



## **AGENDA**

### **Page No**

1. MINUTES

To confirm the decisions of the meeting held on 5 June 2018 (CA.1 - CA.5), previously circulated.

2. APOLOGIES FOR ABSENCE

Resources Management

3. 2017/18 CAPITAL AND TREASURY MANAGEMENT OUTTURN POSITION

1 - 16

The purpose of this report is to present to Members the capital outturn position for the year ending 31 March 2018 and also update on the annual treasury management position. Capital expenditure is intrinsically linked with treasury management as the way that the capital programme is funded, directly effects the treasury management arrangements of the Council.

In accepting the recommendations, Cabinet will approve and recommend to Council to note the 2017/18 capital outturn position of £5,319,469 at paragraph 2.3 and attached at Annex A of the report; approve the over spend of £236,097 at paragraph 2.6 of the report and under spend of £57,147; approve the requests at paragraph 2.9 of the report for re-profiling the capital schemes totalling 947,076 from 2016/17 programme to 2017/18; approve the request at paragraph 2.10 of the report for re-profiling the additional capital schemes totalling £11,172,607 from 2017/18 programme to 2018/19 as attached in Annex B of the report; approve the request to enable the Council to bank roll the timing difference for the Dalton Bridge BID contributions and additional voluntary contributions in paragraph 3.2 of the report of £195,195 and £9,330; note the treasury management outturn position 2017/18 detailed at paragraph 13.3 and note the Prudential Indicators attached at Annex C of the report.

**Relevant Ward(s): All Wards**

4. 2017/18 REVENUE AND RESERVES OUTTURN POSITION

17 - 26

This report presents the revenue outturn position for the year ending 31 March 2018, which includes the position on reserves. The Statement of Accounts, which is the consolidated financial position of the Council for 2017/18, is the responsibility of the Audit, Governance and Standards Committee which will meet on 24 July 2018 to approve the Annual Financial Report – Statement of Accounts.

In accepting the recommendations, Cabinet will approve and recommend to Council the transfer to the Council Tax payers reserve of £972,096 as detailed in paragraph 2.5 of the report, which represents the underspend of £680,698, increased business rates received £288,773, and increased additional grant received of £2,625; the increase in the use of the One-off fund at quarter 4 of £29,350, detailed at paragraph 3.5 and attached at Annex B of the report and the increase in the reserves position of £2,774,710, at paragraph 3.2 and detailed in Annex C.

**Relevant Ward(s): All Wards**

5. CAR PARK IMPROVEMENT SCHEME

27 - 32

This report provides a review of the Council's existing car park estate and seeks approval for capital investment to improve the quality of service offered to our resident, business and visiting customers.

In accepting the recommendations, Cabinet will approve and recommend to Council that the Car Park Improvement Scheme is allocated Capital budget of £550,000 and will be authorised to proceed with various scheme elements as detailed within the report.

**Relevant Ward(s): All Wards**

6. COUNCIL PLAN 2015-2019 33 - 54

This report seeks approval for the revised Council Plan 2015 – 2019, which portrays the Council's vision, purpose and priorities updated for 2018 onwards. The Council Plan is refreshed on an annual basis and was last approved by Cabinet on 4 July 2017 and subsequently by Council on 18 July 2017.

In accepting the recommendation, Cabinet will approve and recommend to Council the revised Council Plan for 2015 – 2019.

**Relevant Ward(s): All Wards**

7. REVIEW OF HAMBLETON DISTRICT COUNCIL GRADUATE SCHEME 55 - 58

This report seeks approval of investment into the Apprentice and Graduate Schemes from the Revenue budget into the scheme from 2019/20 onwards.

In accepting the recommendation, Cabinet will approve and recommend to Council that the allocation of £50,000 for the Apprenticeship Scheme and £20,000 for the Graduate Scheme for 2019/20 and 2020/21, which will be an increase in the Revenue budget by £70,000 a year, be approved and that both schemes be reviewed every two years to consider the ongoing need for both the schemes.

**Relevant Ward(s): All Wards**

8. GRANTS REVIEW 59 - 64

This report proposed improved co-ordination and consistency of policy and practice with community funding and grants and seeks to establish an approach to financial provision for future years.

In accepting the recommendations, Cabinet will approve and recommend to Council changes to the Community Grants from 2019/20 as follows: the annual Making a Difference Grants programme to be funded from the revenue budget as detailed in paragraph 4.2 of the report; the Small Grants scheme is to be closed; the Frequently Funded Organisation grant is to be replaced by 'Hambleton Helps' and £50,000 allocated for each of the next three years from the Grants Reserve; the Grants Reserve is increased by £8,117 from the One-Off Fund for 2021/22 as detailed in paragraph 4.5 of the report and core Funded grants will be called the Partnership Fund and continue to be funded from the revenue budget. Revised Service Level Agreements for three years will be agreed with recipients and approved by Management Team.

**Relevant Ward(s): All Wards**

Policy Implementation

9. EXCLUSION OF THE PUBLIC AND PRESS

To consider passing a resolution under Section 100A(4) of the Local Government Act 1972 excluding the press and public from the meeting during consideration of item 10 on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act.

10. TREADMILLS PHASE 1 – COMMERCIAL OPPORTUNITY

65 - 72

This report seeks consideration of a commercial opportunity regarding Phase 1 of the Treadmills.

**Relevant Ward(s): All Wards**

## **HAMBLETON DISTRICT COUNCIL**

**Report To:** Cabinet  
3 July 2018

**Subject:** 2017/18 CAPITAL OUTTURN AND ANNUAL TREASURY MANAGEMENT REVIEW

**All Wards**

**Portfolio Holder for Economic Development and Finance: Councillor P R Wilkinson**

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### **1.0 PURPOSE AND BACKGROUND:**

1.1 The purpose of this report is to present to Members the capital outturn position for the year ending 31 March 2018 and also update on the annual treasury management position. Capital expenditure is intrinsically linked with treasury management as the way that the capital programme is funded, directly effects the treasury management arrangements of the Council.

1.2 Capital expenditure is funded by revenue contributions, capital receipts, capital grants and contributions, reserves as well as borrowing. The use of funding to support capital expenditure affects the treasury management daily cash flow position.

1.3 The report is split into three distinct areas:

(a) Capital:-

- Update Members on the Councils capital programme final outturn position for 2017/18;
- Inform Cabinet of any capital under or over spends and seek approval for any resulting changes to the programme;
- Inform Cabinet of any capital slippage on schemes and seek approval for the associated funding to be slipped to or from the financial years to reflect this;
- Inform Cabinet of the funding position of the capital programme;

(b) Treasury Management:-

- Update Members on the treasury management legislative requirements;
- Inform Cabinet of the treasury management position at 31 March 2018;
- Reflect on current economic interest rate environment and the treasury management strategy set prior to the beginning of the 2017/18 financial year;
- Inform Cabinet of the Borrowing and Investment Position for 2017/18

(c) Prudential Indicators – Capital & Treasury Management

- Review the capital and treasury management indicators for 2017/18 outturn

### **2.0 CAPITAL OUTTURN 2017/18, UNDER / OVER SPENDS AND RE-PROFILING OF CAPITAL SCHEMES:**

2.1 The 2017/18 capital programme was approved by Cabinet on 7 February 2017 at £14,885,622. During the financial year, further capital schemes were approved, some schemes were removed and the revised Capital budget at Quarter 3 was £6,087,595.

2.2 The 2017/18 capital programme final outturn was £5,319,469, which resulted in a variance of £768,126. This comprised of 4 components:

- (a) the first component of the variation is a request for re-profiling that represents scheme budgets that are currently approved in the capital programme but require moving from 2017/18 in line with a changing timetable of delivery for a specific schemes. This totals £947,076;
- (b) the second component of the variation is a request for re-profiling that represents scheme budgets that are currently approved in future years of the 10 year capital programme but require moving to 2017/18 to fund capital schemes in line with a changing timetable of delivery for a specific schemes. This totals £81,092;
- (c) the third is a revision to the existing capital schemes budget where there is a request for increased funding to finalise the schemes. This totals £155,005
- (d) the fourth component is an under spend where the scheme has completed for less than the original budget or the forecast funding is no longer required. This stands at £57,147

2.3 Table 1 below shows the revised budget compared to outturn, including the variance. The format of the table reflects the portfolios of the Council during 2017/18.

Council Portfolio's during 2017/18	Revised Budget at Outturn	Total Expenditure	Variance	Budget re-profiled from 2017/18	Budget re-profiled to 2017/18	Over Spend - Request for additional funding	Under Spend - Funding no longer required
Leisure & Environment	2,918,011	2,931,748	13,737	(57,360)	66,943	13,384	(9,230)
Economy & Planning	1,066,877	1,041,669	(25,208)	(158,885)	14,149	126,029	(6,501)
Finance	293,530	206,903	(86,627)	(71,553)	0	604	(15,678)
Economic Development	709,177	491,332	(217,845)	(207,095)	0	14,988	(25,738)
Corporate Schemes	1,100,000	647,817	(452,183)	(452,183)	0	0	0
<b>Total</b>	<b>6,087,595</b>	<b>5,319,469</b>	<b>(768,126)</b>	<b>(947,076)</b>	<b>81,092</b>	<b>155,005</b>	<b>(57,147)</b>

Table 1: Capital programme outturn 2017/18

- 2.4 The capital programme has been monitored during 2017/18 on a quarterly basis and reported to Cabinet. The total capital programme expenditure for 2017/18 compared to the revised budgeted capital programme at Quarter 3 was 87%. If the Dalton Bridge scheme was excluded due to progress not being made as a result of bad weather then 96% of the capital programme would have been incurred.
- 2.5 The capital programme and supporting information setting out the variances and the requirements for re-profiling schemes into 2017/18 are detailed in Annex A.
- 2.6 Eighteen schemes are categorised in Table 1 as being over spent in 2017/18. These are the schemes that have been re-profiled to 2017/18 at £81,092 and overspends requested at £22,788. Approval is sought by Members in this report for the total of £236,097. The eighteen schemes can be analysed into two components as described below:
  - (a) Four schemes that started early re-profiled to 2017/18 were already approved in the 10 year capital programme for future years at £81,092. Overall in the 10 year capital programme, no additional funding is required.

(b) Fourteen schemes require additional funding totalling £155,005, of which three schemes are externally funded to the value of £132,217. Eleven schemes are overspent by £22,788, however this will be covered by the under spends elsewhere in the 2017/18 capital.

2.7 Information on the eighteen schemes is detailed in Table 2 below, and further work in 2018/19 is occurring to ensure over spent schemes are kept below the 5% tolerance.

Capital Scheme	Expenditure at Outturn 31/03/2018	Variance	% Over	Over / External Funding / Brought Forward (B/Fwd)
<b>Four Schemes re-profiled to 2017/18</b>				
Hambleton Leisure Centre Improvement Scheme	66,208	66,208	N/A	B/Fwd 2017/18
Stokesley Leisure Centre – Re-design of reception area	500	500	N/A	B/Fwd 2017/18
Bedale Public Art	20,210	235	N/A	External Funding
Disabled Facilities Grant	294,934	14,149	N/A	External Funding
<b>TOTAL</b>	<b>381,852</b>	<b>81,092</b>		

<b>Fourteen schemes require additional funding in the two categories below</b>				
- <u>Three Schemes with External Funding</u>				
Dalton Bridge Additional Voluntary	41,949	120,938	N/A	External Funding
Northallerton Leisure Centre – Improvement Scheme	2,392,677	11,193	N/A	External Funding
Northallerton Leisure Centre – Further Works	59,086	86	N/A	External Funding
<b>SUB TOTAL</b>	<b>2,493,712</b>	<b>132,217</b>		
- <u>Eleven Schemes Over Spent - funded from underspend</u>				
Upgrading lockers at Leisure Centres	19,191	221	1.15%	Over
Bedale Leisure Centre – Gas Boiler Refurbishment	24,180	180	0.74%	Over
Thirsk Swimming Pool – Storage Plant	8,087	87	1.08%	Over
Civic Centre Toilets	112,820	2,632	2.33%	Over
CCTV Camera Replacement Programme	17,910	1,617	9.03%	Over
Evolution Car Park	79,755	2,036	2.55%	Over
Leeming Bar Business Park Phase IV	360,819	423	0.12%	Over
ICT – Leisure improvements	56,041	104	0.19%	Over
ICT – Northgate System	7,500	500	6.67%	Over
Economic Development Fund (EDF) - Central Northallerton scheme	274,704	4,988	1.82%	Over
Economic Development Fund (EDF) – Industrial Estates	32,613	10,000	30.7%	Over
<b>SUB TOTAL</b>	<b>993,620</b>	<b>22,788</b>		
<b>TOTAL ADDITIONAL FUNDING</b>	<b>3,487,332</b>	<b>155,005</b>		

Table 2: Additional Capital Expenditure Schemes

2.8 The under spend on the capital programme in 2017/18 is £57,147, which is no longer required, and will therefore be used to cover the overspend of £22,788 in 2017/18.

- 2.9 The schemes to be carried forward from Quarter 4 in to the 2018/18 capital programme total £947,076. These schemes are detailed in Annex A, are categorised as ‘Roll forward’ and approval is sought by Members in this report.
- 2.10 In addition, it was already recognised earlier than Quarter 4 that some schemes would not be completed in 2017/18, therefore these schemes of £11,304,295 were removed from the capital programme and are attached at Annex B. In order to provide a transparent position at outturn, these schemes also need to be approved to be carried forward into 2018/19.
- 2.11 Capital schemes are monitored on a monthly basis and reported to Cabinet quarterly, ensuring that the majority of schemes are held within budget or reported to Council at the earliest opportunity. At Quarter 1 2018/19, the schemes to be carried forward from 2017/18 will be combined to commence the consolidated Capital programme for monitoring in 2018/19.

### **3.0 FUNDING THE CAPITAL PROGRAMME:**

- 3.1 The 2017/18 capital programme expenditure of £5,319,469 has been funded as detailed below:

<b>Capital programme 2017/18</b>	<b>£</b>
Repairs & Renewals Fund	113,065
Computer Fund	206,903
Economic Development Fund	491,332
One Off Fund	200,000
Council Tax Payers Reserve	1,941,208
Revenue Contributions	80,120
Grants	798,413
Capital Receipts	940,154
External Borrowing	-
Dalton BID Voluntary contributions	32,619
Dalton Bridge BID Funding	311,130
Internal Borrowing / Surplus Funds	204,525
<b>Total Funding</b>	<b><u>5,319,469</u></b>

- 3.2 The Dalton Bridge scheme in the capital programme 2017/18 was to be funded from the Business Improvement District at Dalton as well as additional voluntary contributions from the Dalton businesses. Due to timing, the collection of the contributions will partly occur after the capital scheme has been completed and the Council is therefore requesting to bank roll the funding until the full amount has been collected in the next four years. The amount to be bank rolled in 2017/18 is £195,195 for the Business Improvement District and £9,330 for the additional voluntary contributions.
- 3.3 The overall funding position continues to be closely monitored to ensure the overall capital programme remains affordable and sustainable over the 10 year approved capital plan.

### **4.0 TREASURY MANAGEMENT POSITION 2017/18 AND THE LEGISLATIVE REQUIREMENT**

- 4.1 This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2017/18. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

- 4.2 During 2017/18 the minimum reporting requirements were that the full Council should receive the following reports:
- an annual treasury strategy in advance of the year (Cabinet 7 February 2017)
  - a mid-year (minimum) treasury update report (Council 5 December 2017)
  - an annual review following the end of the year describing the activity compared to the strategy (this report)

In addition, this Council has received quarterly treasury management update reports on 5 September 2017 and 6 February 2018 which were received by Cabinet.

- 4.3 The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is therefore important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.
- 4.4 This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports before they were reported to the full Council. This scrutiny role was carried out by Cabinet and Audit, Governance & Standards Committee. Member training on treasury management issues was undertaken during the year on 27<sup>th</sup> June 2017 in order to support members' scrutiny role.

## **5.0 Overall Treasury Position as at 31 March 2018**

- 5.1 At the beginning and the end of 2017/18 the Council's treasury position was as follows:

<b>Borrowing and Investment position at 31 March 2018</b>	<b>31-Mar-17</b>	<b>Rate</b>	<b>31-Mar-18</b>	<b>Rate</b>
	<b>£m</b>	<b>%</b>	<b>£m</b>	<b>%</b>
<b>Long Term Borrowing – Total Debt</b>	1.20	1.05	1.20	1.05
<b>Capital Financing Requirement (CFR)</b>	26.20		26.40	
<b>Over / (under) borrowing</b>	(25.00)		(25.20)	
<b>Short Term Borrowing</b>	5.50	0.30	5.00	0.85
<b>Total Investments</b>	1.57	0.44	2.18	0.28

Table 3: Overall treasury position

- 5.2 'Under borrowing' means the Council did not need to borrow up to the level of the estimated capital financing requirement and was able to fund capital expenditure from its own reserves and therefore not incur interest payments.

## **6.0 THE ECONOMY AND INTEREST RATES:**

- 6.1 During the calendar year of 2017, there was a major shift in expectations in financial markets in terms of how soon Bank Rate would start on a rising trend.
- 6.2 After the United Kingdom economy performed better than anticipated with strong growth in the second half of 2016, growth in 2017 was disappointingly weak in the first half of the year which meant that growth was the slowest for the first half of any year since 2012.
- 6.3 The main reason for this was the sharp increase in inflation caused by the devaluation of sterling after the European Union referendum, feeding increases into the cost of imports into the economy. This caused a reduction in consumer disposable income and spending power as inflation exceeded average wage increases. Consequently, the services sector of the economy, accounting for around 75% of Gross Domestic Product, saw weak growth as consumers responded by cutting back on their expenditure.

- 6.4 However, growth did pick up modestly in the second half of 2017. Consequently, market expectations during the autumn, rose significantly that the Monetary Policy Committee would be heading in the direction of imminently raising Bank Rate. The minutes of the Monetary Policy Committee meeting of 14 September 2017 indicated that the Monetary Policy Committee was likely to raise Bank Rate very soon. The 2 November 2017 Monetary Policy Committee quarterly Inflation Report meeting duly delivered by raising Bank Rate from 0.25% to 0.50%.
- 6.5 The 8 February Monetary Policy Committee meeting minutes then revealed another sharp hardening in Monetary Policy Committee warnings on a more imminent and faster pace of increases in Bank Rate than had previously been expected.
- 6.6 Market expectations for increases in Bank Rate, therefore, shifted considerably during the second half of 2017-18 and resulted in investment rates from 3 – 12 months increasing sharply during the spring quarter.
- 6.7 Public Works Loan Board borrowing rates increased correspondingly to the above developments with the shorter term rates increasing more sharply than longer term rates.
- 6.8 In addition, UK gilts have moved in a relatively narrow band this year, (within 25 basis points for much of the year), compared to US treasuries. During the second half of the year, there was a noticeable trend in treasury yields being on a rising trend with the Fed raising rates by 0.25% in June, December and March, making six increases in all from the floor. The effect of these three increases was greater in shorter terms around 5 year, rather than longer term yields.
- 6.9 The major UK landmark event of the year was the inconclusive result of the general election on 8 June 2017. However, this had relatively little impact on financial markets.

## **7.0 THE STRATEGY FOR 2017/18**

- 7.1 The expectation for interest rates within the treasury management strategy for 2017/18 anticipated that Bank Rate would not start rising from 0.25% until Quarter 2 2019 and then only increase once more before 31 March 2020. There would also be gradual rises in medium and longer term fixed borrowing rates during 2017/18 and the two subsequent financial years. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates. In this scenario, the treasury strategy was to postpone borrowing to avoid the cost of holding higher levels of investments and to reduce counterparty risk.

## **8.0 The Borrowing Requirement and Debt**

- 8.1 The Council's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR).

	31 March 2017 Actual	31 March 2018 Budget	31 March 2018 Actual
Capital Financing Requirement (CFR) General Fund (£m)	26.2 m	36.2 m	26.4 m

Table 4: The Borrowing requirement and debt

## **9.0 BORROWING RATES IN 2017/18**

9.1 The Council had short term borrowing of £5,000,000 and long term borrowing of £1,200,000 at the year end of 2017/18, the Public Works Loan Board interest rates from 1 year to 50 year rates have all been volatile during the year with little consistent trend. However shorter rates were on a rising trend during the second half of the year and reached peaks in February / March.

## **10.0 Borrowing Outturn for 2017/18**

10.1 Borrowing – the following loans were outstanding at 31 March 2018 and no new long-term loans were taken out during the year:

### **Long Term Borrowing**

<b>Lender</b>	<b>Principal</b>	<b>Type</b>	<b>Interest Rate</b>	<b>Start Date</b>	<b>Maturity Date</b>
PWLB	£1,200,000	Fixed interest rate	1.05%	05/09/16	05/09/21

### **Short Term Borrowing**

<b>Lender</b>	<b>Principal</b>	<b>Type</b>	<b>Interest Rate</b>	<b>Start Date</b>	<b>Maturity Date</b>
North Yorkshire County Council	£5,000,000	Fixed interest rate	0.85%	19/03/18	01/05/18

Table 5: Long term and short term borrowing 2017/18

10.2 The borrowing incurred by the Council reflects the historically low rates for borrowing and compares favourably with a borrowing target rate for 2017/18 set at 3.0%.

10.3 Rescheduling of Borrowing – No rescheduling was done during the year as the average 1% differential between Public Works Loan Board (PWLB) new borrowing rates and premature rates made rescheduling unviable.

10.4 Repayment of long term borrowing – The Council did not repay any long term borrowing during 2017/18.

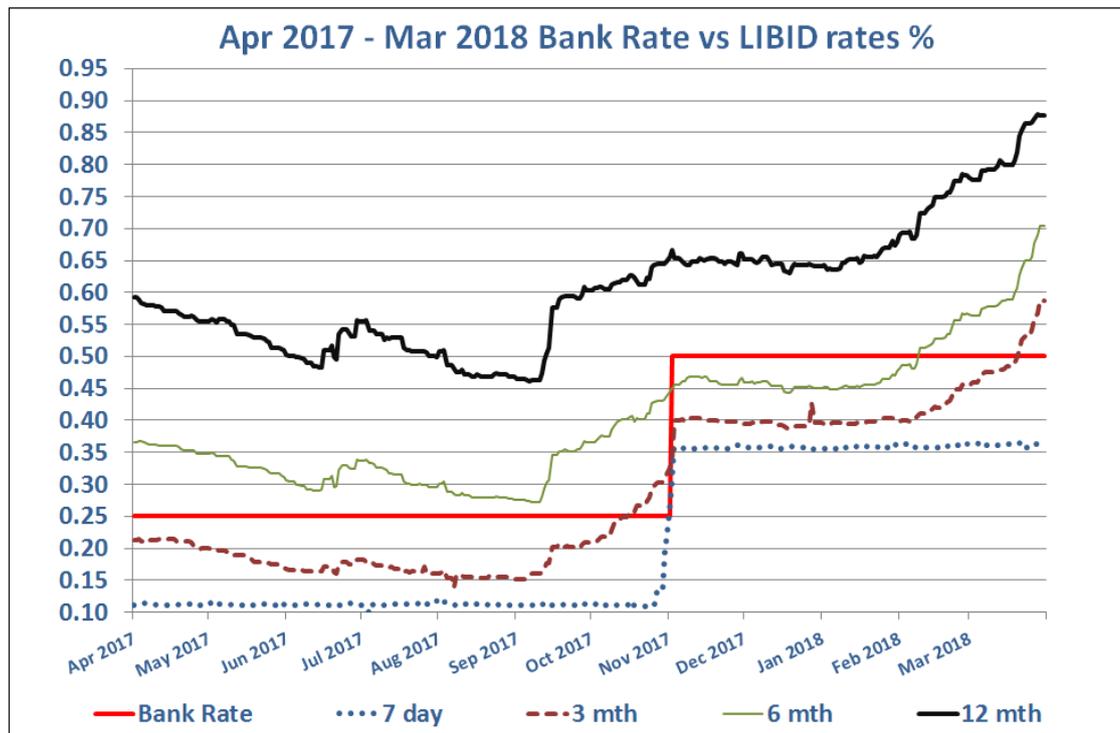
10.5 Repayment of short term borrowing – on 3 April 2017 the Council repaid £5,500,000 at a rate of 0.30% using investment balances. There were no breakage costs.

## **11.0 INVESTMENT RATES IN 2017/18**

11.1 Investments rates for 3 months and longer have been on a rising trend during the second half of the year in the expectation of Bank Rate increasing from its floor of 0.25%, and reached a peak at the end of March 2017.

11.2 Bank Rate was duly raised from 0.25% to 0.50% on 2 November 2017 and remained at that level for the rest of the year. However, further increases are expected over the next few years.

- 11.3 Deposit rates continued into the start of 2017/18 at previous depressed levels due, in part, to a large tranche of cheap financing being made available under the Term Funding Scheme to the banking sector by the Bank of England; this facility ended on 28 February 2018.



## 12.0 INVESTMENT OUTTURN FOR 2017/18

- 12.1 Investment Policy – the Council’s investment policy is governed by Ministry of Housing, Communities and Local Government guidance, which has been implemented in the annual investment strategy approved by the Cabinet on 7 February 2017.
- 12.2 This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.).
- 12.3 The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.
- 12.4 Investments held by the Council - the Council maintained an average balance of £6,826,000 of internally managed funds. The internally managed funds earned an average rate of return of 0.28%. The comparable performance indicator is the average 7-day LIBID rate, which was 0.21%. The actual investment income received in 2017/18 was £19,201 compared to a budget of £13,610.
- 12.5 The interest received from the loan to a local housing association, which is classed as capital expenditure, totalled £1,138,400.
- 12.6 The Investment position can also be split between core investments and cash flow investments. Average balance on core investments was £3,857,534 which earned an average interest rate of 0.71% and interest of £27,446. Cash flow investments had an average investment balance of £7,546,740 which earned an average investment balance of 0.31% and interest of £23,265. Both these rates exceeded the 7 Day LIBID (London Inter Bank Bid) Rate at 0.20%

### **13.0 OTHER ISSUES:**

#### 13.1 Revised CIPFA Codes

In December 2017, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued a revised Treasury Management Code and Cross Sectoral Guidance Notes, and a revised Prudential Code. A particular focus of these revised codes was how to deal with local authority investments which are not treasury type investments e.g. by investing in purchasing property in order to generate income for the Authority at a much higher level than can be attained by treasury investments. The Council will provide a report on the overall capital strategy and show how the cash resources of the Authority are apportioned between treasury and non-treasury investments. Officers will report to members when the implications of these new codes have been assessed as to the likely impact on this Authority

#### 13.2 Markets in Financial Instruments Directive II (MiFID II)

The European Union set the date of 3 January 2018 for the introduction of regulations under Markets in Financial Instruments Directive II (MiFID II). These regulations govern the relationship that financial institutions conducting lending and borrowing transactions will have with local authorities from that date. This has had little effect on this Council apart from having to fill in forms sent by each institution dealing with this Council and for each type of investment instrument we use, apart from for cash deposits with banks and building societies. The Council has opted to have professional status allowing access to a broader range of financial instruments.

### **14.0 PRUDENTIAL INDICATORS:**

14.1 The Prudential Indicators which control the borrowing and treasury management position of the Council are attached at Annex C. None of the indicators were breached during 2017/18.

### **15.0 LINK TO COUNCIL PRIORITIES**

15.1 All schemes approved as part of the capital programme have been evaluated against key corporate priorities. Schemes are only undertaken and approved by Cabinet in accordance with the Council Plan.

### **16.0 RISK ASSESSMENT:**

16.1 The capital programme is regularly monitored as part of the corporate monitoring process on a quarterly basis. In addition to this the Capital Monitoring Group meets regularly to plan, monitor and review major capital schemes to ensure that all capital risks to the Council are minimised.

### **17.0 FINANCIAL IMPLICATIONS:**

17.1 Financial - the financial implications are dealt with in the body of the report.

### **18.0 LEGAL IMPLICATIONS:**

18.1 Legal – Treasury Management activities conform to the Local Government Act 2003 and the Council has adopted the **Chartered Institute of Public Finance and Accountancy** (CIPFA) Prudential Code and the CIPFA Treasury Management Code of Practice

## **19.0 EQUALITY/DIVERSITY ISSUES**

19.1 Equalities - the capital programme seeks to address key equality issues that affect the Council and the public. The main scheme that specifically addressed equalities in 2017/18 was the disabled facilities grant scheme.

## **20.0 RECOMMENDATIONS:**

20.1 That Cabinet approves and recommends to Council to:

- (a) note the 2017/18 capital outturn position of £5,319,469 at paragraph 2.3 and attached at Annex A;
- (b) approve the over spend of £236,097 at paragraph 2.6 and under spend of £57,147;
- (c) approve the requests at paragraph 2.9 for re-profiling the capital schemes totalling 947,076 from 2016/17 programme to 2017/18;
- (d) approve the request at paragraph 2.10 for re-profiling the additional capital schemes totalling £11,304,295 from 2017/18 programme to 2018/19 as attached in Annex B;
- (e) approve the request to enable the Council to bank roll the timing difference for the Dalton Bridge BID contributions and additional voluntary contributions in paragraph 3.2 of £195,195 and £9,330
- (f) note the treasury management outturn position 2017/18 detailed at paragraph 12.4
- (g) note the Prudential Indicators attached at Annex C.

LOUISE BRANFORD-WHITE  
DIRECTOR OF FINANCE (S151 OFFICER)

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Corporate Finance Manager  
Direct Line No: 01609 767226

**Background papers:** Annual Financial Report 2017/18  
Outturn Position 2017/18 Finance Ledger  
Capital Monitoring Reports in 2017/18  
Treasury Management Reports in 2017/18

Councillor / Officer	Capital Scheme	Budget Approved at Qtr3	Qtr4	Qtr4 + 2017/18	Third Party Contn	Third Party Cont Qtr 4	Cost to the Council £	Expenditure at 31 March 2018	Variance	Over/Under/ Roll Forward/Target/ Request for funds/Rollback	Estimated complete date	Explanation
					£	£	£	£	£			
	<b>Leisure &amp; Environment</b>											
<b>Cllr Fortune</b>												
	NLC - Improvement Scheme	2,315,276	77,401	2,392,677	213,000	(6,487)	2,186,164	2,392,677.37	77,401	Roll back /Request for funds		Request of roll back of £66,208 from 2018/19 as expenditure has taken place earlier than anticipated. A further £11,193 has been added to the scheme which is funded from income that was received from the selling gym equipment. Retention grant funding from Sports England of £6,487 is to be received in 2018/19 when scheme is fully complete
	NLC - Improvements External Decorations	22,820		22,820			22,820	22,820.00	0	Target		Scheme complete
	NLC - Improvements Further Works	59,000	86	59,086			59,086	59,086.27	86	Over		Scheme complete, small overspend of £86
	NLC - Reception desk scheme	24,993		24,993			24,993	24,993.15	0	Target		Scheme complete
	NLC - All Weather Pitch	20,627	(1,825)	18,802			18,802	18,802.45	(1,825)	Under		Scheme complete, return £1,825 underspend to the fund
	NLC - Cold Water Storage Tank	8,000		8,000			8,000	7,999.48	0	Target		Scheme complete
	NLC - Main Office Heating & Ventilation	9,000		9,000			9,000	9,000.00	0	Target		Scheme complete
	NLC - External Glazing	8,000	(7)	7,993			7,993	7,993.27	(7)	Under		Scheme complete, small underspend of £7 to return to the fund
	NLC - Sand Filters	17,983		17,983			17,983	17,982.54	0	Target		Scheme complete
	Upgrading lockers	18,970	221	19,191			19,191	19,191.00	221	Over		Scheme complete, small overspend of £221
	SLC Underfloor Pipework	7,280		7,280			7,280	7,280.00	0	Target		Scheme complete
	SLC - Re-design of Reception Area	600	500	1,100			1,100	1,100.00	500	Roll back		Request to roll back £500 from 2018/19 for the architectural drawings for the re-design of the reception desk.
	SLC - Viewing area	15,000	(1,112)	13,888	15,000	(1,112)	0	13,887.58	(1,112)	Roll forward		Works to viewing area and swimming corridor fully funded by Sports England Grant. Request of £1,112 of grant funding and expenditure to be rolled forward to 2018/19 to complete the project.
	SLC - Menerga Air Handling Unit	12,000		12,000			12,000	12,000.00	0	Target		Scheme complete
	SLC Sub Circuit Distribution	12,265		12,265			12,265	12,265.00	0	Target		Scheme complete
	SLC - Trend Control Systems	6,800	(6,800)	0			0	-	(6,800)	Roll forward		Request to roll forward £6,800 to 2018/19 to link with other energy efficient projects taking place in 2018/19..
	BLC - Trend Control Systems	6,000	(6,000)	0			0	-	(6,000)	Roll forward		Request to roll forward £6,000 to 2018/19 to link with other energy efficient projects taking place in 2018/19..
	BLC - Gas Boiler Refurbishment	24,000	180	24,180			24,180	24,180.00	180	Over		Scheme complete with a small overspend of £180
	BLC - CHP Unit	9,000	(1,550)	7,450			7,450	7,450.00	(1,550)	Under		Scheme complete, underspend of £1,550 to be returned to the fund
	TLC - Storage (Plant Room)	8,000	87	8,087			8,087	8,087.47	87	Over		Scheme complete with a small overspend of £87
	Thirsk All Weather Pitch Refurbishment of Sho	3,656	(812)	2,844			2,844	2,843.50	(812)	Under		Scheme completed, return £812 underspend to the fund.
	Leisure Centre Automatic Doors	30,000	(3,668)	26,332			26,332	26,332.08	(3,668)	Under		Scheme complete, return £3,668 underspend o the fund.
	Gym Equipment Refresh	24,000	(626)	23,374			23,374	23,374.01	(626)	Under		Scheme complete, return of £626 underspend to the fund
	T&SLC Entrance Roof	8,500	(5,609)	2,891			2,891	2,891.35	(5,609)	Roll forward		Scheme has been delayed to allow for a detailed assessment of the roof construction. This will allow for a new scheme to be developed in 2018/19 and therefore roll forward of £5,609 is requested to 2018/19.
	Forum - Capital Repairs	41,300	(1,448)	39,852			39,852	39,852.00	(1,448)	Roll forward		Roof replacement scheme almost completed, with minor interior repairs early next year. Request of roll forward of £1,448 to 2018/19.
	Bedale Public Art	19,975	235	20,210	19,975	235	0	20,210.00	235	Roll back		Request to roll back of £235 for both grant funding and expenditure from 2018/19
	Thirsk & Sowerby Sports Village	54,650	(10,928)	43,722	54,650	(10,928)	0	43,722.00	(10,928)	Roll forward		Request of £10,928 to be rolled forward to 2018/19. Scheme funded by s106.
	CCTV Camera Replacement Programme / wireless network & upgrade	16,294	1,617	17,911			17,911	17,910.77	1,617	Over		Scheme is now complete with an overspend of £1,617. This was due to new camera's needed at Northallerton Leisure Centre for the 24/7 gym access.
<b>Cllr Watson</b>												
	Purchase of bins and boxes for refuse and rec	60,000	(9,963)	50,037	0		50,037	50,036.57	(9,963)	Roll forward		Request to roll forward £9,963 to 2018/19 due to bins being delivered in April 2018.
	Waste and Street Scene -Stokesley Depot Rd	5,760		5,760			5,760	5,760.00	0	Target		Scheme completed
	Waste and Street Scene -Northallerton Depot Roller Shutter Doors	8,112		8,112			8,112	8,112.00	0	Target		Scheme completed
	Central Depot - Welfare Facilities Improvement	24,650	(742)	23,908			23,908	23,908.23	(742)	Under		Scheme complete and a small underspend of £742 to return to fund.
	Northallerton Depot Fire Alarm System	7,500	(7,500)	0			0	-	(7,500)	Roll forward		The contractor appointed for the scheme has withdrawn and therefore a roll forward of £7,500 to 2018/19 is requested.
	Northallerton Depot External Works	8,000	(8,000)	0			0	-	(8,000)	Roll forward		A request of £8,000 to be roll forward to 2018/19 as weather prevented works commencing as concreting yard.
	<b>Total Scheme Value Leisure &amp; Environment</b>	<b>2,918,011</b>	<b>13,737</b>	<b>2,931,748</b>	<b>302,625</b>	<b>(18,292)</b>	<b>2,647,415</b>	<b>2,931,748.09</b>	<b>13,737</b>			
	<b>Economy &amp; Planning</b>											
<b>Cllr Mrs Sanderson</b>												
	Public lighting replacement	51,574	(33,778)	17,796			17,796	17,795.68	(33,778)	Roll forward		Scheduled works delayed due to adverse winter weather, contractor resources and streetworks licencing. Roll forward of £33,778 to allow works to be rescheduled in 2018/19 is requested.
	Public Lighting LED Lights	12,478		12,478			12,478	12,478.00	0	Target		Scheme complete
	LED Lantern Replacement Scheme	42,500	(21,768)	20,732			20,732	20,731.95	(21,768)	Roll forward		Target energy savings achieved, remaining works to Northallerton and Bedale Leisure Centre pool halls to be completed early next year. Roll forward of £21,768 to 2018/19 requested.
	Air Conditioning - Legislation requirement	25,414	(3,555)	21,859	0		21,859	21,858.79	(3,555)	Roll forward		Work to air conditioning units identified for replacement in 2017/18 now complete, roll forward of £3,555 requested to support 2018/19 works.
	Civic Centre Toilets Part 2	110,188	2,632	112,820			112,820	112,819.70	2,632	Over		Scheme complete with overspend of £2,632 due to additional work required.
	Civic Centre - External Woodwork Scheme - Dormers	10,000	(8,735)	1,265			1,265	1,264.80	(8,735)	Roll forward		The capital scheme contained three elements which of the urgent works in attic has been completed and this complied with the other two elements are to be completed in 2018/19. A roll forward of £8,735 is requested to 2018/19.
	Civic Centre - Disabled Access Doors & Ramps	7,653	(2,500)	5,153			5,153	5,152.89	(2,500)	Under		Scheme complete, underspend of £2,500 to be used to cover overspend at the Civic Centre Toilets
	Civic Centre - UPS and Fire Suppression Replacement	8,464		8,464			8,464	8,464.16	0	Target		Scheme complete
	Civic Centre - Card Access system	42,870	(8,001)	34,869			34,869	34,868.76	(8,001)	Roll forward		Main elements of scheme complete, access controls to install to ground floor corridor accesses in reception in early next year. Roll forward £4,000 requested to 2018/19 and £4,001 to be returned to fund.

Councillor / Officer	Capital Scheme	Budget Approved at Qtr3	Qtr4	Qtr4 + 2017/18	Third Party Contn	Third Party Cont Qtr 4	Cost to the Council £	Expenditure at 31 March 2018	Variance	Over/Under/ Roll Forward/Target/ Request for funds/Rollback	Estimated complete date	Explanation
	Bedale Gateway Car Park	9,235	(565)	8,670			8,670	8,670.00	(565)	Roll forward		Planning permission granted October 2016. Funding and possible partner options being assessed. Roll forward of £565 requested to 2018/19.
	Bedale Bridge and Cycle Scheme	4,830		4,830			4,830	4,830.00	0			Scheme is committed to go ahead and HDC is working with NYCC Highways to progress the project.
	Boundary Signs	10,000	(3,969)	6,031			6,031	6,031.46	(3,969)	Roll forward		One sign outstanding on A19 awaiting Highway Agency quote for installation. Roll forward of £3,969 requested to 2018/19.
<b>Cllr Wilkinson</b>												
	Workspaces Roller Shutter Doors	746		746			746	746.00	0			Project completed
	Workspaces Health and Safety Aspects	11,500	(3,526)	7,974			7,974	7,975.45	(3,526)	Roll forward		Request to roll forward £3,526 to 2018/19
	Evolution Car Park	77,719	2,036	79,755			79,755	79,754.79	2,036	Over		Further overspend due complications moving and reinstating CCTV column during final stage, therefore the scheme is overspend by £2,036.
	Leeming Bar Business Park (Phase 4)	360,396	423	360,819			360,819	360,819.00	423	Over		Scheme complete with a small overspend of £423, highway adopted by North Yorkshire County Council July 2016 and the sewers by Yorkshire Water in June 2014.
	Springboard Car Park Resurface with Tarmac	525		525			525	525.00	0	Target		Scheme complete
	Dalton Bridge Voluntary Contribution Business	0	41,949	41,949			41,949	41,948.95	41,949	Roll forward/Request for funds		Delay to the scheme due to supporting pillars needing to be installed deeper than the site investigation report original estimated as well as adverse weather conditions in late in the financial year, disrupting progress by causing flooding across the bridge. Scheme estimated to be completed in summer 2018. Request of increase in budget of £120,938 to support the additional voluntary contribution by the Dalton BID businesses as well as a request of a roll forward of £78,989 to 2018/19.
<b>Cllr Webster</b>												
	Disabled Facilities Grant	280,785	14,149	294,934	280,785	14,149	0	294,933.97	14,149	Roll back		The number of adaptations completed in Q4 exceeded expectations. 20 adaptations were completed in this quarter compared to 44 for the whole year. Request of a roll back from 2018/19 of £14,149 including grant and expenditure budget.
	<b>Total Scheme Value Economy, Planning &amp;</b>	<b>1,066,877</b>	<b>(25,208)</b>	<b>1,041,669</b>	<b>280,785</b>	<b>14,149</b>	<b>746,735</b>	<b>1,041,669.35</b>	<b>(25,208)</b>			
<b>Cllr Mrs Sanders</b>	<b>Finance &amp; Resources</b>											
	ICT Improvements 2017/18	153,645	(59,568)	94,077			94,077	94,076.72	(59,568)	Returned to fund/Roll forward		Request £15,678 to be returned to fund due actions not required after security testing completed. Request to roll forward £12,380 for new computers and telephones as renewal programme slowed down in Q4. £7,200 for the replacement of server equipment, £19,310 for the replacement of server switches which are not yet required and £5,000 for the implementation of the Gov Roam software which is delayed due to issues separating from CCG. Total roll forward requested of £43,890 to 2018/19.
	ICT - Civica Icon Upgrade from V14 to V16	18,000	(5,310)	12,690			12,690	12,689.54	(5,310)	Roll forward		Request to roll forward £5,310 to 2018/19 as tokenisation and point to point encryption to due software delay by supplier.
	ICT COA Upgrade V5.0	17,590	(2,012)	15,578			15,578	15,577.50	(2,012)	Roll forward		Request to roll forward of £2,012 to 2018/19 due to delay from service providers availability of consultants.
	ICT - Leisure Improvements	55,937	104	56,041			56,041	56,041.28	104	Over		Scheme complete with an overspend of £104.
	ICT - Gladstone GDPR compliance	5,240	(5,240)	0			0	-	(5,240)	Roll forward		Request to roll forward £5,240 to 2018/19 due to project now taking part in May 2018.
	ICT Customer Excellence	21,835	(3,312)	18,523			18,523	18,522.50	(3,312)	Roll forward		NDR module installed and live for 31 March 2018. Request roll forward of £3,312 to 2018/19 for follow up consultancy on the web form integration in early 2018.
	ICT Council Chamber	9,553	(9,334)	219			219	219.02	(9,334)	Roll forward		Request to roll forward £9,334 to 2018/19 since project on hold until location of screens has been agreed.
	ICT - Northgate System	7,000	500	7,500			7,500	7,500.00	500	Over		Project completed, overspend of £500 as additional consultancy work was required.
	ICT - Governmetric Customer Satisfaction Upgrade	4,730	(2,454)	2,276			2,276	2,276.00	(2,454)	Roll forward		Request to roll forward £2,454 to 2018/19 since upgrade will now take place early 2018.
	<b>Total Scheme Value Finance &amp; Resources</b>	<b>293,530</b>	<b>(86,627)</b>	<b>206,903</b>	<b>0</b>	<b>0</b>	<b>206,903</b>	<b>206,902.56</b>	<b>(86,627)</b>			
<b>Cllr Wilkinson</b>	<b>Economic Development Fund</b>											
	Dalton Bridge EDF Improvement Infrastructure	305,882	(124,458)	181,424	16,476		164,948	181,423.83	(124,458)	Roll forward		Delay to the scheme due to supporting pillars needing to be installed deeper than the site investigation report original estimated as well as adverse weather conditions in late in the financial year, disrupting progress by causing flooding across the bridge. Scheme estimated to be completed in summer 2018. Request of roll forward of £124,458 to 2018/19.
	ED Improvement Infrastructure Central Northallerton	334,966	(60,262)	274,704			274,704	274,704.00	(60,262)	Roll forward/Request for funds/Return to fund		Prison Demolition completed in July 2017. Prison ownership transferred to Central Northallerton Development Company in October 2017. Planning Application due for submission in Spring 2018. Request of budget increase of £4,988 due to additional costs in 2017/18 and a roll forward request of £65,250 to 2018/19.
	Industrial Estates/Employment land	65,000	(32,387)	32,613	25,000	(25,000)	32,613	32,613.00	(32,387)	Roll forward/Request for funds		LEP funding of £25,000 no longer will be received and the budget allocation is returned to fund. Additional £10,000 requested from the Economic Development fund for the scheme and a roll forward of £17,387 to 2018/19 requested.
	WiFi Market Towns	3,329	(738)	2,591			2,591	2,591.47	(738)	Under		Scheme completed and £738 returned to Economic Development Fund.
	<b>Total Scheme Value EDF</b>	<b>709,177</b>	<b>(217,845)</b>	<b>491,332</b>	<b>41,476</b>	<b>(25,000)</b>	<b>474,856</b>	<b>491,332.30</b>	<b>(217,845)</b>			
<b>Cllr Wilkinson</b>	<b>Finance</b>											
	Dalton Bridge BID Payment	1,100,000	(452,183)	647,817			647,817	647,817.03	(452,183)	Roll forward		Delay to the scheme due to supporting pillars needing to be installed deeper than the site investigation report original estimated as well as adverse weather conditions in late in the financial year, disrupting progress by causing flooding across the bridge. Scheme estimated to be completed in summer 2018. Request of roll forward of £452,183 to 2018/19.
	Loan to Third Party Housing Association	0		0			0	-	0			
	<b>Total Scheme Value Loan to Housing Assoc</b>	<b>1,100,000</b>	<b>(452,183)</b>	<b>647,817</b>	<b>0</b>	<b>0</b>	<b>647,817</b>	<b>647,817.03</b>	<b>(452,183)</b>			
	<b>Total Capital Programme 2017/18</b>	<b>6,087,595</b>	<b>(768,126)</b>	<b>5,319,469</b>	<b>624,886</b>	<b>(29,143)</b>	<b>4,723,226</b>	<b>5,319,469.33</b>	<b>(768,126)</b>			

Capital Programme Schemes 2017/18 Carried Forward from Quarter 1 to Quarter 3

Annex B

Councillor / Officer	Capital Scheme	Amount C/Fwd
<b>Cllr Mrs Fortune</b>	<b>Leisure &amp; Environment</b>	
PS	Stokesley Leisure Centre - Redesign of Reception Area	15,000
PS	Bedale Public Art	25,000
PS	Thirsk & Sowerby Sports Village	695,345
PS	Waste & Street Scene Telematics	12,050
<b>Leisure &amp; Environment Services Schemes to Carry Forward</b>		<b>747,395</b>
<b>Cllr Wilkinson</b>	<b>Economy, Planning &amp; Housing</b>	
HK	Car Park Restatements	62,552
HK	Civic Centre - Double Glazed Window Replacement Scheme	12,000
HK	Civic Centre - External Woodwork Scheme - Dormers	10,000
HK	Civic Centre - External Woodwork Scheme - Stairwells	10,000
HK	Bedale Gateway Car Park	521,145
HK	Bedale Bridge & Cycleway	387,205
HK	St Marys Closed Churchyard Boundary Wall Repairs	10,000
HK	Adoptions - Electric Bollards - Thirsk & Northallerton	31,558
HK	Disabled Facilities Grant	272,720
HK	Workspaces Health and Safety Aspects	6,500
<b>Economy &amp; Planning Services Schemes to Carry Forward</b>		<b>1,323,680</b>
<b>Cllr Knapton</b>	<b>Finance</b>	
LBW	ICT Improvements	56,000
LBW	ICT Customer Excellence	12,450
LBW	ICT Leisure Management System	12,150
<b>Finance Schemes to Carry Forward</b>		<b>80,600</b>
<b>Cllr Wilkinson</b>	<b>Economic Development Fund</b>	
HK	Market Towns Investment Plans - five	70,000
HK	Industrial Estates/Employment land	10,000
HK	Industrial Park Review	150,000
HK	Improvement Infrastructure Dalton Bridge	22,620
<b>Economic Development Fund Schemes to Carry Forward</b>		<b>252,620</b>
<b>Cllr Wilkinson</b>	<b>Corporate Schemes</b>	
HK	Dalton Bridge BID Payment	100,000
LBW	Loan to Third Party Housing Association	8,800,000
<b>Corporate Schemes to Carry Forward</b>		<b>8,900,000</b>
<b>Capital Programme 2017/18 Schemes to Carry Forward Quarter 1 to Quarter 3</b>		<b>11,304,295</b>

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**PRUDENTIAL AND TREASURY MANAGEMENT INDICATORS**

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits – the Authorised Limit and the Operational Boundary - as detailed below. The Council approved the Treasury and Prudential Indicators (affordability limits), that were included in the approved Treasury Management Strategy Statement, on 7 February 2017 for the 2017/18 financial year.

During 2017/18, the Council complied with the legislative requirements and did not breach the limits which were set.

The main purpose of the indicators is to control how much a Council needs to borrow. During 2017/18 it was anticipated that the council would make further loans to a third party, the Strategy, allows to potentially invest £35 million by either using surplus funds or borrowing from the Public Works Loan Board. Therefore in the table below, the Original Budget Prudential Indicators are calculated on the Council long term borrowing £40 million from the Public Works Loan Board (PWLB) but at Outturn it shows that £1.2m of borrowing occurred in 2017/18 and no further long term borrowing has been necessary as surplus funds have been used to finance the capital programme.

<b>1. PRUDENTIAL INDICATORS</b>	<b>2017/18</b>	<b>2017/18</b>
<b>Extract from budget and rent setting report</b>	<b>Original Budget</b>	<b>Actual</b>
	<b>£'000</b>	<b>£'000</b>
<b>Capital Expenditure</b>	14,886	5,319
<b>Ratio of financing costs to net revenue stream</b>	0	0
<b>Net borrowing requirement General Fund</b>		
brought forward 1 April	10,200	1,200
carried forward 31 March	24,690	1,200
in year borrowing requirement	14,490	0
<b>Capital Financing Requirement 31 March</b>	36,200	26,404
<b>Incremental impact of capital investment decisions</b>	£	£
Increase in Council Tax (band D) per annum	£0.00	£0.00

<b>2. TREASURY MANAGEMENT INDICATORS</b>	<b>2017/18</b>	<b>2017/18</b>
	<b>Original</b>	<b>Actual</b>
	<b>£'000</b>	<b>£'000</b>
<b>Authorised Limit for external debt -</b>		
borrowing	40,000	40,000
other long term liabilities	1,000	1,000
TOTAL	41,000	41,000
<b>Operational Boundary for external debt -</b>		
borrowing	39,000	39,000
other long term liabilities	600	600
TOTAL	39,600	39,600

<b>Actual external debt</b>	£24,690	£0
<b>Upper Limit on fixed interest rates based on net debt</b>	104%	104%
<b>Upper Limit on variable interest rates based on net debt</b>	-4%	-4%
<b>Upper limit for total principal sums invested for over 364 days (per maturity date)</b>	£1,000	£1,000

<b>Maturity structure of fixed rate borrowing during 2017/18</b>	upper limit	lower limit
under 12 months	0%	100%
12 months and within 24 months	0%	100%
24 months and within 5 years	0%	100%
5 years and within 10 years	0%	100%
10 years and above	0%	100%

## **HAMBLETON DISTRICT COUNCIL**

**Report To:** Cabinet  
3 July 2018

**Subject:** 2017/18 REVENUE OUTTURN AND POSITION ON RESERVES

All Wards

Portfolio Holder for Economic Development and Finance: Councillor P R Wilkinson

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### **1.0 PURPOSE AND BACKGROUND:**

- 1.1 The purpose of this report is to present to Members the revenue outturn position for the year ending 31 March 2018, which includes the position on reserves. The Statement of Accounts, which is the consolidated financial position of the Council for 2017/18, is the responsibility of the Audit, Governance and Standards Committee which will meet on 24 July 2018 to approve the Annual Financial Report – Statement of Accounts.
- 1.2 The capital outturn and annual treasury management position is contained in a separate report on this cabinet agenda.
- 1.3 The report focuses on three key outcomes:-
  - (a) Overall position at the end of the financial year;
  - (b) Major variances between budget and outturn;
  - (c) Position on Reserves.
- 1.4 This report presents the revenue outturn position in the format of management accounts, which Members have become accustomed to from the quarterly monitoring reports to Cabinet. It also includes the movement on the reserve funds.

### **2.0 REVENUE OUTTURN:**

- 2.1 The original budget plans for 2017/18 were for a net spend of £7,210,600. The expenditure was budgeted to be funded by council tax, government revenue support grant and business rates. During the financial year, under the Council's budgetary control arrangements, Cabinet received quarterly monitoring reports, all of which highlighted any variances to the budget in the light of the latest information available at the time. There was no change to the original budget in Quarter 1 or 2, however at Quarter 3, the net expenditure budget was increased and revised to £7,414,730.
- 2.2 The outturn position for 2017/18 of £6,734,032 shows an under spend of £680,698 compared to the revised budget at Quarter 3 of £7,414,730. Annex A details the 2017/18 variance across departments net revenue budgets.
- 2.3 The revised Quarter 3 budget of £7,414,730, compared to the original budget of £7,210,600 was an increase of £204,130, this was mainly in connection with the reduction in planning fee income estimated to be received during the final quarter. The remaining underspend of £476,568 was due to increased workspace income received in Quarter 4, increased leisure centre income largely due to the development of Northallerton Leisure Centre, reduction in fuel prices during 2017/18 and reduce recycling costs.

2.4 The table below shows the analysis of the original budget, the revised Quarter 3 budget and the outturn position, as well as the way the budget was funded.

	<b>Original Budget £</b>	<b>Revised Budget £</b>	<b>Outturn £</b>	<b>Variance £</b>
<b>Net Revenue Budget</b>	7,210,600	7,414,730	6,734,032	(680,698)
<b>LESS FINANCING</b>				
<b>Council Tax</b>	(3,554,219)	(3,554,219)	(3,552,139)	2,080
<b>RSG</b>	(621,640)	(621,640)	(621,741)	(101)
<b>Business Rates</b>	(2,530,114)	(3,367,029)	(3,655,802)	(288,773)
<b>Other Grants</b>	(2,038,247)	(2,038,247)	(2,042,851)	(4,604)
<b>Contribution To/(From) Reserves</b>	1,533,620	2,166,405	3,138,501	972,096
	(7,210,600)	(7,414,730)	(6,734,032)	680,698
<b>Balance Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

2.5 The overall transfer to the Council Tax Payers reserve during 2017/18 is £3,138,501. In the table above, the revised budget at Quarter 3 details the contribution to reserves of £2,166,405 has already been agreed. The transfer to reserves to support the outturn position is £972,096 and this is generated from:

- (i) the underspend at outturn of £680,698
- (ii) the increased business rates income £288,773
- (iii) other contributions of £2,625

### 3.0 **POSITION ON RESERVES:**

3.1 The position on reserves held by the Council as at 31 March 2018 is compared to the position at 31 March 2017 and is shown in the table below. It should be noted that the position assumes that the recommendations included in this report are approved.

<b>RESERVES POSITION</b>	<b>31/03/17 £</b>	<b>31/03/18 £</b>
<u>Revenue Reserves</u>		
Council Taxpayers	4,902,597	5,019,975
Repairs & Renewal Fund	2,449,874	2,097,807
Computer Fund	1,009,899	1,188,349
One Off Fund	435,916	714,477
Economic Development Fund	2,179,059	1,465,095
Community Safety	38,164	27,536
Strategic Forum Reserve	10,046	-
Grants Fund	260,948	191,834
Arts Grants Reserve	6,037	-
Make a Difference Fund	52,030	63,801
Take That Step	3,436	-
Swimming Project Reserve	-	97,871
Local Plan Reserve	98,731	59,540
North Northallerton Bridge	-	2,365,779
Community Housing Fund	195,268	180,231
Sub Total	11,642,005	13,472,295
General Fund Balance	2,000,000	2,000,000
<b><u>Total Revenue Reserves</u></b>	<b>13,642,005</b>	<b>15,472,295</b>

<u>Capital Reserves</u>		
Capital Grants Unapplied	729,692	1,463,373
General Capital Receipts	1,866,845	2,077,584
<b><u>Total Capital Reserves</u></b>	<b>2,596,537</b>	<b>3,540,957</b>
<b>TOTAL Reserves</b>	<b>16,238,542</b>	<b>19,013,252</b>

- 3.2 The revenue reserves in the table above show the movement between the reserves in 2017/18 which are in line with the Financial Strategy reported to Cabinet. The overall increase in reserve funding totals £2,774,710 partly due to new reserves being created for North Northallerton Bridge which is to fund the building of the bridge using receipts from a Local Enterprise Partnership (LEP) grant. Additional income in relation to Government Section 31 grants was received and the underspend in 2017/18 have all contributed to the increase in the year-end balance of the reserves.
- 3.3 The Capital Programme has been funded by £2,952,508 from the Repairs & Renewals Fund, the One-Off Fund, the Computer fund, the Council Tax Payers Reserve and the Economic Development Fund. The capital receipts reserve was not used in 2017/18 since capital receipts of £1,150,893 was received in the year and funded £940,154 of the capital expenditure with the remaining £210,739 transferred to the General Capital receipts reserve.
- 3.4 The movement in the council tax payers reserve has seen increased income from the new homes bonus grant, which was included in the underspend for the year of £3,138,501 and also expenditure of £3,021,123. The expenditure included £1,079,915 which was transferred to the One-off fund and the Computer Fund as well as funding £1,941,208 of the capital programme as stated in paragraph 3.3. These key movements have occurred to enable an efficient approach to the use and allocation of reserves going forwards in an ever changing environment.
- 3.5 Movements in the One-Off fund received Cabinet approval during the year. Annex B details further movements that have occurred at Quarter 4 which require approval in this report. It is recommended to Cabinet and Council that the total expenditure allocation of £29,350 from the One-Off Fund at Quarter 4 be approved.
- 3.6 The other movements in the reserves, not detailed in paragraph 3.3 to 3.5, which total £2,407,328 have occurred from grants being received or funds being transferred to support expenditure during the year in line with previous reports being approved at Cabinet and Council in the past, the main movement being £2,365,779 in relation to the North Northallerton Bridge Reserve which has a balance in 2017/18 due to funding received from the Local Enterprise Partnership to build the North Northallerton Bridge. Further reserves are created due to financial regulation accounting treatment of grants and contributions; examples being the Swimming Project Reserve.
- 3.7 Attached at Annex C is the detail for the movement in the reserves.

#### **4.0 USE OF RESERVES:**

- 4.1 From the One-off fund in 2018/19, £125,000 will be transferred to Make a Difference fund. Furthermore, the One-off fund is to allocate £14,390 for expenditure relating to the Tour de Yorkshire.

## **5.0 LINK TO COUNCIL PRIORITIES**

5.1 The monitoring of the financial budget throughout the year and reporting the financial year end position assists in ensuring the Council's service requirements are met and contributes to the achievement of the priorities set out in the Council Plan.

## **6.0 RISK ASSESSMENT:**

6.1 There are no major risks associated with this report

## **7.0 FINANCIAL IMPLICATIONS:**

7.1 The financial implications are dealt with in the body of the report.

## **8.0 LEGAL IMPLICATIONS:**

8.1 It is a legal requirement under s25 of the Local Government Act 2003 to set a balanced budget and monitor the financial position throughout the year.

## **9.0 EQUALITY/DIVERSITY ISSUES**

9.1 Equalities - there are no specific equality implications to this report, however equalities issues are accounted for at all stages of the financial planning and reporting process.

## **10.0 RECOMMENDATIONS:**

10.1 That Cabinet approves and recommends to Council:

- (1) the transfer to the Council Tax payers reserve of £972,096 as detailed in paragraph 2.5, which represents the underspend of £680,698, increased business rates received £288,773, and increased additional grant received of £2,625.
- (2) the increase in the use of the One-off fund at quarter 4 of £29,350, detailed at paragraph 3.5 and attached at Annex B;
- (3) the increase in the reserves position of £2,774,710, at paragraph 3.2 and detailed in Annex C.

LOUISE BRANFORD-WHITE  
DIRECTOR OF FINANCE (S151 OFFICER)

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Direct Line No: 01609 767226  
**Background papers:** Annual Financial Report – Statement of Accounts 2017/18  
Outturn Position 17/18 Finance Ledger

## 2017/18 REVENUE OUTFURN - MAJOR VARIANCES &gt; £5,000

		Over Spend £	Under Spend £	Explanation Of Variances
<b>Economy &amp; Planning</b>				
Workspace Management	Supplies & Services		10,898	Reduced advertising expenditure has been required due to the majority of units being occupied during the year.
	Income		47,510	Additional income from room bookings at the Workspaces and associated services were received at quarter 4.
Development Management	Employees		15,943	Underspend due to a delay in appointing posts to the new approved structure.
	Customer Client Receipts		151,814	The Planning Application income was reduced at Quarter 3 by £200,000 however the anticipated decrease in applications did not transpire and £151,814 was received.
Land Charges	Income		18,356	The land charges income reduced at Quarter 3 by £20,000 however the anticipated decrease did not transpire.
Homelessness	Supplies & Services		5,610	Grant now to be paid in future years as not needed in 2017/18.
Building Control Partnership	Customer Client Receipts		8,597	Additional income relates to Street Naming & Numbering due to a large number of new developments in the District.
Admin Buildings	Premises		12,614	Savings made from reduced Gas charges as a result of lower unit prices.
Off Street Parking	Income		9,948	Additional income has been received over a number of the Council's Car Parks due to additional usage.
		0	281,290	
<b>Finance</b>				
Non- distributed costs	Employees		32,478	Auto enrolment into the Pension Scheme was required in 2017/18 however members of staff continue to opt out
Revenue and Benefits Service	Employees		18,509	Underspend due to delays in recruiting staff
	Supplies & Services		16,069	Savings to the Northgate ICT software system as upgrades/updates were funded by grants provided by Department of Work and Pension (DWP).
ICT services	Supplies & Services		26,032	The underspend relates to various reduced computer costs and software services.
Customer Services/Communications	Supplies & Services		13,206	Savings due to vacant posts and Social media project 'go live' in June 2018
Interest & Investment income	Income		5,847	Increased Income from the Council's investment's due to the rise in interest rates during the year.
Corporate Management	Income		6,126	Saving due to a refund of previous years' surplus audit fees received
		0	118,268	
<b>Leisure &amp; Environment</b>				
Street Cleansing & Waste Collection	Transport		37,126	Fuel prices have remained fairly constant throughout the year even though oil prices were expected to rise, thereby creating an underspend. In addition repairs budget was used less than anticipated as newer vehicles require less maintenance.
Waste Collection	Employees		11,604	Reduced agency staff required as staff return from long term sickness earlier than anticipated and salary savings due to vacant posts.
Recycling	Employees		10,227	Salary savings due to vacant posts and a reduction in overtime required.
	Supplies & Services		46,138	The underspend on this budget is in relation to the disposal costs of the Kerbside Recycling tonnage collected throughout the year. It is affected by the tonnes collected being lower than anticipated and also the cost of disposal for contractors which fluctuates based on the economic climate.
	Income	(74,796)		The income was not achieved and is linked to the disposal cost above, this is due to the budgeted tonnage not being achieved therefore the recycling credits associated to the tonnage were under the budget.
Food Safety	Income		14,740	Additional income due to additional resources in Environmental Health being put into Water Regulations Risk Assessments which has meant that more visits have been able to be carried out. Additional requests for animal export licences have also been made.
Northallerton Leisure Centre	Income		38,079	Additional income due to the new leisure centre project opening before the budgeted date of April 2018
Stokesley Leisure Centre	Income	(13,879)		Various income streams have under achieved including vending machine sales (this is offset by the purchase of stock), memberships and swimming instructions.
Bedale Leisure Centre	Income	(12,803)		Various income streams have under achieved such as vending machine income, memberships and swimming instructions.
Thirsk Swimming Pool	Income		18,852	Increased membership sales and swimming instruction has resulted in additional income.
Thirsk All Weather Pitch	Employees		5,076	Staffing at Thirsk Swimming Pool has resulted in reduced staff cover.
Leisure Centres	Premises		18,054	Savings made from reduced Gas charges as a result of lower unit prices.
Operational Services	Supplies & Services		8,415	Computer Costs for the Masternaught System -Telematics - to enable cross authority working if required 2018/19.
Waste Collection	Income		6,802	This additional income is for Special Collections, New Property Wheeled Bin Sales and one off second hand green bin sales.
Pest Control	Supplies & Services		6,520	The majority of this underspend is in relation to Baits and Poisons that are used within the Pest Control Service.
		(101,477)	221,633	
<b>Law &amp; Governance</b>				
Elections	Employees		10,873	The underspend on Salaries is due to staff vacancies within the section.
	Income Other Grants/Contributions		29,742	Income settled and received in 2017/18 for General Elections in 2015/16 and County Elections in 2017/18.
Licensing	Customer Client Receipts		36,222	Additional Premises Licensing income has been received due to businesses moving to a charging band that has a larger fee and an increase in the number issued as businesses diversify. There has also been increased applications of Hackney Carriage & Private Hire drivers and Vehicles resulting with additional income.
Democratic Services	Supplies & Services		7,824	This underspend relates to Equipment Purchase and IT Microsoft Office costs not required.
		0	84,661	
<b>Total Over / Under Spend</b>		<b>(101,477)</b>	<b>705,852</b>	
<b>Net - Under spend on Variances over £5k</b>			604,375	
<b>Net - Under spend on Variances under £5k</b>			76,323	
<b>Net Underspend Overall</b>			<b>680,698</b>	

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**MOVEMENTS IN THE ONE-OFF FUND**

- 1.1 The balance on the One-Off fund at the beginning of 2017/18 was £435,916. The balance after Cabinet approval at Quarter 3 was estimated to be £266,503.
- 1.2 The final balance of the One-Off fund at outturn is £714,478 assuming all recommendations to Cabinet and Council are approved. The difference between the estimate at Quarter 3 of £266,503 and the outturn position is due to commitments that have been made but expenditure has not yet occurred of £369,762 and also includes expenditure £29,350 and income £102,730, approved schemes returned to fund of £4,833 that needs to be approved in this outturn report as detailed below in paragraphs 1.3, 1.4, and 1.5.
- 1.3 During Quarter 4, income that previously had not been recognised is detailed in the table below:

<b>Income received in Q4 2017/18 to the One-Off Fund</b>	<b>Amount</b>
Department for Communities and Local Government (DCLG) grants	64,036
Community Infrastructure Levy (CIL) 5% Admin Fee	18,937
Department of Works and Pensions (DWP) – Final New Burdens Payment 2017/18	1,596
Transfer from Redundancy Provision not required	10,661
NYCC – Contribution to Lambert Hospital	7,500
<b>Income Received</b>	<b>102,730</b>

- 1.4 During Quarter 4, expenditure that had not previously been committed is detailed in the table below:

<b>Expenditure in Q4 2017/18 from the One-Off Fund</b>	<b>Amount</b>
Archaeological Fees – Prison Site	1,130
Lambert Hospital – expert Commercial and Valuation Advice	850
Development of a Self-Build Register	1,430
Transfer to Local Plan for additional consultancy work costs	9,040
Revenues & Benefits Northgate systems upgrade	1,400
Tour de Yorkshire	500
Partial Exemption Advice	15,000
<b>Total expenditure recommended for approval at Outturn</b>	<b>29,350</b>

- 1.5

<b>Scheme no longer needed – returned to the One Off fund in Q4 2017/18</b>	<b>Amount</b>
Identification of suitable land for Thirsk Depot	5,000
DWP – Refund payment for Debt Management (returned to General Fund)	(167)
<b>Total amount</b>	<b>4,833</b>

- 1.6 In summary, the total expenditure allocation of £29,350 outlined in the Revenue Outturn report in paragraph 10.1 is to be approved.

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	Balance at 31 March 2017	Transfers Out 2017/18	Transfers In 2017/18	Balance at 31 March 2018	Explanation of Movement in Reserves
	£	£	£	£	
<b>Revenue Reserves</b>					
Council Taxpayers Reserve	4,902,597	3,021,123	3,138,501	5,019,975	to support revenue spending on community projects and enhancing service delivery on an ongoing basis
Community Safety Partnership	38,164	10,628	-	27,536	to support the Community Safety Partnerships Accounts
Local Plan Reserve	98,731	226,821	187,630	59,540	to assist in the funding of a continuous programme of Local Plan preparation and review
Strategic Forum Reserve	10,046	10,046	-	-	to promote partnership working within the community
Grants Fund	260,948	69,114	-	191,834	to deliver grants to organisations for community use
One Off Fund	435,916	723,500	1,002,061	714,477	to enable an efficient approach to the use and allocation of reserves in an ever changing environment when improved and increased provision of services is key
Repairs & Renewal Fund	2,449,874	352,067	-	2,097,807	to fund repairs and renewals work for the Council
Make a Difference Fund	52,030	113,229	125,000	63,801	to invest in worthy local community projects which helps improve life in neighbourhoods and which support the work of the voluntary sector
Take That Step	3,436	34,534	31,098	-	to deliver a lifestyle referral scheme
Economic Development Fund	2,179,059	734,239	20,275	1,465,095	to enable economic development to be a priority for the district
Computer Fund	1,009,899	221,550	400,000	1,188,349	to fund ICT works to ensure an efficient and effective organisation
Arts Grants Reserve	6,037	6,540	503	-	to fund Arts Development projects
North Northallerton Bridge Reserve	-	1,678,221	4,044,000	2,365,779	to fund the cost of the North Northallerton Bridge with funds from the Local Enterprise Agency
Community Infrastructure Levy 5% Admin Reserve	-	41,273	41,273	-	to fund expenditure relating to administration of the Community Infrastructure scheme
Community Housing Fund Reserve	195,268	15,037	-	180,231	to use on community led housing from funding from the Department for Communities and Local Government in accordance with grant guidelines
Swimming Project Reserve	-	72,220	170,091	97,871	to encourage swimming participation in the district with funds from Sport England
<b>Subtotal</b>	<b>11,642,005</b>	<b>7,330,142</b>	<b>9,160,432</b>	<b>13,472,295</b>	
General Fund Balance	2,000,000	-	-	2,000,000	
<b>Total Revenue Reserves</b>	<b>13,642,005</b>	<b>7,330,142</b>	<b>9,160,432</b>	<b>15,472,295</b>	
<b>Capital Reserves</b>					
Capital Grants Unapplied	729,692	161,701	895,382	1,463,373	grants to be applied for specific capital projects in accordance with prevailing conditions
General Capital Receipts	1,866,845	-	210,739	2,077,584	capital receipts were used to fund the capital programme as approved in the Capital Strategy prior to the beginning of the financial year
<b>Total Capital Reserves</b>	<b>2,596,537</b>	<b>161,701</b>	<b>1,106,121</b>	<b>3,540,957</b>	
<b>Total Reserves</b>	<b>16,238,542</b>	<b>7,491,843</b>	<b>10,266,553</b>	<b>19,013,252</b>	

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## **HAMBLETON DISTRICT COUNCIL**

**Report To:** Cabinet  
3 July 2018

**Subject:** CAR PARK IMPROVEMENTS SCHEME

**All Wards**  
**Portfolio Holder for Governance: Councillor Mrs I Sanderson**

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### **1.0 PURPOSE AND BACKGROUND:**

- 1.1 To provide a review of the Council's existing car park estate and to seek approval for capital investment to improve the quality of service offered to our resident, business and visiting customers.
- 1.2 The scope of the review into the existing car park estate was limited to off-street pay and display car parks and required an investigation into possible solutions to ensure car parks are customer focussed, modern and attractive. The review was not about car parking charges or civil parking enforcement.
- 1.3 The review included feedback from users which suggested that car parking bays were too narrow, pay machines were old and had limited payment methods. Feedback was also obtained from the Northallerton BID and Stokesley Town Council. The Council has also received periodic requests from residents living next to its car parks who are seeking to reduce charges associated with parking or remove the need to purchase a daily display ticket through either a resident permit or season ticket.

### **2.0 EXISTING CAR PARK ESTATE:**

- 2.1 The Council operates a range of car parking facilities across the District including long and short stay car parks, free car parking at facilities such as the Civic Centre and Leisure Centres and disc parking within the Market Towns. Pay and display parking charges currently apply Monday to Saturday inclusive, 8.00am to 9.00pm, including bank holidays. Sunday is free of charge. Market Place, Thirsk and Applegarth, Northallerton both offer free parking for one hour. Facilities receive over a million uses per year.
- 2.2 The car parks are branded in the old HDC branding on the signage which is about 9-10 years old. Signage is provided at the entrance to each car park, with information signage around the car park and at the pay and display points. Further directional signage is provided on the public highway network to direct visitors to the off-street car parks. Whilst the car parks are maintained the general appearance is typical of a public car park with high throughput usage and street furniture is dated.
- 2.3 Current parking bay layouts in off-street car parks are based on a 4.8m x 2.4m parking bay. The length of parking bays is difficult to increase as there is a requirement to maintain access roads at 6.0m to allow vehicle manoeuvres. HDC car parks do not generally have marked safe pedestrian access routes through them.
- 2.4 Pay and Display car parks were implemented in October 2009, which is the point at which the pay machines were installed. Parking charge payment options are limited to cash payments at the pay and display machine or long and short stay parkcard which offer concessionary parking charges. Pay and Display ticket machines are plentiful in number at all locations and are well signed. They do however show, in the majority of cases,

wear and tear consistent with their age and are expected to experience increasing failure rates as the machines start to exceed their designed lifespan. As tariffs have increased, the machines are seeing an increased input of change which results in the machines requiring more frequent and additional emptying. Current machines require external service provision to provide regular software upgrades, which has resulted in issues at the machine at upgrade times.

- 2.5 Electric vehicle charging is not available in any of the Council's parking facilities. Whilst this is reflective of the little provision across the district (the national charge point registry shows a single public charge point in Northallerton) there is a move towards more electric vehicles, supported by national government.
- 2.6 Two car parks within the review currently do not have any CCTV coverage – Showfield, Stokesley and Auction Mart, Bedale. The remaining car parks operated by Hambleton District Council are considered to have good CCTV coverage, with cameras working on a tour pattern to capture most of the car parks at some point within their tours. Pay machines are captured within those tours. The Applegarth car park at Northallerton is the one with the most potentially limited coverage due to its size and cameras being positioned at either end of the car park. The Safer Hambleton Co-ordinator has advised it may benefit from a further camera in the middle of the car park, as the furthest camera is also used to monitor the play park area and walkway to the back of the arcade. In terms of reported crimes or requested reviews, most incidents relate to car bumps rather than theft from vehicles for all of the car parks with CCTV. If further cameras were to be considered they would have to satisfy requirements by the Surveillance Camera Commissioner to ensure that there is a pressing need for the cameras and that they were proportionate to the risk that is trying to be minimised by having them.

### **3.0 PROPOSED IMPROVEMENT SCHEME**

- 3.1 Recommended improvements to the car park estate to achieve an improved offer to the customer are as follows:

#### **3.2 Flexible Parking Payments**

- 3.2.1 The most significant improvement that could be made across the car park estate is to introduce flexibility into parking payments, allowing customers the option to choose to pay via smartphone/mobile technology; card technology (wave and pay) or season tickets. It is, however, essential that an option to pay by cash is retained. New payment machines need to be installed that support this range of payment options and they must be easy to operate and user friendly.

- 3.2.2 Automatic Number Plate Recognition (ANPR) utilises camera technology to recognise vehicles entering and leaving the car park and can be used to support cashless payment methods. Customers pay on foot at exit from the car park which allows users to pay for the period parked rather than being time constrained through a pre-purchase ticket. Installation of ANPR is possible in car parks that have defined access and egress points and is proposed for:

- a) Bedale: Auction Mart, Bridge Street
- b) Northallerton: Forum, Crosby Road, Long Stay Applegarth
- c) Stokesley: Showfield
- d) Thirsk: Marage, Millgate, Nursery

The short stay parking area at the Applegarth, Northallerton has a public highway frontage and would require the construction of a barrier between the public highway and the parking area to limit access and egress to the car park.

3.2.3 To install and embed a range of payment options and new technology is expected to take up to 24 months.

### 3.3 Layout and Signage

3.3.1 As cars become larger it becomes more difficult to negotiate public car parking spaces. Increasing the bay width accommodates larger vehicles and promotes easier access to the vehicle for users. By increasing each bay width to 2.6m an extra 40cm is provided between vehicles. This would result in a loss of 108 (8%) of spaces across the whole estate, this does not however equate to an 8% reduction in income, as reduction in numbers of spaces would only have an impact if a car park was ever 100% utilised.

3.3.2 Feedback suggests that some Parent and Child car parking provision would be expected, however this cannot be legally enforced. It is proposed that this specific provision is not installed and that the increased bay width would support greater access.

3.3.3 Providing marked walkways to enhance user safety would provide additional benefit for Parent and Child users as well as those with accessibility requirements.

3.3.4 Improving the overall appearance of the car parks through the introduction of additional landscaping and renewing street furniture would enhance the customer experience. As would replacing the signage at the entrances to the car parks and the car park information signage with new signage reflecting the changes in Council branding; regulatory information on the signage and at the pay and display machines should be simplified and condensed. Additionally, feedback has suggested that the directional signage on the public highway network is enhanced so that visitors are certain of how to reach our off-street car parks. This work would need to be carried out in conjunction with North Yorkshire County Council as highway authority.

3.3.5 Changes to car park layout and signage is expected to take 9 to 12 months.

3.3.6 Dynamic visitor information can be provided through the introduction of Digital Totems and an invitation to explore their use as a trial in Northallerton has been received from Northallerton BID. It is possible that such schemes could receive funding from the Digital Advantage Scheme.

### 3.4 Electric Vehicle Charging Points

3.4.1 Promoting greener technology would support the national move towards supporting mass market electric vehicles and it is recommended that different types of charging points are installed across the district. Recommendations are for nominal numbers to be introduced at initial installation but the infrastructure for future expansion is included. The number of charging points would be reviewed and increased in line with demand in future years. It is recommended that electric vehicle charging infrastructure is initially focused on Northallerton and Thirsk on the basis of fast charging, with further roll-out as follows:

- a) Bedale: Auction Mart, Bridge Street
- b) Northallerton: Applegarth (Short and Long stay)
- c) Stokesley: Showfield
- d) Thirsk: Market Place, Marage/Millgate
- e) Easingwold: Galtres Centre

3.4.2 Alternative models to operating car parks could enable access to funding for electric vehicle charging schemes, for example in offering an overnight charging scheme for local residents.

- 3.4.3 Although outside of scope, it is also recommended that the electric car vehicle charging element of this scheme is broadened to include provision (where grant funding can be obtained) for Council operated workplace parking at:
- a) Civic Centre
  - b) Evolution
  - c) Springboard
  - d) Leisure Centres

3.4.4 Full implementation of the electric vehicle charging points is expected to take between 12 and 18 months.

3.4.5 As new car parks are developed electric vehicle charging points will be part of a baseline provision like designated disabled parking bays. It is also recommended that Officers investigate options for the service charge model of electric car charging provision and evaluate if there is a commercial prospect for the Council in this regard.

### 3.5 Security

- 3.5.1 Security in car parks is paramount in encouraging usage and whilst car parks across the district are considered to be of a safe design and have good CCTV coverage, it is possible to improve through:
- a) Introduce CCTV coverage at Showfield, Stokesley and Auction Mart, Bedale
  - b) Implement an additional camera to the Applegarth, Northallerton.

### 3.6 Programme Delivery and Other Considerations

3.6.1 To implement the recommended changes will require amendments and variations to the existing parking orders, a process that will take approximately 12 months to respond to changes across the whole estate. As part of an amendment order it is proposed to change the car park plans in order that future changes to car park bay layouts can occur without the need for a change to the parking order. This can be achieved by removing the individual parking bays from layout plans in the order and replacing with a boundary designation to the parking area. Other proposed variations include:

- a) To retain the current pay and display operating periods Monday to Saturday 8am to 6pm.
- b) To retain current short and long stay designations of car parks.
- c) In car parks offering short stay parking change the absolute time limit to allow users to extend their short stay parking period. This would link with smartphone parking applications which would warn car park users when they are nearing the end of their paid parking period and give them the opportunity to extend their stay.
- d) The extended parking period would be at the short stay parking hourly charge rate, this premium rate would be a disincentive to use the short stay parking area for long stay parking. Allowing short stay users to extend their parking stay will allow them to dwell longer or complete business.
- e) It is proposed to exclude Market Place Thirsk where the two hour parking time limit will be retained, options will be explored to allow users to extend an initial one hour free parking period by purchasing an additional one hour of paid parking.

3.6.2 Feedback is regularly received from users requiring disabled parking, in response to this, the following is recommended:

- a) Introduce free time-limited disabled parking bays
- b) No change to free disabled parking in disabled bays
- c) Distribute bays across long and short stay car parks

d) Retain charges in standard bays

3.7 The different elements of the scheme can be implemented concurrently with the whole programme expected to complete within a 24 month period.

#### **4.0 LINK TO COUNCIL PRIORITIES:**

4.1 Improvement to the Council's car park estate will support the Council's priority of driving economic vitality. More specifically it is a key foundation to improving the vibrancy and vitality of our market towns and is therefore intrinsically linked to the Vibrant Market Towns programme.

#### **5.0 RISK ASSESSMENT:**

5.1 There are no significant risks associated with approving the recommendations.

#### **6.0 FINANCIAL IMPLICATIONS:**

6.1 In 2017/18 the Council's car parks achieved an income of £760,000. Total expenditure to support delivery of the car parking service was £350,000. The generated surplus received by the Council is allocated to the general fund where it is used to provide Council services.

6.2 Capital expenditure allocated in the Capital programme 218/19 to 2027/28 is £719,552, itemised as follows:

Capital Scheme	£
Car Parks – Reinstatements	50,000
Car Park Restatements	374,552
Car Parks – P&D Machines Replacements	140,000
Bedale North End Cobbles	120,000
Northallerton Depot – Access Road Resurfacing	35,000
Total	719,552

6.3 The existing capital allocations in the capital programme can be re-profiled to support the project but there will need to be additional funding put back into the programme for future maintenance of the car parks in the order of £400,000.

6.4 Predicted increases in demand show an expected income of £801,020 in 2019/2020.

6.5 Capital expenditure estimated for this proposed Car Park Improvement Scheme is £550,000.

#### **7.0 LEGAL IMPLICATIONS:**

7.1 Parking Orders will need to be amended or varied to reflect the recommended changes.

## **8.0 EQUALITY/DIVERSITY ISSUES**

8.1 The recommendations suggest improvements to the parking offer for users of the blue badge disabled parking scheme, as such consideration has been given to equality and diversity issues.

## **9.0 HEALTH AND SAFETY ISSUES**

9.1 Health and Safety issues have been considered and as such all works undertaken will follow both statutory compliance and the relevant Council health and safety arrangements. An element of the proposed scheme is to introduce marked walkways within the car parks to encourage identified safe routes, this is in response to health and safety consideration of car park users.

## **10.0 RECOMMENDATION(S):**

10.1 That Cabinet approves and recommends to Council that:

- (1) An additional £400,000 is allocated into the Capital budget for future maintenance of the Car Parks.
- (2) The Car Park Improvement Scheme is allocated Capital budget of £550,000 and authorised to proceed with the following scheme elements:
  - i. Offer more payment options
  - ii. Utilise ANPR
  - iii. Change car park layout and widen bays
  - iv. Improve signage
  - v. Install Electric Vehicle Charging Points
  - vi. Install additional CCTV to enhance security
- (3) The following considerations related to the Car Park Improvement Scheme are approved:
  - i. Advance or Season Ticket payment options be developed for long and short stay parking to replace the Parkcard concession
  - ii. Parking Orders are amended to reflect changes to tariffs and layouts
  - iii. Disabled Parking
  - iv. Parent and Child Parking is not introduced
- (4) Officers are authorised to develop a trial programme for new technologies such as 'Digital Totems' with the Northallerton BID
- (5) Approval is given to ensure the improvements listed here become the minimum standard for any future pay and display car parking provision

HELEN KEMP

**Background papers:** None  
**Author ref:** HK  
**Contact:** Helen Kemp  
Director of Economy and Planning  
7204

## **HAMBLETON DISTRICT COUNCIL**

**Report To:** Cabinet  
3 July 2018

**Subject:** COUNCIL PLAN 2015 - 2019

**All Wards  
Leader: Councillor M S Robson**

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### **1.0 PURPOSE AND BACKGROUND:**

1.1 This report seeks Member approval for the revised Council Plan 2015 – 2019, which portrays the Council’s vision, purpose and priorities updated for 2018 onwards. The Council Plan is refreshed on an annual basis and was last approved by Cabinet on 4 July 2017 and subsequently by Council on 18 July 2017.

1.2 Amendments have been made to the key performance indicators only. The rest of the Council Plan remains consistent with the previous year. This maintains the robust delivery of services for all customers who live, work and visit the district.

1.3 The full Plan is attached at Annex ‘A’.

### **2.0 LINK TO COUNCIL PRIORITIES:**

2.1 The Council is statutorily obliged to have an active Council Plan.

### **3.0 RISK ASSESSMENT:**

3.1 There are no risks associated with this report.12)

### **4.0 FINANCIAL IMPLICATIONS:**

4.1 There are no financial implications association with this report.

### **5.0 LEGAL IMPLICATIONS:**

5.1 There are no legal implications associated with this report.

### **6.0 EQUALITY/DIVERSITY ISSUES**

6.1 Equality and Diversity issues have been considered and there are no specific equality implications to this report.

### **7.0 RECOMMENDATION(S):**

7.1 That Cabinet approves and recommends to Council the revised Council Plan 2015 – 2019.

DR JUSTIN IVES  
CHIEF EXECUTIVE

**Background papers:** None  
**Author ref:** LB-W

**Contact:** Louise Branford-White  
Director of Finance (S151 Officer)  
Tel: 01609 767024

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# COUNCIL PLAN

2015-19

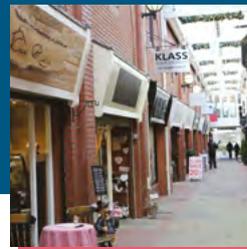


Hambleton...  
a place to grow

# Hambleton...



...a place to grow



We continue to work in challenging and changing times for local government. Our aim is to respond positively to the Government's agenda whilst finding ways to improve local services at a reduced

cost during what are still difficult economic times for many.

Over the coming years we will continue to focus on those issues which are most important to the people who live, work in and visit our district. These priorities are described within this Council Plan.

We will concentrate our attention, invest our resources and work together with our partners on a district, county, regional and national basis, whilst ensuring we work closely with our local communities in responding to local issues.

We are committed to delivering high quality services that our residents want. It is our ambition to be one of the highest performing councils which provides services at the lowest cost possible.

The Council Plan sets out the Council's direction for the next four years and gives an overview of our priorities and key actions as we strive to meet the needs of our community.

**Councillor Mark Robson**  
**Leader of Hambleton District Council**



This Council Plan sets out how Hambleton District Council will deliver the services that you - our customers - need and want.

The plan sets out a vision that we can all recognise and support. Hambleton is a place with a healthy and prosperous future that everyone can share.

The council has committed time and resources to ensure that its core foundations are solid to enable the plan to focus on delivering services to all those that live, work and visit the area.

The council values its customers and by

- driving economic development in the district
- enhancing health and wellbeing
- effectively managing the environment
- meeting housing needs

It highlights its commitment - through partnership working, leadership and influence - to achieving the priorities set out in this plan.

**Dr Justin Ives**  
**Chief Executive**



## Introduction

**Hambleton District Council occupies the broad Vale of York between the Yorkshire Dales and the North York Moors. It is a predominantly rural district with a number of areas of historic interest and hosts the Army and RAF at Alanbrooke Barracks, RAF Leeming and Linton on Ouse.**

The district is the second largest in North Yorkshire by area, 506 square miles, with a population of around 89,600. Northallerton is the largest settlement with 18% of the district's population. The majority of the population live in outlying villages with 5% residing in each of the main market towns of Bedale, Easingwold, Stokesley and Thirsk.

Hambleton covers an area of 1,311km<sup>2</sup> most of which, 1,254km<sup>2</sup>, is green space. It is named after the Hambleton Hills, part of the North York Moors National Park, that lie on the eastern edge of the district. The area is recognised nationally for its landscape, the Howardian Hills are a designated Area of Outstanding Natural Beauty, and also for the value of amenities in the five vibrant market towns.

Hambleton District Council has a Cabinet structure with 28 councillors representing its 17 wards (currently 27 Conservative, 1 Yorkshire Party). They are elected every four years - the last election was on 7 May 2015.

Population levels are rising with an increase of 6.5% over the past ten years and people are healthier and live longer than the national average.

Living in Hambleton, women at age 65 can expect to live on average a further 20.5 years - 2 years longer than the national average; men reaching 65 years can expect to live on average a further 16 years - 2 years longer than the national average.

Crime and anti-social behaviour rates are significantly lower than some neighbouring districts and below national averages. Generally, though not entirely, there are low levels of deprivation across the area.



Contains Ordnance Survey data © Crown copyright and database right 2015



## Our Vision

The Council's vision is for Hambleton to be a place to grow.

It has four **PRIORITIES** to achieve this:

- **Driving Economic Vitality**
- **Enhancing Health and Wellbeing**
- **Caring for the Environment**
- **Providing a Special Place to Live**

This Council Plan also highlights **KEY PROJECTS** the Council will deliver within the four priorities.



## Our Values

The delivery of this Council Plan is influenced by our five **KEY VALUES**:

- **Open ...** honest and transparent in the provision of our services to the community
- **Responsible ...** and accountable for our actions as individuals and as an organisation
- **Customer focused ...** committed to providing, and improving upon, a high quality, customer-focused service
- **Fair ...** to all on an equal basis
- **Respectful ...** value our work colleagues and stakeholders



# Our Foundations

The Council's core **FOUNDATIONS** to support the priorities and delivery of key projects are:

## ■ Communication:

- Develop a cohesive approach throughout the council to engage with our communities and stakeholders through:
  - a proactive information flow that keeps stakeholders up to date with council developments
  - improving use of social media
  - creating opportunities for business-friendly dialogue
  - maintaining and developing strong links with local media
- Support and improve internal communications to inform and empower the organisation to:
  - understand what is important to our communities, stakeholders and customers
  - understand and promote the council and its services
  - test innovative ideas for improvement

## ■ Finance:

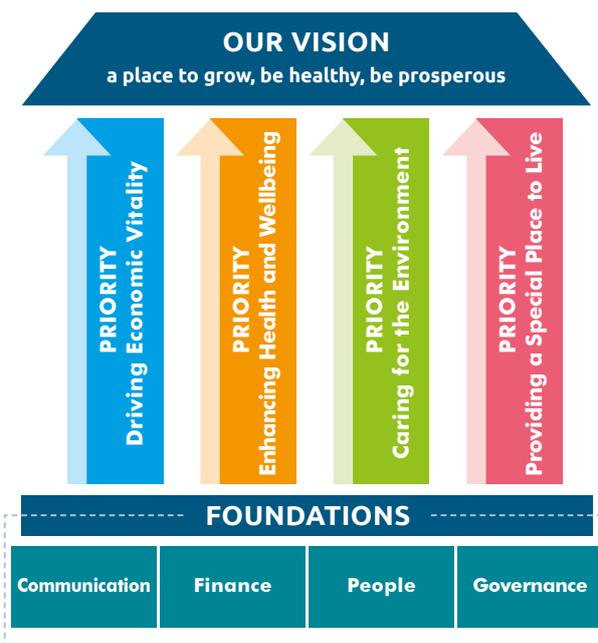
- Provide financial sustainability by implementing arrangements throughout the period of the current spending review and beyond
- Generate additional income and utilise alternative types of funding to ensure on-going affordability of council services

## ■ People:

- Empower the workforce to achieve the best solution for our customers
- Develop skills and abilities of officers throughout the organisation and provide excellent training opportunities
- Value our employees and support their ideas for improvement
- Create a healthy, safe environment in which employees want to work
- Encourage a good work-life balance

## ■ Governance:

- Clarity of purpose, aims and responsibilities
- Strong leadership
- Transparent decision making
- Accountability to our stakeholders





# Our Purpose

... to provide high quality, cost effective services which are valued by, and help the lives of, residents, communities and businesses.

## Leisure and Environment:

- CCTV
- Community Leisure
- Community Partnerships
- Community Safety
- Emergency Planning
- Environmental Health
- Food Hygiene
- Grants and External Funding
- Household Waste
- Leisure Centres
- Pest and Pollution Control
- Public Health
- Recycling
- Sports and Art Development
- Street Scene
- Water Supply

## Economy and Planning:

- Building Control
- Business and Economy
- Conservation
- Design and Maintenance
- Development Management
- Economic Development
- Facilities Management
- Graduate Programme
- GIS (Geographic Information Systems)
- Housing
- Local Land Charges
- Market Town Investment
- Parking
- Planning Policy
- Street Naming and Numbering

## Finance:

- Business Rates
- Business Support
- Communications
- Corporate Equality and Diversity
- Corporate Finance
- Council Tax
- Customer Services
- Housing Benefits
- ICT
- Payroll
- Performance and Risk Management
- Reprographics
- Revenues and Benefits
- Transparency

## Law and Governance:

- Audit Services
- Democratic Services
- Electoral Services
- HR
- Information Governance
- Legal Services
- Licensing
- Procurement



# Our Challenges

## Driving Economic Vitality

- Decreased funding
- Connectivity - road systems, rail and broadband
- Increased pressure on services
- Reduction in public sector organisations
- Changing technology
- Encouraging young people to stay in the district
- Supporting vibrant and active villages and market towns



## Enhancing Health and Wellbeing

- An ageing population
- Supporting the vulnerable
- Physical inactivity - all ages
- Obesity - all ages
- Affordable warmth



## Caring for the Environment

- Increased recycling
- Energy efficiency and sustainability
- Improving the environmental footprint



## Providing a Special Place to Live

- Protecting countryside and open spaces
- Maintaining sustainable communities
- Providing access to services to all across the district
- Welfare Reform
- Providing good quality housing
- Lack of affordable housing
- Homelessness





## Driving Economic Vitality

### Purpose:

- Promote growth of local economy.
- Support economic growth through planning.
- Enable businesses to set up and grow.
- Provide business friendly services.
- Establish links with education.
- Maximise private sector investment in the district.
- Improve market town vitality and viability.

### Performance indicators to monitor service delivery:

Facilitate 25 young people to work into local small businesses by April 2019 through Apprenticeships and the Graduate scheme

Support £2m of new business investment in Hambleton during 2018/19

Increase footfall across Hambleton Market Towns by 5% during 2018/19

Achieve a level of business rate and council tax collection of 98% during 2018/19

Increase the number of major planning applications determined within 13 weeks, or as agreed with the applicant, to 80%.

Increase the number of minor planning applications determined within 8 weeks, or as agreed with the applicant, to 85%

Achieve 8 out of 10 success rate in defending appeals where major developments are refused planning permission

### Key projects to deliver the service:

- North Northallerton - bridge and road
- Central Northallerton redevelopment
- Dalton Bridge - develop business park
- Sowerby Gateway - junction
- Bedale Gateway Car Park



## Outcomes - Measures of Success

- New business and commercial openings made available.
- Increased grant availability and opportunities for young people.
- Businesses stay, grow and relocate to the area.
- Support developers to achieve planning permission for new homes, businesses, industrial developments and infrastructure.
- Community Infrastructure Levy is implemented to assist economic development.
- Land is allocated to meet employment needs until 2035 through the new Local Plan.



## Enhancing Health and Wellbeing

### Purpose:

- **Improve the health and wellbeing of people by providing and supporting community inclusive facilities, activities, events and interventions.**
- **Protect consumers from health risks relating to hazardous food, drink and water supplies.**
- **Protect residents from hazardous conditions in privately rented housing.**

### Performance indicators to monitor service delivery:

Achieve an increase in health and fitness membership base of 8% (3,085) in 2018/19

Achieve an increase in the 'learn2 swim' junior membership base of 2.8% (2,650) in 2018/19

Successfully allocate 100% (£125k) of community grants in 2018/19

Complete 100% (35/35) of high risk food premises inspections in 2018/19

Complete 100% (36/36) private water supply risk assessments in 2018/19

### Key projects to deliver the service:

- North Northallerton - Sports Village
- Sowerby Gateway - Sports Village

## Outcomes - Measures of Success

- Increased physical activity participation rates and therefore improve health.
- Reduction in health threatening conditions.
- Improved health and wellbeing through community events, initiatives, programmes and activities.
- Increased child safety through learning to swim.
- Improved standard of hygiene in food businesses.
- Reduced health risk due to non-compliant private water supplies.





## Caring for the Environment

### Purpose:

- Improve efficiency of waste collections and recycling.
- Improve customer satisfaction.
- Reduce CO<sub>2</sub> and improve energy efficiency.

### Performance indicators to monitor service delivery:

Maintain a recycling rate at 47%

Develop an effective enforcement policy on fly tipping and littering

Facilitate 24 community litter picks in 2018/19

Improve efficiency of lighting by reducing energy consumption by 140,000Kwh in 2018/19

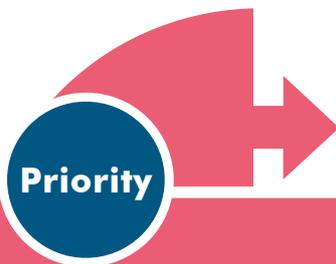
### Key projects to deliver the service:

- Implementation of route optimisation

## Outcomes - Measures of Success

- Decreased landfill waste.
- Improve service to customers.
- Environmental sustainability.
- Clean litter environment.





## Providing a Special Place to Live

### Purpose:

- Provide an adequate amount of housing to meet the housing needs of all.
- Provide support to residents to prevent homelessness.
- Support people to lead independent lives.

### Performance indicators to monitor service delivery:

Maintain, each year, a minimum five year supply of deliverable housing sites

Publish the new Local Plan by September 2018

Deliver an additional 315 new homes by April 2019

Ensure 100% of homelessness decisions are made within 56 days

Ensure a total of 82% of funds for disabled facilities applications is spent

Process new housing benefit and council tax claims in 20 days and process changes in circumstances in seven days

### Key projects to deliver the service:

- Local Plan

## Outcomes - Measures of Success

- Housing sites are made available for market and affordable housing.
- Achieve housing for all.
- Provide financial support for residents to live in the district independently.
- Provide support to residents to prevent homelessness.





# Community Leadership

## Purpose:

- **Lead, engage and support all residents, businesses, communities across the district to enable everyone together to make a difference.**

## Aim:

Lead on working with partners to make best use of increase devolved power and finances for local decision making

Be responsive and flexible with our partners to meet their needs and requirements for improvements for all

## Delivery of Community Engagement:

Work in partnership across the district for the delivery of services

Be transparent with regards to the financial challenges to be faced

Provide strategic and operational guidance

Provide excellent customer service and support

Listen to the requirements of our communities and engage

Support the local economy and invest in external partnerships

## Working in partnership

### Driving Economic Vitality:

- Working with a wide range of **private and public sector partners** to secure delivery of Community needs.
- Examples are: working with the **Local Enterprise Partnership** on strategic infrastructure projects to unlock development at North Northallerton), **Dalton Bridge Businesses** as well as securing a **Joint Venture Partner - Wykeland Group** - to develop Northallerton Prison Site.
- The council engages with **North Yorkshire County Council** and Sub-regional partnerships at both Member and officer level and takes a high profile and positive role in these. Examples are: the York, North Yorkshire and East Riding LEP Board (Members), the **Local Government York, North Yorkshire and East Riding Housing and Transport Board** (Members), the **York, North Yorkshire and East Riding Leaders' Board** (Members) and the **Directors of Development Group** (officers) and the other office groups that support this. In relation to the latter, the Council is currently participating in the preparation of the York, North Yorkshire and East Riding Spatial Planning Framework.
- The council with **communities** make a difference with the £0.125m fund and also with the small grants scheme, £0.020m support community based projects.

Hambleton... ...a place to grow



### Enhancing Health and Wellbeing

- Develops relationships with **public health and clinical commissioning groups**.
- Improving people's health including tackling excess weight and obesity
- Provides guidance for the development for our communities through the provision of inclusive strategies for health and wellbeing - playing pitches, built facilities and open spaces.
- Advises and guides **parish councils, clubs, associations and community organisations** through ways as diverse as funding, training, helplines, active involvement and coordination.
- Improves the quality of water for our **residents** across rural areas for private water supplies.
- Drives positive change with our food outlets to help improve standards and **customer awareness** through our food hygiene rating scheme.

### Caring for the Environment

- Works with our partners in the **York and North Yorkshire Waste Partnership**.
- Leads in tackling **community** fly tipping, littering and major clean-up operations for large scale fly tipping.
- Works in partnership with the **Dog's Trust** to host events to encourage responsible dog ownership.
- Interest free **Energy Loans** of up to £3000 to help homeowners to carry out energy efficiency works to address excess cold and fuel poverty.

### Providing a Special Place to Live

- Engages with **area partnerships** to identify and resolve issues important to residents.
- Celebrates, through **award schemes**, the achievements and contributions that our residents provide in making Hambleton a special place to live for our sporting, business and broader communities.
- Co-ordinates a highly effective, multi-agency **community safety partnership** to help reduce crime and disorder across the district.
- Provide a **CCTV service** in four of our market towns which provides an invaluable proactive and reactive service to tackle crime and disorder.



# Delivery and Implementation

## Purpose:

- To be a thriving District that commits to and completes enhancing projects which enrich the lives of all

## Aim:

To execute the goals of the Key Corporate Projects in a timely manner and on budget

To achieve the council's objectives and outcomes as described in the Council Plan

## Implementation of Key Corporate Projects:

Through working with our partners

Through a sustainable budget

Through the flexible and motivated workforce

Through achieving planned objectives

## Innovation and rejuvenation

### Northallerton Prison

- The council is planning a Joint Venture Company with the Wykeland Group, to develop the former prison site.

### North Northallerton

- The council is committed to developing the north of Northallerton and has recently secured Local Enterprise Partnership (LEP) funding to develop a new bridge thereby ensuring the development of 1,000 new homes, employment land with new leisure facilities, a new school and infrastructure.

### Dalton Bridge Business Improvement District

- The gateway to Dalton Industrial Estate near Thirsk has been troubled by flooding for many years. The estate accommodates some of the district's largest companies, employing around 850 people. A new bridge will unlock the door to potential growth.



### **Northallerton Business Improvement District**

- Continued development of Northallerton as a vibrant market town.

### **Local Plan**

- The new Local Plan sets out the vision for the district and allocates sites for housing, employment, retail, leisure and other forms of development. The plan will run from its adoption expected in late 2018, to the year 2035.

### **Loan to Broadacres Housing Association**

- Investment in Hambleton District Council's local housing association ensures local support.

### **Northallerton and Sowerby Sports Village**

- Multi-sport regeneration scheme - rugby, football, hockey, athletics, cycling, skateboarding - providing health and wellbeing opportunities for the communities in this growing location.

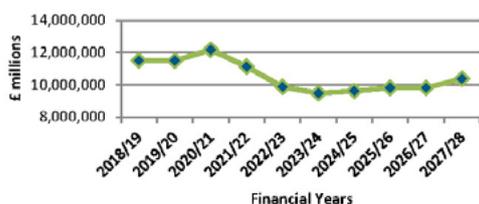


# Financial Sustainability

The 10 year Financial Strategy, approved by Full Council, provides the council's estimated financial position prior to the beginning of the new financial year which includes the funding position of the council - the four year funding settlement provided by Government and the level of council tax and business rates to be collected.

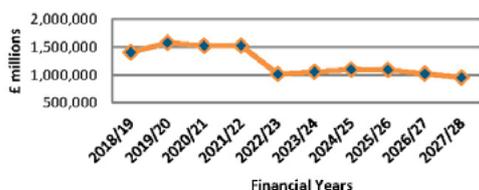
This 10 year strategy ensures that the council's plans remain affordable, sustainable and are prudent.

## Reserves of the Council



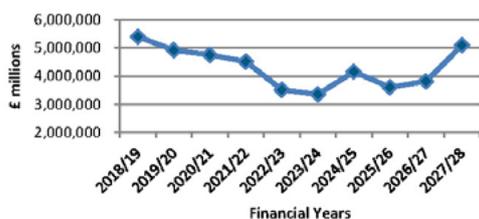
- The average level of reserves over the 10 year strategy is £10.5m
- Reserves rise in 2020/21 when the Council benefits from the development of the prison site
- Reserves fall to 2023/24 when the Council invests in ICT and the council's assets
- Reserves rise to 2027/28 with an estimated increase in business rates

## Capital Reserves



- Capital reserves are used to invest in improving Council and community land, buildings and infrastructure across the district
- The capital reserve has an average balance for investment of £1.2m over the 10 year strategy
- The decrease in reserves from 2021/22 is for forecasted additional works to generate income for the districts.

## Council Tax Payers' Reserves



- This reserve is utilised to benefit the community and district to assist the council to provide high quality services
- Reserves fall between 2019/20 to 2022/23 due to changes in Government funding and the allocation of funds to invest in ICT
- Reserves are on an upward trend from 2023/24 with the change in the way local authorities are funded and the estimated increase in business rates
- Reserves rise to 2027/28 with an estimated increase in business rates

## **Our Council Plan focuses on the key issues.**

**If you would like to know more about any of these issues - including background information about the Council and the project plans which support each of the priorities - please visit our website. You can also email to request further information.**



**[hambleton.gov.uk](http://hambleton.gov.uk)**



**[info@hambleton.gov.uk](mailto:info@hambleton.gov.uk)**





**HAMBLETON**  
**DISTRICT COUNCIL**

Civic Centre, Stone Cross, Northallerton, North Yorkshire DL6 2UU  
01609 779977

**This information is available in alternative formats and languages**

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## HAMBLETON DISTRICT COUNCIL

**Report To:** Cabinet  
3 July 2018

**Subject:** REVIEW OF HAMBLETON DISTRICT COUNCIL GRADUATE SCHEME

**All Wards**  
**Portfolio Holder for Economic Development and Finance: Councillor P R Wilkinson**

---

### **1.0 PURPOSE AND BACKGROUND:**

- 1.1 To approve investment into the Apprentice and Graduate Schemes from the revenue budget into the scheme from 2019/20 onwards.
- 1.2 The Apprenticeship Scheme was initially established in 2012 as a key activity in the delivery of the Council's high level priority of supporting local economic growth. There is evidence that getting young people into work, not only makes a huge difference to the lives of those young people, but is also a positive way of stimulating the local economy. It offers a one off grant of £2,000 to any Hambleton business who offers a new apprentice position to a young person between the ages of 16-24.
- 1.3 The Graduate scheme was launched in January 2015 to run for an initial period of 2 years - 2015/16 and 2016/17 with an allocation of £100k from the Economic Development Fund. Initially, the Council operated the scheme in conjunction with Teesside University (TU), until September 2015 when TU went through a restructure and did not have the funding to continue with the scheme and their team was disbanded. HDC took over responsibility for completing pre-checks such as health and safety on site assessments and have managed and administered the scheme since this time.
- 1.4 One of the priorities in the Council Plan is 'Driving Economic Vitality' with performance indicators of facilitating 25 young people to work in small businesses through apprenticeships and facilitate 7 graduates into businesses for 2018/19.
- 1.5 From 2016/17 the Economic Development Fund (EDF) allocated £50,000 per annum to fund 25 business apprentices per year and funded £105,000 over two years to support 28 graduates. Please see Annex A for the breakdown in funding.
- 1.6 Scrutiny Committee undertook a review of the Council's Graduate and Apprentice schemes between July 2017 and February 2018 which looked at the success, effectiveness and value for money to the Council.

The recommendations were as follows:-

- it be noted that the current arrangements for the Apprentice and Graduates Schemes are effective, fit for purpose and good value for money;
  - officers investigate the possibility of providing an online application form for the Apprentice and Graduates Schemes;
  - consideration be given to identifying whether there is any additional funding available to invest into the schemes for future years; and
  - the Committee supports the continuation of the Apprentices and Graduates Schemes.
- 1.7 The apprenticeship scheme receives far more applications than places available which means the Council can easily fill the allocation of 25 places a year, supporting 25 small businesses. The Business & Economy team can presently support this number of applications and any more would increase the resource required to support the process.

1.8 The graduate scheme receives less applications and the average spend required is £4,000 for a grant. It is proposed that 5 places should be allocated a year, this is based on knowledge gained through the Council's Funding Officer who is presently working with a number of small businesses that are looking for growth in their business and who will benefit from employing a graduate.

## **2.0 LINK TO COUNCIL PRIORITIES:**

2.1 Continued delivery of the Apprentice and Graduate Scheme will support the Councils priority of driving economic vitality. More specifically it will support businesses to grow, help maximise private sector investment, increase opportunities for young people and strengthen links with higher educational establishments.

## **3.0 RISK ASSESSMENT:**

3.1 There are no significant risks associated with approving the recommendations.

## **4.0 FINANCIAL IMPLICATIONS:**

4.1 The costs associated with delivering 25 places for the apprenticeship scheme and 5 graduates are £70,000. It is proposed that the scheme is funded through the Revenue budget from 2019/2020.

## **5.0 LEGAL IMPLICATIONS:**

5.1 There are no legal implications associated with the recommendation.

## **6.0 EQUALITY/DIVERSITY ISSUES**

6.1 Equality and Diversity Issues are incorporated into the existing criteria and due diligence checks undertaken for the scheme to ensure equal opportunities.

## **7.0 HEALTH AND SAFETY ISSUES**

7.1 Health and Safety issues are incorporated into the existing criteria and due diligence checks undertaken for the scheme as part of the risk assessment in the employer visit.

## **8.0 RECOMMENDATION(S):**

8.1 That Cabinet approves and recommends to Council that:

- (1) the allocation of £50,000 for the Apprenticeship Scheme and £20,000 for the Graduate Scheme for 2019/20 and 2020/21 which will be an increase in the revenue budget by £70,000 a year be approved; and
- (2) both schemes be reviewed every two years to consider the ongoing need for both the schemes.

HELEN KEMP

**Background papers:** None  
**Author ref:** NP  
**Contact:** Nicole Patterson  
Business and Economy Manager  
7233

## Apprentice Scheme

The scheme was established in April 2012 and offers a one off grant of £2,000 to any Hambleton business who offers a new apprentice position to a young person between the ages of 16-24. The first three years 2012/13, 2013/14, & 2014/15 were funded through the provision of a sum of £150,000 from the One Off Fund. The allocation in 2015/16 was monitored through the Economic Development Fund process but was funded from the One Off Fund.

From 2016/17 the Economic Development Fund (EDF) allocated £50,000 to fund 25 business apprentices per year.

The Apprentice Scheme has been funded as below:-

### Breakdown of funding

Year	Fund	Allocated	Actual	Number of Places
2012-2014	One Off fund	£100,000	£84,220	5 HDC Places 33 business places
2014/15	One Off fund	£50,000	£61,300	25
2015/16	One Off fund	£70,000	£70,000	25
2016/17	EDF	£50,000	£50,000	25
2017/18	EDF	£50,000	£50,000	25 (in operation)
2018/19	EDF	£50,000		25

## Graduate Scheme

The scheme was launched in January 2015 to run for an initial period of 2 years - 2015/16 and 2016/17 with an allocation of £100,000 from the Economic Development Fund. Initially, the Council operated the scheme in conjunction with Teesside University (TU), until September 2015 when TU went through a restructure and did not have funding to continue with the scheme and their team was disbanded. HDC took over responsibility for completing pre-checks such as health and safety on site assessments and have managed and administered the scheme since this time. The scheme funded a wage subsidy and/or an equipment grant. In 2018/19 the scheme was updated to just support a wage subsidy of £4,000 per graduate. Our research has shown that the wage subsidy is more valuable as it can assist a business to elevate the salary level to encourage more graduates to apply for the roles.

The Graduate Scheme has been funded as below:-

### Breakdown of funding

Year	Fund	Allocated	Actual	Number of Places
2015/16	EDF	£100,000	£105,349	28 graduates successfully appointed across 21 businesses
2016/17	EDF			
2017/18	EDF	£28,000	0	Moved to 18/19 as approved late in 2017 – Plan to support 7 Graduates
2018/19	EDF	£28,000		

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**HAMBLETON DISTRICT COUNCIL**

**Report To:** Cabinet  
5 July 2018

**Subject:** GRANTS REVIEW

**All Wards**  
**Portfolio Holder for Leisure: Councillor Mrs B S Fortune**

**1.0 PURPOSE AND BACKGROUND:**

1.1 To propose improved coordination and consistency of policy and practice with community funding and grants and to establish an approach to financial provision for future years.

1.2 In 2017/18 the Council awarded community funds and grants as follows:

<b>Fund</b>	<b>Total</b>	<b>Award parameters</b>	<b>From</b>
Making a Difference Grants	£125,000 (inc £25,000 to Community Libraries)	Between £2,500 and £25,000	One-Off Fund
Core Funded Grants	£62,300	No stipulated parameters	Revenue
Frequently Funded Organisation Grants	£48,700	No stipulated parameters	Grants Reserve
Small Grants*	£20,000	Between £500 and £2,500	Grants Reserve
<b>TOTAL</b>	<b>£256,000</b>		

\*In 2018/19 the Small Grants programme was no longer required due to the lowering of the Making a Difference Grant minimum threshold from £2,500 to £1,000.

1.3 Details of each of these are included within Appendix 1.

1.4 Making a Difference Grants and Small Grants have run as open application schemes. These are available to not-for-profit, constituted organisations with a bank account and are eligible for projects that contribute to at least one of the four Council priorities. Making a Difference Grant allocations are determined by elected Members, whereas decisions on Small Grant applications have been delegated to officers for their consideration prior to Head of Service and Portfolio Holder for Leisure approval.

1.5 The Core Funded Grants are awarded to voluntary or charitable organisations to contribute towards their running costs. Terms and conditions usually include the need for a service level agreement (SLA) over a stipulated time period. There is no formal application process and they are usually reviewed at the end of the SLA (all three SLA's presently require review/renewal).

1.6 The Frequently Funded Organisation Grants fund voluntary sector infrastructure costs. These have been funded for the last 10 years or so, under various schemes. There is no application process; the grants are renewed annually following the submission of a satisfactory monitoring report with formal approval by the Head of Service and Portfolio Holder for Leisure.

1.7 In addition the Council occasionally provides funding to assist local communities with projects such as the Tour de Yorkshire. This funding is approved on an ad hoc basis by Management Team and at Cabinet in the Quarterly Financial Monitoring reports.

- 1.8 In August 2015 the Council signed the North Yorkshire Compact which is an agreement between local authorities and the voluntary/community sector to help sustain an equal and fair society. It sets out the commitments of each party, advocating sustainable relationships, multi-year funding and terms such as a minimum of 3 months' notice of changes to any funding agreements. The Council needs to be mindful of such conditions in any changes that it makes to either the Core Funded or Frequently Funded organisations due to the ongoing nature of the funding.

Proposals

- 1.9 Presently, due to the different ways that the various community schemes have evolved, there are a number of opportunities to address inconsistencies with the community grant schemes. It is therefore proposed that there will be three community grant schemes rather than four as follows, with the Small Grants being incorporated within the Making a Difference fund as previously stated in 1.2:

<b>Fund</b>	<b>Details</b>	<b>Parameters</b>	<b>Approved by</b>	<b>Budget</b>
Making a Difference	£125,000 (incorporating the previous Small Grants programme). Grants will normally be for new / one-off projects / activities.	£1,000 to £25,000	Cabinet	Revenue
Hambleton Helps	£50,000. This provides for the previously Frequently Funded Organisations. Grants will normally be used to assist with on-going initiatives or projects	£1,000 to £5,000	Management Team	Grants Reserve
Partnership Fund	£62,300. This provides for the previous Core Funded grants to the Galtres Centre, Citizens Advice and North Yorkshire Sport	3 yearly award determined by each service level agreement	Management Team	Revenue
<b>TOTAL</b>	<b>£237,300</b>			

- 1.10 In addition it is proposed that:
- 1.10.1 All grants schemes are delivered in a co-ordinated and consistent manner with a standardised application and decision making process that is clearly defined and appropriate to the level of funding being applied for.
  - 1.10.2 The eligibility criteria ensure the grant contributes to at least one Council priority.
  - 1.10.3 All grants are applied for annually except for those from the Partnership Fund.
  - 1.10.4 From 2018/19 Partnership Fund awards (previously Core Funded Grants) are restricted to the Citizens Advice Mid-North Yorkshire, Galtres Centre and North Yorkshire Sport and that these grants are awarded after consideration of an up to date service level agreement for 3 years per award.
  - 1.10.5 The Hambleton Helps and Partnership Fund grants are approved by the Management Team from 2018/19.
  - 1.10.6 Improvements to the co-ordinated promotion of these funds are undertaken.

## **2.0 LINK TO COUNCIL PRIORITIES:**

2.1 The criteria for all the Council's grants schemes stipulate that the grant must contribute to at least one of the Council's corporate priorities.

## **3.0 RISK ASSESSMENT:**

3.1 There are no risks associated with this report.

## **4.0 FINANCIAL IMPLICATIONS:**

4.1 In 2017/18 the Council financed grants as follows:

4.1.1 Making a Difference grants from the One-Off Fund.

4.1.2 Core Funded (to be 'Partnership Fund') grants from revenue.

4.1.3 Frequently Funded Organisations (to be 'Hambleton Helps') from the Grants Reserve; and

4.1.4 Small Grants from the Grants Reserve.

4.2 Due to its popularity, in future it is proposed that the Making a Difference Grants scheme becomes an annual commitment funded from the revenue budget, rather than the One-Off Fund as it has been previously. Therefore, consideration will be given to including this from the 2019/20 budget with a saving being made during 2018/19 to accommodate the £125,000 requirement.

4.3 Core Funded grants, proposed to be called the Partnership Fund, will remain in the revenue budget at £62,300.

4.4 The Small Grants programme of £20,000 is no longer required as organisations can now apply for funding from the annual Making a Difference Grants scheme, which provides for the same community needs.

4.5 At the start of 2019/20 there will be £141,833 remaining in the Grants Reserve, which would mean that there is sufficient funding for the proposed Hambleton Helps grants (currently called Frequently Funded Organisations) of £50,000 each year until 2020/21, with £41,883 remaining at the start of 2021/22. It is therefore proposed that £8,117 is provided from the One-Off Fund to ensure that £50,000 is available to meet needs in 2021/22. Consideration will then be needed at a later stage as to how the Hambleton Helps grant programme is financed from 2022/23.

Overall the revenue effects of the grant programmes will be as follows:-

<b>Revenue Effects</b>	<b>2019/20 £</b>	<b>2020/21 £</b>	<b>2021/22 £</b>	<b>2022/23 £</b>
Cost of:				
Making a Difference grants	125,000	125,000	125,000	125,000
Hambleton Helps grants (frequently funded organisations)	50,000	50,000	50,000	0
Partnership fund grants (core funded organisations)	62,300	62,300	62,300	62,300
<b>Total Costs</b>	<b>237,300</b>	<b>237,300</b>	<b>237,300</b>	<b>187,300</b>

<b>Revenue Effects</b>	<b>2019/20 £</b>	<b>2020/21 £</b>	<b>2021/22 £</b>	<b>2022/23 £</b>
Financed by:				
Revenue	187,300	187,300	187,300	187,300
Grants Reserve	50,000	50,000	41,883	0
One Off Fund			£8,117	
<b>Total Funding</b>	<b>237,300</b>	<b>237,300</b>	<b>237,300</b>	<b>187,300</b>

## **5.0 LEGAL IMPLICATIONS:**

5.1 All grant recipients must adhere to terms and conditions to ensure they comply with any legal and/or Council policy requirements associated with their grant.

## **6.0 EQUALITY/DIVERSITY ISSUES**

6.1 As identified within the terms and conditions of the various grants the Council requires funded projects to be open to all who wish to be involved - unless the applicant can provide a legitimate reason why this should not be the case. The Grant guidance demands that recipients pay appropriate attention to equality and diversity issues in the way they run their organisation and the project.

## **7.1 RECOMMENDATIONS:**

7.1 That Cabinet approves and recommends to Council changes to the Community Grants from 2019/20 as follows:

- (1) the annual Making a Difference Grants programme is to be funded from the revenue budget as detailed in paragraph 4.2;
- (2) the Small Grants scheme is to be closed;
- (3) the Frequently Funded Organisation grant is to be replaced by 'Hambleton Helps' and £50,000 allocated for each of the next three years from the Grants Reserve;
- (4) the Grants Reserve is increased by £8,117 from the One-Off Fund for 2021/22 as detailed in paragraph 4.5 and
- (5) core Funded grants will be called the Partnership Fund and continue to be funded from the revenue budget. Revised Service Level Agreements for three years will be agreed with recipients and approved by Management Team.

PAUL STAINES  
DIRECTOR OF LEISURE AND ENVIRONMENT

**Background papers:** None

**Author ref:** SL

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Head of Service - Leisure and Environment  
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## Community funds and grants awarded in 2017/18

### Core Funded Grants (proposed Partnership Fund)

Organisation	Grant
Citizen's Advice Mid-North Yorkshire	£27,450
Galtres Centre	£29,850
North Yorkshire Sport	£5,000
<b>Total</b>	<b>£62,300</b>

### Frequently Funded Organisations (proposed Hambleton Helps Fund)

Organisation	Grant
Bedale Community Car Scheme	£2,800
Easingwold Community Care Association	£3,000
Easingwold Community Car Scheme	£2,800
Rural Transport and Access Partnership	£2,500
Wheels 2 Work (maintenance)	£5,000
Wheels 2 Work (mentoring)	£5,000
Hambleton Over Fifties Forum (Age UK)	£4,000
Hambleton Strollers	£5,000
Hambleton Community Action	£3,000
Northallerton Community Car Scheme	£2,800
Stokesley Community Car Scheme	£2,800
Stokesley Community Care Association	£3,000
Thirsk Community Car Scheme	£2,800
Thirsk Community Care Association	£3,000
Yorkshire Local Councils Association	£1,200
<b>Total</b>	<b>£48,700</b>

### Making a Difference Grants

Organisation	Grant
5 Community Libraries of £5,000 each	£25,000
St John the Baptist Church Leeming	£2,500
Thornton Watlass Cricket Club	£2,500
Crakehall Village Hall	£2,500
Crakehall with Langthorne Parish Council	£2,500
Snape with Thorpe Parish Council	£2,500
Leeming Bar Community Hub	£2,500
Bedale and Villages Community Forum	£2,500
Bedale and Villages Community Forum	£2,500
First Easingwold (Forest of Galtres) Scout Group	£3,500
Helperby Village Hall CIO	£2,500
Alne Cricket Club	£3,722
Sutton on the Forest Parish Council	£2,778
Raskelf Parish Council	£2,500
Easingwold Cricket Club	£5,000
Northallerton Town Football Club	£4,700
Northallerton & Dales Mencap	£3,800

Making a Difference Grants (continued)

<b>Organisation</b>	<b>Grant</b>
East Cowton Parish Council	£8,000
Northallerton & Village Community Forum	£3,500
Great Ayton Bowls Club	£2,500
Battersby Junction Community Association	£2,500
North Yorkshire County Scout Council	£3,000
Stokesley Sports Club	£6,500
Ingleby Cross Village Hall	£3,000
Pride in Potto	£2,500
Hillside Rural Activities Park	£2,500
The Clock (Yorkshire) Ltd	£10,000
Thirsk, Sowerby and District Community Care Association	£2,500
North Yorkshire Youth Ltd	£2,500
Thirsk Town Council	£2,500
<b>Total</b>	<b>£125,000</b>

#### Small Grants

<b>Organisation</b>	<b>Grant</b>
Hambleton Paddlers	£645
Coxwold & District Tennis Club	£2,500
Sessay Bowls Club	£1,500
Appleton Recreation Association	£2,500
Thirsk Falcons Junior Football Club	£2,400
East Harlsey Cricket Club	£1,100
Age UK	£1,505
The Clock	£2,475
East Harlsey Village Hall	£2,500
The Hambleton League	£1,000
Dales Care	£1,875
<b>Total</b>	<b>£20,000</b>

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of the Local Government Act 1972.

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