32,878		
31	£33,799		
32	£34,788	GRADE L - 588-624	
33	£35,934		
34	£36,876		
35	£37,849		
36	£38,813		
37	£39,782		GRADE M - 625-713
38	£40,760		
39	£41,675		
40	£42,683	GRADE N - 714 -	
41	£43,662	941	

42	£44,632		
43	£45,591		
44	£46,503		
45	£48,000	SM1 - 942- 1043	
46	£50,000		
47	£51,875		
48	£54,275		
49	£55,840		
50	£57,933		SM2 1044-1190
51	£60,105		
52	£62,359		
53	£64,500		
54	£66,000		
55	£67,500		
56	£68,850		
57	£70,250		AD1 1191-1320
58	£72,955		
59	£75,763		
60	£78,680		
61	£82,500	AD2 1321-1600	
62	£85,676		
63	£88,975		
64	£91,400		
65	£94,000		
66	£95,880		AD3 1601-1760
67	£98,000		
68	£101,000	DIR1 1761-2015	
69	£104,889		
70	£109,100		
71	£110,950		
72	£113,170		
73	£115,430		
74	£118,000	DIR2 2016-2700	
75	£122,543		
76	£127,250		
77	£133,261		
78	£137,249		
79	£141,500		
80	£146,000		
81	£168,000	CEX - no change	
82	£172,000		
83	£176,300		
84	£180,423		

NB the above figures do not reflect the 2 days unpaid leave element which is effectively a reduction in pay. 2 days unpaid leave has been applied since April 2012.

Appendix 2

Direct orate	Grade	AD Job Title	FTE	19/20 SCP	Salary*	Notes
BES	AD3	Highways & Transport	1.0	65	93,483	
BES	AD2	Waste & Countryside	1.0	63	88,486	
BES	AD2	Growth, Planning & Trading Standards	1.0	62	85,205	
BES	AD1	Economic Partnership Unit	1.0	60	78,247	
CS	AD3	Technology & Change	1.0	65	93,483	Excludes £7k market supplement
CS	AD2	Strategic Resources	1.0	65	93,483	
CS	AD2	Strategic Resources	1.0	62	85,205	
CS	AD2	Strategic Resources	1.0	61	82,046	
CS	AD2	Strategic Resources & SDC CFO	1.0	62	85,205	Employed by NYCC, part funded by SDC as s151 officer and business partner
CS	AD2	Policy, Partnerships & Communities	1.0	61	82,046	
CS	AD1	Head of HR (York)	1.0	60	(78,247)	Employed by NYCC, funded by CYC
CS	AD1	Head of Communications	1.0	57	69,864	
CYPS	AD3	Children & Families	1.0	65	93,483	
CYPS	AD2	Education & Skills	1.0	65	93,483	Excludes £4.8k market supplement
CYPS	AD2	Inclusion	1.0	62	85,205	
HAS	AD3	Director of Public Health	1.0	65	93,483	Excludes £11.9k Public Health supplement
HAS	AD2	Health & Integration	1.0	65	93,483	
HAS	AD2	Care & Support	1.0	65	93,483	
HAS	AD2	Care & Support	1.0	62	85,205	
HAS	AD2	Commissioning & Quality	1.0	62	85,205	
HAS	AD1	Public Health Consultant	0.2	60	15,649	
HAS	AD1	Public Health Consultant	0.61	60	47,731	
HAS	AD1	Public Health Consultant	0.8	59	60,277	
HAS	AD1	Public Health Consultant	0.86	59	64,797	
AD Total					1,691,743	Excl. supplements
MB Total					908,608	
Total					2,600,351	

*The salary figures reflect the 2 days unpaid leave which has applied since April 2012.

*Market supplements and other temporary payments such as merit and incentive payments e.g. thank you payments are excluded from the totals.

CHANGES FOR POSTS AT AD1 AND ABOVE:

CS: Post reductions:

- Commercial Director AD2 post removed, duties covered by 0.2fte Asst. Chief Executive (Commercial) in joint leadership role with Ryedale District Council
- 1 AD1 post removed – AD Library, Customer & Community Services, with some duties moved to AD Policy, Partnerships & Communities, with grade increased from AD1 to AD2, and other duties to AD Technology & Change with grade increased from AD2 to new AD3.

HAS: Post reductions:

- 1.81fte Public Health Consultant post vacancies.

Appendix I - Cumulative Equalities Impact Assessment

Cumulative Equalities Impact Assessment – Budget 2019/20

All proposals will be subject to individual equality impact assessments.

Protected characteristic / additional characteristic monitored by NYCC	Local context and related factors	Potential adverse impacts of budget savings proposals and steps taken to minimise impact
Age	<p>North Yorkshire has a lower proportion of young people than the national average – 26.4% under 25 compared to 31.3% nationally.¹ In 2016 1.7% of 16 – 17 year olds were identified as NEET (Not in Employment, Education or Training). The percentage across the UK who were NEET was 4.3%². Nationally the unemployment rate for 16-24 year olds is high. The unemployment rate for people aged 16 and over for the UK was 4.3%, for the period August to October 2017.²</p> <p>23.9% of the county's adult population is over the age of 65. This is higher than the national percentage (18.0%) and every year the population of older people increases, and with it the demand for the care and support which the council provides. By 2020 25% of our total population will be aged 65+ and 3.3% aged 85+.</p>	<p>Older people Proposals to review the staffing structure of parts of the service that deals with care and support for adults may impact more upon older people as they are more often service users. Actual impacts, if any, will be dependent upon details of any specific changes to staffing structures which will be developed further and subject to individual equality impact assessment.</p> <p>Similarly, proposals to require people who are assessed as having sufficient personal finances to pay a fair charge for the total cost of care support and/or transport relating to social care, are also more likely to impact on older people due to the greater likelihood that they will have care needs. As people age they are more likely to develop a long term condition or disability which requires care and support.</p> <p>Work to prevent or delay reliance on social care by supporting people to live more independently and fostering community provision may provide positive impacts for older people. Our Stronger Communities team has been set up specifically to support communities to take on a greater role in the provision of services, and has as one of its priorities support for older and more vulnerable people to remain involved and active within their community. In addition, our Living Well Co-ordinators work with individuals (and their carers) who are on the cusp of becoming</p>

¹ Office for National Statistics Population Estimates mid-2017

² GOV.uk end 2016

Protected characteristic / additional characteristic monitored by NYCC	Local context and related factors	Potential adverse impacts of budget savings proposals and steps taken to minimise impact
		<p>regular users of health and social care services by helping them access activities in their local community, reducing loneliness and isolation, and supporting them to find their own solutions to their health and wellbeing goals.</p> <p>Similarly, continuing to replace Elderly Persons Homes with Extra Care Housing where people can live independently whilst being in a supportive community could produce positive impacts for older people.</p> <p>Younger people Proposals which may have specific impacts for younger people include:</p> <ul style="list-style-type: none"> • Proposals to review the way that we meet the needs of children and young people with SEND and those at risk of exclusion. These have been subject to consultation, particularly with children and young people themselves. • Proposals to continue to ask for financial contributions towards post 19 SEN (Special Educational Needs) home to school transport in line with mainstream pupils • Reviewing arrangements for supporting accommodation for some young people. Impacts will depend upon whether a different type of service is delivered and the details of such a service. <p>The redesign of the Early Years' Service aims to address a reduction in funding whilst, in this case, meeting statutory service requirements. Provision of service may be reduced as a result of these proposals. However, the redesign also aims to deliver efficiencies, more flexible support for providers, stability of support for the sector, improved educational, health and family outcomes and a co-produced service which addresses unmet need.</p> <p>The changes to home to school transport are identified as having potentially mixed impacts on younger people. The ages of the young people who may be affected are 16 to 25. In the short term there is a potential for negative impact on young people and their carers who have been used to the traditional transport services as</p>

Protected characteristic / additional characteristic monitored by NYCC	Local context and related factors	Potential adverse impacts of budget savings proposals and steps taken to minimise impact
		<p>change can be seen as challenging. However, it is anticipated the benefits afforded by greater choice and improved outcomes will mitigate the impact on a longer term basis. No pupils will not be affected if they are within statutory school age and are recognised as an eligible child under statute.</p> <p>Provision for excluded pupils is anticipated to have mixed impacts, and there may be negative impact in the shorter term during implementation which will be mitigated by transitional support as the changed model is implemented, and by work undertaken with an independent research organisation to develop new provision models within the new budget model. Furthermore for those young people with an Education, Health and Care Plan we have a statutory duty to make the provision as contained in the plan, and for those young people who are permanently excluded there is a further statutory duty for the Council to provide education. Further mitigation throughout the process will include clear communication and ongoing review. Following consultation the recommendation is that the new model is not implemented until September 2020, giving more time for robust transitional arrangements.</p> <p>Working age people Given that 57% of people who access the service are between 26-49 years old, any changes to the provision of homelessness support are likely to impact on working age adults, however, services for the most vulnerable – those with mental health issues, victims of domestic abuse and complex housing accommodation needs - have been protected.</p> <p>The proposed rise in the council tax may have a larger adverse impact upon these residents due to the effect of inflation in relation to wage growth as this category of residents is not protected from inflation in the same way that older people are due to uprating of state pensions.</p>

Protected characteristic / additional characteristic monitored by NYCC	Local context and related factors	Potential adverse impacts of budget savings proposals and steps taken to minimise impact
		<p>Any potential impacts on staff as a result of staff restructuring to facilitate service changes will be carefully monitored. We will ensure that all relevant human resources policies and procedures are adhered to and that our duty under the Equality Act 2010 is met.</p>
Disability	<p>North Yorkshire has the same proportion of people with a disability or long term limiting illness (17.5%) as the national average.³</p>	<p>Proposals to review the staffing structure of parts of the service that deals with care and support for adults may impact more upon people with a disability as they are more often service users. Actual impacts, if any, will be dependent upon details of any specific changes to staffing structures which will be developed further and subject to individual equality impact assessment.</p> <p>Similarly, proposals to require people who are assessed as having sufficient personal finances to pay a fair charge for the total cost of care support and/or transport relating to social care, are also more likely to impact on people with a disability due to the greater likelihood that they will have care needs.</p> <p>Work to prevent or delay reliance on social care by supporting people to live more independently and fostering community provision may provide positive impacts for people with disabilities. Our Stronger Communities team has been set up specifically to support communities to take on a greater role in the provision of services, and has as one of its priorities support for more vulnerable people to remain involved and active within their community. In addition, our Living Well Co-ordinators work with individuals (and their carers) who are on the cusp of becoming regular users of health and social care services by helping them access activities in their local community, reducing loneliness and isolation, and supporting them to find their own solutions to their health and wellbeing goals.</p> <p>Any review of arrangements for supported living for adults with learning disabilities would aim to still provide the required support which should minimise any adverse impact, and potential positive impacts may be realised through helping adults with</p>

³ 2011 Census

Protected characteristic / additional characteristic monitored by NYCC	Local context and related factors	Potential adverse impacts of budget savings proposals and steps taken to minimise impact
		<p>mental health issues to support themselves and avoid residential and nursing placements.</p> <p>All proposals will be subject to individual equality impact assessments.</p> <p>The changes to home to school transport are identified as having potentially mixed impacts on those with a disability. The main group affected will be young people with special educational needs and disabilities (SEND). It is however anticipated that the benefits afforded by greater choice and improved outcomes will mitigate the initial impact of change. Managed transition and flexible responsive services such as independent travel training will be implemented. Transport assessments will be carried out consistently and all needs will be identified and addressed regardless of the new transport model.</p> <p>Changes to the high needs budget are anticipated to have mixed impacts on young people with a disability, with potential negative impacts during implementation, although these are more likely to impact on schools' budgets than the individual young people, given that there may be reductions in the funding allocated as a result of a more robust system. Once the new bandings have been allocated, we will consider the impact on each individual school budget and look to mitigate any negative impact through transition funding.</p> <p>Young people with special educational needs and disabilities are more likely to find change challenging and will need support to make the transition. We will ensure that any child in an existing programme of study with existing education arrangements maintains that package and we commit to working with Adult Social Care colleagues on the transition arrangements beyond the current package of education so that they can realise the benefits of this proposal without any changes to their existing package. For new programmes of study from September 19 we would ensure that young people and their families / carers are fully aware and are supported to understand what their five day package (if required) will be and how</p>

Protected characteristic / additional characteristic monitored by NYCC	Local context and related factors	Potential adverse impacts of budget savings proposals and steps taken to minimise impact
		<p>Education and Care will work together with them throughout the duration of the education programme and to transition into adult services post education.</p> <p>Impacts in relation to changes to provision for excluded pupils with disabilities are anticipated to be mixed, with potential negative impact during transition. This will be managed by working closely with parents, carers, children and young people and the Pupil Referral Service. Mitigation actions will be in line with those detailed in the Age category above. In addition, the change to the timescale for the proposal post-consultation will mean that there is more time to embed some of the wider developments in provision to support children with SEND including embedding the new model for enhanced mainstream schools, building capacity in the specialist sector and the delivery of the Opportunities Area project in the East.</p> <p>The profile of people who access the homelessness support service shows that 31% have a stated disability. The largest group within this are people with mental health problems, and there are also people with mild learning disabilities, people with physical and/or sensory impairment, and those with long term health conditions. Therefore, if the availability of services is reduced, fewer disabled people will be able to access this support. However, services for the most vulnerable – those with mental health issues, victims of domestic abuse and complex housing accommodation needs - have been protected.</p> <p>The proposed increase in council tax could have a disproportionate adverse impact upon those with a disability due to the fact that disability benefits have reduced over time as thresholds for support has increased.</p> <p>Any potential impacts on staff as a result of staff restructuring to facilitate service changes will be carefully monitored. We will ensure that all relevant human resources policies and procedures are adhered to and that our duty under the Equality Act 2010 is met.</p>

Protected characteristic / additional characteristic monitored by NYCC	Local context and related factors	Potential adverse impacts of budget savings proposals and steps taken to minimise impact
Sex	<p>At county level the proportion of females is slightly higher (50.7%) than that of males (49.3%)⁴. This pattern is reflected across all districts, with the exception of Richmondshire where the large number of predominantly male military personnel have the effect of reversing the proportions.</p> <p>There were 13,648 lone parent households in North Yorkshire in 2011⁵, of which 11,958 had a female lone parent (87.6%).</p>	<p>The proposed increase to council tax could have a disproportionate adverse impact upon females as women are likely to have lower incomes than men in later life due to working patterns when they were younger, and may therefore be more likely to be impacted by increased costs. They are also disproportionately more likely to be lone parents. For lone parents, even those working full time have a 42% risk of being below Minimum Income Standard⁶, up from 28% in 2008/09. Nationally 151,000 out of 356,000 people in households headed by lone parents working full time are below the minimum.</p> <p>Any potential impacts on staff as a result of staff restructuring to facilitate service changes will be carefully monitored. We will ensure that all relevant human resources policies and procedures are adhered to and that our duty under the Equality Act 2010 is met.</p>
Race	<p>North Yorkshire has a much lower proportion (2.65%) of Black or Minority Ethnic (BME) citizens than the national average (14.57%)⁷ according to the 2011 census.</p>	<p>There are no anticipated adverse impacts on people with this protected characteristic.</p> <p>Any potential impacts on staff as a result of staff restructuring to facilitate service changes will be carefully monitored. We will ensure that all relevant human resources policies and procedures are adhered to and that our duty under the Equality Act 2010 is met.</p>
Religion or belief	<p>North Yorkshire has higher levels of Christians (69%) than the national average (59%), and lower levels of all other religions than the national average. Percentages of those with no religion or not stating their religion are broadly similar to the national average. (2011 census)</p>	<p>There are no anticipated adverse impacts on people with this protected characteristic.</p> <p>Any potential impacts on staff as a result of staff restructuring to facilitate service changes will be carefully monitored. We will ensure that all relevant human</p>

⁴ Office of National Statistics Mid-2016 population estimates

⁵ Census 2011

⁶ Joseph Rowntree Foundation Minimum Income Standard 2017

⁷ 2011 census

Protected characteristic / additional characteristic monitored by NYCC	Local context and related factors	Potential adverse impacts of budget savings proposals and steps taken to minimise impact
		resources policies and procedures are adhered to and that our duty under the Equality Act 2010 is met.
Sexual orientation	The government estimates that 5 – 7% of the population are gay, lesbian or bisexual. We have no evidence to suggest that this is not the case in North Yorkshire.	<p>There are no anticipated adverse impacts on people with this protected characteristic.</p> <p>Any potential impacts on staff as a result of staff restructuring to facilitate service changes will be carefully monitored. We will ensure that all relevant human resources policies and procedures are adhered to and that our duty under the Equality Act 2010 is met.</p>
Gender reassignment	The Gender Identity Research and Education Society (GIREs) suggests that across the UK: 1% of employees and service users may be experiencing some degree of gender variance. At some point, about 0.2% may undergo transition (i.e. gender reassignment). Around 0.025% have so far sought medical help and about 0.015% have probably undergone transition. In any year 0.003% may start transition.	<p>There are no anticipated adverse impacts on people with this protected characteristic.</p> <p>Any potential impacts on staff as a result of staff restructuring to facilitate service changes will be carefully monitored. We will ensure that all relevant human resources policies and procedures are adhered to and that our duty under the Equality Act 2010 is met.</p>
Pregnancy or maternity	In 2017 there were 5441 live births in North Yorkshire. The conception rate per 1000 for 15 – 17 year olds was 12.9. This is below the rate for England (18.2). In 2017 4786 live births (88%) were to mothers born in the UK. 654 live births (12%) were to mothers born outside the UK.	<p>Of those who currently access homelessness prevention services, a proportion are pregnant women or parents with young children. A reduction in available support may therefore impact on this group.</p> <p>Any potential impacts on staff as a result of staff restructuring to facilitate service changes will be carefully monitored. We will ensure that all relevant human resources policies and procedures are adhered to and that our duty under the Equality Act 2010 is met.</p>
Marriage or civil partnerships	A higher percentage of North Yorkshire’s population is married or in a civil partnership	There are no anticipated adverse impacts on people with this protected characteristic.

Protected characteristic / additional characteristic monitored by NYCC	Local context and related factors	Potential adverse impacts of budget savings proposals and steps taken to minimise impact
	(53.7%) than the national average (46.8%). ⁸ (2011 census)	Any potential impacts on staff as a result of staff restructuring to facilitate service changes will be carefully monitored. We will ensure that all relevant human resources policies and procedures are adhered to and that our duty under the Equality Act 2010 is met.
Rural areas	<p>The population in North Yorkshire is generally sparser than the national average (0.76 people per hectare as opposed to 3.89 nationally). In some parts of the county this is lower still (Ryedale 0.36, Richmondshire 0.41)⁶. Distance travelled to access services is further than the national average. The Lower Super Output Area (LSOA) which covers the Dales ward in Ryedale is the most deprived in England for Geographical Barriers to Services.⁹</p> <p>Rurality can also mean higher costs for such things as fuel for heating.</p>	<p>Any restructure of services which aims to physically consolidate service provision in locations of greater population density may impact disproportionately on people living in rural areas. However, our Living Well Co-ordinators work on an individual basis with people (and their carers) who are on the cusp of becoming regular users of health and social care services, including those who live in rural areas, to help them access activities and support them to find their own solutions to their health and wellbeing goals.</p> <p>Changes to provision for excluded pupils may negatively impact on those in rural areas due to the transport costs which can sometimes be limiting in terms of access. Schools are responsible for paying for transport which may become problematic as schools budgets are under pressure. This will be mitigated by ensuring options are fully explored as new models are being shaped in localities.</p> <p>A reduction in homelessness support services may make it harder for providers to deliver outreach to rural areas.</p> <p>Dependent on the service, access may be online following our digital by default approach, and this can also be challenging in some rural areas where broadband provision can be variable. The Superfast North Yorkshire programme, however, aims to ensure that 95 per cent of all homes and businesses in the county will have access to superfast broadband by the end of 2021.</p>

⁸ 2011 census

⁹ Index of Multiple Deprivation, Indices of Deprivation 2015

Protected characteristic / additional characteristic monitored by NYCC	Local context and related factors	Potential adverse impacts of budget savings proposals and steps taken to minimise impact
		<p>Actual impacts, if any, will be dependent upon details of any specific changes to staffing and service structures which will be developed further and subject to individual equality impact assessment.</p> <p>Redesign of early years' provision may result in reduction in service which may impact negatively on those from rural areas. Further detail is included under 'age'.</p> <p>The changes to home to school transport are identified as having potentially mixed impacts on those young people living in a rural area. Dependent on the specific proposal implemented impacts could vary in severity, and mitigation actions in areas with poor public transport will be put in place.</p> <p>There may be some adverse impact on County Council staff living in rural areas where restructures and consequent changes to work locations take place, in that travel to work time may increase and there is disruption to childcare arrangements, for example. Due consideration will be given to the degree of disruption likely to be caused by a proposed change in location and additional expense and travelling time incurred in circumstances where an alternative offer of employment is made, as per the County Council's redeployment Policy.</p>
People with low income	At local authority level North Yorkshire is among the least deprived in England ⁷ . Figures for long term unemployment in North Yorkshire (0.1%) are lower than the national average (0.4%) ¹⁰ . However, North Yorkshire has a number of lower super output areas within the 20% most deprived in England (23 in 2015, rising from 18 in 2010) and three LSOAs in	People with low incomes will potentially be adversely impacted by a number of the changes to services. They are often also least able to compensate by using other providers or options, in the private sector for example, due to issues of cost. The impact of proposals to require people who are assessed as having sufficient personal finances to pay a fair charge for the total cost of care support and/or transport relating to social care would be dependent on threshold limits set. Proposals will be developed further and will be subject to individual equality impact assessment.

¹⁰ November 2017, ONS

Protected characteristic / additional characteristic monitored by NYCC	Local context and related factors	Potential adverse impacts of budget savings proposals and steps taken to minimise impact
	<p>Scarborough town are within the most deprived 1% in England.⁷</p> <p>The percentage of the working age population who claim out of work benefits in North Yorkshire is 1.6%, compared to a Great Britain percentage of 2.3% (Nomis – ONS November 2018)</p>	<p>Changes in staffing may have an adverse impact on staff on lower incomes due to the possibility of being offered a lower graded post than their current role. In the event of this occurrence, affected staff may, dependent on individual circumstance, be eligible for pay protection in line with the County Council’s redeployment policy, to mitigate adverse impacts.</p> <p>Redesign of early years’ provision may result in reduction in service which may impact negatively on those on low income. Further detail is included under ‘age’.</p> <p>The changes to home to school transport are identified as having potentially mixed impacts on those young people from low income families. In order to mitigate these impacts It has also been recognised that low income families may receive an additional subsidy to facilitate the student accessing their education. This will be applied across mainstream and SEND provision in the same way going forward.</p> <p>The profile of people who access the homelessness support service shows that 90% are seeking work, on long term sick, not seeking work or in part time work. Low income coupled with one or more other factors such as disability provides the main causal factors in requiring support to sustain housing. Any reduction in support is likely to impact on their ability to manage on their already limited income. However, services for the most vulnerable – those with mental health issues, victims of domestic abuse and complex housing accommodation needs - have been protected.</p> <p>The proposed increase to council tax may have a disproportionate adverse impact upon those residents receiving low incomes. For example those on benefits have seen inflation rises which mean that for the first time since the benefits freeze the real value of benefits has started to decline¹¹.</p>

¹¹ Joseph Rowntree Foundation Minimum Income Standard 2017

Protected characteristic / additional characteristic monitored by NYCC	Local context and related factors	Potential adverse impacts of budget savings proposals and steps taken to minimise impact
Carers	Carers' allowance claimants make up 0.9% of North Yorkshire's population. ¹² This is lower than the average for England (1.3%) but there are variations across the county with the highest percentage being in Scarborough (1.4%). It is likely, however, that these figures do not reflect the true number of people carrying out caring roles in the county as many do not claim allowances.	Carers are likely to be impacted in similar ways to older and younger people and disabled people i.e. the people for whom they are caring, although the impacts may be more indirect. Carers may also have lower incomes as in many cases they will be unable to work due to their caring responsibilities. Some carers will, of course, have protected characteristics themselves, such as young carers.

¹² May 2017, ONS

APPENDIX J

BUDGET RISK ASSESSMENT

There are always a number of significant risk factors which it is necessary to consider in determining the Budget / MTFS. This Appendix seeks to give some indication of the potential financial consequences of some of the key risks assessed in formulating the 2019/20 Budget / MTFS:-

Risk	Quantification	Likelihood (H/M/L)	Impact (H/M/L)	£m	Recurring?
Non-delivery of full value of savings 2019/20 to 2021/22	£40m savings programme over next 3 year period and the savings challenges are harder – confidence factor	H	H	7.0	Depends
Further funding cuts from government	10% additional cut on Business Rates top-up on top of existing assumptions – include £137.3k grant funding	M	H	4.6	Yes
Risk of adverse weather conditions	Extreme spend on adverse weather in excess of budget and / or emergencies	M	L	4.0	No
New unfunded responsibilities	Dependent upon individual proposals and element unfunded	M	H	?	Yes
Impact of Brexit on supply chain impacting upon prices	1% increase in inflation (in single year)	M	M	3.0	Depends
Acceleration of inflation above assumptions on supplies and services within the MTFS	1% increase in inflation (in single year)	H	M	3.0	Yes
Pay awards above assumptions in	1% increase in pay awards (in single	M	M	1.5	Yes

Budget / MTFS	year)				
Potential shortfall on Council Tax yield based upon MTFS assumptions	1% Council Tax variation	L	M	2.7	Yes
Potential increase in Looked After Children (LAC)	10% increase in LAC	M	H	1.0	Yes
Government funding towards Social Care – protection of Social Care	100% of Fund used to underpin adult social care in 2019/20	M	H	30.2	Yes
Potential increase in demand for Adult Social Care	Additional 2% demand	H	H	2.5	Yes
Potential increase in demand for SEND	Additional 2% demand over and above contingencies in budget	M	H	1.0	Yes
Reduced collection of Business Rates	5% less Business Rates generated	M	H	1.0	Yes
Erosion of DSG to underpin council services to schools	Complete loss of DSG to council	M	H	5.0	Yes
Commercial Investments	10% reduction in treasury management and commercial investment returns	M	L	0.5	No

Comparison of North Yorkshire County Council to Northamptonshire County Council

Issues in Northamptonshire	Apply to NYCC?	Comments / Actions
Savings Plans		
Use of Capital / one off monies in order to plug a recurring Revenue Budget shortfall	X	Some areas which are cash flowed but are monitored
Lacked organisation and standardisation to appropriately ensure Value for Money	X	Programme based approach brings standardisation – any gaps relating to VfM consideration?
Financial Management		
Lack of evidence of robust recovery / savings plans where over spendings arising	X	Overspendings occur but are noted and explained. Recovery plans are built in and are “deep dived” and where there is a lack of robustness then no saving is taken.
Inadequate scrutiny of budgets	?	On balance not felt to be an issue but is this systematic (BEST related work helps to address)? Deep dive areas definitely get scrutiny so feels positive overall
Savings that were failed to be delivered as simply added back into the MTFP without any clear explanation as to how they will be delivered.	X	See comments above
Weak budgetary control with services managing their bottom line budgets themselves (silo focus)	X	Whilst there is no silo approach, there remains the risk of overspendings and a need for grip as discussed above.
No financial staff reporting in directly to the Section 151 Officer given Local Government Shared Services	X	
Overspendings not reported to Cabinet	X	We tell it how it is
Optimism bias present with repeated understatement of pressures	?	On the whole this does not feel the case but issues such as SEN Transport and High Needs are now featuring as large pressures and have crept upon us rather than us being aware and ahead of the curve to some extent.
Too many issues regarded as “unavoidable pressures” and simply built into the budget without challenge	X	Very little growth has been granted over the last 5 years plus (predominately Adult Social Care).

Data to support financial position was stopped	X	Improved Q report helps alongside financial reporting although this could always be improved.
External Auditors issue adverse Value for Money opinion	X	

Leadership and Culture		
Didn't have the right culture to make robust decision on resource allocation	X	Ongoing need to ensure there are no "sacred cows" and Member policy decision challenged where possible VfM.
Management and Leadership distracted by design issues	X	Much more practical approach in place. Ever present risk of capacity to expand (e.g. Commercial) and also maintain good performance of existing services.
Overly concerned with being the lowest funded ("victim" culture)	X	Advocacy work being carried out around Fair Funding but this is not a substitute for delivering savings plans.
Pressing for Unitarisation as a potential solution to Council woes rather than focussing on what can be delivered internally	X	
Organisational design plans do not cross reference to the MTFP and lack realism	X	The nearest example to this would be the commercial savings target of £1.6m which is relatively modest and will only be increased if and when delivered – this feels absolutely proportionate
Complexity of design led to a lack of clarity across the organisation	X	Again, the nearest area we potentially have to this is the different levels of understanding around the commercial agenda but this is marginal
Little corporate sense of leadership and lack of management team working together in a close an functional manner.	X	Not felt to be an issue.
A culture of overspending being acceptable and no sanctions being made for failure	?	Whilst there is no culture of overspending, there are increasing pressures which are likely to result in greater occurrence of overspendings. There is a need to ensure ongoing financial grip and accountability / responsibility by budget managers across the organisation.
Failure to act to a draft Section 114 Notice	X	
Members often refused access to information and scrutiny levels low.	?	Members never refused access to information but scrutiny of savings plans etc. by Members could be improved?

Financial Standards		
Section 114 Notice issued as not able to balance budget in year	X	
Advisory Notice issued by External Auditor	X	

External Auditor issued Advisory Notice with 4 elements

Issues in Northamptonshire	Apply to NYCC?	Comments / Actions
Flexible use of Capital Receipts	X	
Reliance on one off Reserves	X	Reserves used for cash flowing not a substitute for savings.
Failure to deliver savings plans	?	This has not been a major issue but is now becoming harder. A recurring savings contingency is in place to mitigate.
Ensuring sustainable financial decisions are taken.	X	

Corporate Risk Register

Appendix L

Risk Register: **month 0 (November 2018) – summary**

Next Review due: **April 2019**



Report Date: **22nd November 2018 (pw)**

Identity			Person		Classification												Fallback Plan			
Change	Risk Title	Risk Description	Risk Owner	Risk Manager	Pre						RR		Post						FBPlan	Action Manager
					Prob	Obj	Fin	Serv	Rep	Cat	RRs	Next Action	Prob	Obj	Fin	Serv	Rep	Cat		
- new -	20/235 - Brexit Arrangements	The UK leaves the European Union with sub-optimal arrangements resulting in difficulties in recruitment, data protection, price uncertainty and supply chain difficulties, price pressures from contractors, increased demands on services from customers and businesses; and adverse impacts upon the local economy and infrastructure and environmental standards. (Latest version to be reviewed again in January 2019)	Chief Exec	All Mgt Board	H	H	H	H	M	1	12	31/03/2019	H	H	H	H	M	1	Y	Chief Exec
◀▶	20/207 - Savings and Transformation Programme	Failure to design and implement a coherent savings and transformation programme "Beyond 2020" which delivers the forecast funding shortfall resulting in short term and sub optimal savings decisions ie service cuts	Chief Exec	CD SR	H	H	H	H	H	1	13	31/03/2019	M	H	H	H	H	2	Y	All Mgt Board
◀▶	20/1 - Funding Challenges	Inadequate funding available to the County Council to discharge its statutory responsibilities and to meet public expectation for the remainder of the decade resulting in legal challenge, unbalanced budget and public dissatisfaction	Chief Exec	CD SR	H	H	H	H	H	1	9	28/02/2019	M	H	H	M	M	2	Y	All Mgt Board
◀▶	20/194 - Major Failure due to Quality and/or Economic Issues in the Care Market	Major failure of provider/key providers results in the Directorate being unable to meet service user needs. This could be caused by economic performance or resource capabilities including recruitment and retention. The impact could include loss of trust in the Care Market, increased budgetary implications and issues of service user safety.	CD HAS	HAS AD Q&E	H	M	H	M	H	1	12	31/12/2018	H	M	M	M	M	2	Y	HAS AD Q&E

Corporate Risk Register

Appendix L

Risk Register: **month 0 (November 2018) – summary**
 Next Review due: **April 2019**
 Report Date: **22nd November 2018 (pw)**

Identity			Person		Classification											Fallback Plan				
Change	Risk Title	Risk Description	Risk Owner	Risk Manager	Pre						RR		Post						FBPlan	Action Manager
					Prob	Obj	Fin	Serv	Rep	Cat	RRs	Next Action	Prob	Obj	Fin	Serv	Rep	Cat		
	20/205 - Schools Organisation and Funding	Failure to assess and manage the combined effects of changes in the national school policy and funding framework, demographics (both rising and falling as a result of housing market changes) and national and local political circumstances, resulting in a fragmentation of the network of services for children, growing numbers of unsustainable and/or failing schools, insufficient school places, fragmentation due to academisation, increased public dissatisfaction, and loss of confidence in the County Council as local authority.	Chief Exec	CD CYPs	H	M	H	M	M	1	11	31/08/2019	M	M	H	M	M	2	Y	CD CYPs
	20/187 - Information Governance	Ineffective information governance arrangements lead to unacceptable levels of unauthorised disclosure of personal and sensitive data, poor quality or delayed responses to FoI requests, and inability to locate key data upon which the Council relies resulting in loss of reputation, poor decision making, fine, etc	Chief Exec	CD SR	H	M	M	M	H	1	7	31/12/2018	M	L	M	L	M	4	Y	CD SR
- new -	20/236 - Opportunities for Devolution and Growth in North Yorkshire	Failure to take advantage of Devolution opportunities and to deliver the ambition of Sustainable Economic Growth, through for example the delivery of the right housing and transport whilst protecting the outstanding environment and heritage, resulting in reduced investment and impact on the growth and jobs, inability to attract, retain and grow businesses and raise living standards across North Yorkshire	Chief Exec	CD BES	H	M	H	H	H	1	9	31/03/2019	M	M	M	M	M	4	Y	CD BES Chief Exec

Corporate Risk Register

Appendix L

Risk Register: **month 0 (November 2018) – summary**
 Next Review due: **April 2019**
 Report Date: **22nd November 2018 (pw)**

Identity			Person		Classification												Fallback Plan			
Change	Risk Title	Risk Description	Risk Owner	Risk Manager	Pre						RR		Post						FBPlan	Action Manager
					Prob	Obj	Fin	Serv	Rep	Cat	RRs	Next Action	Prob	Obj	Fin	Serv	Rep	Cat		
	20/47 - Partnership and Integration with the NHS	Failure to shape and drive the configuration of the NHS from both a Commissioner and Provider perspective resulting in suboptimal maximisation of integration across the NYCC footprint, a negative impact on the customer experience and the possibility of fragmented care and poor outcomes	Chief Exec	CD HAS	M	M	H	M	M	2	20	31/12/2018	M	M	H	M	M	2	Y	CD HAS
	20/189 - Safeguarding Arrangements	Failure to have a robust Safeguarding service in place results in risk to vulnerable children, adults and families and not protecting them from harm.	Chief Exec	CD HAS CD CYPS	M	H	M	M	H	2	21	31/12/2018	L	H	M	M	H	3	Y	CD CYPS CD HAS

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

NORTH YORKSHIRE COUNTY COUNCIL**EXECUTIVE****29 January 2019****CAPITAL PLAN****Report of the Corporate Director – Strategic Resources****1.0 PURPOSE OF REPORT**

- 1.1 To approve an updated (Quarter 3 2018/19 to 31 December 2018) Capital Plan and recommend its adoption to County Council on 19 February 2019.

2.0 BACKGROUND

- 2.1 An updated Capital Plan is being submitted to Executive along with the other 2019/20 budget related reports in order to obtain an approved Capital Plan for 2019/20 by the County Council before the start of the financial year.
- 2.2 The County Council's Financial Procedure rules empower the Executive to modify the Capital Plan during the year and this is achieved through the Capital section of the quarterly monitoring reports or ad hoc reports if urgent changes are needed in between the quarterly reports. The Executive's modification powers however imply that a Capital Plan must be approved by County Council before the start of the financial year.
- 2.3 Therefore an updated Capital Plan (Quarter 3 2018/19 to 31 December 2018) has been produced for:
- (a) approval by Executive at this meeting and
 - (b) recommendation for adoption by the County Council on 19 February 2019 before the start of the financial year
- 2.4 This 2018/19 Q3 Capital Plan will therefore form the base Capital Plan for subsequent modifications approved by Executive throughout 2019/20.
- 2.5 This latest Capital Plan does impact on both the revenue Budget 2019/20 and MTFS outcome and Treasury Management related activities in terms of:
- (a) Financing costs (interest and principal) required to finance the Capital Plan being reflected in the 2019/20 Revenue Budget and MTFS within Corporate Miscellaneous and
 - (b) The Prudential Indicators and
 - (c) The Treasury management arrangements.

Because of these close links, reports on (a), (b) and (c) are also included on this agenda and need to be reported to the County Council as part of the “Budget set”.

3.0 **UPDATED Q3 CAPITAL PLAN TO 31 DECEMBER 2018**

3.1 Summaries for each Directorate analysed into the main areas of capital spending are attached as **Appendices A to D**, with an overall summary being shown in **Appendix E**.

3.2 The updated Capital Plan for Q3 2018/19 is based on the last version (Q2 2018/19) approved by Executive on 27 November 2018 updated to include the following:

- capital approvals announced to date as part of the Local Government Finance Settlement;
- additions or variations to schemes that are self funded (ie through grants contributions, revenue contributions and earmarked capital receipts)
- re-phasing of expenditure between years;
- virements between schemes resulting from variations in scheme costs (eg arising from a tender process) and ongoing reassessments between priorities within a Directorate’s finite control total;
- additional schemes and provision approved by Executive; and
- various other miscellaneous refinements.

3.3 A summary of the changes compared with the last version (Q2 2018/19) approved by Executive on 27 November 2018 is attached as part of **Appendix E**.

Latest Position

3.4 A summary of the latest Capital position (gross spend) at Directorate level is as follows:-

Directorate (Appendix)	2018/19	2019/20	2020/21	2021/22	Later Years
	£k	£k	£k	£k	£k
Health and Adult Services (A)	1,530	1,760	390	7,962	5,956
Business and Environmental Service (B)	84,768	75,609	65,536	1,048	6,618
Children’s and Young People’s Service (C)	27,117	51,088	23,983	11,781	22,125
Central Services (D)	19,343	9,182	2,689	1,035	3,112
Overall County Total	132,758	137,639	92,598	21,826	37,811

3.5 The Capital Plan includes a limited number of significant individual schemes and provisions which make up over 90% of the total planned capital spend in each year. Any slippage or delays in these individual schemes will have a significant impact on overall Plan delivery and capital financing requirements.

4.0 **Comments on significant projects and variations reflected in the updated Capital Plan**

4.1 **Health and Adult Services**

4.1.1 **Maintaining Fabric**

Currently in house provision for short breaks for adults with learning disabilities includes 5 respite services, one of which is 80 High Street, Starbeck, Harrogate. As a result of a reduction in the utilisation of the 6 beds at 80 High Street and the prohibitive costs of improving the fabric of the building, the decision has been taken to relocate the service to a vacant unit in the nearby Station View residential base in June 2019. This unit is to be redesigned to suit the short term rehabilitation/respite needs of the current users of the 80 High Street service with hoists, accessible changing bathrooms and separate lounge and kitchen facilities being provided. Proposed plans will also include a new sensory room which will be available for all existing users of the respite service and the users at Station View. There are no permanent beds at Station View

4.1.2 **Extra Care Schemes**

In the last quarter, the Executive has approved capital investment from within the existing Extra Care budget for the development of new extra care housing schemes at sites at Bentham, Helmsley and Filey. In December 2018, approval was also secured for the proposal to acquire part of the Whitby Hospital site for development as extra care provision and other service requirements. The budget has been rephased this quarter to reflect the updated forecast of spend for these four developments.

4.2 **Business and Environmental Services**

Highways Annual Programme

4.2.1 The Highways Annual Programme for 2018/19 was approved by the Executive in March 2018. The Highways service sets a rolling two-year capital works programme, the purpose of which is to reduce the financial risk of under-spending through greater flexibility of budgetary and programme management across the period. In July 2018, the Executive approved both the use of the 2017/18 carry forwards in 2018/19 and a draft 2019/20 programme. The latter will be updated in line with progress of the 2018/19 programme, for which final approval will be sought in February/March 2019.

4.2.2 **Additional Highways Capital Maintenance Funding announced in the Chancellor's Budget 2018**

In the 2018 Budget the Chancellor of the Exchequer announced the allocation of an additional £420m in this year for local highways maintenance. The expectation is that this funding will be expended by the end of this financial year and, as such, local authorities are required 'to publish a brief note on its website by the end of

March 2019, copied to the Department for Transport, setting out how the funding allocated to authorities earlier this financial year and this new extra funding has been utilised.'

- 4.2.3 North Yorkshire's additional allocation is £13.1m and is based on the DfT's existing local highways maintenance capital funding needs element formula which takes into account the highway assets for which the local authority is responsible. The original needs element funding received for 2018/19 was £23.9m.
- 4.2.4 A report setting out the proposals for the use of the additional funding is due to be considered at the meeting of the Corporate Director (BES) and Executive Members on 25 January 2019. As these proposals have, at the time of writing, not yet been endorsed, it is not possible to update the Capital Plan to reflect both the additional allocation and the rephasing of any funding sources. Once approved, it will be added to the Capital Plan.

Junction 47

- 4.2.5 The proposed signalisation and local safety scheme on the A1(M) Junction 47 is to be funded by a combination of Local Growth Fund (£2.47m) and National Productivity Investment Fund (£1.2m). The improvements will increase capacity at the junctions through the provision of widened approaches and traffic signal control, removing or reducing the incidents of traffic queuing back on to the A1(M) and on the A59 approaches to the junction.
- 4.2.6 An enhanced scheme is being progressed with additional funding from a local developer (£1.0m) and the Highways England Growth and Housing Fund (£563.0k). The latter is dependent upon the Council securing the developer contribution. It is anticipated that the necessary legal arrangements will be in place in time for the full £1.0m developer contribution to be received by the Council early in the new year. As such, both elements of funding for the enhanced scheme have been added to the Capital Plan this quarter.

Waste

- 4.2.7 Construction of the Kirby Misperton Waste Transfer Station commenced on 25 September 2018 and is targeted for completion in June 2019. Commencement of construction has allowed the service to review the projected spend profile and, as a result, £339.7k of spend previously predicted to occur in the 2018/19 financial year has been rephased to future years. Outturn is predicted to be within the amount allocated in the Capital Plan.
- 4.2.8 The household waste recycling centre budget has been rephased in full to 2019/20 as a result of a lack of progress in 2018/19. It is anticipated that sites other than Catterick Bridge will be progressed in the future.
- 4.2.9 A budget of £15k per annum has been added to the Capital Plan for the purchase of steps and gantries for the household waste recycling centres. These are to be funded from revenue contributions to capital.

4.3 Children and Young People's Service

Basic Need Programme

- 4.3.1 Following the review of the Basic Need Programme earlier in the year, changes in priorities relating to the provision of additional school places across the county has led to the removal of a number of schemes from the programme and the inclusion of others. This has had the effect of delaying spend and, as a result, £7.3m originally expected to be committed in 2018/19, is now forecast to be spent in 2019/20.
- 4.3.2 In addition, a total of £2.3m of s106 housing developer contributions have been received for use at specific schools but which remain uncommitted - of this, £1.3m relates to school sites where, at the present time, pupil forecasts do not support the need to extend. As such this funding has been earmarked for future new Basic Need schemes to be undertaken in 2019/20.
- 4.3.3 £352k of infrastructure funding has been received from the housing development company currently developing the land to the north of Northallerton. The need for a new primary school to facilitate this site has been identified and feasibility work is to commence which will be funded from this source.

School Condition Programme

- 4.3.4 The School Condition Programme is produced on an annual basis and is funded from the annual grant allocation. Due to delays in progressing schemes to design and then build stages it has been identified in Q3 that a number of schemes will not progress as expected. As a result, £4.5m of expenditure anticipated in 2018/19 is not now expected until 2019/20. Of this, £2.0m was a contingency budget set aside to meet the cost of potentially higher than anticipated tender prices; £1.0m relates to Portable Classroom Units contingency and schemes; £0.5m is unallocated Healthy Pupils Capital Fund; and £0.4m relates to the capital scheme at the Forest School.
- 4.3.5 Proposals for the use of the Healthy Pupils Capital Fund were recently approved by the Schools Forum with £135k being set aside for cookery and gardening projects in schools and £463.1k for school-led projects. Timescales suggest that the school-led project bids will be submitted, at the earliest, by the end of March 2019 and assessed in the summer term. This element of the funding has therefore been rephased to 2019/20.

School Reorganisation

- 4.3.6 The remaining budget in the Capital Plan is a combination of both allocated and unallocated amounts. Funded from the School Condition Grant, £200k has been allocated to a scheme at Braeburn Primary School to create a link corridor between the infant and junior buildings following their amalgamation. This is a school-led scheme and the expectation is that the works will now be completed in 2019/20 resulting in the rephasing of the funding from 2018/19.
- 4.3.7 The remaining unallocated budget of £388k has been identified for the Moorside Infant and Junior Schools amalgamation scheme. Capital works are required to the junior site to accommodate the children and staff vacating the infant site. Budget for the creation of the Mowbray Special School satellite provision on the infant site will be determined in 2019/20.

Capital Planned Maintenance Programme 2018/19

- 4.3.8 The 2018/19 programme of work has been delivered as planned leaving a small amount yet to be committed, while the contributions from schools have been higher than initially expected. As a result, £500k of funding originally identified for use in 2018/19 will now be utilised in 2019/20.

Children's Resource Centre Review

- 4.3.9 Plans to develop the Nidderdale Children's Resource Centre in Harrogate, introduce an Outreach Service in Skipton and close the two Children's Resource Centres in Skipton and Starbeck, Harrogate were approved by the Executive in July 2018.
- 4.3.10 Capital funding to deliver the necessary building works at the Nidderdale site has been secured by redirecting the residual uncommitted Aiming High for Disabled Children – Short Breaks Grant of £268k and the Executive approving the allocation of £203k from the Strategic Capacity Reserve. . Works on site are expected to commence in April 2019 with a completion date three to four months later. This is reflected in the Capital Plan this quarter.

Sport England Grant (Self Help Schemes)

- 4.3.11 The Council has secured, on behalf of Caedmon School, a £100k grant from Sport England towards the resurfacing of the multi-use games area. The school has sourced the required match funding of £100k and the work is now complete. The grant has been added to the Capital Plan this quarter.

Additional Devolved Formula Capital for Schools

- 4.3.12 The Chancellor, in the last Budget Statement, announced additional capital funding for schools. It is expected that this will take the form of an addition to the Devolved Formula Capital Grant. As such, it is not possible to add this to the Capital Plan until the individual school allocations have been announced as expected in Spring 2019.

4.4 Central Services

County Hall Redevelopment

- 4.4.1 The budget for the scheme to redevelop office accommodation in Northallerton has now been included. This includes work to provide a new data centre at the County Hall site which is estimated to cost £880k with the bulk of the funding being met from a Reserve specifically established for this purpose and a revenue contribution from Technology and Change of £150k. The data centre is expected to be completed in the summer of 2019.
- 4.4.2 Funding of £5.6m for the maintenance and refurbishment of the County Hall site was approved by the Executive in April 2018. Works are expected to be completed in the spring of 2021 with the demolition of East Block and the subsequent works to car parking provision.

New Ways of Working and ICT Infrastructure

- 4.4.3 Both budgets have been partially rephased to 2019/20 in light of latest forecasts.

Material Damage Provision

- 4.4.4 Further to a review of expenditure to date, the budget has been reduced from £500k to £250k this quarter.

Commercial Investments

- 4.4.5 In August 2017, the Executive approved an alternative investment framework, with £50m of Core Cash funds earmarked for longer term commercial investment. The £50m limit was subsequently increased to £60m following a report to Executive on 15 January 2019.
- 4.4.6 The County Council has directly invested in two commercial properties as part of the alternative investment framework – a Bank Unit in Stafford Town Centre (£0.9m) and Harrogate Royal Baths (£9.6m). The investment in commercial property is classed as capital expenditure. As commercial investments are funded from core cash balances, the investments are effectively funded from internal borrowing for capital accounting purposes. As a result, expenditure on commercial property investments will be included in the calculation of the Capital Financing Requirement (CFR). When the County Council ultimately disinvests and sells the properties, the income will be classed as a capital receipt and applied to reduce the CFR. The County Council has not borrowed to fund commercial investment through loans from PWLB or money markets.
- 4.4.7 The County Council has also invested £6m in Property Funds, pooled investment vehicles investing in commercial property, which are classed as treasury management investments. While investments in Property Funds are not classed as capital expenditure, due to the nature of the funds when the County Council disinvests in the funds and its original investment is repaid, it will be classed as a capital receipt and accounted for accordingly.

5.0 Removal of Unused Later Years Budgets funded from Borrowing

5.1 School Reorganisation

With the allocation of the School Condition Grant funded element being fully allocated to schemes, there remains a net budget of £217.3k in Later Years. The service is planning to meet the cost of any new reorganisation related works in the future from the annual grant funding it receives and so has no requirement for this budget.

5.2 Highways

The net budget in Later Years of £977.8k is historical and there is no longer a commitment for this to be required in the Capital Plan. The Highways annual programme is fully funded from grant funding and contributions.

- 5.3 It is proposed that these budgets, totalling £1.2m, be removed from the Capital Plan this quarter. This reduces the County Council's capital financing requirement by £1.2m, resulting in an ongoing MRP saving of £48k per annum over 25 years. In addition there is an ongoing saving of £7k per annum should we have borrowed internally. Had external borrowing have been required, this would have resulted in a saving of £33k per annum based on a PWLB maturity rate of 2.72% over 25 years.

6.0 Impact of Changes on the Financing of the Capital Plan and Availability of Capital Resources

6.1 The financing of the updated Capital Plan is set out in **Appendix F** with a summary shown below:

Source	2018/19	2019/20	2020/21	2021/22	Later years
	£k	£k	£k	£k	£k
Forecast Sources of Finance					
Borrowing	18,074	5,163	-4,162	6,299	14,235
Grants and Contributions	99,632	104,805	79,034	9,347	8,664
Schemes financed from Revenue	11,350	26,337	9,467	4,542	3,609
Capital Receipts	2,744	6,330	10,129	1,389	13,279
Total Forecast Capital Funding	131,800	142,635	94,468	21,577	39,787
- Updated Capital Plan (paragraph 3.4)	-132,759	-137,640	-92,598	-21,825	-37,810
Potential Unallocated Capital Resources	-959	4,995	1,870	-248	1,977
Total potentially available over full Capital Plan period	£7,635				

6.2 The above table indicates that there is potentially £7.6m of unallocated capital funding that might (depending upon the realisation of forecast capital receipts) become available over the Capital Plan period.

6.3 In February 2016, Executive approved the earmarking of £7.5m to CYPS in support of the Basic Need Programme. Capital funding was allocated to address the funding gap identified in relation to the number of additional primary school places required to meet the Council's statutory duty and the level of funding made available by the DfE to provide those additional places. However, officers have continued to identify ways of reducing costs and maximising DfE and other capital funding sources. As a result, the assumptions upon which the approval was originally made are being reviewed and will be reflected in the 2018/19 outturn position.

6.4 Some of the forecast receipts making up this 'Corporate Capital Pot' are not expected to be realised for some time yet. As a result, the availability of this unallocated funding is speculative in terms of both timing and amount. Against this background any material spending of the 'pot' combined with significant reductions in the expected value of potential capital receipts in the pipeline could result in the Corporate Capital Pot being 'overdrawn'. This scenario would also result in additional Prudential Borrowing being required to finance the existing Capital Plan.

- 6.5 Assuming the forecasts remain accurate, this unallocated resource could be made available for either:
- (a) new capital investment (ie additional schemes), or
 - (b) reducing prudential (unsupported) borrowing and therefore achieving financing cost savings in the Revenue Budget, or
 - (c) holding for the time being with no immediate decision to either spend or reduce borrowing. This course of action would result in additional short-term interest being earned within Corporate Miscellaneous.
- 6.6 Members have previously agreed to adopt option (c) above and retain any surplus capital funding for the time being.

7.0 RECOMMENDATIONS

7.1 The Executive is recommended to:

- (a) approve the updated Capital Plan, summarised at **Appendix E** which incorporates a number of specific refinements reported in **paragraph 4**
- (b) agree that no action be taken at this stage to allocate any further additional capital resources (**paragraph 6.4**)
- (c) recommend to the County Council that the Q3 2018/19 Capital Plan, as summarised in **Appendices A to E** be adopted.

Gary Fielding Corporate Director - Strategic Resources

Central Services, County Hall, Northallerton

CAPITAL PLAN APPENDICES

Appendix A	Health and Adult Services
Appendix B	Business and Environmental Services
Appendix C	Children and Young People's Service
Appendix D	Central Services
Appendix E	Summary of Capital Plan and changes since last Capital Plan update
Appendix F	Financing of Capital Plan

HEALTH AND ADULT SERVICES

ITEM	2018/19 CAPITAL BUDGET MONITORING - POSITION TO 31 DECEMBER 2018						
	Total	Expenditure	2018/19	2019/20	2020/21	2021/22	Later Years
	£000	to 31.3.18 £000	£000	£000	£000	£000	£000
GROSS EXPENDITURE							
Maintaining Fabric / Facilities of Properties	1,974	-	470	390	390	310	414
"Draft Care and Support Where I Live Strategy" Extra Care Scheme (Invest to Save)	13,281	-	1,060	1,370	-	7,652	3,199
"Draft Care and Support Where I Live Strategy" Older People Resource Centre	1,998	-	-	-	-	-	1,998
"Valuing People" Day Service Provision	345	-	-	-	-	-	345
TOTAL GROSS SPEND	17,598	-	1,530	1,760	390	7,962	5,956
Last Update	17,598	-	1,990	1,390	390	7,872	5,956
CAPITAL GRANTS & CONTRIBUTIONS							
Capital Grants							
- PSS Capital Grant	1,556 CR	-	470 CR	390 CR	390 CR	306 CR	-
Revenue Contributions							
- Revenue Contributions - PIP Funding	3,999 CR	-	1,060 CR	1,370 CR	-	1,569 CR	-
TOTAL GRANTS AND CONTRIBUTIONS	5,555 CR	-	1,530 CR	1,760 CR	390 CR	1,875 CR	-
Last Update	5,555 CR	-	1,990 CR	1,390 CR	390 CR	1,785 CR	-
TOTAL NET EXPENDITURE	12,042	-	-	-	-	6,087	5,956
Last Update	12,042	-	-	-	-	6,087	5,956

BUSINESS AND ENVIRONMENTAL SERVICES

ITEM	2018/19 CAPITAL BUDGET MONITORING - POSITION TO 31 DECEMBER 2018						
	Total	Expenditure to 31.3.18	2018/19	2019/20	2020/21	2021/22	Later Years
	£000	£000	£000	£000	£000	£000	£000
GROSS EXPENDITURE							
ANNUAL PROGRAMMES							
Structural Maintenance	125,026	-	41,309	44,020	39,698	-	-
Integrated Transport	9,422	-	3,376	3,023	3,023	-	-
New and Replacement Road Lighting Columns	11,511	-	4,229	7,282	-	-	-
Regional Funding Allocation	14,319	13,568	-	150	-	-	601
MAJOR PROJECTS							
Kex Gill Realignment	4,950	-	1,000	2,200	1,750	-	-
A1 Dishforth to Leeming	18	18	-	-	-	-	-
Junction 47 Improvements	5,233	-	1,800	3,433	-	-	-
Bedale-Aiskew-Leeming Bar Major Scheme	25,651	24,662	181	301	73	33	402
A174 Sandsend Slope Stabilisation	7,024	7,005	9	5	5	-	-
SERVICE IMPROVEMENT PROJECTS							
Waste Management Service	1,187	245	15	801	15	15	95
Waste Procurement Project	5,632	1,458	3,255	919	-	-	-
Mobile Infrastructure Programme	1,000	-	500	500	-	-	-
LOCAL ENTERPRISE PARTNERSHIP							
Local Growth Deal	85,272	26,839	29,006	9,456	19,973	-	-
LEP Growing Places Fund (Grant)	8,811	8,241	88	482	-	-	-
LEP Growing Places Fund (Grant Reinvested)	10,557	-	-	3,037	1,000	1,000	5,520
TOTAL GROSS SPEND	315,615	82,037	84,768	75,609	65,536	1,048	6,618
Last Update	315,847	82,134	98,564	63,663	62,528	1,019	7,940
CAPITAL GRANTS & CONTRIBUTIONS							
Capital Grants							
- Local Transport Plan Grant	97,909 CR	2,242 CR	31,889 CR	31,889 CR	31,889 CR	-	-
- National Productivity Investment Fund	4,700 CR	-	264 CR	4,436 CR	-	-	-
- Safer Roads Fund	11,482 CR	-	475 CR	2,970 CR	8,037 CR	-	-
- Highways England Grant	563 CR	-	-	563 CR	-	-	-
- BALB	23,140 CR	23,140 CR	-	-	-	-	-
- EA Grant	4,763 CR	4,763 CR	-	-	-	-	-
- RFA Grant	12,552 CR	12,376 CR	-	69 CR	-	-	107 CR
- Waste Capital Grants	446 CR	-	-	446 CR	-	-	-
- LEP Growing Places Fund	8,663 CR	8,093 CR	-	570 CR	-	-	-
- DfT Grant	6,395 CR	-	4,758 CR	1,637 CR	-	-	-
- Local Growth Deal	111,330 CR	42,491 CR	35,844 CR	13,022 CR	19,973 CR	-	-
Other Capital Grants	50 CR	-	50 CR	-	-	-	-
Capital Contributions	2,025 CR	51 CR	1,974 CR	-	-	-	-
S106 Contributions	494 CR	-	-	-	-	-	494 CR
LEP Growing Places Fund Loan Repayments	10,557 CR	-	88 CR	2,949 CR	1,000 CR	1,000 CR	5,520 CR
Revenue Contributions							
- Road Lighting Columns	10,900 CR	-	3,618 CR	7,282 CR	-	-	-
- BALB (PIP)	2,402 CR	1,413 CR	181 CR	301 CR	73 CR	33 CR	402 CR
- Structural Maintenance of Roads	18,700 CR	8,595 CR	1,303 CR	6,001 CR	2,801 CR	-	-
- Other Revenue Contributions	6,069 CR	571 CR	1,068 CR	2,555 CR	1,765 CR	15 CR	95 CR
TOTAL GRANTS AND CONTRIBUTIONS	333,139 CR	103,735 CR	81,513 CR	74,690 CR	65,536 CR	1,048 CR	6,618 CR
Last Update	332,345 CR	103,784 CR	94,969 CR	63,083 CR	62,528 CR	1,019 CR	6,962 CR
TOTAL NET EXPENDITURE	17,524 CR	21,698 CR	3,255	919	-	-	-
Last Update	16,498 CR	21,650 CR	3,595	580	-	-	978

CHILDREN AND YOUNG PEOPLE'S SERVICE

ITEM	2018/19 CAPITAL BUDGET MONITORING - POSITION TO 31 DECEMBER 2018						
	Total	Expenditure	2018/19	2019/20	2020/21	2021/22	Later Years
	£000	to 31.3.18 £000	£000	£000	£000	£000	£000
GROSS EXPENDITURE							
NYCC MANAGED SCHOOL SCHEMES							
Basic Need Schemes	64,563	-	5,711	27,656	9,017	6,981	15,199
School Condition Schemes	44,917	-	10,323	17,500	10,167	-	6,927
Capital Maintenance Programme	5,254	-	4,754	500	-	-	-
General Compliance & Health and Safety	403	-	389	14	-	-	-
School Reorganisation	200	-	-	200	-	-	-
Strategic Management of Capital	621	-	621	-	-	-	-
SCHOOL MANAGED SCHEMES							
Self Help Schemes	12,100	-	3,100	3,000	3,000	3,000	-
Devolved Formula Capital Grant Funding	5,971	-	1,291	1,560	1,560	1,560	-
NYCC NON-SCHOOL MANAGED SCHEMES							
Catering Equipment	960	-	240	240	240	240	-
Prevention & Commissioning	621	-	621	-	-	-	-
Integrated System for Children's Services	2	-	2	-	-	-	-
Social Care Maintaining Fabric - No Wrong Door	3	-	3	-	-	-	-
Aiming High for Disabled Children - Short Breaks	480	-	62	418	-	-	-
TOTAL GROSS SPEND	136,095	-	27,117	51,088	23,983	11,781	22,125
Last Update	135,608	-	41,882	35,351	23,983	11,781	22,611
CAPITAL GRANTS & CONTRIBUTIONS							
NYCC MANAGED SCHOOL SCHEMES							
Capital Grants							
- Basic Need Grant	23,508 CR	-	3,451 CR	12,819 CR	2,890 CR	4,044 CR	304 CR
- Devolved Capital Grant	313 CR	-	313 CR	-	-	-	-
- School Condition Grant	42,323 CR	-	15,319 CR	17,004 CR	10,000 CR	-	-
- Special Provision Capital Fund Grant	616 CR	-	108 CR	342 CR	167 CR	-	-
- Healthy Pupils Capital Fund Grant	608 CR	-	140 CR	468 CR	-	-	-
- Other Capital Grants	82 CR	-	82 CR	-	-	-	-
Capital Contributions							
- Section 106 Income	31,482 CR	-	1,920 CR	15,237 CR	3,629 CR	2,937 CR	7,759 CR
- Other Capital Contributions	1 CR	-	1 CR	-	-	-	-
Revenue Contributions							
- Early Years Revenue Contributions	416 CR	-	416 CR	-	-	-	-
- Other Revenue Contributions	49 CR	-	49 CR	-	-	-	-
SCHOOL MANAGED SCHEMES							
Capital Grants							
- Devolved Capital Grant	5,971 CR	-	1,291 CR	1,560 CR	1,560 CR	1,560 CR	-
- Sport Organisation Grants	100 CR	-	100 CR	-	-	-	-
Capital Contributions							
- Self Help Capital Contributions	2,000 CR	-	500 CR	500 CR	500 CR	500 CR	-
- School Budgets Revenue Contributions	10,000 CR	-	2,500 CR	2,500 CR	2,500 CR	2,500 CR	-
NYCC NON-SCHOOL MANAGED SCHEMES							
Capital Grants							
- Other Capital Grants	890 CR	-	683 CR	206 CR	-	-	-
Revenue Contributions							
- Catering Equipment	960 CR	-	240 CR	240 CR	240 CR	240 CR	-
- Other Revenue Contributions	217 CR	-	5 CR	212 CR	-	-	-
TOTAL GRANTS AND CONTRIBUTIONS	119,535 CR	-	27,117 CR	51,088 CR	21,486 CR	11,781 CR	8,063 CR
Last Update	118,830 CR	-	41,882 CR	35,351 CR	21,486 CR	11,781 CR	8,331 CR
TOTAL NET EXPENDITURE	16,560	-	-	-	2,498	-	14,062
Last Update	16,777	-	-	-	2,498	-	14,280

CENTRAL SERVICES

ITEM	2018/19 CAPITAL BUDGET MONITORING - POSITION TO 31 DECEMBER 2018						
	Total	Expenditure to 31.3.18	2018/19	2019/20	2020/21	2021/22	Later Years
	£000	£000	£000	£000	£000	£000	£000
GROSS EXPENDITURE							
Public Access to Buildings for Disabled	856	856	-	-	-	-	-
Control of Legionella	397	397	-	-	-	-	-
Bright Office Strategy Schemes	6,827	6,827	-	-	-	-	-
County Hall Redevelopment	6,444	-	498	3,422	2,089	435	-
Library Schemes	28	-	28	-	-	-	-
ICT Infrastructure (FCS)	1,700	-	900	800	-	-	-
New Ways of Working	2,843	-	400	2,443	-	-	-
NY Data Observatory	132	132	-	-	-	-	-
Super Fast Broadband Scheme	840	154	-	686	-	-	-
Oracle Upgrade	2,428	2,416	12	-	-	-	-
Purchase of Vehicles, Plant & Equipment	400	-	100	100	100	100	-
Affordable Housing Fund	5,298	5,298	-	-	-	-	-
Material Damage Provision	1,750	-	250	500	500	500	-
Traveller's Sites	1,463	1,463	-	-	-	-	-
South Cliff, Scarborough	3,112	-	-	-	-	-	3,112
Capital Investments	10,522	-	10,522	-	-	-	-
Loans to Limited Companies	22,987	15,124	6,633	1,230	-	-	-
Investments in Limited Companies	500	500	-	-	-	-	-
TOTAL GROSS SPEND	68,527	33,166	19,343	9,182	2,689	1,035	3,112
Last Update	62,333	33,166	22,339	2,516	600	600	3,112
CAPITAL GRANTS & CONTRIBUTIONS							
Capital Grants							
- Travellers' Sites	346 CR	346 CR	-	-	-	-	-
- Regional Improvement Grant	132 CR	132 CR	-	-	-	-	-
- Performance Reward Grant	800 CR	124 CR	-	676 CR	-	-	-
Loans to Limited Companies Repayments	26,484 CR	9,701 CR	389 CR	389 CR	8,389 CR	389 CR	7,229 CR
Revenue Contributions							
- from Pending issues Provision for BOS schemes	2,576 CR	2,576 CR	-	-	-	-	-
- Revenue Funded Capital Programme	8,383 CR	2,416 CR	412 CR	2,443 CR	-	-	3,112 CR
- Revenue Contribution - County Hall Redevelopment	6,044 CR	-	448 CR	3,372 CR	2,039 CR	185 CR	-
- Other Revenue Contributions	1,064 CR	903 CR	50 CR	61 CR	50 CR	-	-
TOTAL GRANTS AND CONTRIBUTIONS	45,830 CR	16,198 CR	1,299 CR	6,941 CR	10,477 CR	574 CR	10,341 CR
Last Update	50,158 CR	16,198 CR	13,766 CR	1,075 CR	8,389 CR	389 CR	10,341 CR
TOTAL NET EXPENDITURE	22,697	16,968	18,045	2,241	7,789 CR	461	7,229 CR
Last Update	12,175	16,968	8,573	1,441	7,789 CR	211	7,229

EXECUTIVE SUMMARY

2018/19 CAPITAL BUDGET MONITORING - POSITION TO 31 DECEMBER 2018

	2018/19	2019/20	2020/21	2021/22	Later Years
	£k	£k	£k	£k	£k
Gross Expenditure					
Health & Adult Services	1,530.1	1,760.1	390.0	7,961.8	5,955.5
Business & Environmental Services	84,767.8	75,609.1	65,536.3	1,047.6	6,617.7
Children & Young People's Service	27,117.4	51,088.2	23,983.2	11,781.0	22,125.2
Central Services	19,343.3	9,182.2	2,688.5	1,035.0	3,112.0
	132,758.6	137,639.6	92,598.0	21,825.4	37,810.4
Grants & Contributions					
Health & Adult Services	1,530.1 CR	1,760.1 CR	390.0 CR	1,874.9 CR	-
Business & Environmental Services	81,512.8 CR	74,690.0 CR	65,536.3 CR	1,047.6 CR	6,617.7 CR
Children & Young People's Service	27,117.4 CR	51,088.2 CR	21,485.6 CR	11,781.0 CR	8,062.7 CR
Central Services	1,298.8 CR	6,940.8 CR	10,477.2 CR	573.7 CR	10,341.2 CR
	111,459.1 CR	134,479.1 CR	97,889.1 CR	15,277.2 CR	25,021.6 CR
Net Expenditure					
Health & Adult Services	-	-	-	6,086.9	5,955.5
Business & Environmental Services	3,255.0	919.1	-	-	-
Children & Young People's Service	-	-	2,497.6	-	14,062.5
Central Services	18,044.5	2,241.4	7,788.7 CR	461.3	7,229.2 CR
	21,299.5	3,160.5	5,291.1 CR	6,548.2	12,788.8

SUMMARY OF CHANGES SINCE THE LAST CAPITAL PLAN UPDATE	2018/19	2019/20	2020/21	2021/22	Later Years
	£k	£k	£k	£k	£k
Last Capital Plan approved by Executive	164,774.5	102,919.9	87,500.8	21,272.2	39,617.8
Variations in Self Funded Schemes	8,943.3 CR	4,603.4	2,103.5	200.0	743.8 CR
Rephasing of Expenditure Between Years					
Quarter Variations					
- Self Funded	32,204.6 CR	28,976.3	2,993.7	103.2	131.4
- Net Expenditure	1,140.0 CR	1,140.0	-	-	-
Total Rephasing Between Years	33,344.6 CR	30,116.3	2,993.7	103.2	131.4
Other Funding Approvals	10,272.0	-	-	250.0	1,195.1 CR
Updated Gross Capital Spend	132,758.6	137,639.6	92,598.0	21,825.4	37,810.3
Grants & Contributions	111,459.1 CR	134,479.1 CR	97,889.1 CR	15,277.2 CR	25,021.6 CR
Net Expenditure	21,299.5	3,160.5	5,291.1 CR	6,548.2	12,788.7

SUMMARY OF CHANGES TO THE CAPITAL PLAN AT DIRECTORATE LEVEL

HEALTH & ADULT SERVICES	2018/19	2019/20	2020/21	2021/22	Later Years
	£k	£k	£k	£k	£k
Last Capital Plan approved by Executive	1,990.0	1,390.0	390.0	7,872.0	5,955.5
Rephasing of Expenditure Between Years					
Quarter Variations					
- Self Funded	459.9 CR	370.1	-	89.8	-
- Net Expenditure	-	-	-	-	-
Total Rephasing Between Years	459.9 CR	370.1	-	89.8	-
Updated Gross Capital Spend	1,530.1	1,760.1	390.0	7,961.8	5,955.5
Grants & Contributions	1,530.1 CR	1,760.1 CR	390.0 CR	1,874.9 CR	-
Net Expenditure	-	-	-	6,086.9	5,955.5

BUSINESS & ENVIRONMENTAL SERVICES	2018/19	2019/20	2020/21	2021/22	Later Years
	£k	£k	£k	£k	£k
Last Capital Plan approved by Executive	98,564.1	63,662.7	62,527.6	1,019.2	7,939.5
Variations in Schemes Self Funded Schemes	1,015.0	542.0	15.0	15.0	743.8 CR
Rephasing of Expenditure Between Years					
Quarter Variations					
- Self Funded	14,471.6 CR	11,064.7	2,993.7	13.4	399.8
- Net Expenditure	339.7 CR	339.7	-	-	-
Total Rephasing Between Years	14,811.3 CR	11,404.4	2,993.7	13.4	399.8
Other Funding Approvals	-	-	-	-	977.8 CR
Updated Gross Capital Spend	84,767.8	75,609.1	65,536.3	1,047.6	6,617.7
Grants & Contributions	81,512.8 CR	74,690.0 CR	65,536.3 CR	1,047.6 CR	6,617.7 CR
Net Expenditure	3,255.0	919.1	-	-	-

CHILDREN & YOUNG PEOPLE'S SERVICE	2018/19	2019/20	2020/21	2021/22	Later Years
	£k	£k	£k	£k	£k
Last Capital Plan approved by Executive	41,881.6	35,351.0	23,983.2	11,781.0	22,610.8
Variations in Schemes Self Funded Schemes	65.5	639.1	-	-	-
Rephasing of Expenditure Between Years					
Quarter Variations					
- Self Funded	14,829.7 CR	15,098.1	-	-	268.4 CR
- Net Expenditure	-	-	-	-	-
Total Rephasing Between Years	14,829.7 CR	15,098.1	-	-	268.4 CR
Other Funding Approvals	-	-	-	-	217.3 CR
Updated Gross Capital Spend	27,117.4	51,088.2	23,983.2	11,781.0	22,342.4
Grants & Contributions	27,117.4 CR	51,088.2 CR	21,485.6 CR	11,781.0 CR	8,062.7 CR
Net Expenditure	-	-	2,497.6	-	14,279.7

CENTRAL SERVICES	2018/19	2019/20	2020/21	2021/22	Later Years
	£k	£k	£k	£k	£k
Last Capital Plan approved by Executive	22,338.8	2,516.2	600.0	600.0	3,112.0
Variations in Schemes Self Funded Schemes	10,023.8 CR	3,422.3	2,088.5	185.0	-
Rephasing of Expenditure Between Years					
Quarter Variations					
- Self Funded	2,443.4 CR	2,443.4	-	-	-
- Net Expenditure	800.3 CR	800.3	-	-	-
Total Rephasing Between Years	3,243.7 CR	3,243.7	-	-	-
Other Funding Approvals	10,272.0	-	-	250.0	-
Updated Gross Capital Spend	19,343.3	9,182.2	2,688.5	1,035.0	3,112.0
Grants & Contributions	1,298.8 CR	6,940.8 CR	10,477.2 CR	573.7 CR	10,341.2 CR
Net Expenditure	18,044.5	2,241.4	7,788.7 CR	461.3	7,229.2 CR

FINANCING OF CAPITAL PLAN

	Q3 2018/19				
	2018/19 £000s	2019/20 £000s	2020/21 £000s	2021/22 £000s	Later Yrs £000s
A FORECAST FUNDING AVAILABLE					
1 Borrowing					
Prudential (Unsupported) Borrowing	18,202	2,105	-4,650	600	-12,173
Rephased borrowing (capital expenditure & receipts slippage)	-128	3,058	488	5,699	26,408
	18,074	5,163	-4,162	6,299	14,235
2 Capital Grants and Contributions					
Health & Adult Services	470	390	390	306	0
Business & Environmental Services	75,255	55,602	59,898	0	601
Children & Young People's Service	23,907	48,137	18,746	9,041	8,063
Central Services	0	676	0	0	0
	99,632	104,805	79,034	9,347	8,664
3 Schemes financed from Revenue					
Health & Adult Services	1,060	1,370	0	1,569	0
Business & Environmental Services	6,170	16,139	4,638	48	497
Children & Young People's Service	3,210	2,952	2,740	2,740	0
Central Services	910	5,876	2,089	185	3,112
	11,350	26,337	9,467	4,542	3,609
4 Capital Receipts available to finance Capital Spending					
Other capital receipts from sale of properties	2,267	2,993	740	0	530
LEP Growing places loan repayment (classed as capital receipts)	88	2,949	1,000	1,000	5,520
Company Loan repayments (treated as capital receipts)	389	389	8,389	389	7,229
	2,744	6,330	10,129	1,389	13,279
= Total Forecast Funding Available	131,800	142,635	94,468	21,577	39,787
B CAPITAL PLAN Updated gross spend	-132,759	-137,640	-92,598	-21,825	-37,810
C FUNDING REMAINING	-959	4,996	1,870	-249	1,977
D TOTAL FUNDING REMAINING					7,635

NORTH YORKSHIRE COUNTY COUNCIL**EXECUTIVE
29 JANUARY 2019
TREASURY MANAGEMENT****Report of the Corporate Director – Strategic Resources****1.0 PURPOSE OF THE REPORT**

- 1.1 To recommend to the County Council an updated Annual Treasury Management Strategy for the financial year 2019/20 which incorporates:
- a) the Annual Investment Strategy;
 - b) a Minimum Revenue Provision Policy;
 - c) a policy to cap Capital Financing costs as a proportion of the annual Net Revenue Budget.
 - d) an updated set of Prudential Indicators for the period 2019/20 to 2021/22
 - e) Capital Strategy

2.0 INTRODUCTION AND BACKGROUND

- 2.1 The County Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the County Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 2.2 The second main function of the treasury management service is the funding of the County Council's capital plans. These capital plans provide a guide to the borrowing need of the County Council, essentially the longer term cash flow planning, to ensure that the County Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion, any debt previously drawn may be restructured to meet County Council risk or cost objectives.
- 2.3 CIPFA defines treasury management as:

“The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

2.4 'Investments' in the definition above covers all the financial assets of the organisation, as well as other non-financial assets which the organisation holds primarily for financial returns, such as investment portfolios. This may therefore include investments which are not managed as part of normal treasury management or under treasury management delegations. All investments require an appropriate investment management and risk management framework under the Code.

3.0 **TREASURY MANAGEMENT POLICY STATEMENT**

3.1 The CIPFA Code of Practice on Treasury Management (as updated in 2017) requires the County Council to approve:

- a) a **Treasury Management Policy Statement** (TMPS) stating the County Council's policies, objectives and approach to risk management of its Treasury Management activities;
- b) a framework of suitable **Treasury Management Practices** (TMPs) setting out the manner in which the County Council will seek to achieve the policies and objectives set out in (a) and prescribing how it will manage and control those activities. The Code recommends 12 TMPs.
- c) a **Capital Strategy** setting out a high level overview of how capital expenditure, capital financing and treasury management contribute to the provision of Corporate and service objectives

3.2 The TMPS is attached as **Appendix A** and reflects only very minor changes for 2019/20.

3.3 The 12 TMPs recommended by the code were approved by the Audit Committee on 6 December 2012.

4.0 **ANNUAL TREASURY MANAGEMENT AND INVESTMENT STRATEGY AND MINIMUM REVENUE PROVISION POLICY 2019/20**

4.1 **TREASURY MANAGEMENT STRATEGY**

4.2 The County Council's "Authorised Limit for External Debt" is £537.2m for 2019/20, which is the maximum that can be borrowed in the year. The County Council's "Operational Boundary" is £517.2m for 2019/20, which is the maximum amount that is expected to be borrowed. Prudential indicators are a number of key indicators, which are set to ensure that the County Council operates its activities within well-defined limits.

Long Term Debt Position

- 4.3 In **Section 10 of Appendix B**, reference is made to the long term debt position of the County Council and the attempts being made to reduce the consequential interest charge impact on the annual Revenue Budget.
- 4.4 The long term debt position of the County Council is essentially related to the level of capital expenditure undertaken. The forecast for the County Council's long term outstanding debt is demonstrated by the following table:-

@ Year End	Debt Outstanding £m
2017 actual	309.0
2018 actual	287.5
2019 forecast	285.1
2020 forecast	263.1
2021 forecast	236.0
2022 forecast	221.8

The figures above exclude other long term liabilities such as PFI contracts and finance leases which are regarded as debt outstanding for Prudential Indicator purposes.

- 4.5 The current Long Term debt position reflects the policy of internally financing capital expenditure from cash balances which, at some stage, will have to be reversed. Furthermore, the forecasts for 31 March 2019 and subsequent years and the Prudential Indicators relating to external debt are based on an assumption that the annual capital borrowing requirements for the years 2018/19 to 2021/22 being taken externally each year. Consideration will be given, however, to delaying external borrowing throughout this period and funding annual borrowing requirements from revenue cash balances (i.e. running down investments). This has the potential for achieving short-term revenue savings and also has the benefit of reducing investment exposure to credit risk. There is the potential; however, for incurring long term extra costs by delaying unavoidable new external borrowing until later years by which time PWLB long term rates are forecast to be significantly higher.
- 4.6 The revenue cost of servicing the debt which impacts directly on the Revenue Budget / Medium Term Financial Strategy will be about £23.9m in 2019/20; this consists of interest payments of £11.9m and a revenue provision for debt repayment of £12.0m.
- 4.7 The debt outstanding levels of the County Council are based on the current Capital Plan. Debt levels could be reduced further by :-
- curtailing fresh capital investment and removing/reducing Capital Plan provisions that remain funded from external prudential borrowing;
 - significantly increasing the Revenue Budget/MTFS provision for debt repayment above the agreed Prudential policy (about 4% of debt) that is currently made;
 - removing Capital Plan schemes funded by capital receipts and using those receipts, together with future additional receipts and the current corporate capital pot, for debt repayment, rather than new capital investment;

- d) funding total annual borrowing requirements from internal cash balances and running down investments, and
- e) external debt could also be prematurely repaid from internal cash balances and also running down investments.

4.8 MINIMUM REVENUE PROVISION (MRP) POLICY

The County Council is required to determine the amount of MRP it considers prudent for each financial year. The MRP Policy is based on the Government's statutory guidance and following review of this policy.

4.9 ANNUAL INVESTMENT STRATEGY

Credit Rating Criteria

4.10 The criteria for monitoring and assessing organisations (counterparties) to which the County Council may make investments (i.e. lend) are incorporated into the detailed Treasury Management Practices (TMPs) that support the Treasury Management Policy Statement (TMPS). Applying these criteria enables the County Council to produce an Approved Lending List of organisations in which it can make investments, together with specifying the maximum sum that at any time can be placed with each. The Approved Lending List is prepared, taking into account the advice of the County Council's Treasury Management Advisor, Link Asset Services – Treasury Solutions (Link Asset Services).

4.11 In order to minimise the risk to investments, the County Council will continue to apply a minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and avoidance of concentration risk. This approach has reflected the following:-

- a) a system of scoring each organisation using the Link Asset Services enhanced creditworthiness service. This service, revised to reflect continuing regulatory changes, uses a sophisticated modelling system that includes:
 - credit ratings published by the three credit rating agencies (Fitch, Moodys and Standard and Poor) which reflect a combination of components (long term and short term);
 - credit watches and credit outlooks from the rating agencies;
 - credit Default Swaps (CDS) spreads to give early warnings of likely changes in credit ratings; and
 - other information sources, including, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

All this information is then converted into a weighted credit score for each organisation and only those organisations with an appropriate score will fulfil the

County Council's minimum credit criteria. The score is then converted into the end product of a colour code which is used to determine the maximum investment term for an organisation.

- b) sole reliance is not placed on the information provided by Link Asset Services. In addition, the County Council also uses market data and information available from other sources such as the financial press and other agencies and organisations
- c) the following measures also continue to be actively taken into consideration:
 - institutions will be removed or temporarily suspended from the Approved Lending List if there is significant concern about their financial standing or stability; and
 - investment exposure will be concentrated with higher rated institutions wherever possible.

4.12 It is, therefore, proposed that the lending criteria, above, be utilised for 2019/20. These criteria are set out in full in the Annual Treasury Management and Investment Strategy 2019/20 (**Appendix B**).

Approved Lending List

4.13 The current Approved Lending List is attached to this report as Schedule C to the Annual Treasury Management and Investment Strategy 2019/20 (**Appendix B**). The List, however, continues to be monitored on an ongoing basis and changes made as appropriate by the Corporate Director – Strategic Resources to reflect credit rating downgrades/upgrades, mergers or market intelligence and rumours that impact on the credit 'score' and colour coding.

4.14 The changes reflected in the latest Approved Lending List compared with that submitted for 2018/19 in February 2018 are listed below. Please note that the analysis below is between the version provided last year and the proposed list for 2019/20 – it is a snapshot at a point in time. It is therefore possible that there will be in year changes that are not identified in this snapshot.

- a) organisations included on the Approved Lending List which will NOT be included for 2019/20

Organisation
Deutsche Bank
BNP Paribas Fortis
Nordea Bank AB
Canadian Imperial Bank of Commerce

- b) organisations who have been amended following the ring-fencing (Ring Fenced Bank – RFB, Non Ring Fenced Bank – NRFB) of UK retail banking

Organisation
Royal Bank of Scotland (RFB)
Natwest Bank (RFB)
Barclays Bank PLC (NRFB)
Barclays Bank UK PLC (RFB)
Bank of Scotland PLC (RFB)
Lloyds Bank PLC (RFB)
Lloyds Bank Corporate Markets PLC (NRFB)
HSBC Bank PLC (NRFB)
HSBC UK Bank PLC (RFB)

- c) organisations added to the Approved Lending List during 2018/19

Organisation
Sumitomo Mitsui
Toronto-Dominion Bank
Landesbank Hessen Thuringen Girozentrale (Helaba)
DBS (Singapore)

4.15 Local Authorities will continue to be included on the Approved Lending List for 2019/20. As a result of the way they are financed and their governance arrangements, Local Authorities are classed as having the highest credit rating.

4.16 The Debt Management Office (DMO), is a deposit account within HMT (regarded as lending to the Government), and continues to be included on the Approved Lending List.

Specified and Non Specified Investments

4.17 Utilising the assessment of credit quality, the criteria and investment limits for **specified investments** (a maximum of 365 days) are:

- institutions which are partially owned by the UK Government, (Part-Nationalised Banks), being limited to £75m;
- other institutions achieving suitable credit scores and colour banding being limited to a maximum investment limit of between £20m and £75m (actual duration and investment limit dependant on final score/colour); and
- all foreign bank transactions are in sterling and are undertaken with UK based offices.

4.18 The criteria for **Non Specified Investments** (for periods of more than 365 days) are:

- investments over 1 year to a maximum of 5 to 10 years with institutions which have suitable credit score; and

- the maximum amount for all non-specified investments is £5m with any one institution.

Following a review of Non Specified Investments, the limits for Non-Specified investments have been reviewed, in consultation with the County Council's Treasury Management advisers, to ensure the duration and investment limits are appropriate for the investment types defined in **Schedule B of Appendix A**.

Additional Types of Investment

- 4.19 The County Council may use various financial instruments for the prudent management of its treasury balances. These financial instruments have been reviewed and updated and are detailed in the list of Specified and Non Specified Investments at **Schedule B of Appendix A**. Deposits include a variety of products including fixed term deposits, Certificates of Deposit, Property Funds, Money Market Funds, Gilts, Bonds and Collateralised Deposits.
- 4.20 Alternative investment options are continually monitored and reviewed. Treasury Management staff continue to investigate further investments options to assess whether they meet the Council's investment priorities and criteria list.

Prudential Indicators

- 4.21 The CIPFA Prudential Code for Capital Finance in Local Authorities requires that capital spending plans are affordable, prudent and sustainable. This Code requires every local authority to set a range of Prudential Indicators. Appendix B, **Schedule E**, sets out the proposed updated Prudential Indicators with the addition of a further year 2021/22.

5.0 CAPITAL STRATEGY

- 5.1 The Capital Strategy provides a high level overview of how capital expenditure, capital financing and treasury management contribute to the provision of Corporate and service objectives and takes account of stewardship, value for money, prudence, sustainability and affordability. The Capital Strategy is included as **Appendix C** to this report.
- 5.2 The current economic environment is resulting in low returns on traditional treasury management investments. As a result, the County Council has adopted an alternative strategic approach to managing cash resources through alternative, non-core investments. It is anticipated that alternative investments will predominantly be considered capital expenditure and as such will included in the Capital Plan.
- 5.3 The Capital Strategy provides a projection of how capital expenditure plans, including alternative investment plans, impact on capital borrowing and repayment plans.
- 5.4 The County Council's Commercial Investment Board will identify, review and recommend alternative investment opportunities. An overall maximum exposure of £60m for alternative investments was approved by Executive on 15 January 2019 and at the end of March 2019 alternative investments are forecast to total £18.5m.
- 5.5 Non-core investments currently included in the Capital Plan are:-

- loans provided to its subsidiary companies; and
- Properties held for investment.

5.6 While the Commercial Investment Board is considering a range of investment options, no further non-core investments are currently included in the Capital Plan.

6.0 TRAINING

6.1 The CIPFA Code also requires that Members with responsibility for treasury management receive adequate training in treasury management. This especially applies to Members responsible for scrutiny (i.e. the Audit Committee). An in-house training course for Members (which was also attended by officers) was provided by Link Asset Services on 21 June 2018.

6.2 The training needs of the County Council's staff involved in investment management are monitored, reviewed and addressed on an on-going basis and are discussed as part of the staff appraisal process. In practice, most training needs are addressed through attendance at courses and seminars provided by CIPFA, the LGA and others on a regular ongoing basis.

7.0 TREASURY MANAGEMENT CONSULTANTS

7.1 The County Council uses Link Asset Services as its external treasury management advisors.

7.2 The County Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The County Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

8.0 REVIEW BY AUDIT COMMITTEE

8.1 In its scrutiny role of the County Council's Treasury Management policies, strategies and day-to-day activities, the Audit Committee receives regular Treasury Management reports. These reports provide Audit Committee Members with details of the latest Treasury Management developments, both at a local and national level and enable them to review Treasury Management arrangements and consider whether they wish to make any recommendations to the Executive.

8.2 As the County Council is required to approve an up to date Annual Treasury Management and Investment Strategy before the start of the new financial year, it is therefore not realistic for the Audit Committee to review this document in advance of

its submission to Executive and the subsequent consideration by County Council on 20 February 2019.

- 8.3 As in recent years it is therefore proposed that the Treasury Management Policy Statement (**Appendix A**) and updated Annual Treasury Management and Investment Strategy for 2019/20 (**Appendix B**) is submitted for review by the Audit Committee on 7 March 2019. Any resulting proposals for change would then be considered at a subsequent meeting of the Executive. If any such proposals were accepted and required a change to the (by then) recently approved Strategy document the Executive would submit a revised document to the County Council at its meeting on 15 May 2019.

9.0 ARRANGEMENTS FOR MONITORING / REPORTING TO MEMBERS

- 9.1 Taking into account the matters referred to in this report, the monitoring and reporting arrangements in place relating to Treasury Management activities are now as follows:
- a) an annual (i.e. this) report to Executive and County Council as part of the Budget process that sets out the County Council's **Treasury Management Strategy, Prudential Indicators and Capital Strategy** for the forthcoming financial year;
 - b) a mid year update of these Indicators as part of the Q1 Performance Monitoring report submitted to the Executive
 - 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;
 - d) a quarterly report on Treasury Management matters to Executive as part of the **Quarterly Performance and Budget 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; and
 - f) reports on proposed changes to the County Council's Treasury Management activities are submitted as required to the **Audit Committee** for consideration and comment.

10.0 RECOMMENDATIONS

10.1 That Members recommend to the County Council

- a) the Treasury Management Policy Statement as attached as **Appendix A**;

- b) the Annual Treasury Management and Investment Strategy for 2019/20 as detailed in **Appendix B** and Prudential Indicators attached as **Schedule E**, in particular;
- i. an authorised limit for external debt of £537.2m in 2019/20;
 - ii. an operational boundary for external debt of £517.2m in 2019/20;
 - iii. the Prudential and Treasury Indicators for 2019/20 to 2020/21
 - iv. a limit of £40m of the total cash sums available for investment (both in house and externally managed) to be invested in Non Specified Investments over 365 days;
 - v. a 10% cap on capital financing costs as a proportion of the annual Net Revenue Budget;
 - vi. a Minimum Revenue Provision (MRP) policy for debt repayment to be charged to Revenue in 2019/20
 - vii. the Corporate Director – Strategic Resources to report to the County Council if and when necessary during the year on any changes to this Strategy arising from the use of operational leasing, PFI or other innovative methods of funding not previously approved by the County Council;
- c) the Capital Strategy as attached as **Appendix C**
- d) that the Audit Committee be invited to review Appendices A, B and C and submit any proposals to the Executive for consideration at the earliest opportunity.

NORTH YORKSHIRE COUNTY COUNCIL**TREASURY MANAGEMENT POLICY STATEMENT****1.0 BACKGROUND**

- 1.1 The County Council has adopted the **CIPFA Code of Practice on Treasury Management in the Public Services** as updated in 2017. This Code sets out a framework of operating procedures to reduce treasury risk and improve understanding and accountability regarding the Treasury position of the County Council.
- 1.2 The CIPFA Code of Practice on Treasury Management requires the County Council to adopt the following four clauses of intent:
- a) the County Council will create and maintain as the cornerstone for effective Treasury Management
 - i. a strategic **Treasury Management Policy Statement** (TMPS) stating the policies, objectives and approach to risk management of the County Council to its treasury management activities;
 - ii. a framework of suitable **Treasury Management Practices** (TMPs) setting out the manner in which the County Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities. The Code recommends 12 TMPs;
 - b) the County Council delegates responsibility for the implementation and regular monitoring of its Treasury Management policies and practices to the Executive and for the execution and administration of Treasury Management decisions to the Corporate Director – Strategic Resources who will act in accordance with the Council's TMPS, TMPs, as well as CIPFA's Standard of Professional Practice on Treasury Management;
 - c) the County Council nominates the Audit Committee to be responsible for ensuring effective scrutiny of the Treasury Management Strategies and Policies; and
 - d) the County Council nominates the Audit Committee to be responsible for ensuring effective scrutiny of the Treasury Management Strategies and Policies.
- 1.3 The **CIPFA Prudential Code for Capital Finance in Local Authorities** (updated in 2017) and the terms of the **Local Government Act 2003**, together with 'statutory' Government Guidance, establish further requirements in relation to treasury management matters, namely
- a) the approval, on an annual basis, of a set of **Prudential Indicators**; and
 - b) approval, on an annual basis, of an **Annual Treasury Management Strategy**, an **Annual Investment Strategy**, an annual **Minimum Revenue Provision**

(MRP) policy statement and a **Capital Strategy** with an associated requirement that each is monitored on a regular basis with a provision to report as necessary both in-year and at the financial year end.

- 1.4 This current Treasury Management Policy Statement (TMPS) was approved by County Council on 20 February 2019.

2.0 **TREASURY MANAGEMENT POLICY STATEMENT (TMPS)**

- 2.1 Based on the requirements detailed above a TMPS stating the policies and objectives of the treasury management activities of the County Council is set out below.

- 2.2 The County Council defines the policies and objectives of the treasury management activities of the County Council as follows:-

- a) the management of the County Council's investments and cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks;
- b) the identification, monitoring and control of risk will be the prime criteria by which the effectiveness of the treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the County Council and any financial instrument entered into to manage these risks; and
- c) effective treasury management will provide support towards the achievement of the business and service objectives of the County Council as expressed in the Council Plan. The County Council is committed to the principles of achieving value for many in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

- 2.3 As emphasised in the Treasury Management Code of Practice, responsibility for risk management and control of Treasury Management activities lies wholly with the County Council and all officers involved in Treasury Management activities are explicitly required to follow Treasury Management policies and procedures.

3.0 **TREASURY MANAGEMENT PRACTICES (TMPs)**

- 3.1 The CIPFA Code of Practice on Treasury Management requires a framework of Treasury Management Practices (TMPs) which:

- a) set out the manner in which the County Council will seek to achieve the policies and objectives; and
- b) prescribe how the County Council will manage and control those activities;

- 3.2 The CIPFA Code of Practice recommends 12 TMPs. These updated documents were approved by the Audit Committee on 6 December 2012.

3.3 A list of the 12 TMPs is as follows:-

TMP 1 Risk management

TMP 2 Performance measurement

TMP 3 Decision-making and analysis

TMP 4 Approved instruments, methods and techniques

TMP 5 Organisation, clarity and segregation of responsibilities, and dealing arrangements

TMP 6 Reporting requirements and management information arrangements

TMP 7 Budgeting, accounting and audit arrangements

TMP 8 Cash and cash flow management

TMP 9 Money Laundering

TMP 10 Training and qualifications

TMP 11 Use of external service providers

TMP 12 Corporate governance

4.0 PRUDENTIAL INDICATORS

4.1 The Local Government Act 2003 underpins the Capital Finance system introduced on 1 April 2004 and requires the County Council to “have regard to” the **CIPFA Prudential Code for Capital Finance in Local Authorities**. This Code which was last updated in December 2017, requires the County Council to set a range of Prudential Indicators for the next three years

a) as part of the annual Budget process, and;

b) before the start of the financial year;

to ensure that capital spending plans are affordable, prudent and sustainable.

4.2 The Prudential Code also requires appropriate arrangements to be in place for the monitoring, reporting and revision of Prudential Indicators previously set.

4.3 The required Prudential Indicators are as follows:-

- Capital Expenditure - Actual and Forecasts
- estimated ratio of capital financing costs to the Net Revenue Budget
- Capital Financing Requirement
- Gross Debt and the Capital Financing Requirement
- authorised Limit for External Debt
- operational Boundary for External Debt
- Actual External Debt
- Maturity Structure of Borrowing
- Total Principal Sums Invested for periods longer than 365 days

4.4 The County Council will approve the Prudential Indicators for a three year period alongside the annual Revenue Budget/Medium Term Financial Strategy at its February meeting each year. The Indicators will be monitored during the year and necessary revisions submitted as necessary via the Quarterly Performance and Budget Monitoring reports.

4.5 In addition to the above formally required Prudential Indicators, the County Council has also set two local ones as follows:

- a) to cap Capital Financing costs to 10% of the net annual revenue budget; and
- b) a 30% limit on money market borrowing as opposed to borrowing from the Public Works Loan Board.

5.0 ANNUAL TREASURY MANAGEMENT AND INVESTMENT STRATEGY

5.1 A further implication of the Local Government Act 2003 is the requirement for the County Council to set out its Treasury Management Strategy for borrowing and to approve an Annual Investment Strategy (which sets out the County Council's policies for managing its investments and for giving priority to the security and liquidity of those investments).

5.2 The Government's guidance on the Annual Investment Strategy, updated in February 2018, states that authorities can combine the Treasury Management Strategy Statement and Annual Investment Strategy into one report. The County Council has adopted this combined approach.

5.3 Further statutory Government guidance, last updated with effect from February 2018, is in relation to an authority's charge to its Revenue Budget each year for debt repayment. A Minimum Revenue Provision (MRP) policy statement must be prepared

each year and submitted to the full Council for approval before the start of the financial year.

- 5.4 The County Council will approve this combined Annual Strategy alongside the annual Revenue Budget/Medium Term Financial Strategy at its February meeting each year.

6.0 REVIEW OF THIS POLICY STATEMENT

- 6.1 Under Financial Procedure Rule 14, the Corporate Director – Strategic Resources is required to periodically review this Policy Statement and all associated documentation. A review of this Statement, together with the associated annual strategies, will therefore be undertaken annually as part of the Revenue Budget process, together with a mid year review as part of the Quarterly Treasury Management reporting process and at such other times during the financial year as considered necessary by the Corporate Director – Strategic Resources.

Approved by County Council
20 February 2019

NORTH YORKSHIRE COUNTY COUNCIL**ANNUAL TREASURY MANAGEMENT
AND INVESTMENT STRATEGY 2019/20****1.0 INTRODUCTION****1.1 Treasury Management is defined as**

“The management of the County Council’s borrowing, investments and cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks”.

1.2 The Local Government Act 2003, and supporting regulations, require the County Council to have regard to the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential Indicators for the next three years to ensure that the County Council’s capital investment plans are affordable, prudent and sustainable.

1.3 The Act also requires the County Council to set out its **Annual Treasury Management Strategy** for borrowing and to prepare an **Annual Investment Strategy** (as required by Investment Guidance issued subsequent to the Act) which sets out the County Council’s policies for managing its investments and for giving priority to the security and liquidity of those investments. For practical purposes these two strategies are combined in this document.

1.4 This Strategy document for 2019/20 therefore covers the following;

- treasury limits in force which will limit the treasury risk and activities of the County Council (**Section 2**)
- Prudential indicators (**Section 3**)
- current treasury position (**Section 4**)
- borrowing requirement and borrowing limits (**Section 5**)
- borrowing policy (**Section 6**)
- prospects for interest rates (**Section 7**)
- borrowing strategy (**Section 8**)
- capping of capital financing costs (**Section 9**)
- review of long term debt and debt rescheduling (**Section 10**)

- minimum revenue provision policy (**Section 11**)
- annual investment strategy (**Section 12**)
- other treasury management issues (**Section 13**)
- arrangements for monitoring/reporting to Members (**Section 14**)
- specified investments (**Schedule A**)
- non-specified investments (**Schedule B**)
- approved lending list (**Schedule C**)
- approved countries for investments (**Schedule D**)
- Prudential Indicators (**Schedule E**)

1.5 It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the County Council to produce a balanced Annual Revenue Budget. In particular, Section 32 requires a local authority to calculate its Budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This means that increases in capital expenditure must be limited to a level whereby additional charges to the Revenue Budget arising from:-

- a) increases in interest and principal charges caused by increased borrowing to finance additional capital expenditure, and/or;
- b) any increases in running costs from new capital projects

are affordable within the projected revenue income of the County Council for the foreseeable future.

1.6 These issues are addressed and the necessary assurances provided by the Section 151 officer (the Corporate Director – Strategic Resources) in the 2019/20 Revenue Budget and Medium Term Financial Strategy report considered separately by the Executive on 29 January 2019 and approved by the County Council on 20 February 2019.

1.7 The Annual Treasury Management and Investment Strategy was approved by the County Council on 20 February 2019.

2.0 **TREASURY LIMITS FOR 2019/20 TO 2021/22**

2.1 It is a statutory duty under Section 3 of the Local Government Act 2003 and supporting regulations for the County Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the **Affordable Borrowing Limit**.

2.2 The County Council must have regard to the Prudential Code when setting the Affordable Borrowing Limit, which essentially requires it to ensure that total capital

investment remains within sustainable limits and, in particular, that the impact upon future Council Tax levels is acceptable. In practice, it is equivalent to the Authorised Limit as defined for the Prudential Indicators.

- 2.3 Whilst termed an Affordable Borrowing Limit, the spending plans to be considered for inclusion incorporate financing by both external borrowing and other forms of liability such as credit arrangements. The Affordable Borrowing Limit has to be set on a rolling basis for the forthcoming financial year and two successive financial years.

3.0 PRUDENTIAL INDICATORS FOR 2019/20 TO 2021/22

- 3.1 The current Capital Finance system introduced is underpinned by the **CIPFA Prudential Code for Capital Finance in Local Authorities**. In order to ensure that capital spending plans are affordable, prudent and sustainable, this Code requires every local authority to set a range of Prudential Indicators

- a) as part of the Revenue Budget process, and
- b) before the start of the financial year

- 3.2 **Schedule E** to this Report sets out the proposed updated Prudential Indicators to 2021/22. This Appendix sets out every Prudential Indicator in terms of:

- a) Indicators approved in August 2018
- b) a revised set of Indicators with the addition of 2021/22
- c) appropriate comments on each Indicator including reasons for any significant variations

4.0 CURRENT TREASURY POSITION

- 4.1 The County Council's treasury portfolio position at 31 March 2018 consisted of:

Item	Principal £m	Average Rate at 31 March 2018 %
Debt Outstanding		
Fixed Rate funding		
PWLB	267.5	4.42
Variable Rate funding	0.0	0.00
Market LOBO's	20.0	3.95
Total Debt Outstanding	287.5	4.39
Investments		
Managed in house	294.8	0.49
Net Borrowing	-7.3	

5.0 BORROWING REQUIREMENT AND BORROWING LIMITS

5.1 The County Council's annual borrowing requirement consists of the capital financing requirement generated by capital expenditure in the year, plus replacement borrowing for debt repaid less a prudent Minimum Revenue Provision charged to revenue for debt payment. These borrowing requirements are set out below.

Year	Basis	£m	Comment
2017/18	actual	0	No actual external borrowing was undertaken in 2017/18. The total requirement was £15.4m
2018/19	requirement	13.2	The much higher figure for later years includes the 'refinancing' significant PWLB loan repayments
2019/20	estimate	20.4	
2020/21	estimate	19.2	
2021/22	Estimate	19.0	

5.2 The Prudential Indicators include an **Operational Boundary** (an estimate of the most likely, prudent but not worst case scenario of external debt during the course of the financial year) and **Authorised Limit** (the same estimate as the Operational Boundary but allows sufficient headroom (£20m) over this figure to allow for unusual cash movements).

5.3 The **Authorised Limit** therefore represents the maximum amount of external debt which the County Council approves can be incurred at any time during the financial year and includes both capital and revenue requirements. It is not, however, expected that the County Council will have to borrow up to the Limit agreed.

5.4 **The 2019/20 Limits are as follows:**

	£m
Operational Boundary for external debt	517.2
+ provision to cover unusual cash movements during the year	20.0
= Authorised Limit for 2019/20	537.2

5.5 All the debt outstanding estimates and the Prudential Indicators relating to external debt are based on annual capital borrowing requirements being taken externally and therefore increasing debt outstanding levels. Consideration will be given, however, to delaying external borrowing throughout this period and funding annual borrowing requirements from revenue cash balances (i.e. running down investments).

6.0 BORROWING POLICY

6.1 The policy of the County Council for the financing of capital expenditure is set out in Treasury Management Practice Note 3 which supports the Treasury Management Policy Statement.

6.2 In practical terms the policy is to finance capital expenditure by borrowing from the Public Works Loan Board (for periods up to 50 years) or the money markets (for periods up to 70 years) whichever reflects the best possible value to the County Council. Individual loans are taken out over varying periods depending on the perceived relative value of interest rates at the time of borrowing need and the need to

avoid a distorted loan repayment profile. Individual loans are not linked to the cost of specific capital assets or their useful life span. Decisions to borrow are made in consultation with the County Council's Treasury Management Advisor (Link Asset Services).

- 6.3 In addition to the PWLB the County Council can borrow from the money market (principally banks and building societies) and this is usually effected via a LOBO (Lender Option, Borrower Option). Such loans feature an initial fixed interest period followed by a specified series of calls when the lender has the option to request an interest rate increase. The borrower then has the option of repaying the loan (at no penalty) or accepting the higher rate.
- 6.4 Borrowing from the money market for capital purposes is limited to 30% of the County Council's total external debt outstanding at any one point in time (per **Prudential Indicator 9**).
- 6.5 The County Council will always look to borrow from the PWLB and money markets at the most advantageous rate. The Corporate Director – Strategic Resources will monitor this situation closely throughout the year to determine whether at any stage, money market loans are more appropriate and advantageous to the County Council than PWLB loans.
- 6.6 At present all County Council long term borrowing is from the PWLB or via equally advantageous money market loans. However some short term money market borrowing may take place during the financial year in order to take advantage of low interest rates or to facilitate any debt restructuring exercise.
- 6.7 Depending on the relationship between short term variable interest rates and the fixed term PWLB or LOBO rates for longer periods, some capital expenditure may be financed by short term borrowing from either the County Council's revenue cash balances or outside sources.

Policy on borrowing in advance of need

- 6.8 The Prudential Code allows external 'borrowing for capital purposes' in advance of need within the constraints of relevant approved Prudential Indicators. Taking estimated capital borrowing requirements up to 31 March 2022 any time after 1 April 2019 is allowable under the Prudential Code. There are risks, however, in such borrowing in advance of need and the County Council has not taken any such borrowing to date and there are no current plans to do so. Furthermore the County Council will not borrow more than, or in advance of, its needs purely in order to profit from the investment of the extra sums borrowed.
- 6.9 Any decision to borrow in advance of need will only be considered where there is
 - a clear business case for doing so for the current Capital Plan;
 - to finance future debt maturity repayments;
 - value for money can be demonstrated; and

- the County Council can ensure the security of such funds which are subsequently invested.

6.10 Any future consideration of whether borrowing will be undertaken in advance of need the County Council will:

- ensure that there is a clear link between the Capital Plan and maturity of the existing debt portfolio which supports the need to take funding in advance of need;
- ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets have been considered;
- evaluate the economic and market factors that might influence the manner and timing of any decision to borrow;
- consider the merits and demerits of alternative forms of funding;
- consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use; and
- consider the impact of borrowing in advance (until required to finance capital expenditure) on temporarily increasing investment cash balances and the consequent increase in exposure to counter party risk and other risks, and the level of such risks given the controls in place to minimise them.

7.0 PROSPECTS FOR INTEREST RATES

7.1 Whilst recognising the continuing volatility and turbulence in the financial markets, the following paragraphs present a pragmatic assessment of key economic factors as they are likely to impact on interest rates over the next three years.

7.2 In terms of the key economic background and forecasts, looking ahead the current position is as follows:

a) The UK Economy

- There has been a positive flow of economic statistics since the start of the year with a steady growth in GDP, although growth is expected to have weakened in the final quarter of the year.
- The MPC have repeatedly stated that future Bank Rate increases would be gradual and to a much lower steady rate (expected to be around 2.5%) than before the financial crash. However, with so much uncertainty around Brexit, the MPC have warned that the next move in Bank Rate could be up or down. Assuming that a timely Brexit deal is agreed and in view of the stance of the MPC at their November meeting, the next increase in Bank Rate is currently forecast to be in May 2019. The following increases are then forecast to be in February and November 2020 before ending up at 2.0% in February 2022.

- The Consumer Price Index (CPI) measure of inflation has been falling from a peak of 3.1% in November 2017 to 2.3% in November. In the November Bank of England quarterly Inflation Report, inflation was forecast to still be marginally above its 2% inflation target two years ahead, (at about 2.1%). However, this inflation forecast is likely to be amended upwards due to the Bank's report being produced prior to the Chancellor's announcement of a significant fiscal stimulus in the Budget.
- The current forecasts are based on the assumption that there is no change in government and an orderly Brexit is achieved in March 2019 or sometime shortly after. If, however, the UK faces a general election in the next 12 months, this could result in a potential loosening of monetary and fiscal policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up,

b) Global Economy

Global Outlook

- World growth has been aided by strong growth in the US. However, US growth is likely to fall back in 2019 and, together with weakening economic activity in China and the Eurozone, overall world growth is likely to weaken. Inflation has been weak during 2018 but, falling unemployment in the US and UK has led to a marked acceleration of wage inflation. The US Fed has therefore increased rates nine times and the Bank of England twice. However, the ECB is unlikely to start raising rates until late in 2019 at the earliest.

Central Bank Policy

- Nearly ten years since the financial crash of 2008 when liquidity suddenly dried up in financial markets, some economists have assessed that central banks' monetary policy measures to counter the sharp world recession were successful. The key monetary policy measures they used were a combination of lowering central interest rates and flooding financial markets with liquidity, particularly through measures such as quantitative easing (QE).
- It would now appear the global economy is transitioning from a period of stimulating economic recovery and addressing potential deflation to reversing the measures employed and addressing potential inflation. A key risk to the economy in this period will be the timing of central bank measures, such as the reversal of QE and raising of interest rates, in order to avoid shocks to market expectations that could destabilise financial markets.

European Union (EU)

Growth remained consistent in the Eurozone throughout 2018. In particular, data from Germany was been mixed, potentially impacted by US tariffs on manufacturing exports. Although growth is still expected to be in the region of nearly 2% for 2018, the forecast going forward is less clear with the European Central Bank ended QE purchases in December 2018. The ECB is forecasting inflation to be a little below its 2% top limit through the next three years so it may

not raise interest rates in 2019 if the growth rate of the EU economy is on a weakening trend.

USA

- The US fiscal policy is fuelling a, (temporary), boost in consumption, which has generated an upturn in strong growth. The strong growth in employment numbers and the reduction in the unemployment rate has seen an upturn in wage inflation. CPI inflation, however, fell overall in November and looks to be on a falling trend to drop below the Fed's target of 2% during 2019. The Fed has continued its series of increases in interest rates, although forecast for future increases is expected to be lower.

Asia

- Economic growth in China has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Moreover, Japan has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy. It is likely that loose monetary policy will continue in the medium term to try to stimulate growth and modest inflation.

c) Link Asset Services Forward View

- Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The above forecasts, (and MPC decisions) are predicated on an assumption of an agreement being reached on Brexit between the UK and the EU. In the event of an orderly non-agreement exit, it is likely that the Bank of England would take action to cut Bank Rate from 0.75% in order to help economic growth deal with the adverse effects of this situation. This is also likely to cause short to medium term gilt yields to fall. If there was a disorderly Brexit, then any cut in Bank Rate would be likely to last for a longer period and also depress short and medium gilt yields correspondingly. It is also possible that the government could act to protect economic growth by implementing fiscal stimulus.
- The overall longer run future trend is for gilt yields, and consequently PWLB rates, to rise, albeit gently. However, over about the last 25 years, we have been through a period of falling bond yields as inflation subsided to, and then stabilised at, much lower levels than before, and supported by central banks implementing substantial quantitative easing purchases of government and other debt after the financial crash of 2008. Quantitative easing, conversely, also caused a rise in equity values as investors searched for higher returns and purchased riskier assets. In 2016, we saw the start of a reversal of this trend with a sharp rise in bond yields after the US Presidential election in November 2016, with yields then rising further as a result of the big increase in the US government deficit aimed at stimulating even stronger economic growth. That policy change also created concerns around a significant rise in inflationary pressures in an economy which was already running at remarkably low levels of unemployment. As a result, the Fed has continued to address rising inflationary pressures by repeatedly

increasing the Fed rate to reach 2.00 – 2.25% in September 2018. It has also continued its policy of not fully reinvesting proceeds from bonds that it holds as a result of quantitative easing, when they mature. We have, therefore, seen US bond yields rise during October 2018 and also seen investors causing a sharp fall in equity prices as they sold out of holding riskier assets.

- Rising bond yields in the US have also caused some upward pressure on bond yields in the UK and other developed economies. However, the degree of that upward pressure has been dampened by how strong or weak the prospects for economic growth and rising inflation are in each country, and on the degree of progress towards the reversal of monetary policy away from quantitative easing and other credit stimulus measures.
- From time to time, gilt yields – and therefore PWLB rates - can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis and emerging market developments. Such volatility could occur at any time during the forecast period.
- The overall balance of risks to economic growth in the UK is probably neutral.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates, are probably also even and are dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively
- Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:
 - Brexit – if it were to cause significant economic disruption and a major downturn in the rate of growth;
 - Bank of England monetary policy takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate;
 - a resurgence of the Eurozone sovereign debt crisis;
 - weak capitalisation of some European banks;
 - minority governments in a number of Eurozone countries;
 - further increases in interest rates in the US;
 - concerns around the level of US corporate ;and
 - geopolitical risks, especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.

- The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -
 - Brexit – if both sides were to agree a compromise that removed all threats of economic and political disruption;
 - the Fed causing a sudden shock in financial markets through misjudging the pace and strength of increases in its Fed. Funds Rate and in the pace and strength of reversal of QE;
 - the Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflation pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect; and
 - UK inflation, whether domestically generated or imported, returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields

7.3 The County Council has appointed Link Asset Services as its treasury management advisor and part of their service is to assist in formulating a view on interest rates. By drawing together a number of current city forecasts for short term (Bank rate) and longer fixed interest rates a consensus view for bank rate, PWLB borrowing rates and short term investment rates is as follows:-

	Bank Rate	PWLB Borrowing Rates				Short Term	
		5 year	10 year	25 year	50 year	3 Months	1 Year
	%	%	%	%	%	%	
Mar 2019	0.75	2.10	2.50	2.90	2.70	0.90	1.00
Jun 2019	1.00	2.20	2.60	3.00	2.80	1.00	1.20
Sep 2019	1.00	2.20	2.60	3.10	2.90	1.10	1.30
Dec 2019	1.00	2.00	2.70	3.10	2.90	1.20	1.40
Mar 2020	1.25	2.30	2.80	3.20	3.00	1.30	1.50
Jun 2020	1.25	2.40	2.90	3.30	3.10	1.40	1.60
Sep 2020	1.25	2.50	2.90	3.30	3.10	1.50	1.70
Dec 2020	1.50	2.50	3.00	3.40	3.20	1.50	1.70
Mar 2021	1.50	2.60	3.00	3.40	3.20	1.60	1.80
Jun 2021	1.75	2.60	3.10	3.50	3.30	1.70	1.90
Sep 2021	1.75	2.70	3.10	3.50	3.30	1.80	2.00
Dec 2021	1.75	2.80	3.20	3.60	3.40	1.90	2.10

7.4 The current economic outlook and structure of market interest rates and government debt yields have several key treasury management implications:

- Investment returns are likely to remain relatively low during 2019/20 but to be on a gently rising trend over the next few years;
- The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed

to avoid incurring higher borrowing costs in the future when authorities may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt;

- There will remain a cost of carry to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue costloss – the difference between borrowing costs and investment returns.

8.0 BORROWING STRATEGY 2019/20

8.1 Based on the interest rate forecast, there is a range of potential options available for the Borrowing Strategy for 2019/20. Consideration will therefore be given to the following:

- a) the County Council is currently maintaining an under borrowed position. This means that the capital borrowing need (the Capital Financing Requirement) has not been fully funded with loan debt as cash supporting the authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is currently prudent as investment returns are low and counterparty risk remains relatively high;
- b) based on analysis, the cheapest borrowing will be internal borrowing achieved by continuing to run down cash balances and foregoing interest earned at historically low rates . However in view of the overall forecast for long term borrowing rates to increase over the next few years, consideration will also be given to weighing the short term advantage of internal borrowing against potential long term costs if the opportunity is missed for taking market loans at long term rates which will be higher in future years;
- c) long term fixed market loans at rates significantly below PWLB rates for the equivalent maturity period (where available) and to maintain an appropriate balance between PWLB and market debt in the debt portfolio. The current market availability of such loans is, however, very limited and is not expected to change in the immediate future;
- d) PWLB borrowing for periods under 10 years where rates are expected to be significantly lower than rates for longer periods. This offers a range of options for new borrowing which would spread debt maturities away from a concentration in longer dated debt. The downside of such shorter term borrowing is the loss of long term stability in interest payments that longer term fixed interest rate borrowing provides;
- e) consideration will be given to PWLB borrowing by annuity and Equal Instalments of Principal (EIP) in addition to maturity loans, which have been preferred in recent years;
- f) PWLB rates are expected to gradually increase throughout the financial year so it would therefore be advantageous to time any new borrowing earlier in the year;
- g) borrowing rates continue to be relatively attractive and may remain relatively low for some time, as a result, the timing of any borrowing will need to be monitored carefully. There will also remain a 'cost of borrowing' with any borrowing undertaken

that results in an increase in investments incurring a revenue loss between borrowing costs and investment returns:

- 8.2 Based on the PWLB forecasts, suitable trigger rates for considering new fixed rate PWLB or equivalent money market borrowing will be set. The aim, however, would be to secure loans at rates below these levels if available.
- 8.3 The forecast rates and trigger points for new borrowing will be continually reviewed in the light of movements in the slope of the yield curve, the spread between PWLB new borrowing and early repayment rates, and any other changes that the PWLB may introduce to their lending policy and operations.

External -v- internal borrowing

- 8.4 The County Council's net borrowing figures (external borrowing net of investments) are significantly below the authority's capital borrowing need (Capital Financing Requirement – CFR) because of two main reasons
- a) a significant level of investments (cash balances – core cash plus cash flow generated)
 - b) internally funded capital expenditure.
- 8.5 Such internal borrowing stood at £15.4m at 31 March 2018, principally as a result of funding company loans from internal, rather than external borrowing, and not taking up any new debt since 2010/11 for the borrowing requirements. For 2017/18, this resulted in an ongoing MRP saving of £61k per annum over 25 years and a saving of £445k per annum based on a maturity rate of 2.89% over 25 years. The level of this internal capital borrowing depends on a range of factors including:
- a) premature repayment of external debt;
 - b) the timing of any debt rescheduling exercises;
 - c) the timing of taking out annual borrowing requirements;
 - d) policy considerations on the relative impact of financing capital expenditure from cash balances compared with taking new external debt with the balance of external and internal borrowing being generally driven by market conditions.
- 8.6 The County Council continues to examine the potential for undertaking further early repayment of some external debt in order to reduce the difference between the gross and net debt position. However the introduction by the PWLB of significantly lower repayment rates than new borrowing rates in November 2007 compounded by a considerable further widening of the difference between new borrowing and repayment rates in October 2010, has meant that large premiums would be incurred by such actions which could not be justified on value for money grounds. This situation will be monitored closely in case the differential is narrowed by the PWLB at some future dates.
- 8.7 This internal capital borrowing option is possible because of the County Council's cash balance with the daily average being £337.2m in 2017/18. This consisted of cash flow

generated (creditors etc), core cash (reserves, balances and provisions etc) and cash managed on behalf of other organisations. Consideration does therefore need to be given to the potential merits of internal borrowing.

- 8.8 As 2019/20 is expected to continue as a year of low bank interest rates, this extends the current opportunity for the County Council to continue with the current internal borrowing strategy.
- 8.9 Over the next three years investment rates are expected to be below long term borrowing rates. A value for money consideration would therefore indicate that value could be obtained by continuing avoiding/delaying some or all new external borrowing and by using internal cash balances to finance new capital expenditure or to replace maturing external debt. This would maximise short term savings but is not risk free.
- 8.10 The use of such internal borrowing, which runs down investments, also has the benefit of reducing exposure to low interest rates on investments, and the credit risk of counterparties.
- 8.11 In considering this option however, two significant risks to take into account are
- a) the implications of day to day cash flow constraints, and;
 - b) short term savings by avoiding/delaying new long external borrowing in 2019/20 must be weighed against the loss of longer term interest rate stability. There is the potential, however, for incurring long term extra costs by delaying unavoidable new external borrowing until later years by which time PWLB long term rates are forecast to be significantly higher.
- 8.12 Borrowing interest rates are on a rising trend. The policy of avoiding new borrowing by running down cash balances has served the County Council well in recent years. However this needs to be carefully reviewed and monitored to avoid incurring even higher borrowing costs which are now looming even closer for authorities who will not be able to avoid new borrowing to finance new capital expenditure and/or to refinance maturing debt in the near future.
- 8.13 The general strategy for this “Internal Capital Financing” option will therefore be to continue to actively consider and pursue this approach on an ongoing basis in order to reduce the difference between the gross and net debts levels together with achieving short term savings and mitigating the credit risk incurred by holding investments in the market. However this policy will be carefully reviewed and monitored on an on-going basis.

Overall Approach to Borrowing in 2019/20

- 8.14 Given the market conditions, economic background and interest rate forecasts, caution will be paramount within the County Council’s 2019/20 Treasury Management operations. The Corporate Director – Strategic Resources will monitor the interest rates closely and adopt a pragmatic approach to changing circumstances – any key strategic decision that deviates from the Borrowing Strategy outlined above will be reported to the Executive at the next available opportunity.

Sensitivity of the Strategy

8.15 The main sensitivities of the Strategy are likely to be the two scenarios below. The Corporate Director – Strategic Resources will, in conjunction with the County Council's Treasury Management Advisor, continually monitor both the prevailing interest rates and the market forecasts, adopting the following responses to a significant change of market view:

- a) *if it is felt that there was a significant risk of a sharp fall in both long and short term rates, (e.g. due to a marked increase of risks around the relapse into recession or of risks of deflation), then long term borrowing will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered;*
- b) *if it were felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast (perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks), then the portfolio position will be re-appraised with the likely action that fixed rate funding will be taken whilst interest rates are still lower than they will be in the next few years.*

9.0 CAPPING OF CAPITAL FINANCING COSTS

9.1 In order to regulate the impact of Prudential Borrowing on the net revenue budget, Members approved a local policy to cap capital financing charges as a proportion of the annual Net Revenue Budget. This cap was set at 10% in 2019/20 which accommodates existing Capital Plan requirements and will act as a regulator if Members are considering expanding the Capital Plan using Prudential Borrowing. Members do have the option to review the cap in the context of its explicit impact on the Revenue Budget/Medium Term Financial Strategy.

10.0 REVIEW OF LONG TERM DEBT AND DEBT RESCHEDULING

10.1 The long term debt of the County Council is under continuous review.

10.2 The rescheduling of debt involves the early repayment of existing debt and its replacement with new borrowing. This can result in one-off costs or benefits called, respectively, premiums and discounts. These occur where the rate of the loan repaid varies from comparative current rates. Where the interest rate of the loan to be repaid is higher than the current rates, a premium is charged by the PWLB for repayment. Where the interest rate of the loan to be repaid is lower than the current rate, a discount on repayment is paid by the PWLB.

10.3 Discussions with the County Council's Treasury Management Advisor about the long term financing strategy are ongoing and any debt rescheduling opportunity will be fully explored.

10.4 The introduction by the PWLB in 2007 of a spread between the rates applied to new borrowing and repayment of debt, which was compounded in October 2010 by a

considerable further widening of the difference between new borrowing and repayment rates, has meant that PWLB to PWLB debt restructuring is now much less attractive than it was before both of these events. In particular, consideration has to be given to the large premiums which would be incurred by prematurely repaying existing PWLB loans and it is very unlikely that these could be justified on value for money grounds if using replacement PWLB refinancing.

- 10.5 As short term borrowing rates are expected to be considerably cheaper than longer term rates throughout 2019/20, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred), their short term nature and the likely costs of refinancing those short term loans once they mature, compared to the current rates of longer term debt in the existing debt portfolio.
- 10.6 Consideration will also be given to identify if there is any residual potential left for making savings by running down investment balances by repaying debt prematurely as short term rates on investments are likely to be lower than rates paid on currently held debt. However, this will need careful consideration in light of the debt repayment premiums.
- 10.7 The reasons for undertaking any rescheduling will include:
- a) the generation of cash savings at minimum risk;
 - b) in order to help fulfil the Borrowing Strategy, and;
 - c) in order to enhance the balance of the long term portfolio (ie amend the maturity profile and/or the balance of volatility).

11.0 MINIMUM REVENUE PROVISION (MRP) POLICY 2019/20

- 11.1 Local authorities are statutorily required to pay off an element of accumulated capital expenditure funded from borrowing (Capital Financing Requirement – CFR) through a charge to the Revenue Account (the Minimum Revenue Provision – MRP).
- 11.2 MHCLG Guidance (revised in 2018) requires the County Council to approve an MRP Policy Statement in advance of each year. The MRP guidance offers a range of options, with an overriding recommendation that there should be prudent provision.
- 11.3 A change introduced by the revised MHCLG MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision (MRP), voluntary revenue provision or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. Up until the 31 March 2019 the total VRP overpayments were £15m.
- 11.4 The County Council's MRP policy is based on the Government's Statutory Guidance. However, a further review of the existing assumptions for prudent provision incorporated into the County Council's MRP Policy will be undertaken as part of the 2019/20 budget review and any changes will be reported to Members as part of an in-

year update of this Annual Treasury Management Strategy. Until that time, the policy for 2019/20 remains as follows:-

- a) for all **capital expenditure incurred before 1 April 2008**, MRP will be based on 4% of the Capital Financing Requirement (CFR) at that date;
- b) for **capital expenditure incurred after 1 April 2008 which is supported by Government Borrowing approvals**, MRP to be based on 4% of such sums as reflected in subsequent CFR updates;
- c) for **locally agreed Prudential Borrowing on capital expenditure incurred after 1 April 2008**, MRP will be calculated using the asset life method based on equal annual instalments over the estimated useful life of the asset for which the borrowing is undertaken:
- d) In view of the variety of different types of capital expenditure incurred by the County Council, which is not in all cases capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure, and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

The estimated life of relevant assets will be assessed each year based on types of capital expenditure incurred but in general will be 25 years for buildings, 50 years for land, and 5 to 7 years for vehicles, plant and equipment. To the extent that the expenditure does not create a physical asset (eg capital grants and loans), and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the County Council.

In the case of long term debtors from loans, the amounts paid out are classed as capital expenditure for capital financing purposes. The expenditure is therefore included in the calculation of the County Council's Capital Financing Requirement. When the County Council receives the repayment of an amount loaned, the income will be classified as a capital receipt. Where the capital receipts will be applied to reduce the Capital Financing Requirement, there will be no revenue provision made for the repayment of the debt liability (i.e. unless the eventual receipt is expected to fall short of the amount expended).

Where expenditure is incurred to acquire and/or develop properties for resale, the Capital Financing Requirement will increase by the amount expended. Where the County Council will subsequently recoup the amount expended via the sale of an asset, the income will be classified as a capital receipt. Where the capital receipts will be applied to reduce the Capital Financing Requirement, there will be no revenue provision made for the repayment of the debt liability (i.e. unless the fair value of the properties falls below the amount expended).

Where expenditure is incurred to acquire properties meeting the accounting definition of investment properties, the Capital Financing Requirement will increase by the amount expended. Where the Council will subsequently recoup the amount expended (e.g. via the sale of an asset), the income will be classified as a capital receipt. Where the capital receipts will be applied to reduce the Capital Financing

Requirement, there will be no revenue provision made for the repayment of the debt liability (i.e. unless the fair value of the properties falls below the amount expended).

This approach also allows the County Council to defer the introduction of an MRP charge for new capital projects/land purchases until the year after the new asset becomes operational rather than in the year borrowing is required to finance the capital spending. This approach is beneficial for projects that take more than one year to complete and is therefore included as part of the MRP policy.

- e) for “**on balance sheet**” **PFI schemes**, MRP will be equivalent to the “capital repayment element” of the annual service charge payable to the PFI Operator and for **finance leases**, MRP will be equivalent to the annual rental payable under the lease agreement.

11.5 Therefore the County Council’s total MRP provision will be the sum of (a) + (b) + (c) + (d) (as defined above) which is considered to satisfy the prudent provision requirement. Based on this policy, total MRP in 2019/20 will be about £11.9m (including PFI and finance leases).

12.0 ANNUAL INVESTMENT STRATEGY

Background

12.1 The County Council’s Investment Strategy has regard to the following :-

- MHCLG’s Guidance on Local Government Investments (the Guidance)
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 (the Code)
- CIPFA Treasury Management Guidance Notes 2018

12.2 This Annual Investment Strategy must define the investments the County Council has approved for prudent management of its cash balances during the financial year under the headings of **specified investments** and **non specified investments**.

12.3 This Annual Investment Strategy therefore sets out

- revisions to the Annual Investment Strategy;
- the Investment Policy;
- the policy regarding loans to companies in which the County Council has an interest;
- specified and non specified investments;
- Creditworthiness Policy - security of capital and the use of credit ratings;
- the Investment Strategy to be followed for 2019/20;

- investment reports to members;
- investment of money borrowed in advance of need;
- investment (and Treasury Management) training;

Revisions to the Annual Investment Strategy

12.4 In addition to this updated **Investment Strategy**, which requires approval before the start of the financial year, a revised Strategy will be submitted to County Council for consideration and approval under the following circumstances:

- a) significant changes in the risk assessment of a significant proportion of the County Council's investments;
- b) any other significant development(s) that might impact on the County Council's investments and the existing strategy for managing those investments during 2019/20.

Investment Policy

12.5 The parameters of the Policy are as follows:

- a) the County Council will have regard to the Government's Guidance on Local Government Investments as revised with effect February 2018, and the 2018 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes;
- b) the County Council's investment policy has two fundamental objectives;
 - the security of capital (protecting the capital sum from loss); and then
 - the liquidity of its investments (keeping the money readily available for expenditure when needed)
- c) the County Council will also aim to seek the highest return (yield) on its investments provided that proper levels of security and liquidity are achieved. The risk appetite of the County Council is low in order to give priority to the security of its investments;
- d) the County Council will not borrow more than or in advance of its need purely in order to profit from the investment of extra sums borrowed;
- e) investment instruments for use in the financial year listed under **specified** and **non-specified investment** categories; and
- f) counterparty limits will be set through the County Council's Treasury Management Practices Schedules.

Specified and non-specified Investments

12.6 Based on Government Guidance as updated from February 2018.

- a) investment Instruments identified for use in the forthcoming financial year are listed in the Schedules attached to this Strategy under the **specified** and **non-specified** Investment categories;
- b) all **specified** Investments (see **Schedule A**) are defined by the Government as options with “relatively high security and high liquidity” requiring minimal reference in investment strategies. In this context, the County Council has defined Specified Investments as being sterling denominated, with maturities up to a maximum of 1 year meeting the minimum high credit quality;
- c) **Non-specified** investments (see **Schedule B**) attract a greater potential of risk. As a result, a maximum local limit of 20% of “core cash” funds, currently based on Reserves of approximately £200m, available for investment has been set which can be held in aggregate in such investments;
- d) for both **specified** and **non-specified** investments, the attached Schedules indicate for each type of investment:-
 - the investment category
 - minimum credit criteria
 - circumstances of use
 - why use the investment and associated risks
 - maximum % age of total investments
 - maximum maturity period

} (Non-Specified only)

- e) there are other instruments available as Specified and Non-Specified investments that are not currently included. Examples of such investments are:-

Specified Investments - Commercial Paper
 - Gilt funds and other Bond Funds
 - Treasury Bills

Non-Specified Investments - Sovereign Bond issues
 - Corporate Bonds
 - Floating Rate notes
 - Equities
 - Open Ended Investment Companies
 - Derivatives

A proposal to use any of these instruments would require detailed assessment and be subject to approval by Members as part of this Strategy. Under existing scrutiny

arrangements, the County Council's Audit Committee will also look at any proposals to use the instruments referred to above.

Creditworthiness Policy – Security of Capital and the use of credit ratings

- 12.7 The financial markets have experienced a period of considerable turmoil since 2008 and as a result attention has been focused on credit standings of counterparties with whom the County Council can invest funds.

It is paramount that the County Council's money is managed in a way that balances risk with return, but with the overriding consideration being given to the security of the invested capital sum followed by the liquidity of the investment. The Approved Lending List will therefore reflect a prudent attitude towards organisations with whom funds may be deposited.

The rationale and purpose of distinguishing specified and non-specified investments is detailed above. Part of the definition for a Specified investment is that it is an investment made with a body which has been awarded a high credit rating with maturities of no longer than 365 days.

It is, therefore, necessary to define what the County Council considers to be a "high" credit rating in order to maintain the security of the invested capital sum.

The methodology and its application in practice will, therefore, be as follows:-

- a) the County Council will rely on credit ratings published by the three credit rating agencies (Fitch, Moody's and Standard & Poor's) to establish the credit quality (ability to meet financial commitments) of counterparties (to whom the County Council lends) and investment schemes. Each agency has its own credit rating components to complete their rating assessments. These are as follows:

Fitch Ratings

- | | |
|------------|---|
| Long Term | - generally cover maturities of over five years and acts as a measure of the capacity to service and repay debt obligations punctually. Ratings range from AAA (highest credit quality) to D (indicating an entity has defaulted on all of its financial obligations) |
| Short Term | - cover obligations which have an original maturity not exceeding one year and place greater emphasis on the liquidity necessary to meet financial commitments. The ratings range from F1+ (the highest credit quality) to D (indicating an entity has defaulted on all of its financial obligations) |

Moody's Ratings

- | | |
|-----------|--|
| Long Term | - an opinion of the relative credit risk of obligations with an original maturity of one year or more. They reflect both the likelihood of a default on contractually promised payments and the expected financial loss suffered in the event of default. Ratings range from Aaa (highest quality, with minimal credit |
|-----------|--|

risk) to C (typically in default, with little prospect for recovery of principal or interest)

Short Term - an opinion of the likelihood of a default on contractually promised payments with an original maturity of 13 months or less. Ratings range from P-1 (a superior ability to repay short-term debt obligations) to P-3 (an acceptable ability to repay short-term obligations)

Standard & Poor's Ratings

Long Term - considers the likelihood of payment. Ratings range from AAA (best quality borrowers, reliable and stable) to D (has defaulted on obligations)

Short Term - generally assigned to those obligations considered short-term in the relevant market. Ratings range from A-1 (capacity to meet financial commitment is strong) to D (used upon the filing of a bankruptcy petition).

In addition, all three credit rating agencies produce a Sovereign Rating to select counterparties from only the most creditworthy countries. The ratings are the same as those used to measure long term credit.

- b) the County Council will review the “ratings watch” and “outlook” notices issued by all three credit rating agencies referred to above. An agency will issue a “watch”, (notification of likely change), or “outlook”, (notification of a possible longer term change), when it anticipates that a change to a credit rating may occur in the forthcoming 6 to 24 months. The “watch” or “outlook” could reflect either a positive (increase in credit rating), negative (decrease in credit rating) or developing (uncertain whether a rating may go up or down) outcome;
- c) no combination of ratings can be viewed as entirely fail safe and all credit ratings, watches and outlooks are monitored on a daily basis. This is achieved through the use of Link Asset Services creditworthiness service. This employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies. The credit ratings of counterparties are then supplemented with the following overlays;
- credit watches and credit outlooks from credit rating agencies
 - CDS spreads to give early warning of likely changes in credit ratings
 - sovereign ratings to select counterparties from only the most creditworthy countries

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are

used by the County Council to determine the duration for investments. The County Council will therefore use counterparties within the following durational bands:-

Colour	Maximum Investment Duration
Yellow	5 Years
Purple	2 Years
Orange	1 Year
Blue	1 Year (UK nationalised / semi nationalised banks only)
Red	6 Months
Green	100 Days
No Colour	No investment to be made

- d) given that a number of central banks/government have supported or are still supporting their banking industries in some way, the importance of the credit strength of the sovereign has become more important. The County Council will therefore also take into account the Sovereign Rating for the country in which an organisation is domiciled, for countries other than the UK (use of UK banks will not be limited). As a result, only an institution which is domiciled in a country with a minimum Sovereign Rating of AA- from Fitch or equivalent would be considered for inclusion on the County Council's Approved Lending List (subject to them meeting the criteria above). Organisations which are domiciled in a Country whose Sovereign Rating has fallen below the minimum criteria will be suspended, regardless of their own individual score/colour. The list of countries that currently qualify using this credit criteria are shown in **Schedule D**. This list will be amended should ratings change, in accordance with this policy;
- e) in order to reflect current market sentiment regarding the credit worthiness of an institution the County Council will also take into account current trends within the Credit Default Swap (CDS) Market. Since they are a traded instrument they reflect the market's current perception of an institution's credit quality, unlike credit ratings, which often focus on a longer term view. These trends will be monitored through the use of Link Asset Services creditworthiness service which compares the CDS Market position for each institution to the benchmark CDS Index. Should the deviation be great, then market sentiment suggests that there is a fear that an institution's credit quality will fall. Organisations with such deviations will be monitored and their standing reduced by one colour band as a precaution. Where the deviation is great, the organisation will be awarded 'no colour' until market sentiment improves. Where entities do not have an actively traded CDS spread, credit ratings are used in isolation;
- f) fully and part nationalised banks within the UK currently have credit ratings which are not as high as other institutions. This is the result of the banks having to have to accept external support from the UK Government However, due to this Central Government involvement, these institutions now effectively take on the credit worthiness of the Government itself (i.e. deposits made with them are effectively being made to the Government). This position is expected to take a number of

years to unwind and would certainly not be done so without a considerable notice period. As a result, institutions which are significantly or fully owned by the UK Government will be assessed to have a high level of credit worthiness;

- g) the largest UK banks are required, by UK law, to separate core retail banking services from their investment and international banking activities by 1 January 2019. This is known as ring fencing. Ring fencing is a regulatory initiative created in response to the global financial crisis. It mandates the separation of retail and SME deposits from investment banking, in order to improve resilience. In general, simpler activities offered from a ring fenced bank will be focused on lower risk, day to day core transactions, whilst the more complex, and “riskier” activities are carried out by the non ring fenced bank.
- h) all of the above will be monitored on a weekly basis through Link Asset Services creditworthiness service with additional information being received and monitored on a daily basis should credit ratings change and/or watch/outlook notices be issued. Sole reliance will not be placed on the information provided by Link Asset Services however. In addition the County Council will also use market data and information available from other sources such as the financial press and other agencies and organisations;
- i) in addition, the County Council will set maximum investment limits for each organisation which also reflect that institution’s credit worthiness – the higher the credit quality, the greater the investment limit. These limits also reflect UK Government involvement (i.e. Government ownership or being part of the UK Government guarantee of liquidity). These limits are as follows:-

Maximum Investment Limit	Criteria
£75m	UK "Nationalised / Part Nationalised" banks / UK banks with UK Central Government involvement
£20m to £60m	UK "Clearing Banks" and selected UK based Banks and Building Societies
£20m or £40m	High quality foreign banks

- j) should a score/colour awarded to a counterparty or investment scheme be amended during the year due to rating changes, market sentiment etc., the County Council will take the following action:-
- reduce or increase the maximum investment term for an organisation dependent on the revised score / colour awarded
 - temporarily suspend the organisation from the Approved Lending List should their score fall outside boundary limits and not be awarded a colour
 - seek to withdraw an investment as soon as possible, within the terms and conditions of the investment made, should an organisation be suspended from the Approved Lending List

- ensure all investments remain as liquid as possible, i.e. on instant access until sentiment improves.
- k) if a counterparty / investment scheme, not currently included on the Approved Lending List is subsequently upgraded, (resulting in a score which would fulfil the County Council's minimum criteria), the Corporate Director – Strategic Resources has the delegated authority to include it on the County Council's Approved Lending List with immediate effect;
- l) a copy of the current Approved Lending List, showing maximum investment and time limits is attached at **Schedule C**. The Approved Lending List will be monitored on an ongoing daily basis and changes made as appropriate. Given current market conditions, there continues to be a very limited number of organisations which fulfil the criteria for non specified investments. This situation will be monitored on an ongoing basis with additional organisations added as appropriate with the approval of the Corporate Director – Strategic Resources.

The Investment Strategy to be followed for 2019/20

12.8 Recognising the categories of investment available and the rating criteria detailed above

- a) the County Council currently manages all its cash balances internally;
- b) ongoing discussions are held with the County Council's Treasury Management Advisor on whether to consider the appointment of an external fund manager(s) or continue investing in-house – any decision to appoint an external fund manager will be subject to Member approval;
- c) the County Council's cash balances consist of two basic elements. The first element is **cash flow derived** (debtors/creditors/timing of income compared to expenditure profile). The second, **core element**, relates to specific funds (reserves, provisions, balances, capital receipts, funds held on behalf of other organisations etc.);
- d) having given due consideration to the County Council's estimated level of funds and balances over the next three financial years, the need for liquidity and day to day cash flow requirements it is forecast that a maximum of £40m of the overall balances can be prudently committed to longer term investments (e.g. between 1 and 10 years);
- e) investments will accordingly be made with reference to this core element and the County Council's ongoing cash flow requirements (which may change over time) and the outlook for short term interest rates (i.e. rates for investments up to 12 months);
- f) the County Council currently two non-specified investment over 365 days, and investments within two Property Funds;

- g) bank rate increased to 0.75% in August and underpins investment returns. Investment returns are expected to rise gently over the next 3 years;
- h) The County Council will, therefore, avoid locking into long term deals while investment rates continue to be at historically low levels unless attractive rates are available with counterparties of particularly high creditworthiness which make longer term deals worthwhile and within a 'low risk' parameter. No trigger rates will be set for longer term deposits (two or three years) but this position will be kept under constant review and discussed with the Treasury Management Advisor on a regular basis.
- i) for its cash flow generated balances the County Council will seek to utilise 'business reserve accounts' (deposits with certain banks and building societies), 15, 30 and 100 day accounts and short dated deposits (overnight to three months) in order to benefit from the compounding of interest.

Investment Reports to Members

12.9 Reporting to Members on investment matters will be as follows:

- a) in-year investment reports will be submitted to the Executive as part of the Quarterly Performance and Budget Monitoring reports;
- b) at the end of the financial year a comprehensive report on the County Council's investment activity will be submitted to the Executive as part of the Annual Treasury Management Outturn report;
- c) periodic meetings between the Corporate Director – Strategic Resources, the Corporate Affairs portfolio holder and the Chairman of the Audit Committee provide an opportunity to consider and discuss issues arising from the day to day management of Treasury Management activities.

Investment of Money Borrowed in Advance of Need

12.10 The Borrowing Policy covers the County Council's policy on Borrowing in Advance of Spending Needs.

Although the County Council has not borrowed in advance of need to date and has no current plans to do so in the immediate future, any such future borrowing would impact on investment levels for the period between borrowing and capital spending.

Any such investments would, therefore, be made within the constraints of the County Council's current Annual Investment Strategy, together with a maximum investment period related to when expenditure was expected to be incurred.

Treasury Management Training

12.11 The training needs of the County Council's staff involved in investment management are monitored, reviewed and addressed on an on-going basis and are discussed as part of the staff appraisal process. In practice most training needs are addressed through attendance at courses and seminars provided by CIPFA, the LGA and others on a regular ongoing basis.

The CIPFA Code also requires that Members with responsibility for treasury management receive adequate training in treasury management. This especially applies to Members responsible for scrutiny (i.e. the Audit Committee). Training for Members and officers will be provided as required. The training arrangements for officers will also be available to Members.

13.0 OTHER TREASURY MANAGEMENT ISSUES

Policy on the use of External Treasury Management Service Providers

- 13.1 The County Council uses Link Asset Services as its external treasury management adviser. Link provide a source of contemporary information, advice and assistance over a wide range of Treasury Management areas but particularly in relation to investments and debt administration.
- 13.2 Whilst the County Council recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources, it fully accepts that responsibility for Treasury Management decisions remains with the authority at all times and will ensure that undue reliance is not placed upon advice of the external service provider.
- 13.3 Following a quotation exercise, Link Asset Services were appointed in September 2015 as a single provider of Treasury Management consultancy services for the County Council, North Yorkshire Fire and Rescue Authority and Selby District Council. The appointment was for an original three year period and has now been extended for a further two years as per the contract option. The value and quality of services being provided are monitored and reviewed on an ongoing basis.

The scheme of delegation and role of the section 151 officer in relation to Treasury Management

- 13.4 The Government's Investment Guidance requires that a local authority includes details of the Treasury Management schemes of delegation and the role of the Section 151 officer in the Annual Treasury Management/Investment Strategy.
- 13.5 The key elements of delegation in relation to Treasury Management are set out in the following Financial Procedure Rules (FPR):-
- a) **14.1** The Council adopts CIPFA's "Treasury Management in the Public Services Code of Practice 2011" (as amended) as described in Section 5 of the Code, and will have regard to the associated guidance notes;
 - b) **14.2** The County Council will create and maintain as the cornerstone for effective Treasury Management
 - i. a strategic Treasury Management Policy Statement (TMPS) stating the County Council's policies, objectives and approach to risk management of its treasury management activities;

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

13.6 In terms of the Treasury Management role of the Section 151 officer (the Corporate Director – Strategic Resources), the key areas of delegated responsibility are as follows :-

- recommending clauses, treasury management policies and practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports to Members;
- submitting budgets and budget variations to Members;
- receiving and reviewing management information reports;

- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers:
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management;
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money;
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority;
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing;
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources;
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities;
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees ;
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority;
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above;
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed,
- Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;
- Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;
- Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to

non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;

- Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;
- Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.

Other Issues

13.7 The County Council continues to monitor potential PFI opportunities and assess other innovative methods of funding and the Corporate Director – Strategic Resources will report any developments to Executive at the first opportunity.

14.0 ARRANGEMENTS FOR MONITORING / REPORTING TO MEMBERS

14.1 Taking into account the matters referred to in this Strategy, the monitoring and reporting arrangements in place relating to Treasury Management activities are now as follows:

- a) an annual (i.e. this) report to Executive and County Council as part of the Budget process that sets out the County Council's **Treasury Management Strategy, Prudential Indicators and Capital Strategy** for the forthcoming financial year;
- b) a mid year update of these Indicators as part of the Q1 Performance Monitoring report submitted to the Executive
- 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
- d) a quarterly report on Treasury Matters to Executive as part of the **Quarterly Performance and Budget 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) copies of the reports mentioned in (a) to (d) above are provided to the **Audit Committee** who are also consulted on any proposed changes to the County Council's Treasury Management activities.

GARY FIELDING
Corporate Director – Strategic Resources

NORTH YORKSHIRE COUNTY COUNCIL ANNUAL INVESTMENT STRATEGY 2019/20 – SPECIFIED INVESTMENTS

Investment	Security / Minimum Credit Rating	Circumstances of Use
Term Deposits with the UK Government or with UK Local Authorities (as per Local Government Act 2003) with maturities up to 1 year	High security as backed by UK Government	In-house
Term Deposits with credit rated deposit takers (Banks and Building Societies), including callable deposits with maturities less than 1 year	Organisations assessed as having “high credit quality” plus a minimum Sovereign rating of AA- for the country in which the organisation is domiciled	In-house
Certificate of Deposits issued by credit rated deposit takers (Banks and Building Societies) up to 1 year		Fund Manager or In-house “buy and hold” after consultation with Treasury Management Advisor
Forward deals with credit rated Banks and Building Societies less than 1 year (i.e. negotiated deal plus period of deposit)		In-house
Term Deposits with Housing Associations less than 1 year		In-house
Money Market Funds i.e. collective investment scheme as defined in SI2004 No 534 <i>(These funds have no maturity date)</i>	Funds must be AAA rated	In-house After consultation with Treasury Management Advisor Limited to £20m
Gilts (with maturities of up to 1 year)	Government Backed	Fund Manager or In-house buy and hold after consultation with Treasury Management Advisor
Bonds issued by a financial institution that is guaranteed by the UK Government (as defined in SI 2004 No 534) with maturities under 12 months <i>(Custodial arrangements required prior to purchase)</i>	Government Backed	After consultation with Treasury Management Advisor

SCHEDULE B

NORTH YORKSHIRE COUNTY COUNCIL ANNUAL INVESTMENT STRATEGY 2019/20 – NON-SPECIFIED INVESTMENTS

Investment	Security / Minimum Credit Rating	Circumstances of Use	Max % of total investments	Maximum investment with any one counterparty	Max. maturity period
<p>Term Deposit with credit rated deposit takers (Banks & Building Societies), UK Government and other Local Authorities with maturities greater than 1 year</p>	<p>Organisations assessed as having “high credit quality” under the Credit Worthiness Policy</p>	<p>In-house</p>	<p>100% of agreed maximum proportion of Core Cash funds (£40m)</p>	<p>£5m</p>	<p>5 years</p>
<p>Certificate of Deposit with credit rated deposit takers (Banks & Building Societies) with maturities greater than 1 year Custodial arrangements prior to purchase</p>	<p>Organisations assessed as having “high credit quality” under the Credit Worthiness Policy</p>	<p>Fund Manager or In-house “buy & hold” after consultation with Treasury Management Advisor</p>	<p>100% of agreed maximum proportion of Core Cash funds (£40m)</p>	<p>£5m</p>	<p>5 years</p>
<p>Callable Deposits with credit rated deposit takers (Banks & Building Societies) with maturities greater than 1 year</p>	<p>Organisations assessed as having “high credit quality” under the Credit Worthiness Policy</p>	<p>In-house</p>	<p>50% of agreed maximum proportion of Core Cash funds (£20m)</p>	<p>£5m</p>	<p>5 years</p>

Investment	Security / Minimum Credit Rating	Circumstances of Use	Max % of total investments	Maximum investment with any one counterparty	Max. maturity period
Term Deposits with Housing Associations with maturities greater than 1 year	Organisations assessed as having “high credit quality” under the Credit Worthiness Policy	In-house	25% of agreed maximum proportion of Core Cash funds (£10m)	£5m	5 years
Forward Deposits with a credit rated Bank or Building Society > 1 year (i.e. negotiated deal period plus period of deposit)	Organisations assessed as having “high credit quality” under the Credit Worthiness Policy	In-house	25% of agreed maximum proportion of Core Cash funds (£10m)	£5m	5 years
Bonds issued by a financial institution that is guaranteed by the UK Government (as defined in SI2004 No534) with maturities in excess of 1 year <small>Custodial arrangements required prior to purchase</small>	AA or Government backed	Fund Manager or In-house “buy & hold” after consultation with Treasury Management Advisor	25% of agreed maximum proportion of Core Cash funds (£10m)	n/a	5 years
Bonds issued by Multilateral development banks (as defined in SI2004 No534) with maturities in excess of 1 year <small>Custodial arrangements required prior to purchase</small>	AA or Government backed	Fund Manager or In-house “buy & hold” after consultation with Treasury Management Advisor	25% of agreed maximum proportion of Core Cash funds (£10m)	£5m	5 years

Investment	Security / Minimum Credit Rating	Circumstances of Use	Max % of total investments	Maximum investment with any one counterparty	Max. maturity period
<p>UK Government Gilts with maturities in excess of 1 year</p> <p>Custodial arrangements required prior to purchase</p>	Government backed	Fund Manager	25% of agreed maximum proportion of Core Cash funds (£10m)	n/a	5 years
<p>Collateralised Deposit</p>	UK Sovereign Rating	In-house	25% of agreed maximum proportion of Core Cash funds (£10m)	n/a	5 years
<p>Property Funds</p>	Organisations assessed as having “high credit quality”	In-house after consultation with Treasury Management Advisor	100% of agreed maximum proportion of Core Cash funds (£40m)	£5m	10 years

APPROVED LENDING LIST 2019/20

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 PLC (RFB)	GBR	75.0	364 days	-	-
National Westminster Bank PLC (RFB)	GBR				
UK "Clearing Banks", other UK based banks and Building Societies					
Santander UK PLC (includes Cater Allen)	GBR	60.0	6 months	-	-
Barclays Bank PLC (NRFB)	GBR	75.0	6 months	-	-
Barclays Bank UK PLC (RFB)	GBR				
Bank of Scotland PLC (RFB)	GBR	60.0	364 days	-	-
Lloyds Bank PLC (RFB)	GBR		6 months		
Lloyds Bank Corporate Markets PLC (NRFB)	GBR				
HSBC Bank PLC (NRFB)	GBR	30.0	364 days	-	-
HSBC UK Bank PLC (RFB)	GBR				
Goldman Sachs International Bank	GBR	60.0	6 months		
Sumitomo Mitsui	GBR	30.0	6 months		
Standard Chartered Bank	GBR	60.0	6 months		
Handelsbanken	GBR	40.0	364 days	-	-
Nationwide Building Society	GBR	40.0	6 months	-	-
Leeds Building Society	GBR	20.0	3 months	-	-
High quality Foreign Banks					
National Australia Bank	AUS	30.0	364 days	-	-
Commonwealth Bank of Australia	AUS	30.0	364 days		
Toronto-Dominion Bank	CAN	30.0	364 days		
Credit Industriel et Commercial	FRA	30.0	6 months	-	-
Landesbank Hessen-Thuringen Girozentrale (Helaba)	GER	30.0	364 days		
DBS (Singapore)	SING	30.0	364 days		
Local Authorities					
County / Unitary / Metropolitan / District Councils		20.0	364 days	5.0	5 years
Police / Fire Authorities		20.0	364 days	5.0	5 years
National Park Authorities		20.0	364 days	5.0	5 years
Other Deposit Takers					
Money Market Funds		20.0	364 days	5.0	5 years
Property Funds		5.0	364 days	5.0	10 years
Housing Associations		20.0	364 days	5.0	5 years
UK Debt Management Account		100.0	364 days	5.0	5 years

* Based on data as 31 December 2018

APPROVED COUNTRIES FOR INVESTMENTS

Based on the lowest available rating

Sovereign Rating	Country
AAA	Australia Canada Denmark Germany Luxemburg Netherlands Norway Singapore Sweden Switzerland
AA+	Finland USA
AA	Abu Dhabi (UAE) France Hong Kong UK
AA-	Belgium Qatar

PRUDENTIAL INDICATORS UPDATE – FOR 2019 TO 2021/22

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 2017/18 are as follows:</p> <table border="1" data-bbox="235 651 1099 874"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">Executive August 2018</th> <th colspan="2">Update January 2019</th> </tr> <tr> <th>Basis</th> <th>%</th> <th>Basis</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>2017/18</td> <td>actual</td> <td>8.1</td> <td>actual</td> <td>8.0</td> </tr> <tr> <td>2018/19</td> <td>probable</td> <td>9.1</td> <td>probable</td> <td>9.0</td> </tr> <tr> <td>2019/20</td> <td>estimate</td> <td>8.6</td> <td>estimate</td> <td>8.6</td> </tr> <tr> <td>2020/21</td> <td>estimate</td> <td>7.2</td> <td>estimate</td> <td>8.0</td> </tr> <tr> <td>2021/22</td> <td>estimate</td> <td>-</td> <td>estimate</td> <td>7.4</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="235 1145 1099 1369"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">Executive August 2018</th> <th colspan="2">Update January 2019</th> </tr> <tr> <th>Basis</th> <th>%</th> <th>Basis</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>2017/18</td> <td>actual</td> <td>7.2</td> <td>actual</td> <td>7.2</td> </tr> <tr> <td>2018/19</td> <td>probable</td> <td>6.8</td> <td>probable</td> <td>6.8</td> </tr> <tr> <td>2019/20</td> <td>estimate</td> <td>6.5</td> <td>estimate</td> <td>6.6</td> </tr> <tr> <td>2020/21</td> <td>estimate</td> <td>5.2</td> <td>estimate</td> <td>6.1</td> </tr> <tr> <td>2021/22</td> <td>estimate</td> <td>-</td> <td>estimate</td> <td>5.7</td> </tr> </tbody> </table>	Year	Executive August 2018		Update January 2019		Basis	%	Basis	%	2017/18	actual	8.1	actual	8.0	2018/19	probable	9.1	probable	9.0	2019/20	estimate	8.6	estimate	8.6	2020/21	estimate	7.2	estimate	8.0	2021/22	estimate	-	estimate	7.4	Year	Executive August 2018		Update January 2019		Basis	%	Basis	%	2017/18	actual	7.2	actual	7.2	2018/19	probable	6.8	probable	6.8	2019/20	estimate	6.5	estimate	6.6	2020/21	estimate	5.2	estimate	6.1	2021/22	estimate	-	estimate	5.7	<p>The estimates of financing costs include current Capital Plan commitments based on the latest 2018/19 Q3 Capital Plan.</p> <p>The updated estimates for 2018/19 to 2021/22 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 2021/22 (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).
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2021/22	estimate	-	estimate	5.7																																																																	

Prudential Indicator			Comment																																			
<p>2 Capital Expenditure - Actual and Forecasts</p> <p>The actual capital expenditure that was incurred in 2017/18 and the latest estimates of capital expenditure to be incurred for the current and future years are:</p> <table border="1"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">Executive August 2018</th> <th colspan="2">Update January 2019</th> </tr> <tr> <th>Basis</th> <th>£m</th> <th>Basis</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>2017/18</td> <td>actual</td> <td>103.5</td> <td>actual</td> <td>103.5</td> </tr> <tr> <td>2018/19</td> <td>probable</td> <td>155.8</td> <td>probable</td> <td>132.8</td> </tr> <tr> <td>2019/20</td> <td>estimate</td> <td>88.4</td> <td>estimate</td> <td>137.6</td> </tr> <tr> <td>2020/21</td> <td>estimate</td> <td>87.2</td> <td>estimate</td> <td>92.6</td> </tr> <tr> <td>2021/22</td> <td>estimate</td> <td>-</td> <td>estimate</td> <td>21.8</td> </tr> </tbody> </table> <p>The above figures reflect the updated Capital Plan (Q1 2018/19) 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 August 2018		Update January 2019		Basis	£m	Basis	£m	2017/18	actual	103.5	actual	103.5	2018/19	probable	155.8	probable	132.8	2019/20	estimate	88.4	estimate	137.6	2020/21	estimate	87.2	estimate	92.6	2021/22	estimate	-	estimate	21.8	<p>This Indicator now reflects the Capital Outturn in 2017/18 and the Capital Plan update for Q3 2018/19.</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 2017/18 outturn and Q3 2018/19 to later years (c) various other Capital approvals and refinements reflected in the latest Capital Plan update 	
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Prudential Indicator					Comment				
3 Capital Financing Requirement (CFR)									
Actuals and estimates of the Capital Financing Requirement (CFR) at the defined year ends are as follows:									
		Executive August 2018				Update January 2019			<p>The January 2019 figures were based on a Capital Plan approved as at 31 December 2018.</p> <p>The updated figures reflect the following variations figures</p> <p>(a) re-phasing between years of expenditure that is funded from borrowing including slippage between years identified at 2017/18 outturn and Q3 2018/19</p> <p>(b) capital receipts (including company loans) slippage between years that affect year on year borrowing requirements</p> <p>(c) variations in the level of the Corporate Capital Pot which is used in lieu of new borrowing until the Pot is required</p> <p>(d) additions and variations to schemes/provisions approved that are funded from Prudential Borrowing</p> <p>(e) variations in the annual Minimum Revenue Provision for debt Repayment which arise from the above</p> <p>(f) Other Long Term Liabilities now include the Allerton Waste Recovery Park PFI Scheme</p>
Date	Basis	Borrowing	Other Long Term liabilities (PFI etc)	Total	Basis	Borrowing	Other Long Term liabilities (PFI etc)	Total	
		£m	£m	£m		£m	£m	£m	
31 Mar 18	actual	302.9	160.4	463.4	actual	302.9	160.4	463.4	
31 Mar 19	probable	294.0	159.3	453.3	probable	309.9	159.3	469.2	
31 Mar 20	estimate	281.9	157.8	439.7	estimate	298.0	157.8	455.8	
31 Mar 21	estimate	270.8	156.1	427.0	estimate	280.3	156.1	436.4	
31 Mar 22	estimate	-	-	-	estimate	275.6	154.3	429.9	
<p>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.</p>									

Prudential Indicator	Comment
<p>4 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 (2018/19), plus the estimate of any additional capital financing requirement for the current (2019/20) and next two financial years (2020/21 and 2021/22). 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 3) 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 2018/19 nor are any difficulties envisaged for the current or future years of the Medium Term Financial Strategy up to 2021/22. 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 2019/20 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) 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.</p> <p>The County Council's gross debt figure is currently significantly below the CFR figures shown in Indicator 3 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>5 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 2018/19 will be the statutory limit determined under section 3(1) of the Local Government Act 2003.</p> <table border="1" data-bbox="123 624 1310 903"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="3">Executive August 2018</th> <th colspan="3">Update January 2019</th> </tr> <tr> <th>External Borrowing</th> <th>Other long term liabilities</th> <th>Total Borrowing Limit</th> <th>External Borrowing</th> <th>Other long term liabilities</th> <th>Total Borrowing Limit</th> </tr> <tr> <td></td> <td>£m</td> <td>£m</td> <td>£m</td> <td>£m</td> <td>£m</td> <td>£m</td> </tr> </thead> <tbody> <tr> <td>2018/19</td> <td>329.9</td> <td>159.3</td> <td>489.2</td> <td>361.8</td> <td>159.3</td> <td>521.1</td> </tr> <tr> <td>2019/20</td> <td>347.3</td> <td>157.8</td> <td>505.1</td> <td>379.4</td> <td>157.8</td> <td>537.2</td> </tr> <tr> <td>2020/21</td> <td>357.4</td> <td>156.1</td> <td>513.5</td> <td>376.4</td> <td>156.1</td> <td>532.5</td> </tr> <tr> <td>2021/22</td> <td>-</td> <td>-</td> <td>-</td> <td>368.1</td> <td>154.3</td> <td>522.4</td> </tr> </tbody> </table>	Year	Executive August 2018			Update January 2019			External Borrowing	Other long term liabilities	Total Borrowing Limit	External Borrowing	Other long term liabilities	Total Borrowing Limit		£m	£m	£m	£m	£m	£m	2018/19	329.9	159.3	489.2	361.8	159.3	521.1	2019/20	347.3	157.8	505.1	379.4	157.8	537.2	2020/21	357.4	156.1	513.5	376.4	156.1	532.5	2021/22	-	-	-	368.1	154.3	522.4	<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 2019/20 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 3) and Operational Boundary for external debt (see Indicator 6). Explanations for these changes are provided under Indicators 3 and 6 respectively.</p>
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<p>6 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 5 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 3 above), together with</p> <p>(a) relative levels of capital expenditure funded internally from cash balances rather than taking external debt</p> <p>(b) loan repayment cover arrangements and the timing of such arrangements</p> <p>These two financing transactions affect external debt levels at any one point of time during the financial year but do not impact on the Capital Financing Requirement.</p>																																																				
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<p>7 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 2022 reflect refinements which are common to the Capital Financing Requirement (see Indicator 3 above) together with the relative levels of capital expenditure internally funded from cash balances rather than taking external debt.</p>																																																																						
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<p>8 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 2019 was 7% (£20m out of a total of £287.5m) 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>																																																																						

Prudential Indicator	Comment																																								
<p>9 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="219 592 1211 1018"> <thead> <tr> <th data-bbox="219 592 618 687">Period</th> <th data-bbox="618 592 741 687">Lower Limit %</th> <th data-bbox="741 592 860 687">Upper Limit %</th> <th data-bbox="860 592 1037 687">Memo item - actual at 1 April 18 %</th> <th data-bbox="1037 592 1211 687">actual at 1 April 19 %</th> </tr> </thead> <tbody> <tr> <td data-bbox="219 687 618 730">under 12 months</td> <td data-bbox="618 687 741 730">0</td> <td data-bbox="741 687 860 730">50</td> <td data-bbox="860 687 1037 730">1</td> <td data-bbox="1037 687 1211 730">9</td> </tr> <tr> <td data-bbox="219 730 618 774">12 months & within 24 months</td> <td data-bbox="618 730 741 774">0</td> <td data-bbox="741 730 860 774">25</td> <td data-bbox="860 730 1037 774">9</td> <td data-bbox="1037 730 1211 774">15</td> </tr> <tr> <td data-bbox="219 774 618 817">24 months & within 5 years</td> <td data-bbox="618 774 741 817">0</td> <td data-bbox="741 774 860 817">50</td> <td data-bbox="860 774 1037 817">25</td> <td data-bbox="1037 774 1211 817">10</td> </tr> <tr> <td data-bbox="219 817 618 860">5 years & within 10 years</td> <td data-bbox="618 817 741 860">0</td> <td data-bbox="741 817 860 860">75</td> <td data-bbox="860 817 1037 860">3</td> <td data-bbox="1037 817 1211 860">4</td> </tr> <tr> <td data-bbox="219 860 618 903">10 years and within 25 years</td> <td data-bbox="618 860 741 903">0</td> <td data-bbox="741 860 860 903">100</td> <td data-bbox="860 860 1037 903">9</td> <td data-bbox="1037 860 1211 903">9</td> </tr> <tr> <td data-bbox="219 903 618 946">25 years and within 50 years</td> <td data-bbox="618 903 741 946">0</td> <td data-bbox="741 903 860 946">100</td> <td data-bbox="860 903 1037 946">53</td> <td data-bbox="1037 903 1211 946">53</td> </tr> <tr> <td data-bbox="219 946 618 1018"></td> <td data-bbox="618 946 741 1018"></td> <td data-bbox="741 946 860 1018"></td> <td data-bbox="860 946 1037 1018">100</td> <td data-bbox="1037 946 1211 1018">100</td> </tr> </tbody> </table>	Period	Lower Limit %	Upper Limit %	Memo item - actual at 1 April 18 %	actual at 1 April 19 %	under 12 months	0	50	1	9	12 months & within 24 months	0	25	9	15	24 months & within 5 years	0	50	25	10	5 years & within 10 years	0	75	3	4	10 years and within 25 years	0	100	9	9	25 years and within 50 years	0	100	53	53				100	100	<p>These limits are reviewed annually and have been updated to reflect the current maturity structure of the County Council's debt portfolio.</p>
Period	Lower Limit %	Upper Limit %	Memo item - actual at 1 April 18 %	actual at 1 April 19 %																																					
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25 years and within 50 years	0	100	53	53																																					
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Prudential Indicator	Comment
<p>10 Total Principal Sums Invested for periods longer than 365 days</p> <p>The 2018/19 aggregate limit of £40m for ‘non specified’ investments longer than 365 days is based on a maximum of 20% of estimated ‘core cash funds’ up to 2021/22 being made available for such investments.</p> <p>The purpose of this prudential limit for principal sums invested for longer than 365 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 365 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 365 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 365 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**CAPITAL STRATEGY****1.0 BACKGROUND**

1.1 The purpose of the Capital Strategy is to demonstrate that the Council takes capital expenditure and investment decisions in line with corporate and service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. It sets out the long term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.

1.2 The Capital Strategy comprises a number of distinct, but inter-related, elements as follows:

a) **Capital Expenditure (Section 2)**

This section includes an overview of the governance process for approval and monitoring of capital expenditure, including the Council's policies on capitalisation, and an overview of its capital expenditure and financing plans.

b) **Capital Financing and Borrowing (Section 3)**

This section provides a projection of the Council's capital financing requirement, how this impacted by capital expenditure decisions and how it will be funded and repaid. It therefore sets out the Council's borrowing strategy and explains how it will discharge its duty to make prudent revenue provision for the repayment of debt.

c) **Alternative Investments (Section 4)**

This section provides an overview of those of the Council's current and proposed alternative investment activities that count as capital expenditure, including processes, due diligence and defining the Council's risk appetite in respect of these.

d) **Chief Financial Officer's statement (Section 5)**

This section contains the Chief Financial Officer's views on the deliverability, affordability and risk associated with the capital strategy

2.0 CAPITAL EXPENDITURE

Capitalisation Policy

2.1 Expenditure is classified as capital expenditure when it results in the acquisition or construction of an asset (e.g. land, buildings, roads and bridges, vehicles, plant and equipment etc.) that:

- Will be held for use in the delivery of services, for rental to others, investment or for administrative purposes; and
- Are of continuing benefit to the Council for a period extending beyond one financial year.

Subsequent expenditure on existing assets is also classified as capital expenditure if these two criteria are met.

2.2 There may be instances where expenditure does not meet this definition but would be treated as capital expenditure, including:

- Where the Council has no direct future control or benefit from the resulting assets, but would treat the expenditure as capital if it did control or benefit from the resulting assets; and
- Where statutory regulations require the Council to capitalise expenditure that would not otherwise have expenditure implications according to accounting rules

2.3 The County Council operates de-minimis limits for capital expenditure. This means that items below these limits are charged to revenue rather than capital. The limits are currently as follows:

- General Limit: £20,000
- Schools Limit: £2,000

Governance

2.4 Capital expenditure is a necessary element in the development of the Council's services since it generates investment in new and improved assets. Capital expenditure is managed through the Capital Plan – a three year capital budget set annually as part of the budget setting process and reviewed quarterly as part of performance monitoring arrangements.

2.5 The County Council's Financial Procedure Rules and the Asset Management Planning Framework provide a framework for the preparation and appraisal of schemes proposed for inclusion in the Capital Plan, appropriate authorisations for individual schemes to proceed and facilitate the overall management of the Capital Plan within defined resource parameters.

2.6 The Corporate Director –Strategic Resources shall determine the format of the Capital Plan and the timing of reports relating to it. The approved Capital Plan will comprise a

number of individual schemes each of which will be quantified in overall project terms or on an annualised basis, as appropriate. Each Director shall prepare a draft Capital Plan for their service, in consultation with the Corporate Director – Strategic Resources, for submission to the Executive. The Capital Plan should identify planned expenditure, and funding, at proposed individual scheme or programme level.

- 2.7 The Corporate Director – Strategic Resources is responsible for preparing an overall Capital Plan for consideration by the Executive, and approval by the Council, the funding of which shall be compatible at all times with the Treasury Management Policy Statement of the Council. Individual schemes shall only be included in the Capital Plan following a project appraisal process undertaken in accordance with the guidelines defined in the Asset Management Planning Framework and in accordance with the Property Procedure Rules.

Capital Expenditure and Funding Plans

- 2.8 The County Councils capital expenditure plans as per the Capital Plan are set out in **Appendix B, Schedule E**.

- 2.9 When expenditure is classified as capital expenditure for capital financing purposes, this means that the Council is able to finance that expenditure from any of the following sources:

- a) **Capital grants and contributions** - amounts awarded to the Council in return for past or future compliance with certain stipulations.
- b) **Capital receipts** – amounts generated from the sale of assets and from the repayment of capital loans, grants or other financial assistance.
- c) **Revenue contributions** – amounts set aside from the revenue budget in the Reserve for Future Capital Funding.
- d) **Borrowing** - amounts that the Council does not need to fund immediately from cash resources, but instead charges to the revenue budget over a number of years into the future.

- 2.10 The implications of financing capital expenditure from ‘borrowing’ are explained in section 3 below.

3.0 CAPITAL FINANCING REQUIREMENT AND BORROWING

Context

- 3.1 The County Council is required to comply with the CIPFA Prudential Code for Capital Finance in Local Authorities (referred to as the ‘Prudential Code’) when assessing the affordability, prudence and sustainability of its capital investment plans.

- 3.2 Fundamental to the prudential framework is a requirement to set a series of prudential indicators. These indicators are intended to collectively build a picture that demonstrates the impact over time of the Council's capital expenditure plans upon the revenue budget and upon borrowing and investment levels, and explain the overall controls that will ensure that the activity remains affordable, prudent and sustainable.

A summary of the actual prudential indicators for 2017/18, and the estimates for 2018/19 through to 2021/22, are provided in **Appendix B Schedule E**.

Capital Financing Requirement (CFR)

- 3.3 When capital expenditure is funded from borrowing, this does not result in expenditure being funded immediately from cash resources, but is instead charged to the revenue budget over a number of years. It does this in accordance with its policy for the repayment of debt, which is set out in **Appendix B Schedule B**.
- 3.4 The forward projections of the CFR reflect:
- Additional capital expenditure from borrowing or further credit arrangements resulting in an increase to the CFR and
 - Revenue budget provision being made for the repayment of debt, which results in a reduction to the CFR).
- 3.5 The actual CFR for 2017/18 and forward projections for the current and forthcoming years are as follows:

Item	2017/18 Actual £m	2018/19 Probable £m	209/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m
Capital Borrowing	284.5	285.2	272.5	263.1	258.1
Loans to Limited Companies	8.0	14.2	15.0	6.7	6.3
Investment Properties	10.5	10.5	10.5	10.5	10.5
Other Long Term Liabilities	160.4	159.3	157.8	156.1	154.3
Total Capital Financing Requirement	463.4	469.2	455.8	436.4	429.2

- 3.6 The forecast reduction in the CFR is a result of the annual provision for the repayment of debt each year being in excess of the amount of capital expenditure that it is intended to finance from borrowing based on the current capital programme up to 2021/22. The CFR may potentially increase dependent on the level of capital investment undertaken.
- 3.7 The CFR may potentially increase dependent on the level of capital investment undertaken. Currently, the Capital Plan includes £18.5m relating to Alternative Investments (£8m Loans to Limited Companies and £10.5 Investment Properties). The investments in commercial property are classed as capital expenditure. As commercial investments are funded from core cash balances, the investments are effectively funded from internal borrowing for capital accounting purposes. As a result, expenditure on commercial property investments are included in the calculation of the

Capital Financing Requirement (CFR). When the County Council ultimately disinvests and sells the properties, the income will be classed as a capital receipt and applied to reduce the CFR. The County Council will not borrow to fund commercial investment through loans from PWLB or money markets.

External Borrowing Limits

- 3.8 The Council is only permitted to borrow externally (including via credit arrangements) up to the level implied by its Capital Financing Requirement (CFR). To ensure that external borrowing does not exceed the CFR, other than in the short term, limits are established for external debt, as follows:
- **Authorised limit** – this defines the maximum amount of external debt permitted by the Council, and represents the statutory limit determined under section 3 (1) of the Local Government Act 2003.
 - **Operational boundary** – this is an estimate of the probable level of the Council's external debt, and provides the means by which external debt is managed to ensure that the 'authorised limit' is not breached.
- 3.9 The proposed limits make separate provision for external borrowing and other long-term liabilities, and are based upon an estimate of the most likely but not worst case scenarios. They allow sufficient headroom for fluctuations in the level of cash balances and in the level of the CFR.
- 3.10 Alternative investment activities are likely to be classed as capital expenditure. The Alternative Investments Strategy is still evolving though and, in the event that major initiatives are proposed, in excess of those already in the Capital Programme, it may be necessary to review the current borrowing limits.

3.11 The agreed **Operational Boundary** and **Authorised Limits** for external debt are as follows:

Item	2018/19 probable £m	2019/20 estimate £m	2020/21 estimate £m	2021/22 estimate £m
Debt outstanding at start of year	287.5	319.3	317.4	309.3
+ External borrowing requirements				
Capital borrowing requirement	19.0	0.2	-6.0	6.5
Replacement borrowing	2.5	22.0	27.1	14.1
MRP charged to Revenue	-12.0	-12.1	-11.6	-11.3
Borrowing b/fwd from 2017/18	0	0	0	0
Internally funded variations	24.8	10.0	9.5	9.5
Sub-total	34.3	20.1	19.0	18.8
- External debt repayment	-2.5	-22.0	-27.1	-14.1
= Forecast Debt Outstanding	319.3	317.4	309.3	314.0
+ Other 'IFRS' long term liabilities				
PFI / Leases	159.3	157.8	156.1	154.3
= Total Debt Outstanding	478.6	475.2	465.4	468.3
+ Provision for				
Debt rescheduling	15.0	15.0	15.0	15.0
Potential capital receipts slippage	5.0	5.0	5.0	5.0
New borrowing taking place before principal repayments made	2.5	22.0	27.1	14.1
= Operational Boundary for year	501.1	517.2	512.5	502.4
+ Provision for cash movements	20.0	20.0	20.0	20.0
= Authorised Limit for year	521.1	537.2	532.5	522.4

Borrowing Strategy

3.12 The County Councils Borrowing Strategy is set out in **Appendix B Section 8**.

3.13 The County Council is currently maintaining an under borrowed position. This means the Capital Financing Requirement (CFR) has not been fully funded from long-term external borrowing as cash supporting the authority's reserves and balances has been used as a short term measure.

3.14 The use of internal borrowing has been an effective strategy in recent years as:

- It has enabled the Council to avoid significant external borrowing costs; and
- It has mitigated significantly the risks associated with investing cash in what has often been a volatile and challenging market.

The internal borrowing position will be carefully reviewed and monitored on an ongoing basis in order to consider any changes to borrowing rates as well as current and future cash flow constraints.

- 3.15 Further long term external borrowing may be undertaken, in excess of the current forecasts, in the event that it is not possible or desirable to sustain the anticipated internal borrowing position.
- 3.16 The external borrowing requirement will be kept under review, and long term external loans will be secured within the parameters established by the authorised limit and operational boundary for external debt).
- 3.17 Opportunities to generate savings by refinancing or prematurely repaying existing long term debt will also be kept under review. Potential savings will be considered in the light of the current treasury position and the costs associated with such actions.

Minimum Revenue Provision

- 3.18 The County Council sets cash resources aside from the Revenue Budget each year to repay the borrowing. This practice is referred to as the minimum revenue provision (MRP) for the repayment of debt.
- 3.19 The Capital Financing Requirement (CFR) provides a measure of the amount of capital expenditure which has been financed from borrowing that the Council yet to fund from cash resources.
- 3.20 Statutory guidance requires MRP to be provided annually on a prudent basis. In accordance with the requirement to make a prudent 'revenue provision for the repayment of debt', the Council ensures that debt is repaid over a period that is commensurate with the period over which the capital expenditure provides benefit. The revenue budget provision for MRP charges in 2019/20 has been compiled on a basis consistent with this policy.

4.0 ALTERNATIVE INVESTMENTS

Introduction

- 4.1 The prolonged low interest rate environment has resulted in reduced returns on treasury management investments. Moreover, the introduction of the general power of competence has given local authorities far more flexibility in the types of activity they can engage in. These changes in the economic and regulatory landscape, combined with significant financial challenges, have led many authorities to consider different and more innovative types of investment.
- 4.2 CIPFA recently issued an update to its Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes (the Treasury Management Code). One of the main changes introduced by the new Code is to require authorities to incorporate all of the financial and non-financial assets held for financial return in authorities' annual capital strategies.

- 4.3 Separately, the Ministry of Housing, Communities and Local Government recently updated its Statutory Guidance on Local Authority Investments which reinforces the need for Commercial Activities to be included in the Capital Strategy.
- 4.4 All alternative investment activities are subject to approval in accordance with the Council's governance framework for decision making.

Alternative Investment Objectives

- 4.5 The primary objectives of alternative investment activities are:
- Security – to protect the capital sums invested from loss; and
 - Liquidity – ensuring the funds invested are available for expenditure when needed.

The generation of yield is distinct from these prudential objectives. However, once proper levels of security and liquidity are determined, it is then reasonable to consider what yield can be obtained consistent with these priorities.

Non-core activities and investments are primarily undertaken by the Council in order to generate income to support the delivery of a balanced budget. Such investments are only entered following a full assessment of the risks and having secured expert external advice (i.e. where it is relevant to do so).

- 4.6 An overall maximum exposure of £60m for alternative investments was approved by Executive on 15 January 2019.

Commercial Investment Board

- 4.7 Given the technical nature of potential alternative investments and strong linkages to the Council's Treasury Management function, appropriate governance and decision making arrangements are needed to ensure robust due diligence in order to make recommendations for implementation. As a result, a Commercial Investment Board has been established. All investments will be subject to consideration and where necessary recommendations of the Commercial Investment Board.
- 4.8 The Board is not be a constituted body and therefore does not have formal decision making powers. However, it is the chief means of identifying, reviewing and recommending schemes for investment decisions. Formal decisions on investments will be taken within the existing delegations namely through delegated authority to the Corporate Director, Strategic Resources and further decisions as made by the Executive.

4.9 The Board has delegated authority to approve individual investments up to a limit of £2.5m per investment and up to a total of £10m in any one financial year (approved by Executive 15 January 2019). Investments in excess of this will be submitted to the Executive for approval.

4.10 The responsibilities of the Board also include:

- To consider appropriate due diligence proportionate to the investment / risk / reward proposed.
- Terminate investments should concerns be raised - to consider and recommend cases for early termination of alternative investments.
- To monitor returns against approved performance targets.
- To report performance of alternative investments to the Executive on a quarterly basis
- To make recommendations to Executive on any proposed changes to the framework.

4.11 Membership of the Board is as follows:

- Lead Member for Finance (Chair)
- Lead Member for Growth
- Corporate Director Strategic Resources
- Corporate Director Business and Environmental Services
- Assistant Director Strategic Resources
- Assistant Director BES - Growth, Planning and Trading Standards

Investment Properties

4.12 Options are continually reviewed the acquisition of land and buildings for investment purposes, rather than for the supply of goods or services or for administrative purposes. Such assets will be classified as Investment Properties.

4.13 Investment properties are measured at their fair value annually (which will ensure the valuation reflects the market conditions at the end of each reporting period). The fair value measurement will enable the County Council to assess whether the underlying assets provide security for capital investment. Where the fair value of the underlying assets is no longer sufficient to provide security against loss, mitigating actions will be considered, to ensure that appropriate action is taken to protect the capital sum invested.

Loans to Third Parties

4.14 Loans to third parties will be considered, as part of a wider strategy for local economic growth, even though they may not all be seen as prudent if adopting a narrow definition of prioritising security and liquidity.

4.15 Such loans will be considered when all of the following criteria are satisfied:

- The loan is given towards expenditure which would, if incurred by the Council, be capital expenditure;
- The purpose for which the loan is given is consistent with the Council's corporate / strategic objectives and priorities;
- Due diligence is carried out that confirms the Council's legal powers to make the loan, and that assesses the risk of loss over the loan term;
- A formal loan agreement is put in place which stipulates the loan period (*which will not exceed 25 years*), repayment terms and loan rate (which will be set at a level that seeks to mitigate any perceived risks of a loss being charged to the General Fund, and takes appropriate account of state aid rules) and any other terms that will protect the Council from loss;

4.16 The County Council does not currently have in place any loans with third parties.

Loans to Limited Companies

4.17 The County Council has made a number of loans in recent years for policy reasons and will continue to monitor and review this position.

- a) the County Council's general investment powers under this Annual Treasury Management and Investment Strategy come from the Local Government Act 2003 (Section 12). Under this Act a local authority has the power to invest for any purpose relevant to its functions or for the purpose of the prudent management of its financial affairs;
- b) in addition to investment, the County Council has the power to provide loans and financial assistance to Limited Companies under the Localisation Act 2011 (and also formally under the general power of wellbeing in the Local Government Act 2000) which introduced a general power of competence for authorities;
- c) any such loans to limited companies will not be classed as investments made by the County Council. Instead they will be classed as capital expenditure and will be approved, financed and accounted for accordingly;

- d) at present the County Council has made several loans to companies in which it has an equity investment. In all cases loan limits are set, and reviewed periodically, by the Executive;

4.18 The County Council's loans to limited companies are set out in **paragraph 4.23**.

Other Alternative Investments

4.19 Consideration of individual investment opportunities is subject to detailed business cases and subject to review and approval by the Alternative Investment Board and Executive. The Capital Strategy will be updated should further investment opportunities be developed during 2019/20 and/or in the event that the statutory Guidance on Local Authority Investments, when issued, requires further content to be included.

Current Alternative Investment Position

4.20 In order to manage risk appropriately, achieve targets for investment returns, deliver a diverse portfolio and maintain a level of liquidity, the Commercial Investment Board has established an investment framework. The investment framework provides a range of investment options and investment limits for each option.

4.21 The current investment framework and current alternative position is as follows:

Type of investment	Risk	Maximum Exposure £m	Maximum Term Years	Target Rate (above BBR) %	Invested as at 31/12/18 £m	Rate of Return %
Alternative treasury instruments						
- Money Market Funds	Low	20.0	1 - 5 years	> 0.10	10.0	0.72
- Enhanced Cash Funds		20.0			-	-
- Certificates of Deposit (CDs)		20.0			10.0	0.79
- Property Funds		20.0			6.0	4.86
Total Alternative Treasury Instruments					26.0	
Other Alternative Investments						
Loans to Council Companies	Low - Medium	25.0	10	4.00	8.0	3.75 - 4.75
Spend to Save	Low	5.0	7	4.00	-	-
Loans to Housing Associations	Medium	10.0	20	3.00	-	-
Solar Farm (or similar)	Medium	5.0	20	7.00	-	-
Commercial investments ***	High	20.0	10	5.00	0.1	5.50*
Total Other Alternative Investments **					8.1	

* Net Initial Yield

** Total Alternative Investments capped at £60m

*** Purchase of Harrogate Royal Baths is expected to be completed at a cost of £9.1m in January 2019.

4.22 The County Council has the following loans to subsidiaries in place as at 31 December 2018

Subsidiary	Total Loan Agreed £m	Loan Advanced £m	Loan Term (Years)	Interest Rate %	Loan Balance £m
NYnet	10.00	Overdraft	N/A	3.0 + Base	5.8
Yorwaste – Loan 1	3.70	2017/18*	10	4.0 + Base	3.7
Yorwaste – Loan 2	3.85	2017/18	10	4.0 + Base	2.4
Brierley Homes	2.75	2017/18	2	4.0 + Base	2.6
First North Law	0.25	2017/18	10	4.0 + Base	0.1
Total	20.55				7.96

4.23 The County Council has the following Commercial Property Investments in place as at 31 December 2018

Property	Amount £m	Net Yield %
Bank Unit in Stafford Town Centre	0.9	6.0
Harrogate Royal Baths	-	-
Total	0.9	

In addition, the purchase of Harrogate Royal Baths is expected to be completed for £9.1m in January 2019.

5.0 SECTION 151 OFFICER STATEMENT

Background

5.1 The Prudential Code for Capital Finance in Local Authorities (the Prudential Code) plays a key role in capital finance in local authorities. Local authorities determine their own programmes for investment that are central to the delivery of quality public services. The Prudential Code was developed by CIPFA as a professional code of practice to support local authorities in taking their decisions. Local authorities are required by regulation to have regard to the Prudential Code when carrying out their duties under Part 1 of the Local Government Act 2003.

5.2 In financing capital expenditure, local authorities are governed by legislative frameworks, including the requirement to have regard to CIPFA's Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes.

5.3 In order to demonstrate that capital expenditure and investment decisions are taken in line with service objectives and properly take account of stewardship, value for money,

prudence, sustainability and affordability, the Prudential Code requires authorities to have in place a Capital Strategy that sets out the long term context in which capital expenditure and investment decisions are made, and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.

5.4 The Prudential Code requires the Chief Financial Officer to report explicitly on the affordability and risk associated with the Capital Strategy. The following are specific responsibilities of the Section 151 Officer:

- recommending clauses, treasury management policy/practices for approval, reviewing regularly, and monitoring compliance;
- submitting quarterly treasury management reports;
- submitting quarterly capital budget reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees

- ensuring that members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed

5.5 The Capital Strategy provides an overview of the governance process for approval and monitoring of capital expenditure. These processes are well established and are highly effective in ensuring delivery of the Authority's capital investment plans. In addition, the Capital Strategy and Prudential Indicators also demonstrates that the capital expenditure, investment and financing plans of the Authority are robust, affordable and sustainable."

