

# North Yorkshire County Council

## Executive

Minutes of the meeting held at No. 3 Racecourse Lane, Northallerton on Tuesday, 4 February 2020 commencing at 11.00 am.

County Councillor Carl Les in the Chair. County Councillors, David Chance, Gareth Dadd, Caroline Dickinson, Michael Harrison, Andrew Lee, Don Mackenzie, Patrick Mulligan, Janet Sanderson and Greg White.

Officers present: David Bowe, Stuart Carlton, Gary Fielding, Richard Flinton, Neil Irving, Barry Khan, Richard Webb, Barry Mason, Ken Moody and Melanie Carr.

There was one representative of the press in attendance.

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### Copies of all documents considered are in the Minute Book

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#### 410. Minutes

##### Resolved –

That the Minutes of the meeting held on 14 January 2020, having been printed and circulated, be taken as read and confirmed, and signed by the Chairman as a correct record.

#### 411. Declarations of Interest

There were no declarations of interest. However, County Councillor Michael Harrison drew members' attention to his dispensation granted by North Yorkshire County Council's Standards Committee, enabling him to fully participate in meetings where decisions could have an impact on Health and Adult Services.

#### 412. Exclusion of the Public and Press

##### Resolved –

That on the grounds that it involved the likely disclosure of exempt information as defined in the paragraph(s) specified in column 2 of Part 1 of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to information)(Variation) Order 2006, members agreed to exclude the public and press from the meeting during consideration of agenda item 10.

#### 413. Questions and Statements from members of the public

There were no public questions or statements.

#### **414. Area Constituency Committee Feedback**

Considered -

A report of the Assistant Chief Executive (Legal and Democratic Services), providing an overview of the key issues considered at recent Area Constituency Committee meetings. As members' had no questions, it was

**Resolved -**

That the report be noted.

#### **415. Budget 2020/21 & the Medium Term Financial Strategy (MTFS)**

Considered – A joint report of the Chief Executive and the Corporate Director for Strategic Resources, asking the Executive to make recommendations to the County Council regarding the Medium Term Financial Strategy (MTFS) for 2020/21 to 2023/24, the Revenue Budget for 2020/21 and Council Tax for 2020/21.

County Councillor Carl Les thanked Gary Fielding and his team for their work on the budget.

##### Medium Term Financial Strategy 2020/21 to 2023/24 & Revenue Budget for 2020/21

County Councillor Gareth Dadd reiterated those thanks and went on to introduce the report. He highlighted that whilst the coming financial year would see the first increase in government funding since 2010, the savings required by 2023/24, in real terms still equated to an approximate 40% reduction in spending compared to 2011. He also drew attention to:

- The recurring £19m savings gap expected over the period to 2023/24 which the County Council would have to fund from its reserves should there be no increase in government funding
- The ever increasing number of one-off specific grants, that the County Council was currently reliant on
- The associated assumptions in the MTFS and the related risks detailed in the report.
- The inequality of the current government funding and the need for a multi-year CSR going forward - He welcomed the Government's commitment to a Fair Funding Review, particularly for rural councils with much higher levels of council tax than in many areas of inner London.
- The detailed public consultation undertaken on the Council Plan priorities and the proposed Council Tax level
- The headlines in the consultation feedback - it was noted that responses had been limited and that the views had been mixed in response to the proposed rise in Council Tax.

Gary Fielding - Corporate Director for Strategic Resources, went on to summarise the ongoing demand led pressures across a range of services, as detailed in section 3.4 of the report - in particular, in High Needs. He highlighted the level of temporary funding projected in the MTFS at £61.8m. He also drew members' attention to the investments and detailed public consultation set out in sections 3.9 and 5 respectively.

In addition, Gary Fielding drew members' focus to the high level equality assessment shown in Appendix I, stressing that the impact of the budget proposals on the relevant groups should be a key consideration.

Finally, he referred members to his section 25 opinion, in particularly paragraph 8.15 which he asked members to consider alongside the additional information that was circulated at the start of the meeting given developments relating to DSG ring-fencing. He reiterated that the high level estimates in the MTFS projections beyond 2020/21 were as realistic as could be assessed at this stage, and drew members' attention to the planned investments and proposed use of earmarked reserves.

Members noted the DfE response to the consultation on clarifying the DSG ringfence, received subsequent to publication of the Budget papers which stated:

*'The effect of these provisions is that LAs will not be permitted to fund any part of the deficit from sources other than DSG (and any specific grants whose conditions allow them to be applied to the schools' budget) without the authorisation of the Secretary of State. If a LA wished to use other sources, it must apply to the Secretary of State for authorisation to disregard the new arrangements. We would not wish to place barriers in the way of LAs that have used other sources to supplement the DSG for particular reasons such as PFI costs; or of LAs who want voluntarily to use small annual sums in support of their high needs budgets.'*

Gary Fielding confirmed the response would be appended to the legal implications detailed in section 7 of the Budget report together with the following comments on the response:

*'The changes looked set to involve statutory backing through amendments to the School and Early Years Finance Regulations 2020 (which come into force in February 2020).*

*This outcome is welcome – so long as it comes with the extra funding required to relieve the deficit. If there is no additional funding, then it is simply an unsatisfied debt which is unsustainable. At this stage we have no indication of further sufficient funding and as s151 officer I believe it is inappropriate and irresponsible to provide for a deficit to continue to accumulate without assurance of funds to re-pay this deficit.*

*The Budget / MTFS set before you therefore makes provision for the projected high needs overspends. It does this by ensuring that there is sufficient funding to pay for the statutory services which the council has a duty to deliver and any deficit on DSG is set to be earmarked on the balance sheet at the year-end. The Budget / MTFS also provides for an equal and opposite provision to offset the projected deficit. In this way the Council is able to offset any deficit but should the DfE provide the appropriate level of additional funds then the Council can re-claim the offsetting provision and reduce its level of projected funding gap. The Council is therefore not funding the DSG deficit at this point but is funding provision for the possibility that it may need to in the future in line with good financial practice.'*

It was noted this additional information would be added to the report prior to its presentation to Full Council as it would give further context to the Corporate Director for Strategic Resources' formal views detailed at paragraph 8.15 of the report.

County Councillor Carl Les thanked Gary Fielding for the update and confirmed the Council did not make increases in Council Tax lightly and therefore looked forward to the outcome of the Government's Spending Review. County Councillor Patrick Mulligan welcomed the approach being taken to earmark any deficit on DSG at the year-end as a way of evidencing the underfunding and Council Councillor Janet Sanderson endorsed his comments.

Finally, County Councillor Gareth Dadd confirmed the Council's fundamental commitment to

funding services for vulnerable children and adults, and expressed his pragmatic view that the proposed budget was both necessary and forward looking.

As the Executive had been involved in the formation of the proposed budget throughout the year there were no outstanding questions in relation to the Medium Term Financial Strategy 2020/21 to 2023/24 & Revenue Budget for 2020/21, and it was unanimously

**Resolved – That:**

- i) The following be recommended to the County Council:
  - a) 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 8.15) and the risk assessment of the MTFs detailed in Section 9 be noted.
  - b) 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 2020/21 of £321,725,322 be 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) 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 £1,363.47 be approved (paragraph 3.3.6 and Appendix C).
  - d) A Net Revenue Budget for 2020/21, after use of reserves, of £389,489k (Section 4.0 and Appendix F) be approved and that the financial allocations to each Directorate, net of planned savings, be as detailed in Appendix B.
  - e) In the event that the final Local Government Settlement results in a variance of less than £5m in 2020/21 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) The Corporate Director – Children and Young People’s Service be 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, Early Years and the Central Schools Services Block (paragraph 3.4.12).
  - g) The Fees and Charges Strategy set out at Appendix M be approved and adopted with effect from 1 April 2020 (para 3.5.6).
  - h) A one-off sum of £1m be provided in 2020/21 to work up potential solutions which will help to advocate for capital funding for the Council and its schools as set out in paragraph 3.9.2.
  - i) A recurring sum of £3m be provided as an annual refresh sum for the Council’s IT capability in line with paragraph 3.9.3. and that such funding be released subject to satisfactory business cases resulting in the approval of the Corporate Director of Strategic Resources in consultation with the Executive Member for IT and the Executive Member for Finance.
  - j) A one-off sum of £2m be provided in 2020/21 to fund potential future redundancy costs as set out in paragraph 3.9.5. k) and that a recurring sum of £5.1m be provided in 2020/21 followed by a further recurring sum of £5.1m in 2021/22 in order to address sustainability issues in the care sector in line with paragraph 3.9.6.
  - l) The Medium Term Financial Strategy for 2020/21 to 2023/24, and its caveats, as laid out in Section 3.0 and Appendix F be approved.

- m) The Corporate Director – Business & Environmental Services be 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 6).
  - n) The Corporate Director – Health and Adult Services be 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 12).
  - o) The Corporate Director – Children and Young People’s Services be 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 11).
  - p) The Chief Executive be 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 10).
  - q) Any outcomes requiring changes following Recommendations m), n), o) and p) 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.
  - r) The existing policy target for the minimum level of the General Working Balance be retained at £27m in line with paragraphs 3.6.4 to 3.6.5 and Appendix E.
  - s) The attached pay policy statement (Appendix H) covering the period 1 April 2020 to 31 March 2021 be approved as set out in Section 6.
- ii. The delegation arrangements referred to in Section 10 that authorise the Corporate Directors to implement the Budget proposals contained in the report for their respective service areas, and for the Chief Executive in those areas where there are cross-council proposals, be noted and agreed.
  - iii. The Executive had regard to the Public Sector Equality Duty (identified in Section 7 and Appendix I) in approving the Budget proposals contained in the report.

#### Capital Five Year Spending Plan

Considered – A report of the Corporate Director for Strategic Resources providing an updated Quarter 3 Capital Plan. County Councillor Gareth Dadd introduced the report and Gareth Fielding drew members’ attention to the individual additions to the Plan, the approved schemes and the potential unallocated capital funding that might become available over the Capital Plan period.

In response to a question from Members, Barry Khan, Corporate Director for Legal & Democratic Services provided clarity of the need for a certificate of Indemnity in relation to the Deed of Variation in respect of the proposed expansion of Barlby Community Primary School, as detailed in the report.

As there were no further questions, the Executive

**Resolved - That:**

- a) The refreshed Capital Plan summarised at paragraph 3.4 be approved

- b) No action be taken at this stage to allocate any additional capital resources (paragraph 6.7); and
- c) The Assistant Chief Executive Legal and Democratic Services be authorised to issue the certificate under the Local Government (Contracts) Act 1997 to confirm the County Council's powers to enter into the Deed of Variation in respect of the proposed expansion of Barlby Community Primary School and that an indemnity be given by the County Council to the Assistant Chief Executive Legal and Democratic Services, against any claim that may arise out of or in connection with the issue of the certificate under the Local Government (Contracts) Act 1997 as outlined at paragraph 3.12.

### Treasury Management

Considered – Report of the Corporate Director for Strategic Resources which introduced an update annual Treasury Management Strategy for the financial year 2020/21.

Having considered the report and after receiving assurances from Gary Fielding that there were no radical changes from the previous Strategy, the Executive

**Resolved** - To recommend to the County Council:

- a) The Treasury Management Strategy at Annex 1, including:
- b) The Capital Prudential Indicators (Appendix A), Borrowing Strategy and Treasury Prudential Indicators (Appendix B) and Annual Investment Strategy 2020/21 (Appendix C), and in particular:
  - i. an authorised limit for external debt of £576m in 2020/21;
  - ii. an operational boundary for external debt of £556m in 2020/21;
  - iii. the Prudential and Treasury Indicators for 2020/21 to 2022/23:
  - 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 2020/21;
  - 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 at Appendix D;

## **416. Council Plan 2020-2024**

Considered –

A report of the Assistant Director for Policy, Partnerships & Communities seeking Executive agreement for the submission of a refreshed Council Plan to the County Council for adoption.

County Councillor David Chance introduced the report, detailing the changes to the Plan to make it a shorter, sharper document that better articulated the Council's priorities and ambitions, and

aimed for better outcomes for all residents despite reductions in funding.

Members noted the new Council plan illustration, and the two new ambitions i.e. 'Leading for North Yorkshire' and 'Innovative & Forward Thinking Council', the latter replacing the Modern Council ambition.

Neil Irving, Assistant Director for Policy, Partnerships & Communities made members' aware of an email from County Councillor Paul Haslam proposing a number of further changes in an effort to clarify the Council Council's position on Climate Change. Members noted the contribution and accepted that Climate Change had been embedded in the Council Plan in a pragmatic way. They also made the following further comments and suggestions:

- The visual plan was a welcome addition as it made the Council Plan more accessible;
- The approximate population figure quoted in the Council Plan introduction should be replaced with the formally recognised population figure recorded in 2016, to bring it in line with the other definitive statistics given.

**Resolved – That:**

- i) The draft Council Plan be approved and recommended to the County Council for approval at its meeting on 19 February 2020, and
- ii) It be recommended that the County Council authorise the Chief Executive to make any necessary changes to the text, including reflecting decisions made by the County Council on the budget, Medium Term Financial Strategy and updated performance data.

#### **417. Admission Arrangements 2021/2022**

Considered –

A report of the Corporate Director for Children & Young People's Services seeking Members views on the response to the proposed admission arrangements for Community & Voluntary Controlled Schools for the school year 2021/22, and to seek approval for recommendation to the County Council for determination.

County Councillor Patrick Mulligan introduced the report confirming that the catchment areas for all community and voluntary Controlled Schools across the Local Authority area remained unchanged with a number of exceptions, as detailed in the report. He went on to detail the consultations that had taken places and Members noted the minimal number of responses that had been received and the lack of feedback provided.

**Resolved –** That the proposed Admission Arrangements be recommended to the County Council for approval on 19 February 2020, to include:

- The proposed admission policy for community and voluntary controlled schools; and
- The proposed admission policy for nursery schools, schools with nursery classes and pre-reception classes, appendices 1 & 2.
- The proposed co-ordinated admission arrangements appendix 3
- The proposed In-Year Fair Access Protocol appendix 4
- The proposed published admission numbers (PAN's) for community and voluntary controlled schools as shown in appendices 5 (Primary) and 6 (Secondary)

- Catchment area Admiral Long CE Voluntary Controlled Primary School and Ripley Endowed CE Voluntary Controlled School appendix 7
- Catchment area Malton School appendix 8.

#### **418. Forward Work Plan**

Considered -

The Forward Plan for the period 27 January 2020 to 31 January 2021.

**Resolved –**

That the Forward Plan be noted.

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**Agenda item 10 was considered in Private and the public have no right of access to the section of the Minutes.**

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#### **419. Harrogate Rail Line Enhancement Scheme**

Considered –

Report of the Corporate Director for Business & Environmental Services

**Resolved –**

That the recommendations in the report be approved.

The meeting concluded at 11:57am

MLC