

North Yorkshire County Council

Executive

Minutes of the meeting held at County Hall, Northallerton on Tuesday, 31 January 2017 commencing at 11.00 am.

County Councillor Carl Les in the Chair. County Councillors Arthur Barker, David Chance, Gareth Dadd, Don Mackenzie, Janet Sanderson and Clare Wood.

Also in attendance: County Councillor John Blackie

Officers present: Richard Flinton, David Bowe, Paul Brennan, Gary Fielding, Suzanne Firth, Neil Irving, Barry Khan, Josie O'Dowd, Alan Tucker and Richard Webb.

Others present: 4 media representatives.

Copies of all documents considered are in the Minute Book

184. Minutes

Resolved –

That the Minutes of the meeting held on 6 December 2016, having been printed and circulated, are taken as read and are confirmed and signed by the Chairman as a correct record.

185. Questions and Statements from members of the public

There were no questions or statements from members of the public.

186. Minerals and Waste Joint Plan – Submission Stage

This item was deferred to a future meeting.

187. Feedback from Area Committees

Considered –

A report of the Assistant Chief Executive (Legal and Democratic Services) relating to meetings of the:-

- ◆ Ryedale Area Committee - 23 November 2016
- ◆ Selby Area Committee - 28 November 2016
- ◆ Yorkshire Coast and Moors County Area Committee - 30 November 2016
- ◆ Craven Area Committee - 8 December 2016
- ◆ Hambleton Area Committee - 12 December 2016
- ◆ Richmondshire Area Committee - 11 January 2017

Resolved –

- (a) That the report be noted.
- (b) That the questions from Selby Area Committee regarding the SLAs for libraries be referred to the portfolio holder, County Councillor Chris Metcalfe.

188. Council Plan 2017 - 2021

Considered –

A report of the Assistant Director (Policy and Partnerships) seeking agreement to submit to the County Council for adoption, the refreshed Council Plan.

County Councillor David Chance explained that the Council Plan is the overarching strategic document which sets out the policy framework and objectives of the County Council. He stated that this is considered alongside the budget and it reflects input from elected Members, Overview and Scrutiny and Management Board. He reported that there was no change to the overall vision, values and strategic direction however he noted that the format of the document had changed to emphasise selected elements of performance encapsulated in the following ambitions:

- ◆ Every child and young person has the best possible start in life.
- ◆ Every adult has a longer, healthier and independent life
- ◆ North Yorkshire is a place with a strong economy and a commitment to sustainable growth that enables our citizens to fulfil their ambitions and aspirations.
- ◆ We are a modern Council which puts our customers at the heart of what we do.

County Councillor David Chance also highlighted the Equality Impact Assessment at Appendix 2 and he stressed the underlying aim to deliver the best possible services despite the reduction in funding - he felt that the process of review process has resulted in many positive changes. He reiterated the due regard given to equalities which informs decision making regarding changes to service delivery and the actions to taken to realise ambitions. Where necessary a full Equality Impact Assessment is undertaken for the service affected. Concluding he commended the recommendations to the Executive for onward recommendation to Council.

County Councillor Clare Wood expressed her support for the clear, concise and succinct presentation of the Council's strategic intent. She was particularly pleased to see the inclusion of the ambition that every adult has a longer, healthier and independent life, also the reference to the prevention work of Health and Adult Services including Living Well, Extra Care, and the integration of health and social care. She wished to see this theme expanded in the version of the Plan to be presented to County Council on 15 February 2017, stating that this would be a useful way of demonstrating the support provided to citizens.

Resolved –

- (a) That the Council Plan is approved and it is recommended to the County Council for approval at its meeting on 15 February 2017.

- (b) That it be a recommendation that the County Council authorises the Chief Executive to make any necessary changes to the text, including reflecting decisions made by the County Council on budget, Medium Term Financial Strategy and updated performance data.
- (c) The performance position of the County Council and the performance challenges outlined in the report are noted.

189. The Medium Term Financial Strategy (MTFS) for 2017/18 to 2019/20 and the Revenue Budget 2017/18

Considered –

A joint report of the Chief Executive and Corporate Director - Strategic Resources asking the Executive to make recommendations to the County Council regarding the Medium Term Financial Strategy (MTFS) for 2017/18 to 2019/20, the Revenue Budget 2017/18 including Council Tax.

County Councillor Carl Les recorded his thanks for the inclusion once again of an Executive Summary which he felt to be a great asset.

Introducing the report County Councillor Gareth Dadd acknowledged the scale of the work undertaken to prepare the report and he thanked the officers for this. He commented that whilst this is technically an annual report, in reality it is a continuous year round process which always looks ahead to the setting of Council Tax levels, as reflected in the Medium Term Financial Strategy (MTFS). He noted that £170m in projected savings had been identified to date, observing that in previous years' achievement against savings targets had been ahead of schedule. He expressed great pride that this was something the Council had quietly progressed, whilst still protecting the vulnerable members of the community. He explained that the savings identified were the equivalent of a reduction in Council spending power of approximately 34% over the decade. He acknowledged that the achievement of savings was inevitably getting harder, with slippage of £3.7m now evident and advised that a further £10m in savings is still to be found. Against this backdrop he highlighted achievements including:

- ◆ A number of internal investments;
- ◆ One-off investments for broadband and highways;
- ◆ £1.5m allocated for locality budgets - enabling small scale investments in communities which can make a significant difference on the ground;
- ◆ The desire to do the right thing for the most vulnerable in communities, acting for those who are often invisible and do not speak up for themselves;
- ◆ Approaching Parish Councils to help contribute to the costs of services such as grass verge cutting in order to avoid cuts in adult social care.;
- ◆ A changing culture manifested in the SmartSolutions trading arm of the Council, which will seek to generate £1.6m of income;
- ◆ The acceptance that 'profit' is part of the language of a modern Council;
- ◆ Looking to business rates and Council Tax to support Health and Adult Services;
- ◆ Seeking a better return on investments - various lines of enquiry being pursued to look at how the Council's money can work smarter.

Turning to the question of Council Tax, County Councillor Gareth Dadd stated that the MTFS reflects an increase just below 4%, explaining that if this is not agreed a further £32m in savings will need to be identified. Speaking of the Adult Social Care Precept and

the option to bring this forward, and he articulated concerns that to do so could take £7m+ out of the local economy. He advocated taking the long term view therefore spreading the benefit of the Precept over the coming three years. He explained that Health and Adult Services represents the biggest portion of the Council's budget and he stressed that the Precept will not cover Living Wage rises due, or adequately mitigate the demographics of the county. To address this he felt that a radical review of social care funding, and possibly of the NHS, and also fairer funding is necessary - stating that there is insufficient recognition of rural poverty. He felt that all these issues represent serious and costly barriers to service delivery. Finally he assured Members that every effort would continue to be made to drive down back office costs and to identify the further £10m of savings which are required. He stressed that there is no room for complacency in the quest to achieve further savings whilst protecting the vulnerable continues.

Gary Fielding, Corporate Director - Strategic Resources, then addressed the detail of the revenue budget report highlighting the following points:

- ◆ Savings totalling £32.9m between 2017/18 and 2019/20 are proposed;
- ◆ £11m of this relates to new savings proposals, whilst £21m relates to savings previously identified under the MTFs;
- ◆ A shortfall of £9.8m is projected up to 2021 and it was explained that 2021 is included as this reflects the tail end effect of the Living Wage impact;
- ◆ It was acknowledged that it is getting tougher to deliver the targeted savings and the Council needs therefore to guard against complacency. It was noted that progress is presently slightly behind target for the first time;
- ◆ The Final Settlement is still unknown however this is expected to be very similar to the Provisional Settlement. Assuming the difference is no greater than £5m, the adjustment will be addressed via the Strategic Capacity Unallocated Reserve;
- ◆ Regarding Council Tax the presumption reflected in the report and recommendations is 2% for the Adult Social Care Precept and 1.99% for general Council Tax, giving a combined total of 3.99%. It was explained that for every 1% reduction a further £2.5m of savings would be required;
- ◆ Inflation has been higher than anticipated and it is expected to remain challenging in coming years reflecting greater economic uncertainty given the impact of the Government's devolution agenda and Brexit;
- ◆ Regarding addressing the £9.8m savings gap - if no action is taken to address this the impact will be £28.4m by 2020/21. It was noted that whilst this could be met from Reserves, this is not the best strategy in the long term. It was noted that the 2017/18 budget is already dependent upon £2m being drawn from Reserves;
- ◆ Regarding the existing savings programme, paragraph 3.8.2 was highlighted with notes 1 to 5 relating to the re-profiling of savings plans and notes 6 to 9 addressing difficulties in delivering the targeted savings and the impact on the bottom line;
- ◆ Suggested approaches to potentially fill the residual savings gap were noted - referencing paragraph 3.8.7;
- ◆ Regarding investments and the proposed use of earmarked reserves - locality budgets, investment in community libraries and provision for the County Council Elections were noted;
- ◆ Regarding consultation it was noted that this had involved the public, Members and the Citizens Panel.
- ◆ Also highlighted were the Pay Policy Statement at paragraph 7, the equality implications set out in paragraph 8, and at paragraph 9 the analysis of risks.

Concluding Gary Fielding made a Section 151 Officer statement as set out in paragraph 8.17 confirming that he is satisfied that:

- “i) estimates used in the Revenue Budget 2017/18 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 ongoing approach to develop a savings plan that will provide the basis for addressing the residual savings gap and any further shortfalls that may arise given the degree of uncertainties in the current climate.**
- iii) high level estimates used in the projections for the MTFs beyond 2017/18 are as realistic as can be assessed at this stage **given the uncertain external factors.** It remains important, however, that **decisions taken for 2017/18 and beyond are seen in the context of an on-going decline in funding in order to ensure that decision making is optimised.”**

County Councillor Carl Les thanked officers for the very detailed report.

County Councillor Clare Wood expressed her gratitude for the clarity of the report and she confirmed her support for the proposal to levy a 2% Social Care Precept. She commented that the reasons for raising it are well documented:

- the increasing pressure on social care with ever increasing numbers of frail and elderly needing help,
- and the major challenge of delivering services in the largest rural county in the country.

She felt proud that the Council has protected social care wherever possible and consequently spends nearly half of the overall budget in this area. She commented that helping older and vulnerable people to lead more independent lives for as long as possible must be the way forward - innovative prevention services help people live more fulfilling lives and they also help keep costs down. She expressed disappointment that the Government has not provided genuinely new money when she felt it is clearly needed. County Councillor Clare Wood went on to speak of the Social Care Precept which enables an extra 6% to be raised over three years on top of Council Tax. She supported the view that by spreading it over the three years, the Council may balance its need with what local taxpayers can afford - acknowledging the impact of inflation on the daily cost of living. She stated that Government has been lobbied extensively to provide a more sustainable Settlement and she believed that there is a glimmer of hope with cross party consensus to call for a review to find answers to the pressing social care challenges over the long term.

County Councillor Don Mackenzie welcomed the report which he felt was both clear and positive, and he supported the comments made by County Councillor Gareth Dadd. He also acknowledged that the Council is on the front foot regarding savings - rising to the challenge presented. He acknowledged the prioritisation reflected in the MTFs of highways matters, noting the reconstruction of Tadcaster Bridge which is nearing completion, and also works to Dalton Bridge. He also highlighted the decision not to cut bus subsidies any further, acknowledging the £8m already invested in the national concessionary fares scheme. He also spoke of the investments made in both broadband and mobile telephony, recognising that improvements in these areas is just as important to businesses and households as other utilities. He commented that June 91% of premises will have high quality broadband and he advised of the intention to extend 4G coverage.

County Councillor John Blackie was pleased to hear the reference to the rural setting reflected in all aspects of the budget report. He acknowledged the investment made in the most rural of areas where services such as community transport are supported by the community and the County Council. He also acknowledged the challenge of sustaining small schools and he recorded his thanks for the maintenance of these when it would be all too easy to cease those which cost the most located in the most remote locations.

Richard Flinton, Chief Executive, acknowledged the comments made by Gary Fielding and County Councillor Gareth Dadd and he reiterated the long savings journey which has been ongoing for over six years, with three or four more to come. He recognised the achievements made to date and he stressed the need to maintain the momentum for the future.

County Councillor Clare Wood, commenting upon the rurality of the area, noted that the cost of delivering services is necessarily higher than it would be in a compact urban area. County Councillor John Blackie summarised the situation stating that sparsity equates to distance, time and therefore increased costs.

Resolved –

That it is recommended 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 of the report) and the risk assessment of the MTFS detailed in Section 9 in the report 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 2017/18 of £271,548,611 is approved and that a Council Tax precept of this sum be issued to billing authorities in North Yorkshire (paragraphs 3.3.3 to 3.3.8 and Appendix A of the report).
- (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 £1,189.50 is approved (paragraph 3.3.7 and Appendix A of the report).
- (d) That a Net Revenue Budget for 2017/18, after use of reserves of £359.203m (paragraph 4.1 and Appendix D of the report) is approved and that the financial allocations to each Directorate, net of planned savings, be as detailed in Appendix F of the report.
- (e) That in the event that the final Local Government Settlement results in a variance of less than £5m then the difference to be addressed by a transfer to/from the Strategic Capacity Unallocated Reserve in line with paragraph 3.2.3 of the report with such changes being made to Appendix B of the report as appropriate.
- (f) That the Corporate Director – Children and Young People’s Service is authorised, in consultation with the Executive Member for Schools, to take the final decision on the allocation of the Schools Block (paragraph 3.4.6 of the report).
- (g) That £1.5m is provided for Locality Budgets for the duration of the new County Council (2017/18 to 2020/21) subject to terms to be agreed with the Assistant Chief

Executive (Legal and Democratic Services) in consultation with the Executive Member for Stronger Communities, Public Health and Legal and Democratic Services (paragraph 3.9.1 of the report).

- (h) That a further £250k is provided to fund the cost of elections in May 2017 (paragraph 3.9.1 of the report).
- (i) That £350k is provided to support community libraries (paragraph 3.9.1 of the report).
- (j) That £1.0m is earmarked for the 2020 North Yorkshire Programme to support delivery of the Programme and that the Chief Executive is authorised to approve investments in consultation with the Corporate Director - Strategic Resources and the Executive Member for Finance (paragraph 3.9.1 of the report).
- (k) That the Medium Term Financial Strategy for 2018/19 to 2019/20, and its caveats, as laid out in Section 3 and Appendix D of the report is approved.
- (l) That the Corporate Director – Business and 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 E (BES 1 to 5 of the report).
- (m) 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 E (HAS 1 to 10 of the report).
- (n) 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 E (CYPS 1 to 9 of the report).
- (o) 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 E (CS 1 to 16 of the report).
- (p) That any outcomes requiring changes following Recommendations (l), (m), (n) and (o) 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.
- (q) That the existing policy target for the minimum level of the General Working Balance is retained at £27.270m in line with paragraphs 3.6.4 to 3.6.6 and Appendix C of the report.
- (r) That the attached pay policy statement (Appendix G of the report) covering the period 1 April 2017 to 31 March 2018 (Section 7 of the report) be approved.

That the Executive notes the delegation arrangements referred to in Section 10 of the report 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.

That the Executive have regard to the Public Sector Equality Duty (identified in Section 8.2 to 8.6 and Appendix H of the report) in approving the Budget proposals contained in this report.

190. Capital Plan

Considered –

A report of the Corporate Director - Strategic Resources asking the Executive to approve an updated (Quarter 3 2016/17 to 31 December 2016) Capital Plan and recommend its adoption to County Council.

Gary Fielding, Corporate Director - Strategic Resources, explained the background to the report highlighting that an updated Capital Plan must be in place before the start of each new financial year. Gary Fielding explained that this is based upon a standard quarterly update and he highlighted paragraph 3.7 of the report which provided a commentary on significant projects and variations reflected in the Plan on a department by department basis. He noted that the 2016/17 Quarter 3 Capital Plan report will form the basis of the Capital Plan for subsequent modifications approved by the Executive throughout 2017/18.

Resolved –

- (a) That the updated Capital Plan, summarised at Appendix E of the report which incorporates a number of specific refinements reported in paragraph 3.7 is approved.
- (b) That no action be taken at this stage to allocate any additional capital resources (paragraph 3.14 of the report).
- (c) That it be a recommendation to the County Council that the Q3 2016/17 Capital Plan, as summarised in Appendices A to E of the report be adopted.

191. Treasury Management

Considered –

A report of the Corporate Director - Strategic Resources recommending to the County Council an updated Annual Treasury Management Strategy for the financial year 2017/18 which incorporates the Annual Investment Strategy, a Minimum Revenue Provision Policy and a policy to cap Capital Financing costs as a proportion of the annual Net Revenue Budget.

Gary Fielding, Corporate Director - Strategic Resources, explained that the Treasury Management Strategy is effectively a set of very technical financial rules by which the Council has to abide. He advised that there has been no change since previous year. He confirmed that the intention is to depress external borrowing as much as possible. Once the report has been approved by County Council the proposals are then to be reviewed in detail by the Audit Committee.

Resolved –

That it is recommended to the County Council that:

- (a) the Treasury Management Policy Statement as attached as Appendix A of the report is approved;
- (b) the Annual Treasury Management and Investment Strategy for 2017/18 as detailed in Appendix B of the report and in particular;
 - (i) an authorised limit for external debt of £393.1m in 2017/18;
 - (ii) an operational boundary for external debt of 373.1m in 2017/18;
 - (iii) the Prudential and Treasury Indicators
 - (iv) a limit of £20m of the total cash sums available for investment (both in house and externally managed) to be invested in Non Specified Investments over 364 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 2017/18
 - (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) that the Audit Committee be invited to review Appendices A and B of the report and submit any proposals to the Executive for consideration at the earliest opportunity.

192. Prudential Indicators

Considered –

A report of the Corporate Director - Strategic Resources recommending to County Council an updated set of Prudential Indicators for the period 2017/18 to 2019/20.

Gary Fielding, Corporate Director - Strategic Resources, confirmed that this annual report is submitted in order to comply with the CIPFA Code and again he advised that there were no changes.

Resolved –

That it is recommended to County Council that:

- (i) the updated Prudential Indicators for 2017/18 to 2019/20 as set out in Appendix A of the report is approved;
- (ii) an Authorised Limit for External Debt of £373.1m in 2017/18 under Section 3(1) of the Local Government Act 2003 (paragraph 3.4 of the report) is approved.

193. Pension Fund Pooling

Considered –

A report of the Corporate Director - Strategic Resources proposing an approach to ensuring the Council as the Administering Authority for the North Yorkshire Pension Fund can meet its regulatory obligations for asset pooling through joining the Border to Coast Pensions Partnership, make recommendation to Executive so that Executive can then make a proposal to full Council on 15 February 2017 and the Pension Fund Committee considered the report at a special meeting on 26 January 2017.

County Councillor Gareth Dadd introduced the report explaining that the matter was before the Executive as a vehicle to reach Council where considerable debate was anticipated on this subject. He acknowledged that he was not a Member of the Pension Fund Committee himself and he stated that he trusted the views of those Members who were noting that serious concerns had been articulated to him regarding the Government's stance on this matter. It was acknowledged that the Minutes from the Pension Fund Committee on 26 January 2017 had been circulated to all present.

Gary Fielding, Corporate Director - Strategic Resources, highlighted the additional recommendation which had been made by the Pension Fund Committee to be reflected in decision taking later. He advised that all Members of the Pension Fund Committee had expressed deep concern regarding the speed of movement required to achieve the establishment of pooling arrangements by 1 April 2018. The Pension Fund Committee Members had spoken at length about their concerns regarding the transition to the new arrangements. These concerns are reflected in the additional recommendation requested which is as follows:

“That authority be delegated to the Pension Fund Committee to determine the transition plan and to clarify any arrangements regarding the termination of Fund Manager contracts and entering into new contracts”.

County Councillor John Blackie spoke strongly of the concerns shared by members of the Pension Fund Committee and he stressed that what he was about to say was not opposition for the sake of opposition. He felt very strongly that the proposed arrangements were not in the best interests of pensioners present and future, or of Council Taxpayers. He acknowledged that it was probably impossible to change anything but as a matter of conscience he felt that he must speak out about the situation which he likened “to having a gun held to your head”. He acknowledged the 33,000 pensioners who are either in receipt of their pensions presently, waiting to retire, or in the deferred category. He recognised that this is a big issue for those members but he also stated that very few really understood it. He also spoke of the great team supporting the North Yorkshire Pension Fund – a very efficient administration incurring costs of below £750,000 per annum, placing the Fund in the lowest quartile regarding administration costs. He also acknowledged the benefit of the continuity of the membership of the Pension Fund Committee, most members having worked together for some eight years. Summarising the achievements he recounted the situation in 2009 when the North Yorkshire Pension Fund had a value of £827m with a solvency rate of 35%, placing the Fund in the bottom quartile of the league table. He compared this with the situation as at 30 September 2016 when the North Yorkshire Pension Fund was worth £2.8bn with a solvency rate of 93%. This equated to a 15.4% increase annualised over five years. As a result of this performance the Fund had won the LGC Award for the Best Global Equities Performance amongst Pension Funds. He stressed how well everyone worked together, Members and

officers, to deliver this strong performance. He felt that this success was attributable to the ownership taken in 2009 - all were committed to delivering a better performance. He felt that the Government's proposals compromised this with a one size fits all approach built on hope rather than past performance. He spoke of his concern regarding ministerial support and the lack of continuity in this regard. Quoting a letter from Marcus Jones he noted that costs were expected to rise in the early years of operation, with high salaries for senior operators of which there would be three or four per pool. This was described by the Minister as a price well worth paying to achieve estimated savings of £1.2bn by 2033. County Councillor John Blackie acknowledged that a good pension scheme has historically been one of the attractions of working in public service, and he expressed concern that this could be undermined with the prospect of pooled funds being accessed for investment in infrastructure projects. He observed that the North Yorkshire Pension Fund had looked at such proposals independently previously and rejected them on grounds of poor performance. He acknowledged that he is not an expert in this field but equally he stated it was clear that the proposals do not add up. He commented that the concerns he articulated were not just his own but also shared by other members of the Pension Fund Committee - all were concerned about the indecent haste of the action. Turning to the transitional arrangements outlined by the Government, he stated that these were sketchy and he reiterated his reservations about the North Yorkshire Pension Fund handing over hundreds of millions of pounds which it will not be possible to retrieve in a hurry. He was also concerned about the limited choice of Fund Managers, particularly when the Pension Fund Committee had shown great due diligence in monitoring performance previously. He felt that the requirement to liquidate assets and move them to new Fund Managers was high risk and he also acknowledged the influence of other Pool members who may not have such high performing Funds. He wondered whether there might have been a better pool with whom to collaborate but his greatest concern was the prospect of investment in HS2 on the horizon. Concluding, he restated his view that it was the wrong decision to embrace the pooling arrangements, whilst accepting there was little option other than to do so. He urged the Executive to recognise the degree of concern and to remember that pensioners are also Council Taxpayers. Finally he acknowledged the pace of change around the world and urged caution regarding the stance which may be taken by future Governments.

Responding County Councillor Gareth Dadd acknowledged that there was likely to be a very full debate on this matter at County Council on 15 February 2017 and he said that he recognised the concerns described. He stated that no one can dispute that this is a "gun against the head" scenario but equally the risk of not proceeding is greater than proceeding. He also acknowledged the additional recommendation from the Pension Fund Committee for inclusion in the recommendations to Council.

Barry Khan, Assistant Chief Executive (Legal and Democratic Services) highlighted other points raised by the Pension Fund Committee including the request that recommendations 6 and 7 be revised as follows:

- "6. authorising the Assistant Chief Executive (Legal and Democratic Services) to make the consequential changes required to the Constitution to reflect these new arrangements and to report back to the Pension Fund Committee ;
7. authorise the Assistant Chief Executive (Legal and Democratic Services) in consultation with the Corporate Director – Strategic Resources to finalise the approval and execution, where required, of all legal documents

necessary to give effect to the above decisions and to report back to the Pension Fund Committee”

County Councillor Arthur Barker stated that he too recognised the concerns raised, however he felt the recommendations should proceed to Council.

Resolved –

That it is recommended to County Council, as Administering Authority for the North Yorkshire Pension Fund, that it meets the regulatory requirements to pool Pension Fund assets by:

1. agreeing to be a member of the Border to Coast Pensions Partnership and to adopt its arrangements, by:
 - i entering into the Inter-Authority Agreement (Appendix 3 of the report) between the Council and the Administering Authorities of the other Pool Funds
 - ii entering into the Shareholder Agreement (Appendix 4 of the report) between the Council and the Administering Authorities of the other Pool Funds and Border to Coast Pensions Partnership Limited
 - iii agreeing the Articles of Association to be adopted by Border to Coast Pensions Partnership Ltd (Appendix 5 of the report)
 - iv approving the establishment of the Border to Coast Pensions Partnership Joint Committee as a formal Joint Committee under section 102 of the Local Government Act 1972 of in accordance with and to carry out the functions as set out in the Inter-Authority Agreement (Appendix 3 of the report)
2. approving the subscription by the North Yorkshire Pension Fund of 1 Class A voting share in the asset management company, Border to Coast Pensions Partnership Limited
3. referring the nomination of the shareholder to the Executive
4. approving the subscription by the North Yorkshire Pension Fund for such number of Class B non-voting shares in the Border to Coast Pensions Partnership Limited as shall be necessary to ensure that the Council contributes by way of equity one twelfth of the minimum regulatory capital requirement of the company as determined in by the requirements of the Financial Conduct Authority
5. appointing the Chair of the Pension Fund to represent the Council on behalf of the Fund at the Border to Coast Pensions Partnership Joint Committee meetings.
6. authorising the Assistant Chief Executive (Legal and Democratic Services) to make the consequential changes required to the Constitution to reflect these new arrangements and to report back to the Pension Fund Committee;
7. authorise the Assistant Chief Executive (Legal and Democratic Services) in consultation with the Corporate Director – Strategic Resources to finalise the

approval and execution, where required, of all legal documents necessary to give effect to the above decisions and to report back to the Pension Fund Committee;

8. That authority be delegated to the Pension Fund Committee to determine the transition plan and to clarify any arrangements regarding the termination of Fund Manager contracts and entering into new contracts.

194. Proposal to cease to maintain Drax Community Primary School

Considered -

A report of the Corporate Director - Children and Young People's Service detailing the outcome of the public consultation carried out by the Children and Young People's Service on a proposal to close the school and asking the Executive to consider the responses to the consultation, to authorise the publication of statutory proposals and to schedule taking a final decision on the proposal on 28 March 2017.

County Councillor Arthur Barker introduced the report and advised that there are presently ten children on the roll and none in the reception class. He stated that there had been a low level of response to the consultation and he confirmed that alternative solutions had been considered, but unfortunately these were not available in practice. Regarding the financial position of the school he reported that by the end of 2018/19 there is a projected cumulative deficit of £186,000. In view of the circumstances he felt that there is little option but to take the action proposed to publish statutory proposals and notices to cease to maintain Drax Community Primary School with effect from 31 August 2017.

County Councillor Arthur Barker also took the opportunity to introduce Paul Brennan the newly appointed Assistant Director Education and Skills who was substituting for the Corporate Director, Pete Dwyer. Suzanne Firth, Strategic Planning Manager, Prevention and Commissioning, advised that since drafting the report the school had received a further application for an admission to the reception class in September 2017, which would make the number on roll eight or nine.

Resolved -

- (a) That statutory proposals and notices be published on 16 February 2017 proposing to cease to maintain Drax Community Primary School with effect from 31 August 2017 and that from 1 September 2017 Camblesforth Community Primary School will become the normal school serving the area.
- (b) That the Executive schedule taking a final decision on these proposals on 28 March 2017.

195. School Admission Arrangements for the School Year 2018/19

Considered -

A report of the Corporate Director - Children and Young People's Service seeking the Executive's response to the proposed admission arrangements for Community and Voluntary Controlled schools for the school year 2018/19 and seeking approval for recommendation to the County Council for determination.

County Councillor Arthur Barker introduced the annual report setting out the proposed arrangements for 2018/19 for approval by County Council on 15 February 2017. He highlighted key areas of the report including admission numbers and catchment areas, and he particularly noted the email from Pete Dwyer regarding the Army Foundation College in Harrogate and the request to change the catchment area, which had not been supported by officers.

Suzanne Firth highlighted the proposed change to catchment areas in Scarborough which are a result of the Middle Deepdale development.

Resolved -

That the proposed Admission Arrangements be recommended to the County Council for approval on 15 February 2017 these include:

- (a) the proposed admission policy for community and voluntary controlled schools; and
- (b) the proposed admissions policy for nursery schools, schools with nursery and pre-reception classes, appendices 1 & 2 of the report
- (c) The proposed co-ordinated admission arrangements appendix 3 of the report.
- (d) The proposed published admission numbers (PAN's) for community and voluntary controlled schools as show in appendices 4 (primary) and 5 (secondary) of the report.
- (e) The proposed changes to the catchment areas for Overdale CP and Wheatcroft CP schools, appendix 7 of the report.
- (f) The proposed changes to the catchment areas for Graham School and George Pindar School, appendix 8 of the report.

196. Fostering North Yorkshire Service: Addition to the NYCC Fostering Framework re Out of Hours Admissions

Considered -

A report of the Corporate Director - Children and Young People's Service seeking approval to make a small amendment to the NYCC Fostering Framework with respect to emergency admissions into Foster Care outside of office hours.

County Councillor Janet Sanderson introduced the report regarding to a small amendment to the Fostering Framework regarding emergency carers who often deal with the most complex cases involving traumatised children.

County Councillor Gareth Dadd advised that he supported the proposals but asked that at the next meeting of the Constitution Working Group the delegation of such issues to the Corporate Director - Children and Young People's Service be considered. County Councillor Janet Sanderson concurred with this view and suggested that the matter be addressed under the new administration.

Resolved -

That with immediate effect the addition into the NYCC Fostering Framework of the concept of additional financial payment to Foster Carers who accommodate children/young people outside of office hours is agreed.

That the next Members' Working Group on the Constitution consider the delegation of decisions of this type to the Corporate Director - Children and Young People's Service.

197. Appointments to Committees and Other Bodies

Considered –

A report of the Assistant Chief Executive enabling any appointments to outside bodies, which are to be made by the Executive under the County Council's Constitution, to be considered, and for any other appropriate appointments to be recommended for approval by County Council on 15 February 2017.

Resolved –

(a) The vacancy on Durham Tees Valley Airport Consultative Committee should remain vacant until the next County Council Election 4 May 2017.

(b) That the Executive recommend to County Council that any proposals for the reallocation of seats, if necessary to achieve political proportionality, or for changes to memberships or substitute memberships of committees, or other bodies to which the Council makes appointments put forward by the relevant political group, prior to or at the meeting of the Council, be agreed including:

(i) North Yorkshire Fire and Rescue Authority

County Councillor Helen Swiers be nominated to serve in the vacant seat until the next County Council election 4 May 2017.

(ii) Health and Wellbeing Board

Phil Mettam to be appointed as the representative of the Vale of York CCG and Andrew Phillips is to become the nominated substitute.

Helen Hirst to be the appointed as the nominated substitute for Colin Renwick of the Airedale, Wharfedale and Carven CCG.

(iii) Scrutiny of Health

County Councillor Caroline Dickinson is to replace County Councillor Elizabeth Casling.

Councillor Wendy Hull and Councillor Linda Brockbank from Craven District Council are to exchange roles, with Councillor Wendy Hull to be appointed the member and Councillor Linda Brockbank to become the nominated substitute.

(iv) Transport, Economy and Environment Overview and Scrutiny Committee

County Councillor Caroline Patmore is to be nominated for appointment to the vacancy, to serve until the County Council Election 4 May 2017.

198. Forward Work Programme

The Forward Plan for period 1 January 2017 to 31 January 2018 was presented.

Resolved –

The forward work programme is noted.

The meeting concluded at 12.15 pm

JOD/JR