

North Yorkshire County Council

Executive

Minutes of the meeting held at County Hall, Northallerton on Tuesday, 30 January 2018 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: Richard Flinton, Stuart Carlton, David Bowe, Gary Fielding, Daniel Harry, Barry Khan, Dale Owens, Janet Waggott and Richard Webb.

One member of the press.

Helen Edwards attending as observer.

Copies of all documents considered are in the Minute Book

106. Minutes

Resolved –

That the Minutes of the meeting held on 16 January 2018, having been printed and circulated, are taken as read and are confirmed and signed by the Chairman as a correct record.

107. Declarations of Interest

There were no declarations of interest to note.

108. Exclusion of the Public

Resolved –

That the public be excluded from the meeting during consideration of each of the items of business listed in column 1 of the following table on the grounds that each involves the likely disclosure of exempt information as defined in the paragraph(s) of Part 1 of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to Information)(Variation) Order 2006 as defined in column 2.

Item on the agenda	Paragraph No
9	1 and 4

109. Questions and Statements from members of the public

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

110. Feedback from Area Committees

Considered –

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

- ◆ Hambleton Area Committee - 4 December 2017

County Councillor David Chance said that the majority of the feedback related to the proposed refocussing of Area Committees which in turn had already been fed back to the meeting of the Area Chairmen and Vice-Chairmen on 19 January 2018.

Resolved –

That the report be noted.

111. Council Plan 2018-2022 and Community Plan

Considered –

A report of the Assistant Director (Policy and Partnerships) seeking agreement to submit to County Council, for adoption, the refreshed Council Plan and seeking agreement to submit to County Council a proposal that the County Council ceases to have a Community Plan and that the requirement to have a Community Plan is deleted from the policy framework in Article 4 of the Council's Constitution.

County Councillor David Chance highlighted the importance of the Council Plan in articulating key strategic objectives and ambitions for the Council which include:

- 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 said that there is no longer a legal requirement for a Council to have a Community Plan. The Community Plan that was previously in place duplicated large elements of what was in the Council Plan. It is proposed, therefore, that we no longer produce a Community Plan.

County Councillor David Chance said that the Council Plan had been through the Equality Impact Assessment (EIA) process and that the outcome of that must be considered as part of the decision today. A full EIA is not required for the Community Plan.

Resolved –

- (a) The Council Plan is approved and it is recommended to the County Council for approval at its meeting on 21 February 2018.

- (b) That it be a recommendation that the County Council authorises 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.
- (c) That it be a recommendation to the County Council that the Council ceases to have a community plan and that the requirement to have a community plan is deleted from the policy framework in article 4 of the Council's Constitution.

112. Medium Term Financial Strategy 2018/19 to 2021/22 and Revenue Budget for 2018/19

Considered –

A joint report of the Chief Executive and the Corporate Director - Strategic Resources asking the Executive to make recommendations to the County Council regarding the Medium Term Financial Strategy (MTFS) for 2018/19 to 2021/22, the Revenue Budget 2018/19 and Council Tax for 2018/19.

County Councillor Gareth Dadd introduced the item on the budget and thanked Gary Fielding and his team for all the work that they had done. County Councillor Gareth Dadd noted that the preparation of budget was an ongoing process and not one that was done one year in anticipation of the next. As such the Council was in a comparatively strong position regarding its budget. Also, there was a culture of check and challenge whereby budgetary statistics and assumptions were questioned and not just accepted.

County Councillor Gareth Dadd said that the Council had an obligation to protect services to vulnerable people in the county. The budget faces a number of pressures from inflation, increasing demand and increasing complexity of need. In view of there being no substantial revenue stream from Central Government, there was a need to debate the option of a further 1% rise in Council Tax. This is not a huge step but is one that is not taken easily. If agreed, then it will reduce the need for further budget savings of up to £5.7m.

County Councillor Gareth Dadd noted that the Council have worked extremely hard over the past ten years to make savings of over £170m whilst protecting frontline services.

County Councillor Gareth Dadd drew Members' attention to the highways locality budget proposal whereby Members in 2018/19 would receive £5,000 each to use on highways and any related environmental improvements in their area. He said that the budget will be renamed Environmental Locality Budget to reflect the full scope of its use. The proposal was that this be treated as a one-off pilot in 2018/19 and then be reviewed thereafter.

County Councillor Carl Les thanked Gary Fielding and his team and noted that the report was clear and that the Executive Summary was extremely helpful.

Gary Fielding said that the budget should not be seen as an annual cycle but part of a ten year continuous process. To date, £142m of savings had been delivered, with over £15m proposed for 2018/19 and another £19m in future years. About £10.7m worth of savings were still to be found. In addition, there are increasing demands relating to children's social care and adult social care and we will need to be in a

position where we can react quickly to sudden increases. Gary Fielding stated that Reserves could quickly be eroded if savings targets were not met.

Gary Fielding noted that up to £1m of Corporate Savings Contingency would be able to be deployed, subject to the consideration of a robust business case, in order to respond to recurring pressures. The Corporate Savings Contingency would be reported on through the exiting quarterly reporting process.

Gary Fielding said that we expected the period of austerity to continue to 2022/23. The spending review does not go past 2020. As such financial planning beyond 2020 is difficult and will remain a period of uncertainty.

Gary Fielding referred Members' to last year's budget paper in which a number of lines of enquiry around savings had been identified. He noted that many of these savings have now been realised in this year's budget paper. Also, that areas and themes under which further savings could be potentially made to help meet the current £10.7m shortfall were identified.

Gary Fielding said that the final local government settlement was expected later this week or early next week. It was not anticipated that there would be any significant differences to the draft settlement that had been previously communicated.

Gray Fielding stated that the report recommended an increase in Council Tax by 2.99% plus 2% for adult social care, in line with the government settlement. The extra 1% increase will yield a recurring additional £2.7m in 2018/19 and circa £3m in 2019/20. For a Band D property this would typically mean an increase of £59.35 a year equivalent to £4.95 a month or £1.14 a week.

Gary Fielding then provided his Section 25 assurance statement and referred members to paragraph 8.11 in the report (page 87).

County Councillor Gareth Dadd said that for the first time we may be at odds with the view of the Citizens Panel. When initially contacting the Citizens Panel we had anticipated a £10.7m savings gap and asked for them to consider a 1% increase in Council Tax to help fill that gap. The savings now has widened, however, and now stands at just over £16m. In hindsight we did not them the full information needed to inform their decision making. The outcome of the engagement with the Citizens Panel was that 48% wanted to stay at 3.99% whilst 40% supported 4.99%.

In summing up, County Councillor Gareth said it is our responsibility as County Councillors to meet our obligations to vulnerable people in the county and ensure that they have access to services. As such the proposed increase in Council Tax was recommended.

County Councillor Don Mackenzie said that the Council was on the front foot compared to other local authorities. We are in control of events and have managed to keep support in the frontline. There are still opportunities for income generation and further efficiencies such as installation of LED street lights which will help to prevent cuts to frontline services.

County Councillor Don Mackenzie noted that there had been some initially concerns about the proposed highways locality budgets and how decisions about road repairs potentially made by 72 different County Councillors could be co-ordinated with the aims and objectives of the Highways Plan. He said that he felt reassured that the

renamed Environmental Locality Budget would broaden the focus onto a range of issues relating to roadsides, kerbs, pathways and other issues.

County Councillor David Chance asked whether there were increased financial pressures resulting from national pay awards for staff.

In response, Gary Fielding stated that the Council had budgeted for a 2% national pay deal and alignment of pay with the National Minimum Wage.

Justine Brooksbank said that the general cost of moving to the National Minimum Wage had been covered. There remained some issues relating to catering and cleaning staff linked to traded services to schools.

County Councillor David Chance asked what progress had been made with the national pay negotiations.

In response, Justine Brooksbank stated that two of the three largest unions had rejected the 2% pay offer and so it was expected that there would be a ballot of members nationally.

County Councillor Janet Sanderson said that it had been estimated that there was a £2bn national funding gap for children's services. Locally, whilst less people were requiring the service, those that did presented with more complex needs and higher risks. There are also additional pressures around services for people special educational needs and disabilities.

County Councillor Patrick Mulligan thanked all involved in the preparation of the budget papers. He said year on year a way forward with the budget had been found despite the pressures and the difficult choices that had to be made. County Councillor Patrick Mulligan said that the next few years would be an uncertain time and a period during which main source of income for the Council would be from Council Tax and business rates.

County Councillor Andrew Lee thanked Gary and his team for the proactive stance that was being taken on the budget. He acknowledged that savings were becoming more difficult to identify and achieve. An increase in Council Tax would help ensure the future of frontline services but it was something that was done reluctantly. County Councillor Andrew Lee stated his support for the recommendations.

County Councillor Carl Les said that the Council had been given the flexibility on Council Tax. Decisions to increase Council Tax had never been made lightly by the Council and over the past eight years Council Tax had gone up by only 12%.

County Councillor Carl Les suggested that the recommendations were taken as a block. There was unanimous agreement to this and unanimous support for the recommendations.

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 8.11 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 2018/19 of £287,757,993.86 is approved and that a Council Tax precept of this sum be issued to billing authorities in North Yorkshire (Section 3.3 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 £1,248.85 is approved (paragraph 3.3.10 and Appendix A of the report).
- (d) That a Net Revenue Budget for 2018/19, after use of reserves of £361,551k (Section 4.0 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 in any single year then the difference to be addressed by a transfer to/from the Strategic Capacity Unallocated Reserve in line with paragraph 3.2.3 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 Budget including High Needs (paragraph 3.4.16 of the report).
- (g) That £2.5m is provided from the Strategic Capacity Unallocated Reserve for the rationalisation of property in Northallerton from 2019/20 as set out in paragraph 3.9.1 of the report.
- (h) That £360k is provided from the Strategic Capacity Unallocated Reserve for Members Highways Locality Budgets in 2018/19 in line with paragraph 3.9.1 of the report and that authority be delegated to the Corporate Director, Business & Environmental Services in consultation with the Executive Member for Highways to develop and implement proposals on how the scheme should operate.
- (i) That £10,816k (split as £5,398k in 2018/19 and a further £5,418k in 2019/20) is provided from the Strategic Capacity Unallocated Reserve to complete the roll- out of the new LED units as set out in paragraph 3.9.1 of the report in order to deliver the saving proposed – BES 2 in Appendix E1.
- (j) That the Medium Term Financial Strategy for 2019/20 to 2021/22, and its caveats, as laid out in Section 3.0 and Appendix D of the report is approved.
- (k) That the Corporate Director - Strategic Resources is authorised, in consultation with the Executive Member for Finance, to apply up to £1m of the Savings Contingency provided for within the Budget/MTFS in any one year to provide for financial pressures on a recurring basis and that any application will be reported to the subsequent quarterly revenue budget monitoring report (paragraph 3.1.5 of the report).

- (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 6 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 14 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 12 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 13 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 £27.27m in line with paragraphs 3.6.4 to 3.6.5 and Appendix C of the report.
- (q) That the attached pay policy statement (Appendix G of the report) covering the period 1 April 2018 to 31 March 2019 (Section 6 of the report) be approved.

113. Capital Plan

Considered –

A report of the Corporate Director - Strategic Resources asking the Executive to approve an updated (Quarter 3 2017/18 to 31 December 2017) Capital Plan and recommend its adoption to County Council on 21 February 2018.

County Councillor Gareth Dadd introduced the report and said that he had nothing further to add.

Gary Fielding said that this Capital Plan reflects changes in anticipated spend and funding. He draw member’s attention to the investment in LEDs and noted that this would be included only if approved by Council.

County Councillor Carl Les suggested that the recommendations were taken as a block. There was unanimous agreement to this and unanimous support for the recommendations.

Resolved –

- (a) That the updated Capital Plan, summarised at Appendix E of the report which incorporates a number of specific refinements reported in paragraph 4 of the report is approved.
- (b) That no action be taken at this stage to allocate any further additional capital resources (paragraph 5.4 of the report).
- (c) That it be a recommendation to the County Council that the Q3 2017/18 Capital Plan, as summarised in Appendices A to E of the report be adopted

114. Treasury Management

Considered –

A report of the Corporate Director - Strategic Resources recommending to the County Council an updated Annual Treasury Management Strategy for the final year 2018/18 which incorporates the Annual Investment Strategy, a Minimum Revenue Provision Policy and a policy to cap Capital Funding costs as a proportion of the annual Net Revenue Budget.

County Councillor Gareth Dadd introduced the report and said that he did not like the level of debt that the Council had to manage but noted that this was moving in the right direction. Less debt would mean less interest payments and more money to spend on frontline services.

Gary Fielding said that the Treasury Management Policy Statement was required as part of Code of Practice. It includes the Annual Treasury Management and Investment Strategy and the Minimum Revenue Provision Policy.

Gary fielding stated that there were no fundamental changes to the approach. The main area of change is that of non-approved investments. This would be a change from £20m to £40m and from 2 years to 5 years for Property Funds, which are under active consideration at present. Gary Fielding noted that this had been incorrectly specified in paragraph 26 on page 54.

County Councillor Carl Les suggested that the recommendations were taken as a block. There was unanimous agreement to this and unanimous support for the recommendations.

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 2018/19 as detailed in Appendix B of the report and in particular;
 - (i) an authorised limit for external debt of £348.9m in 2018/19;

- (ii) an operational boundary for external debt of £328.9m in 2018/19;
 - (iii) the Prudential and Treasury Indicators
 - (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 2018/19;
 - (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 of the report;
- (d) that the Audit Committee be invited to review Appendices A, B and C of the report and submit any proposals to the Executive for consideration at the earliest opportunity.

115. Prudential Indicators

Considered –

A report of the Corporate Director - Strategic Resources recommending to County Council an updated set of Prudential Indicators for the period 2018/19 to 2020/21.

Gary Fielding introduced the report and said that there were no fundamental changes, only minor updates. There was a requirement, however, to comply with the Prudential Code.

County Councillor Carl Les suggested that the recommendations were taken as a block. There was unanimous agreement to this and unanimous support for the recommendations.

Resolved –

That it is recommended to County Council that:

- (i) the updated Prudential Indicators for 2018/19 to 2020/21 as set out in Appendix A of the report is approved;
- (ii) an Authorised Limit for External Debt of £348.9m in 2018/19 under Section 3(1) of the Local Government Act 2003 (paragraph 3.4 of the report) is approved.

116. School Admission Arrangements for the School Year 2019/20

Considered –

A report of the Corporate Director - Children and Young People's Service seeking views on the response to the proposed admission arrangements for Community and Voluntary Controlled Schools for the school year 2019/20 and seeking approval for recommendation to County Council for determination.

County Councillor Carl Les queried whether anyone who was a School Governor needed to declare an interest for this item.

Barry Khan stated that they did not need to do so unless they were paid.

There were no declarations of interest.

County Councillor Patrick Mulligan introduced the report and said that no changes to catchment areas had been proposed. Consultation had taken place with head teachers and governors and 79 schools responded with no comments being made about any of the school admission arrangements for 2019/20.

Resolved –

That the proposed Admission Arrangements be recommended to the County Council for approval on 21 February 2018 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 In Year Fair Access Protocol appendix 3a of the report
- (e) 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.

117. Forward Work Programme

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

Resolved –

The forward work programme is noted.

That Minute 119 was considered in private and the public have no right of access to this Minute.

118. Re-provision of services 101 Prospect Mount Road, Scarborough

Considered –

A report of the Corporate Director - Health and Adult Services seeking permission to re-provide services currently offered at 101 Prospect Mount Road, Scarborough through a mix of other NYCC, Private and Extra Care provision and to cease all services at 101 Prospect Mount Road declaring the building surplus to operational requirements.

County Councillor Michael Harrison introduced the report and said that there were two reasons why it was being considered in private. The first was there was a potential impact upon members of staff. The second was that there were some elements of commercial sensitivity.

County Councillor Michael Harrison said that any closure of any site was sensitive and that the views of service users and staff had been taken and their thoughts and concerns considered very carefully. The building itself is not best suited to delivering a modern adult social care service. Those service users who are being relocated will receive better service at other venues in the area.

The proposed changes will create a £0.5m revenue saving to the Council as part of the 2020 programme.

Dale Owens said that capacity in community-based services has been increased in the area to provide alternatives. The existing residents are moving together to a new purpose-built care home of a high standard. All services that were previously provided will continue to be provided through combination of the Council, the private sector and the voluntary sector.

Dale Owens stated that staff would be affected and had been offered the option of voluntary redundancy. There should be the opportunity to redeploy those members of staff who do not wish to take voluntary redundancy.

At this point Dale Owens circulated a copy of the full Equality Impact Assessment for the proposal.

County Councillor Carl Les stated that he would have preferred to have a copy of the EIA well in advance of the meeting.

Barry Khan reminded members of their responsibilities under the Equality Act 2010. Section 149 of the Equality Act 2010 states that the Council must, in the exercise of its functions, have due regard to our residents and staff for 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.

The Executive must demonstrate that it pays due regard in making its decision today 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, pregnancy and

maternity, race, religion or belief, gender and sexual orientation. The impact of proposals and decisions on the Council's activities as a service provider and an employer must be considered.

Member's attention was directed towards the Equality Impact Assessment form which was summarised at the meeting.

The recommendations were unanimously supported.

Resolved –

Executive are recommended to approve the proposal set out in Section 5 of the report and to reprovide services currently delivered from 101 Prospect Mount Road Scarborough through the reprovision of services in the wider locality.

The meeting concluded at 12.05 pm

DH/JR

DRAFT