

North Yorkshire County Council

Executive

Minutes of the meeting held at County Hall, Northallerton on Tuesday, 14 August 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, Janet Sanderson and Greg White.

Also in attendance: County Councillors Derek Bastiman, Jim Clark, John Ennis, Janet Jefferson and Paul Haslam.

Officers present: Richard Flinton, Stuart Carlton, Barry Khan, Richard Webb, Karen Iveson, Michael Leah and Melanie Carr

Apologies: County Councillor Patrick Mulligan

Copies of all documents considered are in the Minute Book

County Councillor Carl Les welcomed the Overview and Scrutiny Committee Chairs to the meeting.

186. Minutes

Resolved –

That the Minutes of the meeting held on 24 July 2018, having been printed and circulated, are taken as read and are confirmed and signed by the Chairman as a correct record.

187. Declarations of Interest

There were no declarations of interest to note.

188. 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 involved 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 - Appendix B
10

3
3

189. Questions and Statements from members of the public

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

190. Quarterly Performance and Budget Monitoring Report

Considered –

A joint report of the Chief Executive and Corporate Director - Strategic Resources bringing together key aspects of the County Council's performance on a Quarterly basis.

County Councillor David Chance introduced the performance report for Quarter 1, confirming the Council continued to demonstrate good performance across all four of its ambitions. He drew specific attention to the new format of the report which now captured both key progress and strengths, together with performance challenges for each of the Council's key ambitions.

Growth

Specifically in regards to the council's ambitions for growth, Cllr Chance confirmed the Council's plans to deliver infrastructure improvements in transport and communication networks, and to increase focus on the Post 16 skills agenda.

in order to contribute to the development and retention of the right skills in the county in support of sustainable economic growth.

County Councillor Andrew Lee highlighted the ongoing work with district councils to increase opportunities for employment and business growth, confirming the need for support not only in the start-up year of a new business, but also in future years to address future challenges. He stressed the need to retain skilled workers and for more affordable housing, acknowledging their contribution to the sustainability of communities, particularly in more rural parts of the county.

County Councillor Don Mackenzie confirmed the increasing number of properties now connected to superfast broadband and that a further contract (Phase 3) was now underway to further extend coverage. He also drew attention to a number of other successful funding bids, in particular those aimed at improving highway connectivity.

County Councillor Derek Bastiman expressed concern over the lack of progression of the improvements to the A64 promised by Central Government and the ongoing problems with rail connectivity.

Councillor Mackenzie acknowledged the county council's limited control over the county's rail network but confirmed that work was ongoing to progress the delivery of the improvements previously promised by rail providers. He also confirmed that the county council was working closely with Highways England to improve the A64.

County Councillor Gareth Dadd suggested that Devolution would give the county council a stronger voice and would benefit the Council's growth plans.

County Councillor Carl Les asked Members of Executive whether there were any questions regarding those other aspects of the Quarterly Performance Report that were not intended for focused discussion today.

In regard to the Council's ambition to ensure 'Best Start in life', County Councillor John Ennis asked what more the county council could do to encourage employers to offer more opportunities for employment placements, citing a lack of them across the county. He also suggested the need to raise the profile of businesses in North Yorkshire so that young people could recognise the opportunities that exist.

County Councillor Carl Les drew attention to the excellent ongoing work of the Career Advice Service provided by North Yorkshire LEP, and its renewed focus on post 16 pathways to business.

County Councillor Jim Clark suggested there needed to be an increased focus on further education and vocational training opportunities rather than an over focus on academic achievement.

County Councillor Janet Jefferson congratulated CYPS on its recent excellent Ofsted report but drew attention to a number of concerns:

- The projected end of year overspend in CYPS of 11m – Councillor Jefferson queried what were the main cost pressures, and what actions were being taken to reduce them;
- Why both fixed term and permanent exclusions continued to rise despite a wide range of measures being implemented to address it;
- What was being done to support children who had been excluded - Councillor Jefferson raised a particular concern about families being encouraged by schools to elect for home education
- Why the number of child protection plans was rising
- The need for wrap around care during school holidays

County Councillor Janet Sanderson reiterated the congratulations to staff in CYPS for their excellent work as identified by Ofsted, and confirmed that a new strategy on exclusion was currently out for consultation which would address the concerns raised by Cllr Jefferson.

Stuart Carlton, Corporate Director of Children & Young People's Services confirmed that a rise in exclusions was a national issue, and that the County Council was introducing a new escalation process to ensure earlier intervention and a better multi agency approach going forward. He also stressed that not all schools were choosing to exclude and that work would be undertaken with head teachers in September to refocus their efforts on reducing exclusions. He also stressed that CYPS would challenge any school found to be encouraging the take up of home education.

In regard to the spike in demand for child protection, he noted that the current trend was a reducing number, but that the number would continue to fluctuate and vary dependent on circumstances. Work would continue to examine any future changes in the numbers to ensure the reasons were fully understood.

In regard to the Council's ambition for a 'Modern Council', County Councillor Derek Bastiman queried whether there was an over reliance on volunteers and what was being done to maintain the availability of volunteers in the future.

Richard Flinton, Chief Executive confirmed that the Stronger Communities Team continued to work with volunteering organisations across the County to ensure a strong continued source of volunteers for the future. He highlighted that as many people were still retiring relatively young, they were often looking for opportunities to volunteer, and that many of them brought skills that would enable volunteering to be used in new ways. He also noted that the libraries continued to see new volunteers coming forward, as did Community Transport.

County Councillor Greg White confirmed the way to keep volunteers engaged and feeling valued was to acknowledge their contribution and ideas.

County Councillor Gareth Dadd thanked everybody for their contribution to the consideration of the performance report, but requested that at future performance monitoring meetings, Members limit their questioning to those ambitions identified for deeper scrutiny.

Revenue Budget

County Councillor Gareth Dadd introduced the revenue budget report, highlighting the following key points:-

- The significant financial pressures in both Health & Adult Services and Children & Young People's Services
- The savings in Corporate Miscellaneous budgets which partially offset the overspending pressure, in particular the number of one-off or non-recurring savings without which there would be a greater potential deficit
- The actions being taken to address those areas of overspend and additional savings for delivery within 2018/19

Councillor Dadd confirmed that work was ongoing to work through the challenges associated with the pressures. Richard Flinton confirmed that contingency measures were being examined to protect the outturn position and that a corporate response was being developed.

County Councillor Janet Sanderson expressed frustration at the situation recognising that most of it was demand led, with increases in SEND numbers, education health care plans and the associated costs all being in line with regional and national averages, teamed with only a minimal increase in high needs funding. She also confirmed action has already been taken to address the ongoing cost of home to school transport for SEND.

Councillor Janet Jefferson thanked officers and Members for the response to her concerns and Councillor Dadd suggested further internal challenge on the savings plans through scrutiny.

Capital Plan, Annual Treasury Management and Prudential Indicators

County Councillor Gareth Dadd confirmed he had nothing to add to these sections of the report which drew attention to:

- The planned gross capital spend for 2018/19 and the planned financing of that spend.
- The updated indicators which took account of the 2017/18 outturn, the updated Capital Plan, the forecasts of debt charge estimates and interest earned on surplus cash balances, and the latest information and approvals on self-funded schemes, as detailed in Appendix A of the report.

Resolved –

- (a) That it be noted that the County Council continues to perform well and demonstrate improvements in its services.
- (b) The position on performance of the County Council be noted.
- (c) The latest position for the County Council's 2018/19 Revenue Budget, as summarised in paragraph 2.1.2 of the report be noted.
- (d) The position on the GWB (as set out in paragraphs 2.4.1 to 2.4.3 of the report) be noted.
- (e) The position on the 'Strategic Capacity – Unallocated' reserve (as set out in paragraphs 2.4.4 to 2.4.6) be noted.
- (f) That the Corporate Director Strategic Resources in consultation with the Executive Member for Finance and Assets be authorised to submit an application for a 75% Business Rates Retention pilot subject to this achieving a favourable financial outcome for the Council (as set out in paragraph 2.5.1 of the report).
- (g) The position on the County Council's Treasury Management activities during the first quarter of 2018/19 be noted.
- (h) That this report be referred to the Audit Committee for their consideration as part of the overall monitoring arrangements for Treasury Management.
- (i) That the updated Capital Plan, summarised at Appendix E to the report, which incorporates a number of specific refinements reported in paragraph 4.7 of the report be approved.
- (j) That no action be taken at this stage to allocate any additional capital resources, as set out in paragraph 4.12 of the report, be agreed.
- (k) That the revised Prudential Indicators for the period 2018/19 to 2020/21 as set out in Appendix A of the report be approved.

191. Proposals for Updating the Council Petitions Scheme

Considered –

A report of the Assistant Chief Executive (Legal and Democratic Services) proposing changes to the threshold for the number of signatories required on a petition to trigger a debate at an Area Constituency Committee under the existing Council Petitions Scheme.

County Councillor David Chance introduced the report which recommended to County Council that the required number of signatories needed to trigger a debate at any Area Constituency Committee be set at 500.

Resolved –

That the Petitions Scheme be revised in line with the report recommendation.

192. Shareholder Committee Membership

Considered –

A report of County Councillor Derek Bastiman, Chairman of the Corporate and Partnerships Overview and Scrutiny Committee, that the membership of the Shareholder Committee be extended to include non-Executive Members as voting members.

County Councillor Derek Bastiman, presented the report and asked Members to consider the concerns of the Committee and approve the recommendation.

Barry Khan, Assistant Chief Executive Legal & Democratic Services confirmed the legal position regarding membership of the Committee i.e. that as a sub-committee of the Executive, only Executive Members can be voting members of the Committee.

County Councillor Andrew Lee confirmed that all Councillors were welcome to attend meetings of the Committee to ask questions etc and therefore there were no barriers to their involvement.

Councillor Bastiman acknowledged the legal advice given.

Resolved –

That the membership of the Shareholder Committee not be extended to include non-Executive members as voting members.

193. Forward Plan

Considered –

The Forward Plan for the period 31 July 2018 to 31 July 2019.

County Councillor Carl Les drew attention to an item on the forward plan for the meeting of the Executive on 4 September 2018, on a review of vehicle activated signs, and confirmed that the item would be deferred to a future meeting.

Resolved –

That the Forward Plan be noted.

Appendix B to Minute No. 194 and Minute No. 195 were considered in private and the public have no right of access to this section of Minutes

194. Central Services Commercial Business Creation of New Company

Considered –

A report of the Corporate Director - Strategic Resources providing Members with the Business Case for the establishment of a new company (Newco) by the County Council for the provision of property projects and estates services which would adhere to the Teckal exemption in the Public Contract Regulations, seeking approval for the establishment of the new company to be wholly owned by the County Council and limited by shares on the basis of the Business Case, seeking approval for the existing property and estates company, trading as Align Property Partners to operate without the Teckal exemption and seeking approval to vary the existing contract for property consultancy services with Align Property Partners (APP) dated 31 October 2016 (the Contract) as required to enable the novation of the Contract to the new company.

County Councillor Gareth Dadd introduced the report which outlined the ongoing success of APP in developing its commercial offer to other organisations outside of the County Council. In light of that success, he highlighted the risk associated with the Company's continued use of the 'Teckal' exemption which could result in the County Council no longer being able to directly award contracts to APP.

Michael Leah, Assistant Director Strategic Resources outlined the options considered within the report and the preferred option.

Barry Khan gave an overview of a Teckal exemption and the regulations that govern the awarding of contracts to a company owned by a contracting authority.

Following a question from County Councillor Paul Haslam on the need for a new company, Michael Leah went on to explain the rationale behind the preferred way forward.

Councillor Gareth Dadd moved the recommendations, and following a formal vote it was:

Resolved –

- (a) That the implementation of a new wholly owned company, in accordance with the details set out including the information in the Financial Case at Appendix B of the report including:
- the setting up of a company limited by shares
 - the participation of the Council as shareholder
 - authorise the CD-SR in consultation with ACE(LDS) to approve the articles and any other governance documents associated with new company on behalf of the Council
 - approve the Council entering into the agreements and documents necessary for the establishment of the new company

be approved.

- (b) That the appointment of the CD-SR, the CD-BES, the AD-SR and the Operations Director from the company to the board of directors of the company and delegate authority to the Chief Executive to appoint of directors be agreed.

- (c) That the appointed officers to the board of directors of the company will be entitled to indemnity in accordance with the Council's indemnity policy for Members and Employees be agreed.
- (d) The ACE (LDS) be authorised to negotiate and agree any variation to the Contract for property consultancy services with Align Property Partners dated 31 October 2016 (the Contract) as required to enable the novation of the Contract to the new company and to take all necessary steps for the novation of the Contract.

195. Private Minutes of the meeting held on 24 July 2018

Resolved –

That the Private Minutes of the meeting held on 24 July 2018, having been printed and circulated, be taken as read and are confirmed and signed by the Chairman as a correct record.

The meeting concluded at 12:31pm

MC/JR

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