

POLICY COMMITTEE

on Tuesday, 15th January 2019 at 6.30pm
in the Belle Vue Suite at the Belle Vue Square Offices, Skipton

(Rachel Richards, from North Yorkshire County Council will be giving a presentation to Members on the County's Public Health Annual Report. The session will start at 6.15pm followed by the meeting at 6.30pm.)

Committee Members: The Chairman (Councillor Foster) and Councillors Barrett, Brockbank, Dawson, Heseltine, Ireton, Jaquin, Lis, Madeley, Morrell, Mulligan, Myers, Place, Rose and Welch.

Substitutes: Conservatives – Councillors Graham, Thompson and Whitaker; Independents – Councillors Pighills, Solloway and Shuttleworth; Labour – Councillor Mercer.

AGENDA

1. **Apologies for absence and notification of substitutes**
2. **Confirmation of Minutes (Excluded)** – 4th December 2018.
3. **Public Participation** - In the event that any questions/statements are received or members of the public attend, the public participation session will proceed for a period of up to fifteen minutes.
4. **Declarations of Interest** – All Members are invited to declare at this point any interests they have in items appearing on this agenda, including the nature of those interests.

(Note: Declarations should be in the form of:

a “**disclosable pecuniary interest**” under Appendix A to the Council's Code of Conduct, or “**other interests**” under Appendix B or under Paragraph 15 where a matter arises at the meeting which relates to a financial interest of a friend, relative or close associate.

A Member of Council who has a disclosable pecuniary interest must leave the room and not take part in the discussion or vote. When declaring interests under Appendix B or Paragraph 15 of the Code, Members must move to the public seating area, not vote, and speak only if members of the public are also allowed to speak at the meeting.)

5. **Longer Term Financial Strategy (LTFS) 2019/20 – 2025/26** – Report of the Chief Finance Officer. Attached.

Purpose of Report – To provide Members with an update on the forecast financial position for the 7 year period to 2025/26.

6. **Collection Fund Council Tax Surplus/(Deficit) 2018/2019** – Report of the Chief Finance Officer, Attached.

Purpose of Report – To declare the estimated surplus on the Collection Fund Council Tax for 2018/19.

7. **Collection Fund National Non-Domestic Rates Surplus/(Deficit) 2018/2019** – Report of the Chief Finance Officer. Attached.

Purpose of Report – To declare the estimated National Non-Domestic Rates (NNDR) surplus/(deficit) on the Collection Fund for 2018/19.

8. **Unreasonable Complainant Behaviour Policy** – Report of the Solicitor to the Council. Attached.

Purpose of Report – To provide an updated policy to deal with problems created by complainants who demonstrate unreasonable behaviour in their pursuit of complaints against the Council.

9. **Boundary Signs** – Report of the Director of Services. Attached.

Purpose – To consider the introduction of boundary signs on entrance roads into Craven.

10. **Joint Venture Company** – Report of the Director of Services. Attached.

Purpose of Report - To provide Members with an update on the progress on the Council's Joint Venture Partnership with Barnfield Investment Properties Limited.

11. **Items for Confirmation** – The Committee is asked to indicate whether any of the above items should be referred to Council for confirmation.

12. **Any other items** which the Chairman decides are urgent in accordance with Section 100B(4) of the Local Government Act 1972.

Agenda Contact Officer:

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7 January 2019

If you would like this agenda or any of the reports listed in a way which is better for you, please telephone (01756) 706494.

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- (i) the recording being conducted with the full knowledge of the Chairman of the meeting; and
- (ii) compliance with the Council's protocol on audio/visual recording and photography at meetings, a copy of which is available on request. Anyone wishing to record must contact the Agenda Contact Officer (details above) prior to the start of the meeting. Any recording must be conducted openly and not disrupt proceedings.

Emergency Evacuation Procedure - In case of an emergency or if the alarm sounds, leave the committee room and exit the building using the nearest available door. The assembly point is in the main square at the front entrance. An officer will take a roll call at that point. Please do not leave without telling the Chairman or the Democratic Services Section's representative.

POLICY COMMITTEE

4 December 2018

Present – The Chairman (Foster) and Councillors Brockbank, Dawson, Ireton, Jaquin, Lis, Mulligan, Myers, Place, Rose, Shuttleworth and Welch.

Also in attendance – Councillor Hull

Officers – Chief Executive, Director of Services, Chief Finance Officer (S151 Officer), Strategic Manager for Planning and Regeneration, Interim Environmental Health and Clean Neighbourhoods Team Leader, Solicitor to the Council and Monitoring Officer, Democratic Services Manager and Senior Committee Administrator.

Apologies for absence were received from Councillors Barrett, Heseltine and Madeley. Notification had been received that Councillor Shuttleworth was to substitute for Councillor Barrett.

Start: 6.30pm

Finish: 8.30pm

The minutes of the Policy Committee meeting held on 23 October 2018 were confirmed as a correct record and signed by the Chairman.

Exclusion of the Public –

Resolved – That in accordance with the Council's Access to Information Procedure Rules, the press and public is excluded from the meeting during the consideration of \$POL.954, \$POL.955, \$POL.956 and \$POL.957 (Appendix B only) on the grounds that it is not in the public interest to disclose Category 3 (financial or business affairs of any particular person (including the Council)) exempt information.

Declarations of Interest –

Councillor Foster declared an interest (under Paragraph 15 of the Council's Code of Conduct) in agenda item 16, Grassington Village Action Plan, on the basis that he was a Member of Grassington Forum. Councillor Foster withdrew from the meeting during the consideration of this item and did not vote.

Minutes for Report

\$POL.954 SELECT COMMITTEE – COMMERCIAL WASTE SERVICE: PROPOSED CHARGING MODEL

The Senior Committee Administrator submitted a report which presented the findings of the Select Waste Management Working Group following its review of the Commercial Waste Service: Proposed Charging Model.

(A separate excluded full minute has been prepared for this item. It is published (on pink paper) in an Appendix to Members, relevant officers and others who are entitled to all details.)

\$POL.955 COMMERCIAL WASTE COLLECTION CHARGING MODEL

The Director of Services submitted a report which outlined the proposed charging model for the collection of commercial waste from 1 April 2019.

(A separate excluded full minute has been prepared for this item. It is published (on pink paper) in an Appendix to Members, relevant officers and others who are entitled to all details.)

\$POL.956 SELECT COMMITTEE – DISABLED FACILITIES GRANTS SERVICE REVIEW

The Senior Committee Administrator submitted a report which presented the findings of the Select Disabled Facilities Working Group following its review of the Disabled Facilities Grants Service.

(A separate excluded full minute has been prepared for this item. It is published (on pink paper) in an Appendix to Members, relevant officers and others who are entitled to all details.)

\$POL.957

FEES AND CHARGES 2019/20

The Chief Finance Officer (S151 Officer) submitted a report which presented the Council's fees and charges for the 2019/20 financial year.

Resolved –

- a) That the discretionary fees and charges that are subject to Policy Committee approval are approved.
- b) That the discretionary fees and charges that are subject to Delegated Authority approval are noted.

POL.958

PERFORMANCE MONITORING REPORT – QUARTER 2 2018/19

The Chief Finance Officer (S151 Officer) submitted a report which presented the Council's Performance Monitoring Report for Quarter 2 2018/19 in accordance with arrangements set out in the Council's Performance Management Framework.

Resolved – That the contents of the report and appendices are noted.

POL.959

TREASURY MANAGEMENT MID-YEAR REVIEW REPORT 2018/19

The Chief Finance Officer (S151 Officer) submitted a report which updated the Committee on treasury activity undertaken in the first six months of the year in the context of current and forecast economic climates.

Resolved – That the Treasury Management Mid-Year Review for 2018/19 is noted.

POL.960

DOG FOULING AND INTRODUCTION OF A PUBLIC SPACE PROTECTION ORDER (PSPO)

The Director of Services submitted a report which asked the Committee to consider the option of retaining existing Dog Fouling controls or introducing changes that included the introduction of a Public Spaces Protection Order (PSPO).

An additional recommendation b) was proposed at the meeting as follows:

“That where there is evidence of a recurring dog fouling problem that CCTV cameras are deployed to target the hotspot location, provided that a suitable position for the camera can be established.”

Resolved –

- a) That the existing controls are making an impact and that an order making it an offence not to have the means to pick up dog waste is not introduced at this time.
- b) That where there is evidence of a recurring dog fouling problem that CCTV cameras are deployed to target the hotspot location, provided that a suitable position for the camera can be established.
- c) That the matter is kept under review.

POL.961

SKIPTON BUSINESS IMPROVEMENT DISTRICT

The Strategic Manager for Planning and Regeneration submitted a report which presented the business plan for the Skipton Business Improvement District. The report also sought agreement on the Craven District Council (CDC) position in the vote on the third term of the Business Improvement District.

Resolved –

- a) That the Business Plan for the Skipton Business Improvement District is noted.
- b) That Craven District Council votes in favour of the renewal of the Skipton Business Improvement District.
- c) That delegated authority is given to the Director of Services to vote in the Business Improvement District ballot in accordance with the decision made in resolution b) above.

POL.962

MINUTES FRM SUB-COMMITTEES

Resolved – That the minutes of the Craven Spatial Planning Sub-Committee meeting held on 28 August 2018 are noted.

(Councillor Rose left the meeting at 8.25pm during the consideration of this item.)

Minutes for Decision

POL.963

**REVENUE BUDGET MONITORING REPORT QUARTER 2 –
2018/19**

The Chief Finance Officer (S151 Officer) submitted a report which sought to inform the Committee on the revenue budget position of the Council based on the Quarter 2 review of income and expenditure to the end of September 2018.

Recommended –

- a) That the Revenue Budget position as at 30 September 2018 is noted.
- b) That the £9k of savings achieved this quarter (identified as green in Appendix B to the report) is noted and that these savings will be transferred to an earmarked reserve for support to the 2019/20 budget and beyond.
- c) That the Council's Long Term Financial Strategy be amended to take account of the 'Green' savings in 2019/20 and beyond where these are not currently allowed for in the Budget.
- d) That the supplementary estimate of £85k from the Planning Reserve, to fund the External Service costs associated with the Local Plan is approved.
- e) That the transfer of a proportion of the current balance of the revenue budget surplus to earmarked reserves is approved. The allocations to be delegated to the Chief Finance Officer (S151 Officer).

POL.964

**CAPITAL BUDGET MONITORING REPORT QUARTER 2 –
2018/19**

The Chief Finance Officer (S151 Officer) submitted a report which sought to inform the Committee on the capital budget position of the Council based on the Quarter 2 review of income and expenditure to the end of September 2018.

Recommended –

- a) That the Capital Budget position as at 30 September 2018 is noted.
- b) That the virement of funds equalling £7k to the Car Parking Machine Project, to fund the replacement card hardware so they comply with the latest unforeseen changes to Banking regulations is approved. It is to be funded from the Car Park Maintenance Project.
- c) That the 2018/19 Capital Programme and the proposed funding – including the Supplementary Estimates for new projects agreed in Quarter 2 is noted.

POL.965

ICT STRATEGY

The Chief Information Officer submitted a report which sought approval of the Council's ICT Strategy.

The Committee asked to place on record its thanks to the ICT service for the ongoing help and support that it provided to Elected Members.

Recommended – That the ICT Strategy along with the approach and standards defined in Appendix A to the report is noted.

POL.966

DIGITAL STRATEGY

The Chief Information Officer submitted a report which sought approval of the Council's Digital Strategy.

An amendment to the mission statement was proposed to read as follows:

"To create a digitally enabling culture in order to provide an excellent customer experience."

Recommended – That subject to the above amendment to the mission statement the Digital Strategy along with the approach and standards defined in Appendix A to the report is noted.

POL.967

GRASSINGTON VILLAGE ACTION PLAN

(Councillor Dawson took the role of Chairman for this item as Councillor Foster had declared an interest and left the meeting.)

The Strategic Manager for Planning and Regeneration submitted a report which highlighted the work of Grassington Forum to improve the long term economic success of Grassington and the Council's role in supporting key projects. In addition, to reallocate funding from the Threshfield Quarry Public Art Project to help deliver the Grassington Village Action Plan.

Recommended –

- a) That the projects identified to improve the economic performance of Grassington village are noted.
- b) That £22,000 is re-allocated from the Threshfield Quarry Public Art project towards the delivery of the Grassington Village Action Plan.
- c) That the Director of Services is given delegated authority in consultation with the Lead Members for Enterprising Craven and the Ward Members for Grassington and Upper Wharfedale and Barden Fell to agree how the monies are assigned.

Chairman

Policy Committee – 15 January 2019

Longer Term Financial Strategy (LTFS) 2019/20 To 2025/26



Report of the Chief Finance Officer

Lead Member: Financial Resilience, Councillor Patrick Mulligan

Ward(s) affected: All

1. **Purpose of Report**

- 1.1 The purpose of the report is to provide members with an update on the forecast financial position for the 7 year period to 2025/26.

2. **Recommendations**

- 2.1 That the long term financial strategy 2019/20 to 2025/26 as set out in this report be submitted to Council for approval.

3. **Background Information**

Scope of the Report

- 3.1 This report presents the Council's Longer Term Financial Strategy (LTFS). Its purpose is to provide a framework for the Council to assess ideally its financial sustainability over a ten-year period. However, given the continuing volatility and uncertainty around Government funding it is proposed that as in previous years the LTFS covers a seven-year period to 2025/26. The strategy is attached as Appendix A.
- 3.2 The current LTFS took a cautious view of the Council's finances given the uncertainty within the wider economy and the Government's ongoing resource review. This update continues with that view, as the impact of Brexit negotiations for the UK to leave the EU on 29 March 2019 and the changes in Central Government still remain less than clear. It is hoped that as Government announcements are made they may provide some clarity, the impact where known of the Chancellors Budget on 29 October 2018 have been included.
- 3.3 The continuing public sector pressures, the impact of the Council Tax Support Scheme, changes to specific grants, confirmation of the business rates retention scheme, and announcements from Central government means that

continuing cuts to public spending are inevitable. 2019/20 is the final year in the 4-year settlement offer accepted in 2016/17. Whilst acceptance of this offer provide some certainty it did not offer complete protection from further adjustments to grants such as New Homes Bonus.

- 3.4 The LTFS indications are that whilst the Council has approved a balanced revenue budget for 2018/19 the challenges for 2019/20 and beyond are significant. Revenue Support Grant reduces to nil by April 2019 and the Council needs to find additional income streams or savings to bridge the gap if it is to continue to deliver services at the current levels.
- 3.5 The previous Chancellors autumn statement and the subsequent local government settlement indicated that the cuts experienced in the last 6 years would continue. The recent changes to Cabinet Ministers adds to the uncertainty, and the information in the LTFS has been based on known announcements and there may be further changes as more details become available.
- 3.6 As a District Council delivering 'Unprotected Services' it is expected that the cuts will continue. The outcome of the Fair Funding Review and the Business Rates Reset will be known by Summer 2019. With this uncertainty an estimate has had to be made based on existing Government announcements and commitments and forecasts from external sources. This uncertainty means that the Council could face additional pressures over and above those contained within the LTFS.
- 3.7 The estimates within the LTFS show that the Council will need to continue with its savings plan and achieve savings of up to £1.255m by 2025/26 and possibly more. This does not allow for any one off items of revenue expenditure, and a further £75-£100k should be allowed for this. The expectation from MCHLG is that Council Tax increases will continue at £5 per annum or 3% whichever is greater and within the LTFS the impact of both these increases are included.
- 3.8 The LTFS includes a number issues and proposals that the Council will need to consider whilst it confirms its plans to achieve the level of savings required to maintain the financial resilience of the Authority for the future.

4. Implications

4.1 Financial and Value for Money Implications

All financial implications are contained within the report and its appendices.

4.2 Legal implications

None as a direct result of this report – a balanced budget was set for 2018/19, and going forward it is a further requirement that the budget is balanced.

4.3 Contribution to Council Priorities

The revenue budget is developed in support of the Council Plan. The LTFS provides the framework for the Council's financial sustainability and resilience which are crucial to delivering its priorities.

4.4 **Risk Management**

All risks are clearly identified throughout the report. To remain viable and to be able to deliver the services that it requires the Council must maximise its income streams and achieve the levels of savings required.

4.5 **Equality Impact Assessment**

The Council's Equality Impact Assessment Procedure **has been** followed. An Equality Impact Assessment **has not** been completed on the proposals as completion of **Stage 1- Initial Screening** of the Procedure identified that the proposed policy, strategy, procedure or function **does not have** the potential to cause negative impact or discriminate against different groups in the community based on •age • disability •gender • race/ethnicity • religion or religious belief (faith) •sexual orientation, or • rural isolation.

5. **Consultations with Others**

None

6. **Access to Information : Background Documents**

None

7. **Author of the Report**

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8. **Appendices**

Appendix A – Long Term Financial Strategy

CRAVEN DISTRICT COUNCIL**Long Term Financial Strategy 2019/20 – 2025/26****1. Introduction and Background**

- 1.1 The Long Term Financial Strategy (LTFS) provides a financial framework for the Council's strategic planning and decision making over the next ten years. This enables a longer term strategic view to be taken when decisions are made that have a financial impact beyond the annual budget. The LTFS spreadsheet is updated on an annual basis to provide a rolling ten-year financial strategy and forecast. However, given the continuing volatility and uncertainty around Government funding as a consequence of Brexit, Devolution and Business Rates Retention, Revaluation and Reset, and the Fairer Funding Review this update of the LTFS covers a seven-year period.
- 1.2 The current LTFS was approved by Full Council in September 2017 as part of the budget setting process. It took a cautious view of the Council's finances given the uncertainty within the wider economy and the Government's on-going resource review. This paper presents the annual update taking into account changes to the key assumptions within the strategy as a consequence of known external factors including the changes to Business Rates and the impact of 2018/19 budget decisions.
- 1.3 The LTFS sets out the latest estimated funding resources that will be available to the Council over the period 2019/20 to 2025/26, the demands on those resources, and the level of savings or additional income that is likely to be needed to keep a balanced budget and to keep Council Tax affordable. Anticipating financial pressures now, enables the Council to plan ahead to meet the significant challenges that local government continues to face over the medium term. In this way we can ensure that financial resources are targeted to the Council's highest priorities within the 2019 - 2022 Council Plan.
- 1.4 The LTFS covers all revenue and capital spending plans of the Council.
- 1.5 The LTFS seeks to achieve the following objectives.
 - a) Budgets are prudent and sustainable in the long term.
 - b) Financial plans recognise corporate priorities and objectives.
 - c) The capital programme and its resource requirements are factored into forecasts.
 - d) Constraints on revenue and capital resources are recognised and taken into account.
 - e) Significant risks are identified.
 - f) Prudent levels of general balances, reserves and contingencies are maintained in the context of an assessment of the risks facing the Council.

2. Update on Financial Assumptions

Inflation

- 2.1 CPI was 2.4% at the start of the financial year in April and dropped slightly by September to 2.2% where it has remained ever since. The Bank of England forecasters believe that CPI has now peaked and that it will fall to the Bank of England target of 2% by 2021. Which is slightly behind the forecast from this time last year. RPI was by contrast higher at 3.4% at the start of the financial year in April and had reduced slightly to 3.2% in November.
- 2.2 Due to the uncertainties inflation at 2% for general price increases is continued for this LTFS for 2019/20 to 2021/22 and beyond. This should give enough flexibility for above average increases in relation to items such as utility costs. An allowance of 2% for pay increases has been included, with additional adjustments to the lower pay bands as required by recent national agreements, this will increase costs by more than 2% which will create additional budget pressures.
- 2.3 Fees and charges where appropriate were increased by at least RPI for 2018/19 which, was in line with the policy. The LTFS assumes that this will continue. However, with the need to ensure a sustainable Council the policy will need to be kept under review to ensure that it is fit for purpose going forward. Expectations for CPI and RPI are for them to remain at around 2.0% - 3.0% for the life of this strategy and an increase of at least 2% has been applied to relevant income budgets where appropriate. Any exceptions to this will require an adjustment to the LTFS.

Interest Rates

- 2.4 The bank base rate increased to 0.5% in November 2017 and by a further 0.25% in August 2018 to bring it to 0.75%. Forecasters expect the next rise to will be mid 2019. This will continue to have an impact on the investment income that the Council can earn on its available balances. The Council is currently generating an average return of marginally above the bank rate this is expected to continue for the rest of this financial year and into 2020/21. The brakes being applied to the economy by inflation, low wage growth and the negotiations over Brexit remain enough to keep rates on hold.
- 2.5 The beneficial impact of continuing low interest rates is that the cost of borrowing is at historically low levels. The Council will need to take some additional long term external borrowing to ensure that its capital programme is adequately funded. Currently MRP is being utilised to fund projects within the capital programme. The LTFS currently assumes that long term borrowing will continue in the short-term at its existing level of £5.988m. However, going forward the Council will be in an under-borrowed position when compared to the value of capital projects funded from borrowing. Projects currently being planned and requiring financing via long term borrowing in the next few years will be evaluated along with current projects to ascertain the optimum time-frame for securing this funding. Borrowing

may however be required to fund capital projects in the short term to bridge temporary funding gaps (although this has not been required as yet).

- 2.6 If the Council decides to borrow to fund the Capital programme then the estimated additional cost of borrowing to the Revenue Budget from 2019/20 onwards would be £26,700k per annum (based on borrowing £1.0m @2.67%. PWLB rates currently range from about 2.33% to 2.69% for loans of 10 to 50 years).

Expenditure Assumptions

- 2.7 Budgets are cash limited – The LTFS reflects this policy, making no provision for service growth, which will require a revenue bid. Inflation has only been allowed on external contracts. A corporate contingency of £75k has been provided to manage unexpected service pressures during the year.
- 2.8 Borrowing – In the long term the Council's current external borrowing of £5.988m is forecast to increase. There may also be a need in the short-term to undertake temporary borrowing to assist with cash flows to fund projects. Any additional borrowing will have an impact on the revenue account, and will be assessed as part of the financial viability of the proposed project.
- 2.9 Support to Parishes – The Council has previously provided a modest level of support to parishes to assist them with the impact of the Council Tax Support Scheme. This support which has been reducing in line with the reduction in RSG and it will reduce to nil from April 2019.
- 2.10 Pensions – The current triennial valuation of the Council's contribution rate for the North Yorkshire Pension Fund came into effect from April 2017. 2019/20 will be the final year of this period. This contribution is based upon the returns of the fund investments, contributions and recovery period to 100% funding cover. The deficit position on the fund has improved, and the recovery period has reduced to 21.5 years (27 years at April 2014). Although there has been an improvement in the funding level, the Pension Fund Committee requires that employers with a deficit get no reduction in overall contribution payments, but that the deficit period is reduced instead. The funding level for the Craven DC element of the fund has improved from 61.1% to 77.1%. The Council's contribution to the fund will remain at 30.2% or £1.42m however, the current service contribution has increased to 17.7% from 14%, whilst the back funding element has reduced by £141k. The Pension fund offered discounts for either annual up-front payments or one payment covering the three years for the back funding element. With interest rates so low it was decided to pay the three years as one instalment securing a discount of £116k. This equates to a return above 2%. The LTFS has assumed that this offer will again be made at the next valuation effective from April 2020. The next formal actuarial valuation of the pension fund is due to take place in March 2019.
- 2.11 Pay awards & National Minimum Wage – An average 2% increase has been allowed in the LTFS from April 2019. There are additional adjustments to

the grades below SO1 spinal column point 29 in 2018/19 giving an average 4.4% increase which will create additional cost pressures. Members' allowances are also increased in line with pay awards and 2% has been allowed for those. Adjustments have also been made to allow for the impact of the national minimum and national living wages.

- 2.12 Election Costs – The Council currently elects 1/3 of its members for 3 years out of 4. There are elections in 2019/20; an elections reserve was created in 2017/18 so that the costs are spread over four years rather than three.

Income Assumptions

- 2.13 External Income – The model assumes that approximately 55% of external income will be subject to inflationary or growth increases. An average rate of 2% has been applied to these income streams. Increases in fees and charges are based on the RPI from August to August.
- 2.14 Interest on Surplus Funds – With the forecasts for the bank rate to continue its steady rise, the next increase is expected in the middle of 2019 to 1%, the LTFS model assumes that interest rates will reach 2.0% by 2022/23 but, due to uncertainties a cautious approach has been taken to the calculation of income from surplus funds included in the model. The impact of any Brexit deal could have an effect on interest rates.

3. Government Grants & Business Rates

- 3.1 The changes to the funding for Local Government are continuing to evolve with less and less support being made available from central funds of Revenue Support Grant (RSG) and other grants.

Revenue Support Grant

- 3.2 The Council currently receives external support from Central Government through the distribution of resources within the Local Government Finance Settlement.
- 3.3 The 2016/17 Settlement Announcement set out the RSG reductions to reach nil by April 2019. From 2019/20 the Council will no longer receive RSG. Its funding will be derived via a prescribed sum from Business Rates, small adhoc central government grants, Council Tax and income from the provision of services through fees and charges.
- 3.4 The Council receives an allocation of Rural Services Delivery Grant (RSDG). The LTFS has assumed that this will continue for the life of the strategy at £225k the original award level for 2018/19 – 2019/20 before the Government awarded additional in year grant monies. As part of the provisional settlement an additional £55k has been allocated to the Council increasing RSDG to £280k from £225k.
- 3.5 The provisional amount of the Council's grants and base line funding

allocation from Business Rates was announced on 13 December. This information has been included in the LTFS where appropriate.

Business Rates

- 3.6 The Chancellor in his Autumn budget in October announced some fundamental changes to the Business Rates System. The first change is the uplift of the rates multiplier will switch from RPI to CPI and this will potentially have direct financial consequences on the Council in the form of lost future income because CPI is lower than RPI. From April 2018 onwards the business rate multiplier will be uprated using the September CPI rather than RPI. Baselines (and tariffs and top-ups) will be adjusted to reflect the lower increase in the multiplier. Authorities will not therefore lose out if they are collecting business rate at baseline. But, for authorities above baseline, their gains will be lower, and the yield gap will be compounded over time.
- 3.7 The Government is planning to fund the loss in income (£240m in 2018-19, and £530m from 2019-20; additional funding was earmarked in the Budget 2016 for the planned switch to CPI in 2020-21). It is assumed that authorities will receive a section 31 grant payment to compensate for any losses in income. In addition, the tariffs and top-ups for 2018-19 and 2019-20 will have to be revised to take account of the new multiplier. The tariffs and top-ups announced in the last settlement were based on multiplier increases of 3.22% and 3.54% respectively; the CPI in September 2017 was 3.0%.
- 3.8 The second fundamental change to the operation of the business rates system is the change in the pattern of revaluations: after the next revaluation (in 2022-23), revaluations will take place every 3 years. There is broad support for this change because it will reduce the volatility in the system and the scale of changes that occur with each revaluation. The introduction of 3-yearly revaluation will cause more regular upheaval – but the shorter periods ought to lessen the financial impact of revaluations when they occur, both for businesses and for the Council. The vast scale of increases in rateable value in some parts of the country in the 2017 revaluation undermined the credibility of the business rates system, and requires huge transitional payments operating over many years.
- 3.9 Other measures include 100% business rates relief for stand-alone public conveniences. The continuation of the £1,500 business rates discount for office space occupied by local newspapers in 2019/20. The reduction by one-third subject to state aid issues of bills for retailers including shops, cafes and restaurants with a rateable value below £51,000. This scheme will last for 2 years from April 2019 and is expected to benefit up to 90% of retail properties.
- 3.10 Under the Retention of Business Rates Scheme the Council retains a portion of business rates collected based on an assumed business rates income and the balance it pays to central government in the form of a tariff which will now be subject to CPI uplift rather than RPI.

- 3.11 The impact of rating appeals and other movements continues to be a volatile area of the rating system over which the Council has little influence.
- 3.12 The Council has been part of the North Yorkshire Business Rates Pool since April 2014. The position of the Pool is closely monitored on a monthly basis, due to the element of risk and reward. Membership has been of benefit with the Council securing £660k of additional income and the North Yorkshire LEP £890k. The Council was part of the successful North and West Yorkshire Bid for a Rates Retention Pilot in 2019/20.
- 3.13 The LTFS takes the estimated business rates income for 2018/19 and assumes minimal growth in business rates over the life of the plan. Forecasting future years' income is further complicated by having to estimate the impact of the business rates reset planned for 2020/21. The year on year increase in business rates within the LTFS reflects indexation of the retained element and tariff. It has been assumed that the rates income for 2019/20 will be at an increased level, reflecting the growth in rates and the impact of the rates pool. But that the reset from April 2020 will reduce rates income substantially.
- 3.14 The Government as part of the settlement gives a baseline of rates income that it thinks the Council needs for funding services. Since localisation of Business rates the actual income that the Council has collected as its share has exceeded this level. However the shared liability for appeals and other valuation fluctuations has meant in previous years all of this additional income has been required to be set aside to pay for this share.
- 3.15 The impact of the business rates revaluation which came into effect from April 2017 is slowly unwinding. The impact of appeals is still an area of uncertainty and a cautious estimate of the Council's share of business rates at just above baseline level for 2018/19 was included within the budget. Forecasts are that the Council will continue to generate rateable income above its baseline funding need for 2019/20 and under the business rates retention is able to keep its share of this.
- 3.16 A reset of the Business Rates system is scheduled for April 2020. It is expected that the Government will take the opportunity to redistribute the "national surplus" towards adult social care. This will reduce the level of rates income that the Council can retain and therefore it will be prudent to forecast availability of rates from 2020/21 period at a similar level to 2017/18 for budget purposes and place any additional rates income into the Business Rates or other reserve for use on one-off projects.
- 3.17 The Government consultation process on the Fair Funding Review and Business Rates redistribution system has continued in 2018. This second phase was geared to looking at the approach to measuring Needs and Resources. The plan is that Transition Arrangements and baseline allocations will be confirmed as part of the 2019-20 Local Government Settlement Consultation. Transitional arrangements will commence in April 2019.

New Homes Bonus (NHB)

- 3.18 This funding started in 2011/12 and provided Authorities grant based on the number of new properties completed and long-term empty properties brought back into use. It is based on the amount of extra Council Tax revenue raised. There is also an additional payment for providing affordable homes. In 2018/19 the payments for each eligible property were reduced from five years to four years the second reduction from the previous scheme of six years. The national baseline for housing growth introduced from April 2017 of 0.4% is will remain in 2019/20, for Craven this equates to 107 properties. An assumption has been made in the LTFS that the building of new homes will match the target in the proposed local plan of 214 a year and an estimate net of the baseline for NHB is based on this.
- 3.19 NHB is an unringfenced grant, which means local authorities are free to decide how to spend it, as they are in the best position to make decisions about local priorities. As unringfenced grant, NHB funds can be spent on either revenue or capital, strategic projects, or placed in a local authority's reserves.
- 3.20 Changes introduced from 2017/18 have reduced NHB grant by £422k for 18/19. The estimated impact of the national growth baseline is for grant of £50k per annum rather than the £130k plus previously received. The majority of NHB that the Council has received has been placed in an earmarked reserve and it is being used on specific regeneration projects and in support of the revenue budget.
- 3.21 The LTFS includes the impact of projects approved to commence with funding from the NHB reserve and continuation of the Member Grants for their wards. Going forward some NHB will continue to be needed to be used to assist with balancing the budget whilst income generation projects and other savings are implemented.

Fair Funding Review

- 3.22 The Fair Funding Review (FFR) has revealed that there are so many moving parts in the Review that changes will not be implemented before 2020/21 at the earliest, thus making the outcome and impact of the FFR difficult to assess. The Implementation of the Review is linked with the business rates retention which has moved from 100% to 75% retention. As a consequence, the rates retention implementation has been pushed back to 2020/21 from 2019/20.
- 3.23 The Government have been clear that it is important to get the Review right and continue to seek views on the approach. Cost drivers are critical in getting the funding formula right and the criteria are felt to be that they should be:
- Relevant – with evidence to show that it has a significant impact on the cost of providing services
 - Objective – measurable using robust data that is collected on a consistent basis across England

- Distinct – must explain a good degree of unique variation in the need to spend and not overlap
- Stable – should not exhibit unpredictable or large changes year on year
- Future proof – expected to drive the ongoing costs of providing services; not one-off events.

3.24 The FFR outcomes will:

- Set new baseline funding allocations for local authorities;
- Deliver an up-to-date assessment of the relative needs of local authorities;
- Examine the relative resources of local authorities;
- Focus initially on the services currently funded through the local government finance settlement; and
- Be developed through close collaboration with local government to seek views on the right approach.

3.25 Since the Business Rates Retention system was introduced in April 2013, additional layers of complexity and uncertainty have been added to the system to a point where there are significant challenges which numerous working groups are trying to resolve in advance of a reset of the system in 2020.

3.26 The FFR continues by suggesting that ‘the design and operation of the system has reached a point where it is arguably now unfathomable to anyone beyond the specialists and practitioners who work with the system on a day to day basis’. It identifies several the issues that have led to these complexities:

- Appeals – No-one quite envisaged just how much variability appeals would have upon annual levels of revenues and no-one has yet found an acceptable solution that mitigates the need for Billing Authorities to set aside revenues which could otherwise be used to fund local services or compensate Councils for actual (realised) appeal losses that they have little or no ability to mitigate;
- Policy Announcements – A complex suite of s31 grants has been built up to compensate local authorities for losses resulting from policy announcements relating to business rates since April 2013; and this culminated in the calculation error by MHCLG that adversely affected Councils piloting 100% Rates Retention;
- Revaluation – The last revaluation exercise highlighted how challenging it is to rebalance the system following such an event. Although much effort was devoted to ensuring fiscal neutrality, in some cases it was only possible to use proxy calculations to determine no better/no worse positions. The same challenges (and more) need to be overcome for the forthcoming revaluation in 2021;
- Devolution – A series of deals covering the devolution of powers, funding arrangements and the piloting of 100% rates retention have added another layer of complexity that is challenging to accommodate following events such as revaluation or a reset of the system.

3.27 Further complexities are having to be addressed as part of the redesign and reset of the system for April 2020 including:

- Determining whether the system should be fully or partially reset and on what basis;
- What criteria to apply for determining which hereditaments are included on central or local lists;
- The level at which levy and safety net thresholds should be set;
- How pooling can be incentivised in the absence of levies;
- How revaluation events (including transitional protection arrangements) should be accommodated within a reset of the system;
- Data, analysis and measurement challenges associated with resetting baselines.

3.28 The local government paper states that it seeks to eliminate some of these challenges by setting out a proposal for simplifying the administration of the rates retention system from 1 April 2020 without compromising the original policy objectives underpinning Business Rates Retention.

It believes it represents an 'evolution' of the system based on what the MHCLG and the Local Government sector has learned since 2013 and will:

- Ensure the Local Government share of Business Rates Revenue remains 'localised' and that it is demonstrably funding the provision of local services;
- Include a reward element for local growth in Business Rate Revenues;
- Honour existing commitments and agreements reached as part of the devolution agenda; and
- Operate within the existing legislative framework given there is no opportunity to revise primary legislation before the reset is due in 2020.

4. Council Tax

- 4.1 As part of the 2018/19 settlement the government confirmed the level of increase in council tax above which a public referendum for 2019/20 is required at 3%. In addition, a dispensation was allowed for District Council's allowing them put up Council Tax by a maximum of £5 if this was greater than the 3% increase.
- 4.2 Settlements since 2016/17 have included a reducing element of council tax freeze grants from the years prior to 2015/16. This grant was rolled into RSG and it has reduced to nil from April 2019.
- 4.3 The Council tax base for Craven District has only seen a modest growth in recent years. The Local Council Tax Support Scheme has an impact on the council tax base, as does transfers of holiday let properties from Council Tax to Business Rates. The forecasts are that the base will continue to modestly increase at less than 1% a year. The national average increase of 0.61% was used in previous years, but the growth for next year is 0.31%. This has therefore been used as the estimate in the LTFS for 2019/20 and a slightly higher level of 0.5% from 2020/21.
- 4.4 In addition, within the council tax collection fund (the council tax account) any surplus or deficit is shared amongst the major preceptors and billing authority. When setting the council tax any anticipated surplus or deficit is

taken into account at that time. The LTFS assumes a surplus of £98k for 2019/20 and then a modest estimate for future year's surplus of £50k reducing to £30k.

Localisation of Council Tax Support Scheme

- 4.5 Support provided under the Local Council Tax Support Scheme (also known as Council Tax Reduction Scheme) acts as a discount on the tax base. The Council is currently providing 90% support to working age claimants through the scheme. With claimants paying 10% of their bill in 2018/19. There are options within the scheme to review this discount which can be reduced to require claimants to pay a larger proportion. The nationally accepted maximum is an average of 25%.
- 4.6 During 2016/17 the Council following consultation approved amendments to its Council Tax Support Scheme to enable it to be aligned with the main changes applied to Housing Benefit by the Department of Work and Pensions as approved by Parliament. The scheme will be reviewed annually to take account of changes to benefits as welfare reform continues. The changes only apply to non-pensionable age claimants.

5. Capital Programme

- 5.1 The detailed capital programme for 2018/19 also included an indicative programme for 2019/20 to 2021/22, which as a consequence of decisions in the current year has increased. There will also be projects proposed as part of the 2019/20 budget package that will amend the programme further. Beyond this an estimate of £1,000k has been allowed for the Capital programme.

Table 1: Summary Indicative Capital Programme

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
<u>Expenditure</u>				
Projects	7,062	1,288	552	313
Grants	1,351	1,284	615	670
Total Programme	8,413	2,572	1,167	983
<u>Resources</u>				
Grants	1,351	866	615	670
Capital Resources	1,895	1,476	422	83
Revenue Resources	739	230	130	230
Balance to Fund from Borrowing or other resources	4,428	0	0	0

- 5.2 Investment in projects outweighs the current forecast of the Council's own resources. Alternative options need to be considered for the Capital Programme to remain sustainable. These options will include use of external borrowing, leasing, in year revenue budget support or earmarked reserves. All of these options have implications for the Revenue Budget.
- 5.3 Contributions to specific reserves for IT, Vehicles and Building Maintenance are included as part of the LTFS forecasts. An estimate has been included within the LTFS for future year's programmes and indications are that additional funding will be required from within the Revenue Budget.

6. Revenue Budget

- 6.1 Taking 2018/19 as the base year, the impact of the assumptions in the section 2 to 5 on the revenue budget for the provision of services are detailed at Annex 1 and summarised in Table 2. The information assumes either a £5 or 2.99% CTax rise in line with Government expectations.
- 6.2 The information in Annex 1 shows that whilst the 2018/19 budget has been funded the challenge going forward from 2019/20 estimates that additional income or savings of at least £278k is required rising by a further £245k in 2020/21 and a further £732k to £1,255k by 2025/26. The Council is clearly continuing to face financial challenges which will require robust plans to deliver these savings.

Table 2: Estimated Summary Budget Position 2019/20 – 2025/26

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net Expenditure Budget	6,555	6,699	6,850	7,336	7,457	7,858	8,005
Government Grants - NHB	(517)	(224)	(92)	(50)	(50)	(50)	(50)
Government Grants – RSG & Rural	(280)	(225)	(225)	(225)	(225)	(225)	(225)
NDR Allocation	(1,900)	(1,600)	(1,600)	(1,610)	(1,630)	(1,650)	(1,660)
Collection Fund - NDR	102	0	0	0	0	0	0
Collection Fund - CTax	(96)	(30)	(30)	(30)	(30)	(30)	(30)
Transfers to/ (from) Reserves	293	(85)	(118)	(262)	(12)	(154)	(92)
Net Budget Forecast Before CTax	4,157	4,535	4,785	5,159	5,510	5,749	5,948

Impact of CTax Increase £5

CTax	(3,879)	(4,012)	(4,145)	(4,280)	(4,417)	(4,554)	(4,693)
Forecast (Surplus) / Deficit	278	523	640	879	1,093	1,195	1,255

Impact of CTax Increase 2.99%

CTax	(3,879)	(4,015)	(4,156)	(4,301)	(4,452)	(4,608)	(4,770)
Forecast (Surplus) / Deficit	278	520	629	858	1,058	1,141	1,178

- 6.3 The Council has an income savings plan. This plan is updated regularly and monitored on a monthly basis by CLT and quarterly at Policy Committee as part of the budget monitoring reporting. Currently projects identified for delivery total £66k in 2018/19 rising by £94k to £160k in 2019/20 and by a further £102k in 2020/21 to £262k. The LTFS includes £12k of projects that will have been achieved to the end of the second quarter in 2018/19.
- 6.4 Of these projects in 2018/19 currently £52k identified are at amber status, i.e. they have commenced, but savings/income are not realised yet. These projects will only deliver up to £115k by 2021/22 which still leaves an estimated gap of at least £525k (September 2017 £800k). Annex 1 summarises the position.
- 6.5 The LTFS does not allow for any additional Revenue bids for one off projects and a further £75k to £100k may be required for these.
- 6.6 In addition indications are that the delivery of a sustainable capital programme will require contribution from the revenue budget or reserves increasing pressure further.

7. Balances & Reserves

- 7.1 The Council has a General Fund balance of £995k. The budget report for 2018/19 assessed that this was a prudent level in light of risks associated with the continuing financial uncertainties the Council is facing.
- 7.2 As part of the 2018/19 revenue budget consideration was given to other reserves that the Council needs. The establishment of reserves enables the Council to smooth the year on year fluctuation in investment it needs for expenditure on projects (revenue and capital) and other commitments.
- 7.3 The LTFS assumes that contributions to specific reserves will continue if possible. The reserves are Building Repairs and Maintenance, IT replacement and development, replacement of the Vehicle Fleet, Insurance and Business Rates contingency.

- 7.4 Details of the Council's forecasted reserves and balances are provided at as part of Annex 1. A review of these reserves will be undertaken as part of the 2019/20 budget setting process. Whilst the level of earmarked reserves appears to be relatively healthy to 2021/22 caution needs to be exercised. The majority of the balance – 37% consists of new homes bonus and business rates contingency monies. Both of which going forward could be required to support the budget.

8. Risks

- 8.1 The major risks for the Council continue to be sustaining income levels in the current economic climate, and implementing the savings that are required to enable the Council to operate within available resources in the future.
- 8.2 The income generated for the Council from the Business Rates Retention Scheme carries risk. The Council stands to receive a greater portion from business rates than under the previous grant redistribution process. However, the downside is that the Council now has to share the burden of reductions in business rates through appeals, revaluations, and business ceasing trading. This volatility can only be estimated for budgeting purposes and the actual year end position could be different. Therefore, to mitigate the impact of this volatility a Business Rates Contingency Reserve was established. The LTFS continues to assume contributions where appropriate.
- 8.3 The Business Rates Revaluation implemented in April 2017 adds further risk to the continuing risks associated with the 2010 revaluations, appeals for which are still being determined. Depending on the outcome of appeals as businesses assess the impact of any rating changes a greater provision may be required than has already been estimated.
- 8.4 The Council's income and savings plan captures the projects approved to deliver additional savings and income to the Council. These projects are not without risk as delivery of them requires scheduling and can be subject to a number of factors before successful delivery. The LTFS also includes the impact of achieving the projects currently identified as amber within the income and savings plan, but they only give £115k of savings by 2021/22.
- 8.5 It will be necessary to continue to ensure on-going savings and additional income generation in order to maintain the downward trajectory on net expenditure.
- 8.6 The Council will continue to protect front line services wherever possible. However, in the context of on-going cuts in Government funding, pressures on income from fees and charges and Government intervention on Council Tax increases, the ability to continue to reduce costs, without impacting on the Council's ability to function effectively, will become increasingly difficult.

	Base 2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
KEY ASSUMPTIONS											
Inflation General		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Inflation Paybill		4.04%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Interest Rates		0.90%	1.30%	1.70%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Government Grant Increase RSG (Decrease)		-100.00%									
Business Rates Increase		1.15%	0.00%	0.00%	1.00%	1.00%	1.00%	1.00%	-4.00%	1.00%	1.00%
Tax Base Increase		0.31%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Council Tax Increase		£5	£5	£5	£5	£5	£5	£5	£5	£5	£5
COUNCIL TAX											
Tax Base (Number of Band D Equivalents)	22.455	22.525	22.637	22.750	22.864	22.978	23.093	23.209	23.325	23.442	23.559
Council Tax @ Band D (£)	167.21	172.21	177.21	182.21	187.21	192.21	197.21	202.21	207.21	212.21	217.21
Council Tax Income (£000's)	3,755	3,879	4,012	4,145	4,280	4,417	4,554	4,693	4,833	4,975	5,117

REVENUE FINANCING	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Council Tax	3,755	3,879	4,012	4,145	4,280	4,417	4,554	4,693	4,833	4,975	5,117
Business Rates	1,600	1,900	1,600	1,600	1,610	1,630	1,650	1,660	1,600	1,610	1,630
RSG	141	0	0	0	0	0	0	0	0	0	0
Rural Delivery Services Grant	280	280	225	225	225	225	225	225	225	225	225
New Homes Bonus	513	517	224	92	50	50	50	50	50	50	50
Special and Specific Grants	46	47	46	45	0	0	0	0	0	0	0
Ctax Collection Fund Surplus/Deficit (+/-)	98	96	30	30	30	30	30	30	30	30	30
Rates Collection Fund Surplus/Deficit (+/-)	(20)	(102)	0	0	0	0	0	0	0	0	0
TOTAL EXTERNAL RESOURCES	6,413	6,617	6,137	6,137	6,196	6,351	6,509	6,658	6,738	6,890	7,052
REVENUE BUDGET	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Services Revenue Budget	5,588	5,588	5,767	5,986	6,235	6,483	6,636	6,867	7,029	7,194	7,437
Adjustments to budget		214	51	122	185	188	266	161	200	278	208
Estimated Net Cost of Services	5,588	5,802	5,818	6,109	6,420	6,671	6,902	7,029	7,229	7,472	7,645
Borrowing Costs Net of Income	410	416	456	461	491	511	531	551	551	571	561
Capital Programme Revenue Support (RCCO)	583	184	270	250	350	200	300	350	350	300	350
Contingency	75	75	75	75	75	75	75	75	75	75	75
Parish Grant Payment re Localisation Ctax	4	0	0	0	0	0	0	0	0	0	0
Revenue Bids	129	125	126	0	0	0	0	0	0	0	0
Member Ward Grants		0	0	0	0	0	0	0	0	0	0
NHB Projects & Commitments	704	0	0	0	0	0	0	0	0	0	0
Net Revenue Budget	7,493	6,602	6,745	6,895	7,336	7,457	7,808	8,005	8,205	8,418	8,631

	Base										
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Contributions to Reserves:	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
New Homes Bonus	431	517	224	92	50	50	50	50	50	50	50
Insurance	10	10	10	10	0	0	0	0	0	0	0
IT	30	30	30	30	30	30	40	50	60	80	80
Vehicles	30	30	30	30	50	80	100	110	120	130	140
Buildings	52	52	52	52	52	122	100	100	100	50	50
Elections				35				35			
Contributions from Reserves:	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Enabling Efficiencies	(19)	(18)	(17)	0	0	0	0	0	0	0	0
New Homes Bonus	(1,202)	(137)	(137)	(117)	(87)	(87)	(87)	(87)	(87)	(87)	(87)
Business Rates	(100)	0	0	0	0	0	0	0	0	0	0
Insurance											
Planning											
IT	(157)	(40)	(50)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
Vehicles		(100)	(220)	(50)	(150)	0	(100)	(150)	(150)	(100)	(150)
Buildings	(49)	(44)	0	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
Future Year Budget Support	(99)	0	0	0	0	0	0	0	0	0	0
Elections	(7)	(7)	(7)	0	(7)	(7)	(7)	-	(7)	(7)	(7)
Forecast Net Revenue Budget	6,413	6,895	6,660	6,777	7,074	7,445	7,704	7,913	8,091	8,334	8,507
Difference between resources and forecast budget surplus / (deficit)	0	(278)	(523)	(640)	(879)	(1,093)	(1,195)	(1,255)	(1,352)	(1,444)	(1,455)
Amber Savings Latest Projection		93	115	115	115	115	115	115	115	115	155
Current Net Surplus/(Deficit) within MTFP (+/-)	0	(185)	(408)	(525)	(764)	(978)	(1,080)	(1,140)	(1,237)	(1,329)	(1,300)

	Base 2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Capital Programme	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Estimated Programme Costs		2,572	1,167	983	1,000	1,000	1,000	1,000	1,000	1,000	1,000
<u>Resources</u>											
Capital Receipts		(476)	(422)	(83)	(120)	(120)	0	0	0		
Grant		(866)	(615)	(670)	(433)	(430)	(430)	(430)	(430)	(430)	(430)
Borrowing		(1,000)	0	0							
Reserves		(230)	(130)	(230)	(250)	(350)	(200)	(350)	(350)	(350)	(350)
Capital Programme Shortfall - call on revenue or borrowing?	0	0	0	0	197	100	370	220	220	220	220

Balances & Reserves	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
General Fund Unallocated	995	995	995	995	995	995	995	995	995	995	995
Earmarked Reserves											
Enabling Efficiencies	281	263	246	246	246	246	246	246	246	246	246
New Homes Bonus	1,414	1,794	1,881	1,856	1,819	1,782	1,745	1,708	1,671	1,634	1,597
Business Rates Contingency	650	650	650	650	650	650	650	650	650	650	650
Insurance	80	90	100	110	110	110	110	110	110	110	110
Planning	475	475	475	475	475	475	475	475	475	475	475
IT	433	423	403	333	263	193	133	83	43	23	3
Vehicles	380	310	120	100	0	80	80	40	10	40	30
Buildings	363	371	423	375	327	349	349	349	349	299	249
Future Year Budget Support	140	140	140	140	140	140	140	140	140	140	140
Elections	28	21	14	49	42	35	28	63	56	49	42
Other	906	906	906	906	906	906	906	906	906	906	906
Total Earmarked Reserves	5,150	5,443	5,358	5,240	4,978	4,966	4,862	4,770	4,656	4,572	4,448
Total Reserves	6,145	6,438	6,353	6,235	5,973	5,961	5,857	5,765	5,651	5,567	5,443

CRAVEN DISTRICT COUNCIL - LONG TERM FINANCIAL STRATEGY MODEL DECEMBER 2018 @ 2.99% INCREASE IN COUNCIL TAX

	Base 2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
KEY ASSUMPTIONS											
Inflation General		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Inflation Paybill		4.04%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Interest Rates		0.90%	1.30%	1.70%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Government Grant RSG Increase (Decrease)		-100.00%									
Business Rates Increase		1.15%	0.00%	0.00%	1.00%	1.00%	1.00%	1.00%	-4.00%	1.00%	1.00%
Tax Base Increase		0.31%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Council Tax Increase		2.99%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%
COUNCIL TAX											
Tax Base (Number of Band D Equivalents)	22.455	22.525	22.637	22.750	22.864	22.978	23.093	23.209	23.325	23.442	23.559
Council Tax @ Band D (£)	167.21	172.21	177.36	182.66	188.12	193.75	199.54	205.51	211.65	217.98	224.50
Council Tax Income (£000's)	3,755	3,879	4,015	4,156	4,301	4,452	4,608	4,770	4,937	5,110	5,289

REVENUE FINANCING	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Council Tax	3,755	3,879	4,015	4,156	4,301	4,452	4,608	4,770	4,937	5,110	5,289
Business Rates	1,600	1,900	1,600	1,600	1,610	1,630	1,650	1,660	1,600	1,610	1,630
RSG	141	0	0	0	0	0	0	0	0	0	0
Rural Delivery Services Grant	280	280	225	225	225	225	225	225	225	225	225
New Homes Bonus	513	517	224	92	50	50	50	50	50	50	50
Special and Specific Grants	46	47	46	45	0	0	0	0	0	0	0
Ctax Collection Fund Surplus/(Deficit)	98	96	30	30	30	30	30	30	30	30	30
Rates Collection Fund Surplus/(Deficit)	(20)	(102)	0	0	0	0	0	0	0	0	0
TOTAL EXTERNAL RESOURCES	6,413	6,617	6,140	6,148	6,217	6,386	6,563	6,735	6,842	7,025	7,224
REVENUE BUDGET	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Services Revenue Budget	5,588	5,588	5,767	5,986	6,235	6,483	6,636	6,867	7,029	7,194	7,437
Adjustments to budget		214	51	122	185	188	266	161	200	278	208
Estimated Net Cost of Services	5,588	5,802	5,818	6,109	6,420	6,671	6,902	7,029	7,229	7,472	7,645
Borrowing Costs Net of Income	410	416	456	461	491	511	531	551	551	571	561
Capital Programme Revenue Support (RCCO)	583	184	270	250	350	200	300	350	350	300	350
Contingency	75	75	75	75	75	75	75	75	75	75	75
Parish Grant Payment re Localisation Ctax	4	0	0	0	0	0	0	0	0	0	0
Revenue Bids	129	125	126	0	0	0	0	0	0	0	0
NHB Projects & Commitments	704	0	0	0	0	0	0	0	0	0	0
Net Revenue Budget	7,493	6,602	6,745	6,895	7,336	7,457	7,808	8,005	8,205	8,418	8,631

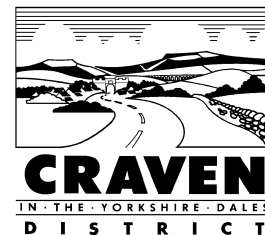
Contributions to Reserves:	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Enabling Efficiencies		0					0	0	0	0	0
New Homes Bonus	431	517	224	92	50	50	50	50	50	50	50
Insurance	10	10	10	10	0	0	0	0	0	0	0
IT	30	30	30	30	30	30	40	50	60	80	80
Vehicles	30	30	30	30	50	80	100	110	120	130	140
Buildings	52	52	52	52	52	122	100	100	100	50	50
Elections	0	0	0	35	0	0	0	35	0	0	0
Other											
Contributions from Reserves:	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Enabling Efficiencies	(19)	(18)	(17)	0	0	0	0	0	0	0	0
New Homes Bonus	(1,202)	(137)	(137)	(117)	(87)	(87)	(87)	(87)	(87)	(87)	(87)
Business Rates	(100)	0	0	0	0	0	0	0	0	0	0
IT	(157)	(40)	(50)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
Vehicles		(100)	(220)	(50)	(150)	0	(100)	(150)	(150)	(100)	(150)
Buildings	(49)	(44)	0	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
Future Year Budget Support	(99)	0	0	0	0	0	0	0	0	0	0
Elections	(7)	(7)	(7)	0	(7)	(7)	(7)	0	(7)	(7)	(7)
Forecast Net Revenue Budget	6,413	6,895	6,660	6,777	7,074	7,445	7,704	7,913	8,091	8,334	8,507
Difference between resources and forecast budget surplus / (deficit)	0	(278)	(520)	(629)	(858)	(1,058)	(1,141)	(1,178)	(1,249)	(1,309)	(1,283)
Amber Savings Latest Projection		93	115	115	115	115	115	115	115	115	155
Current Net Surplus/(Deficit) within MTFP (+/-)	0	(185)	(405)	(514)	(743)	(943)	(1,026)	(1,063)	(1,134)	(1,194)	(1,128)

Capital Programme	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Estimated Programme Costs		2,572	1,167	983	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Resources											
Capital Receipts		(476)	(604)	(320)	(120)	(120)	0	0	0		
Grant		(866)	(433)	(433)	(433)	(430)	(430)	(430)	(430)	(430)	(430)
Borrowing		(1,000)	0	0							
Reserves		(230)	(130)	(230)	(250)	(350)	(200)	(350)	(350)	(350)	(350)
Capital Programme Shortfall - call on revenue or borrowing?	0	0	0	0	197	100	370	220	220	220	220

Balances & Reserves	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
General Fund Unallocated	995	995	995	995	995	995	995	995	995	995	995
Earmarked Reserves											
Enabling Efficiencies	281	263	246	246	246	246	246	246	246	246	246
New Homes Bonus	1,414	1,794	1,881	1,856	1,819	1,782	1,745	1,708	1,671	1,634	1,597
Business Rates Contingency	650	650	650	650	650	650	650	650	650	650	650
Insurance	80	90	100	110	110	110	110	110	110	110	110
Planning	475	475	475	475	475	475	475	475	475	475	475
IT	433	423	403	333	263	193	133	83	43	23	3
Vehicles	380	310	120	100	0	80	80	40	10	40	30
Buildings	363	371	423	375	327	349	349	349	349	299	249
Future Year Budget Support	140	140	140	140	140	140	140	140	140	140	140
Elections	28	21	14	49	42	35	28	63	56	49	42
Other	906	906	906	906	906	906	906	906	906	906	906
Total Earmarked Reserves	5,150	5,443	5,358	5,240	4,978	4,966	4,862	4,770	4,656	4,572	4,448
Total Reserves	6,145	6,438	6,353	6,235	5,973	5,961	5,857	5,765	5,651	5,567	5,443

Policy Committee – 15th January 2019

COLLECTION FUND COUNCIL TAX SURPLUS/(DEFICIT) 2018/19



Report of Chief Finance Officer (s151 Officer)

Lead Member – Finance: Councillor Mulligan

Ward(s) affected: All

1. **Purpose of Report** – To declare the estimated surplus on the Collection Fund Council Tax for 2018/19.
2. **Recommendations** – Members are recommended to:
 - 2.1 Declare an estimated surplus of £750,000 on the Council's Collection Fund at 31st March 2019 relating to Council tax transactions.
 - 2.2 That Members recommend to Council that as part of the budget strategy the Council's element of the estimated surplus is used in calculating the level of Council Tax for 2019/20.
3. **Background**
 - 3.1 The Collection Fund records the amount of income collected from Council Tax, together with precept payments to the Parish/Town Councils and the County Council, Police and Fire and Rescue Authorities and this Authority. The Council is required to declare an estimate of the surplus or deficit that is likely to occur on the Collection Fund at the end of each year in January of that year.
 - 3.2 Any surplus or deficit relating to the Council Tax is shared between the County Council, the Police Authority, the Fire and Rescue Authority and this Council in the same proportion as the amount of their precepts for the year.
 - 3.3 Any surplus or deficit may occur in the Collection Fund if the Council Tax Base is higher or lower than originally forecast or collection rates are higher or lower than originally expected.
4. **Estimated Surplus for 2018/19**
 - 4.1 The amount calculated as the surplus on the Collection Fund for 2018/19 is £750,000.

4.2 This amount has to be shared by the precepting authorities as follows:

- | | |
|---|----------|
| • North Yorkshire County Council | £526,598 |
| • Police and Crime Commissioner North Yorkshire | £98,173 |
| • North Yorkshire Fire and Rescue Authority | £29,180 |
| • Craven District Council | £96,049 |

4.3 This Council must take the £96,050 into account when it sets its element of the Council Tax for 2019/20.

4.4 It is not unusual for a surplus to be estimated on a Collection Fund. The ideal situation is for it to break even year on year but when dealing with figures in excess of £45M a surplus of £750,000 represents a positive variance of only 1.67%.

4.5 Surplus/Deficits can occur as a result of differences between actual results and estimates made when setting the Council Tax Base, which was calculated some 12 months ago. These differences include the number of new properties becoming chargeable in the year, the proportion of properties claiming discounts (including single person discount and the council Tax reduction scheme) and the collection rate.

4.6 Over recent years the Council Tax Collection fund had an estimated surplus/deficit as follows:

£750k surplus year-ended 31 March 2019
£750k surplus year-ended 31 March 2018
£750k surplus year-ended 31 March 2017
£550k surplus year-ended 31 March 2016
£475k surplus year-ended 31 March 2015

The trend for the increase in the surplus has arisen as a consequence of the proactive work undertaken by the Council for changes in householders claiming discounts/ empty property reviews, the volume of new builds coming on to the register, together with a review of the provision for bad debts. Going forward we expect that the surplus will drop back to previous levels with small surpluses being shown each year.

5. **Implications**

5.1 **Financial and Value for Money (vfm) Implications** – The Council has to take account of its proportion of the estimated surplus in setting the Council tax for 2018/19.

5.2 **Legal Implications** – The Council must by law take account of its proportion of the estimated surplus in setting the Council tax for 2019/20.

5.3 **Contribution to Council Priorities** – None

5.4 **Risk Management** – There is a risk of the Council breaking the law should the recommendations not be approved.

6. **Consultations with Others** – None

7. **Access to Information : Background Documents** – Working papers held in Financial services

8. **Author of the Report** – Nicola Chick, Chief Finance Officer

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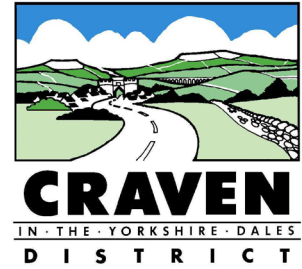
Email: NChick@cravendc.gov.uk

Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.

9. **Appendices** – None

Policy Committee – 15th January 2019

COLLECTION FUND NATIONAL NON-DOMESTIC RATES SURPLUS/(DEFICIT) 2018/19



Report of Chief Finance Officer (s151 Officer)

Lead Member – Finance: Councillor Mulligan

Ward(s) affected: All

1. **Purpose of Report**

- 1.1 To declare the estimated National Non-Domestic Rates (NNDR) surplus / (deficit) on the Collection Fund for 2018/19.

2. **Recommendations**

- 2.1 Declare an estimated deficit of £257,136 on the Council's Collection Fund at 31st March 2019 relating to NNDR transactions.

3. **Background Information**

- 3.1 The Collection Fund records the amount of income collected from NNDR, together with payments on account to central Government, the County Council and Fire and Rescue Authorities and this Authority. The Council is required to declare an estimate of the surplus or deficit that is likely to occur on the Collection Fund at the end of each year in January of that year.
- 3.2 Under the rates retention scheme, which came into effect on 1 April 2013, local authorities are able to keep a proportion of the business rates that they collect. As a result, authorities now have a direct financial interest in the rates retention system and an incentive to work with their business community to grow local economies.
- 3.3 Any surplus or deficit relating to NNDR is shared between Central Government, the County Council, the Fire and Rescue Authority and this Council in prescribed proportions under the Non-Domestic Rating (Rates Retention) Regulations 2013.
- 3.4 Any surplus or deficit may occur in the Collection Fund if the amounts billed or collection rates are higher or lower than the estimate set at the start of the

year on the NNDR1 return.

4. Estimated Deficit for 2018/19

4.1 The amount calculated as the deficit on the NNDR Collection Fund for 2018/19 is £257,136.

4.2 This amount has to be shared by the precepting authorities as follows:

• North Yorkshire County Council	£23,143
• Central Government	£128,566
• North Yorkshire Fire and Rescue Authority	£2,572
• Craven District Council	£102,855

4.3 This Council must take the £102,855 into account when it sets its element of the Council Tax for 2019/20.

4.4 It is not unusual for a variance to be estimated on a collection fund. The ideal situation is for it to break even year on year, but when dealing with figures in excess of £22m a surplus / (deficit) could occur.

4.5 Surplus/Deficits can occur as a result of differences between actual results and estimates made when predicting the cashflows in the NNDR1 form some 12 months ago. These differences include movements in the provision for appeals and for bad debts, businesses closing and no one taking them over and the collection rate.

4.6 Over recent years the NNDR Collection Fund had an estimated surplus/deficit as follows:

£257,136 deficit year-ended 31 March 2019
£50k deficit year-ended 31 March 2018
£1,209k deficit year-ended 31 March 2017
£910k deficit year-ended 31 March 2016
£2,400k deficit year-ended 31 March 2015

A trend is difficult to predict as the factors affecting rates payable are outside the Council's control.

5. Implications

5.1 Financial and Value for Money Implications

The Council has to take account of its proportion of the estimated surplus / (deficit) in setting the Council Tax for 2019/20.

5.2 Legal implications

The calculation of the apportionment of the surplus or deficit is prescribed under the Non-Domestic Rating (Rates Retention) Regulations 2013.

5.3 Contribution to Council Priorities

The surplus/deficit may impact on the funds available for the Council in setting a balanced budget.

5.4 **Risk Management**

Failure to achieve a balanced budget in the financial year would have had serious consequences for the Council.

5.5 **Equality Impact Assessment**

The Council's Equality Impact Assessment Procedure **has been** followed. An Equality Impact Assessment **has not** been completed on the proposals as completion of **Stage 1- Initial Screening** of the Procedure identified that the proposed policy, strategy, procedure or function **does not have** the potential to cause negative impact or discriminate against different groups in the community based on •age • disability •gender • race/ethnicity • religion or religious belief (faith) •sexual orientation, or • rural isolation.

6. **Consultations with Others**

None

7. **Access to Information : Background Documents**

Working papers held in financial services

8. **Author of the Report**

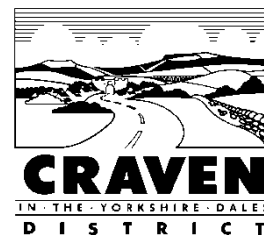
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Policy Committee 15 January 2019

UNREASONABLE COMPLAINANT BEHAVIOUR POLICY



Report of the Solicitor to the Council

Ward(s) affected: All

1. **Purpose of Report** – To provide an updated policy to deal with problems created by complainants who demonstrate unreasonable behaviour in their pursuit of complaints against the Council.
2. **Recommendations** – Members are recommended to:
 - Approve the draft policy (Appendix A).
 - Note the guidance from the Ombudsman on developing an appropriate policy (background documents and Appendix B).
 - Give the Monitoring Officer delegated authority to make minor amendments to the policy.
3. **Background**
 - 3.1 Given the very wide range of public services delivered across the District, the Council receives relatively few formal complaints about the way that those services are provided. The Council follows the guidance to local authorities that is published by the Local Government and Social Care Ombudsman ('the Ombudsman'), in the definition of a 'complaint'. In the year to 31 July 2018, 75 formal complaints were received and dealt with following the Ombudsman's definition. Since July, 12 formal complaints were received up to the end of December 2018. Of all these cases, fewer than a handful of individuals have demonstrated behaviour which can be described as unacceptable or unreasonable in the pursuit of their individual complaints.
 - 3.2 The Council's Complaints Procedure was recently updated and published on the Council's Internet pages. The previous version of this Procedure was originally published in 2013 and required several amendments to bring it up to date, but the main principles were largely unchanged from the original. However the original version contained four pages covering 'habitual or vexatious complainants' (Appendix C), which were not carried forward into the new version (instead a few short paragraphs were included covering 'unreasonable complainant behaviour').
 - 3.3 The Ombudsman has also issued guidance to local authorities on how to develop a policy for dealing with complainants whose behaviour in pursuing their own complaints is - or becomes - unacceptable. The Ombudsman has also published his

own policy which covers situations far broader than that covered in the four pages of the Council's original procedure (which only related to habitual or vexatious complainants).

- 3.4 Therefore, when the Council's revised Procedure was published in October 2018, a short section was included which referred to unreasonable behaviour and mentions that a more detailed policy would be made available on request (included in the notes in Appendix A). This report provides that proposed policy, which draws heavily from the Ombudsman's guidance to local authorities, and also from the Ombudsman's own policy used by his office.

4. **Implications**

4.1 **Financial and Value for Money (vfm) Implications**

There are no financial implications arising from this proposed policy which replaces an existing section of the Council's Complaints Procedure.

4.2 **Legal Implications**

The proposed policy has been discussed with the Council's Monitoring Officer, and given that this is consistent with the guidance from the Ombudsman, and amended in the light of the Monitoring Officer's advice, there are no legal implications arising.

4.3 **Contribution to Council Priorities**

Dealing effectively with complaints is an essential part of the Council's day-to-day business. It is the case that very few complainants behave unreasonably. Where this happens on a minority of occasions, it is essential that the Council acts to protect staff, and in the broader public interest for the Council to progress its business in an effective manner. Therefore the proposed policy contributes to the Council's priority to treat people with respect, and also in terms of financial sustainability ensuring that resources are not wasted on cases where a complainant's behaviour is so unreasonable that additional officer time and Council resources are unnecessarily expended.

However, the application of the policy in particular cases will itself create an administrative and resource burden for officers and it is envisaged that the policy will only be applied in very exceptional cases.

4.4 **Risk Management**

If the current policy is not updated, the Council will not be complying with the guidance from the Ombudsman that was issued in 2017. In addition, the present policy is too narrow in its scope and fails to address the broader issue of unacceptable and unreasonable behaviour, which presents officers with increasing problems in a very small number of cases. The proposed policy also includes safeguards so that decisions in individual cases will be made by a member of the Council's Corporate Leadership Team.

4.5 **Equality Analysis**

Although the policy updates an existing procedure, no separate equality analysis has been conducted, however since complainant behaviour may be affected due to equality issues, for example ill health or disability, consideration of this factor will be considered as individual cases arise, and is included in the policy.

5. **Consultations with Others**

The draft policy has the support of the Council's Corporate Leadership Team and other senior Council officers.

6. **Access to Information : Background Documents**

Guidance for authorities published by the Ombudsman:

<https://www.lgo.org.uk/information-centre/reports/advice-and-guidance/guidance-notes/guidance-on-managing-unreasonable-complainant-behaviour>

7. **Author of the Report**

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8. **Appendices**

Appendix A - Draft Policy on Unreasonable Complainant Behaviour (with notes)

Appendix B – Ombudsman's own office policy on managing unreasonable complainant behaviour (separate PDF file)

Appendix C – Original Craven District Council 'habitual and vexatious complainant procedure' (extracted from original Complaints Procedure)

Appendix A

Notes (The notes on this page will not form part of the policy)

1. The policy is based on the model provided by the Ombudsman for dealing with unreasonable complainants used by his office, and takes account of his published guidance for local authorities on developing such a policy.
2. Certain items which were included in the Council's original procedure have been incorporated in the updated policy.
3. At the suggestion of the Monitoring Officer the policy includes unacceptable complainant behaviour experienced by staff contracted from external companies where their services are conducted on behalf of the Council.
4. It is recommended that the policy will not be published but made available on request.
5. The recently updated Complaints Procedure includes the following paragraphs:

Unreasonable Complainant Behaviour

The Council is committed to making the Complaints procedure as accessible as possible and dealing with all complaints fairly. It is inevitable that a few complainants behave unreasonably and hinder the consideration of their own, or other complainants' and residents cases. 'Unreasonable complainant behaviour' may include one or two isolated incidents as well as persistent behaviour.

The Council will not tolerate deceitful, abusive, offensive, threatening or other forms of unacceptable behaviour from complainants. When this occurs, we will take proportionate action to protect the wellbeing of our staff and the integrity of our processes. Some complaints may be justified, but be pursued in inappropriate ways.

In most instances, when we consider that someone's behaviour is unreasonable we will explain why and ask them to change it. We will also warn them that, if the behaviour continues, we may take action to restrict their contact with the Council. Where the behaviour is so extreme that it threatens the immediate safety and welfare of officers, we may report the matter to the police or consider taking legal action. In such cases we may not give the complainant a warning.

The Council's detailed policy on dealing with unreasonable complainant behaviour is available on request.

Craven District Council**(DRAFT) Unreasonable Complainant Behaviour Policy**Introduction

In a minority of cases, some people pursue their complaints against the Council in a way that is unreasonable. They may behave in unacceptable ways, or be unreasonably persistent in their contacts or submission of information. This can impede the investigation and the response to their complaint (or complaints by other people), and can have significant resource issues for the Council. These actions can occur while their complaint is being investigated, or once the Council has finished the complaint investigation.

The Local Government and Social Care Ombudsman ('the Ombudsman') recommends organisations that deal with complaints should develop a policy which deals with unreasonable complainant behaviour. This policy follows the Ombudsman's advice.

The purpose of this policy is so that employees can understand what is expected of them, and what actions are available, and who can authorise such actions. The policy can be shared with complainants if they start to behave unreasonably, so as to help manage their expectations and behaviour, as far as is possible, while the substance of their complaint is addressed.

This policy will also be drawn to the attention of elected members.

What do we mean by 'unreasonable complainant behaviour'?

This may include one or two isolated incidents, as well as 'unreasonably persistent behaviour' which can often be a build-up of incidents or behaviour over a longer period.

In the case of Craven District Council, unreasonable and unreasonably persistent complainants are those individuals who, because of the nature, or the frequency (including a combination of both) of their contacts with the Council, hinder the Council's consideration of their or other peoples' complaints.

We make a distinction between 'persistent complainants', and 'unreasonably persistent complainants'. People who make complaints will inevitably be persistent on occasion, because they will feel that the Council has not dealt with the issue properly, and almost all complainants will see themselves as pursuing justified complaints.

However, some complainants may have justified complaints but may pursue them in inappropriate ways, or may pursue complaints which appear to have no substance or which have already been investigated and dealt with. Their contacts with the Council may be amicable, but place heavy demands on staff time, or may be emotionally charged and distressing for all involved.

Situations can escalate, and sometimes complainants can become abusive, offensive, threatening, or otherwise behave unacceptably. In response the Council may have to restrict access to its premises, its employees or contractors, in accordance with its own procedures, so as to protect colleagues from harassment or harm.

Examples of unreasonable complainant behaviour

In the Annex, we have provided details of examples of what the Council considers to be actions and behaviours that the Council can find problematic and unacceptable.

Managing unreasonable complainant behaviour – initial action

If the behaviour or actions of an individual complainant gives rise to a consideration to apply this policy, the options for action will be as follows.

The relevant Service Manager or Complaints Manager will make a report to the Council's Director of Services (or in their absence, the Monitoring Officer), which will provide details of:

- The complainant's behaviour which has led to action under this policy being considered.
- Any action taken to resolve the complaint.
- Any health or equality factors which may be contributory to the observed behaviour.
- A recommendation as to the proposed action to be taken.

Decision-making process

The Director of Services (or Monitoring Officer) will take the following action:

1. Arrange for the request to be recorded in a log to be retained for the purpose, and filed appropriately.
2. Satisfy themselves that the complaint has been dealt with properly to the stage that it has reached, and that the communications with the complainant to date have been acceptable and reasonable.
3. Make a decision as to whether to try to resolve matters before invoking this policy, which may be accomplished by drawing up an agreement with the individual setting out the code of behaviour expected (and the consequences if the code is not followed – as described in this policy), if the Council is to continue dealing with the complaint.
4. (If appropriate) Offer the complainant a meeting with an officer of appropriate seniority to explain why the complainant's behaviour is seen to be unreasonable, and explore the scope for the resolution of the complaint.
5. Share this policy with the complainant and warning them that restrictive actions may need to be applied if their unacceptable behaviour continues.

6. Help the complainant find a suitable advocate especially if the complainant has different needs.
7. Appoint an officer to co-ordinate the Council's response(s), and record the decision.

Options and actions to be taken

Any of the following actions need to be proportionate to the nature and frequency of the complainant's current contacts, the objective being to manage the complainant's unreasonable behaviour in such a way that their complaint can be concluded quickly.

Options include:

- Placing limits on the number and duration of contacts with the Council per week or month.
- Offering a restricted timeslot for necessary calls.
- Limiting the complainant to one medium of contact (telephone, letter, email, etc).
- Requiring the complainant to communicate only with one member of staff.
- Requiring any personal contacts to take place in the presences of a witness in a suitable location.
- Refusing to register and process further complaints about the same matter.

Where a decision on the complaint has been made, the complainant is to be told that future correspondence will be read and retained, but not acknowledged - unless it contains new information. An officer should be designated to handle future correspondence.

In exceptional cases, the Council reserves the right to refer any complainant to the police, or institute other legal action without notice.

Giving the decision

The decision should be sent to the complainant in writing, with a copy of this policy, and explain:

- Why the decision has been taken.
- What it means for future contacts with the Council.
- How long any limitations will last.
- What the complainant can do (in changing their behaviour) to have the decision reviewed.

Records will be kept by the Complaints Manager to show:

- When the policy has/has not been applied following a request from a Service Manager.
- When a decision is taken to make an exception to the policy once it has been applied.
- When a decision is taken not to put a further complaint from the complainant through the complaints procedure.

- When a decision is taken not to respond to further correspondence (making sure that such correspondence is checked to make sure that there is no new material information).

Reviewing the decision to restrict access

When imposing a restriction on access, this will be subject to a review date, and when that date is reached, limitations are to be lifted, and relationships returned to normal unless there are good grounds not to. If following the decision, the complainant agrees to act reasonably in future, the decision can be reviewed, but if the behaviour does not change, then the original decision should stand (extending the review date by an appropriate period).

Recommendations to review earlier decisions will be approved by the Director of Services (or Monitoring Officer).

The complainant will be informed about the outcome of the review, and if limits are to continue, the reasons are to be explained, and the date of the next review stated.

Referring complainants to the Local Government and Social Care Ombudsman ('the Ombudsman')

Occasionally, relationships between the Council and individuals may break down badly while complaints are under investigation, and there is little prospect of achieving a satisfactory outcome.

In such cases, there may be little point in following through all the stages of the Council's complaints procedure. In such circumstances it may be appropriate to refer such complaints to the Ombudsman to consider before the Council's complaints procedures have been exhausted.

Where such cases are thought to be suitable to refer to the Ombudsman, please discuss with the Complaints Manager. The Ombudsman will expect to see that the Council has acted proportionately and in accordance with this policy.

AnnexExamples of unreasonable actions and behaviour

These are some of the actions and behaviours that the Council can find problematic. Single incidents may be unacceptable, but more often the difficulty is caused by unreasonably persistent behaviour that is time consuming to manage and interferes with proper consideration of the complaint. The following is not an exhaustive list:

- Refusing to specify the grounds of a complaint, despite offers to help.
- Refusing to cooperate with the complaints investigation process.
- Refusing to accept that certain issues are not within the scope of the Council's complaints procedure.
- Insisting that the complaint is dealt with in ways that are incompatible with the adopted complaints procedure, or with good practice.
- Making unjustified complaints about employees who are trying to deal with the issues, and seeking to have them replaced.
- Changing the basis of a complaint, as an investigation is proceeding.
- Denying or changing statements the complainant made at an earlier stage.
- Introducing trivial or irrelevant new information at a later stage.
- Raising many detailed or unimportant or irrelevant questions, and insisting that they are all answered.
- Submitting falsified documentation from themselves or others.
- Adopting a 'scatter-gun' approach; pursuing parallel complaints on the same issue with various organisations.
- Making excessive demands on the time and resources of employees with lengthy phone calls, emails to numerous council staff, or very detailed letters every few days, and expecting immediate responses.
- Refusing to accept the decision, repeatedly arguing points with no new evidence.
- Persist in pursuing a complaint where the complaints procedures have been fully and properly implemented and exhausted.
- Have recorded meetings or conversations without prior knowledge or the consent of employees dealing with a complaint.
- Having harassed or been abusive or verbally aggressive towards employees dealing with a complaint. While recognising that complainants may sometimes act out of character, at times of stress, anxiety or distress, the Council will make allowances for this, however where such behaviour is excessive, it will be recorded.
- Using racist, sexist, or abusive language in a complaint. In such circumstances, the Complaints Manager may refuse to accept the complaint at the outset.
- Threatening or using actual physical violence towards employees dealing with a complaint (this in itself may cause any further personal contact with the complainant or their representative to be discontinued and dealt with via written communications). Such incidents will be reported, and if appropriate, to the police.

Policy on the management of unreasonable complainant behaviour

Introduction

LGSCO recognises that we are often the last resort for complainants. We are committed to dealing with all complaints fairly and impartially, and to making our service as accessible as possible.

But because of the nature or frequency of their contact with the Ombudsman service, a few complainants behave unreasonably and hinder the consideration of their own, or other complainants', cases.

Unreasonable complainant conduct

We will not tolerate deceitful, abusive, offensive, threatening or other forms of unacceptable behaviour from complainants. When it occurs, we will take proportionate action to protect the wellbeing of our staff and the integrity of our processes.

Our investigative staff manage a number of cases at any one time, using their time and resources to best effect. They cannot do so if someone tries to dominate our attention with frequent, lengthy contacts and repetitive information. This hinders the consideration of their, or other people's, complaints. When necessary, we will take action to restrict access to our service when unreasonable behaviour of this nature persists.

Warnings

In most instances when we consider someone's behaviour is unreasonable we will explain why and ask them to change it. We will also warn them that, if the behaviour continues, we may take action to restrict their contact with our offices.

Where the behaviour is so extreme that it threatens the immediate safety and welfare of our staff we may report the matter to the police or consider taking legal action. In such cases, we may not give the complainant prior warning.

Restricting access to the Ombudsman service

An Assistant Ombudsman or more senior manager will decide whether the circumstances justify any restriction of access. They will record the reason for their decision and explain it to the person concerned. They will state how long any restriction will apply for before it is reconsidered.

The sort of restrictions imposed could include:

- restricting telephone calls to specified days and limited times
- limiting contacts to one form only (for example, a maximum of one letter or email a week)
- requiring contact to take place with one named staff member
- requiring the complainant to enter into an agreement about their future behaviour before their case proceeds, and/or
- managing contact with the help of an independent advocate.

Other suitable options will be considered in the light of the complainant's circumstances. Our objective, wherever possible, is to complete consideration of the complaint on its merits in a managed way.

If the complaint is still under consideration six months later, we will review whether the restrictions imposed are still necessary and should remain.

Terminating access to the Ombudsman service

If a complainant continues to behave unreasonably, or overrides the restrictions placed on access to our service, we may decide to terminate contact with them and end any investigation into their complaint.

New complaints

New complaints from people whose behaviour has previously been deemed unreasonable will be treated on their merits. Restrictions imposed in respect of an earlier complaint will not automatically apply to a new matter.

Local Government and Social Care Ombudsman
October 2017

Appendix C**(Original Craven District Council Procedure for dealing with habitual/vexatious complainants)****Extracted from the Complaints Procedure (2013 version)****Habitual or Vexatious Complainants**

Habitual and / or vexatious complainants can cause undue stress for *everyone* and place a strain on the Council's time and resources. All staff should try to respond with patience and sympathy to the needs of all complainants but there are times when there is nothing further which can be reasonably done to assist them or to rectify a real or perceived problem.

In determining arrangements for handling such complaints, those staff involved need to:

Ensure that the complaints procedure has been correctly implemented so far as possible and that no material element of a complaint is overlooked or inadequately addressed and to appreciate that even habitual or vexatious complainants may have aspects which contain some substance. The need to ensure an equitable approach is crucial.

- ★ Identify the stage at which a complaint has become habitual or vexatious.

Implementation of this policy will only occur in **exceptional circumstances**. Judgement and discretion must be used in applying the criteria to identify potential habitual or vexatious complainants and in deciding action to be taken in specific cases. This policy should only be used as a last resort and after all reasonable measures have been taken to try to resolve complaints following the general procedure, or another avenue, such as the Local Government Ombudsman.

The relevant Strategic Manager or Corporate Head of Service should authorise implementation of this policy.

Definition of Habitual or Vexatious Complainants

Complainants (and / or anyone acting on their behalf) may be deemed habitual or vexatious complainants where previous or current contact with them shows that they meet **two or more** of the criteria listed below.
Complainants:

- ★ **Persist in pursuing a complaint** where the complaints procedures have been fully and properly implemented and exhausted.
- ★ **Change the emphasis of** a complaint or continually raise additional

issues or seek to prolong contact by continually raising further concerns or questions upon receipt of a response whilst the complaint is being addressed. Care must be taken not to discard new issues, which are significantly different from the original complaint. These might need to be addressed as separate complaints.

- ★ **Are unwilling to accept documented evidence** as being factual in spite of correspondence specifically answering their questions or do not accept that facts can sometimes be difficult to verify when a long period of time has elapsed.
- ★ **Do not clearly identify the precise issues** which they wish to be investigated, despite reasonable efforts to help them specify their concerns, and / or where the concerns identified are not within the remit of the Council to investigate.
- ★ **Focus on a trivial matter** to the extent that this is out of proportion to its significance and continue to focus on this point. It is recognised that determining what a 'trivial' matter is can be subjective and careful judgement must be used in applying this criterion.
- ★ **Have threatened or used actual physical violence** towards anyone involved in the complaint or investigation at any time – this may in itself cause personal contact with the complainant and / or their representatives to be discontinued and the complaint will, thereafter, only be pursued through written communication. All such incidents should be documented.
- ★ Have previously made a '**tit for tat**' complaint or a complaint which lacks any public benefit.
- ★ Have **harassed** or been personally **abusive or verbally aggressive** towards anyone dealing with their complaint. We should recognise that complainants may sometimes act out of character at times of stress, anxiety, or distress and make reasonable allowances for this. All incidents of harassment should be documented. The Council's Violence at Work Policy and associated guidance may need to be consulted where there have been threats, violence and / or harassment.)
- ★ Have, in the course of addressing a complaint, had an **excessive number of contacts** with the Council, placing unreasonable demands on the people dealing with the complaint. Discretion must be used in determining the precise number of "excessive contacts" applicable under this section, using judgement based on the specific circumstances of each individual case.
- ★ Have **recorded** meetings or conversations **without** the prior knowledge and consent of other parties involved.
- ★ Display **unreasonable demands** or **expectations** and fail to accept that these may be unreasonable (e.g. insist on responses to complaints or enquiries being provided more urgently than is reasonable or normal recognised practice).

Options for Dealing with Habitual or Vexatious Complainants

Where complainants have been identified as habitual or vexatious, in accordance with the criteria above, the relevant Strategic Manager or Corporate Head of Service will implement such action and will notify complainants, in writing, of

- ★ the reasons why vexatiousness is being considered **and**
- ★ the action to be taken

The complainant will be given the opportunity to respond. This notification may be copied for the information of others involved, e.g. Advocate, Councillor or Member of Parliament. A record must be kept for future reference of the reasons why a complainant has been classified as habitual or vexatious.

The Strategic Manager or Corporate Head of Service will also consider whether to:

- ★ Try to resolve matters before invoking this policy. This might be accomplished by drawing up a signed agreement with the complainant, which sets out a code of behaviour for the parties involved if the Council is to continue processing the complaint. If these terms are contravened, consideration would then be given to implementing other action.
- ★ Decline contact with the complainant either in person, or by email, telephone, letter, fax or any combination of these, provided that one form of contact is maintained.
- ★ Notify the complainant in writing that the Council has responded fully to the points raised and has tried to resolve the complaint, but there is nothing more to add and that continuing contact on the matter will serve no useful purpose. The complainants should also be notified that the correspondence is at an end and that any further letters on the matter will be neither acknowledged nor answered.
- ★ Inform the complainant that in extreme circumstances the matter will be referred to the Council's Monitoring Officer and/or the Police.
- ★ Temporarily suspend all contact with the complainant or investigation of a complaint whilst seeking legal advice.
- ★ Seek advice at any time from the Health and Safety Officer and/or the Monitoring Officer.

When considering the above in respect of complaints involving Members, under the Code of Conduct, officers may consult with the Independent Member

The measures detailed above should be limited in order from the least serious to the most.

Withdrawing Habitual or Vexatious Complainant Status

The Customer Services Manager will, from time to time, review the list of habitual or vexatious complainants and, where possible and reasonable, withdraw this status, subject to discussion with the relevant Corporate Head of Service. On the first declaration of vexatiousness the maximum period for being so certified will be 2 years.

In circumstances where a vexatious complainant makes a complaint, which appears to have merit, *through the allowed mode of communication*, the Monitoring Officer, in consultation with the Independent Member, may allow the pursuit of the complaint as would normally occur.

Refusing Complaints

Where the substance of a complaint is racist, sexist or otherwise abusive, the Council may refuse to accept the complaint.

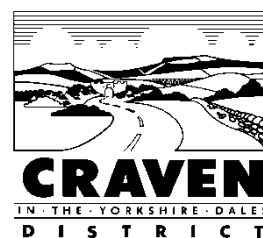
Where the person making a complaint behaves in an abusive or threatening way, or makes racist or sexist remarks in lodging their complaint, the Council may refuse to accept the complaint.

Where a complaint is made about a service that is not controlled by Craven District Council the person making the complaint will be informed that this is the case. We will provide any useful details that are known to us, for example, details of the organisation to contact, including individual contact names where these are known. However, the Council will not act as an intermediary, or become involved in following up complaints relating to services for which we are not responsible.

If possible, complainants may be referred to other organisations that may be able to provide additional assistance.

Policy Committee – 15 January 2019

BOUNDARY SIGNS



Report of the Director of Services

Lead Member Cllr Simon Myers

Ward(s) affected: All

1. **Purpose of Report**

To consider the introduction of boundary signs on entrance roads into Craven.

2. **Recommendations**

- 2.1 To approve the sum of £14k funded from NHB Infrastructure Reserve to enable the delivery, implementation and future maintenance of the boundary signs covering primary routes into Craven (A and B routes including tourist routes).
- 2.2 If Members agree to proceed, agree that the boundary signs will be placed on the Council's assets register and insurance policy.

3. **Background**

- 3.1 A common approach for local authorities to promote their districts is to have a sign announcing the arrival into the district, but Craven is unusual in not having any signs on routes into the district. The nature of signs varies greatly from purely the name of the district through to signs that contribute to the branding of the district.
- 3.2 A number of events have taken place in Craven, which has both highlighted the stunning scenery and aimed at increased the number of people visiting the area. As the forthcoming 2019 Road World Championships are taking place in September, which involves approximately 1,000 riders from 75 different countries and attracts a global television audience of over 300m people, it presents an opportunity to consider installing boundary signs on the approach roads into Craven.
- 3.3 There are 20 main approach roads into the Craven district comprising of nine Priority 1 Routes ("A"); five Priority 2 Routes ("B"); and six Priority 3 Routes ("C"). A table detailing the roads and identifying the total volume of vehicle traffic usage on all roads (where available) is in Appendix A, and a map showing the location of the approach roads (Appendix B) are attached.
- 3.4 Besides the main approach roads, there are a numerous number of local minor roads leading to the main approach roads. These have not been taken into account.

4.0 Options for delivery

4.1 The costs of delivering the scheme will vary according to the style of the sign, design and the number of locations. No final costings have yet been received, but the estimated cost per signs would be in the region of between £500 to £1,000 each. This includes for the manufacture, posts, delivery and installation. This cost may vary depending upon the style, wording and quantity of signs required.

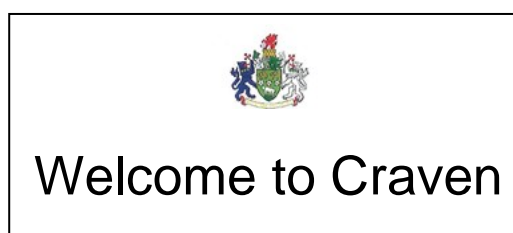
4.2 We have set out three options below, but the specific routes are in Appendix A.

Option	Number of locations	Cost per sign £1,000 each
1. All routes into Craven (including local minor roads (not listed on Appendix A)	40	£40,000
2. Key routes into Craven (A, B and C Routes including tourist routes as listed on Appendix A)	20	£20,000
3. Primary routes into Craven (A and B routes including tourist routes)	14	£14,000

4.3 The preferred option is Option 3 - Primary routes into Craven (A and B routes including tourist routes). These routes have the largest volume of vehicle traffic. The nature of these signs would result in a greater number of people being made aware that they are approaching the Craven district and would contribute to the branding of the district.

5.0 Suggested Signage Scheme

5.1 From Appendix C it is clear that there are many sign variations but under consideration is a simple design. For illustration purpose the sign could look something like below.



5.2 We are discussing sponsorship arrangements with Great Places and Community Partners, including whether there is the scope to carry out a design competition, which may influence the ultimate design of the Signage Scheme and final cost, subject to NYCC approval.

6.0 Delivery of the Scheme

6.1 North Yorkshire County Council Highways is in agreement for boundary signs to be erected provided that the NYCC's Passive Safety Protocol and the criteria for signs

are adhered to. As well as the new road and street works having to be accredited with the NRSWA. NYCC are able to supply and erect the boundary signs on the Council's behalf but this will be open to tender.

- 6.2 Assets and Property Services will deliver these signs as this would link with the marketing work which is currently undertaken by the Community Partners.
- 6.3 Resources for the on-going maintenance of the signs (inspecting and cleaning as and when required) will be the responsibility of Craven DC. The estimated costs for replacement of each sign will be between £500 and £1,000.
- 6.4 Procurement is expected to take place in April with the intention the signs will be in position ahead of the World Cycling Championships in September 2019 so that Craven can take advantage of the media exposure.

7.1 **Financial Implications**

The estimated costs for installation are contained in point 4.2 and the maintenance costs are in 6.3.

7.2 **Legal Implications**

As outlined in point 2.4.

8. **Contribution to Council Priorities**

This report contributes to the Council's priority for an Enterprising Craven by improving the economic vitality of Craven.

9. **Risk Management**

- 9.1 The boundary signs need to follow the North Yorkshire Highways Passive Safety Protocol which is to avoid the possibility of fatal and serious injury collisions through vehicles striking ridged, unforgiving street furniture.
- 9.2 The boundary signs need to take into consideration the location, style and size due to the need to meet the Highways regulations.

10. **Consultations with Others**

Director of Services, CIO and Assets & Commercial Services Manager and North Yorkshire County Council Highways.

11. Access to Information: Background Documents

North Yorkshire Highways Passive Safety Protocol Regulations appertaining to Boundary Signs

12. Appendices

Appendix A – Approach roads into Craven

Appendix B - Map showing the approach roads

Appendix C - Examples of signs

13. Author of the Report

David Smurthwaite, telephone 01756 706409, extension 46409

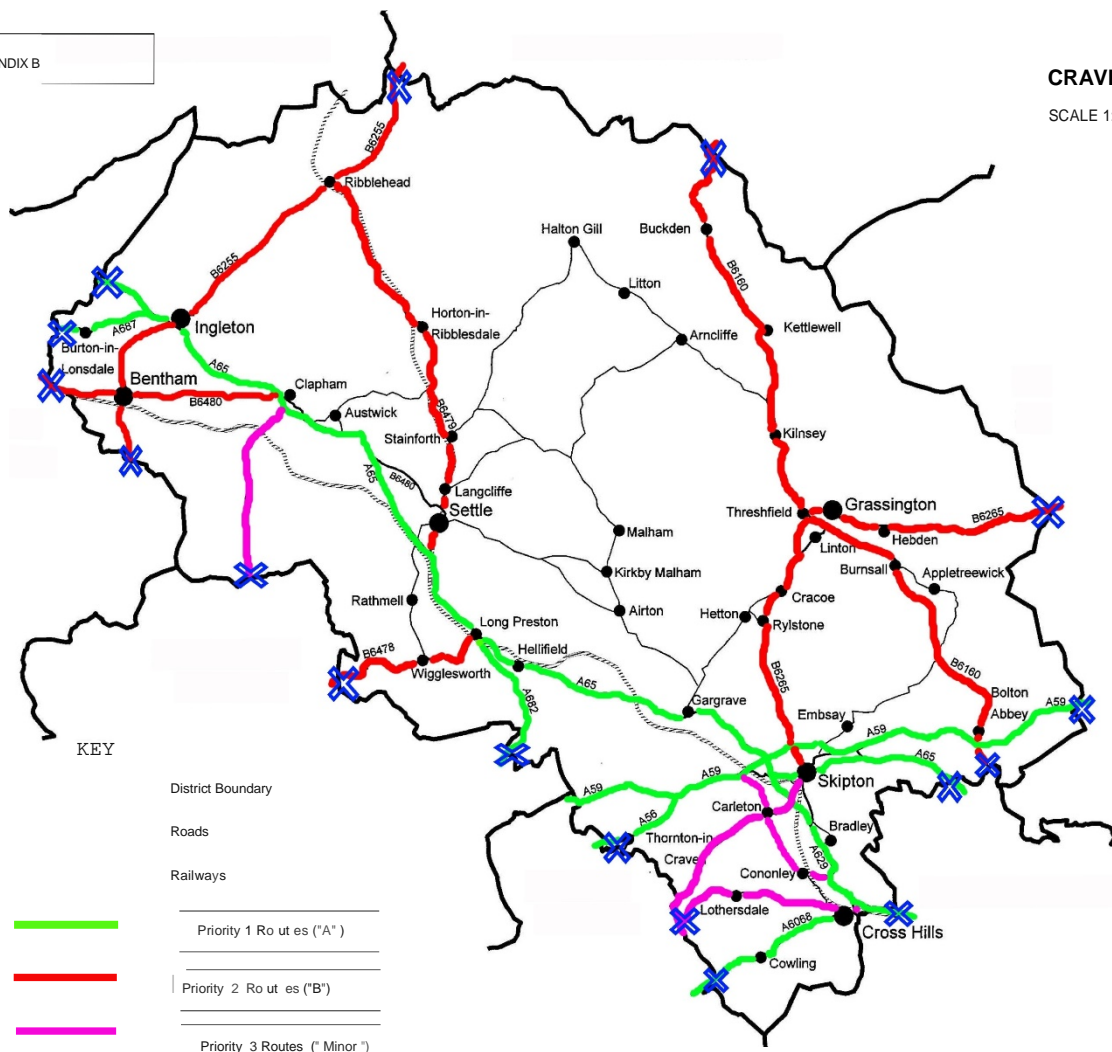
BOUNDARY SIGNS**APPROACH ROADS INTO CRAVEN DISTRICT**

PRIORITY 1 ROUTES ("A")			
Coloured Outlined	Road No	Area	AADT (Total Volume of Vehicle Traffic for a Year Divided by 365 Days)
Green	A59	Kex Gill	Approx 9,000
Green	A59	West Marton	Approx 5,000
Green	A65	Chelker	Approx 9,000
Green	A65	Masongill	Approx 7,500
Green	A629	Kildwick (Keighley Bypass)	Approx 25,000
Green	A682	Gisburn	Approx 3,500
Green	A56	Thornton-in-Craven	Approx 11,500
Green	A6068	Cowling	Approx 8,900
Green	A687	Burton-in-Lonsdale	Approx 2,000
PRIORITY 2 ROUTES ("B")			
Red	B6255	Ribblehead	Approx 2,000
Red	B6480	Low Bentham	Approx 3,000
Red	B6160	Kidstones	Approx 800
Red	B6478	Tosside	No data
Red	B6265	Greenhow	Approx 1,600
PRIORITY 3 ROUTES ("C")			
	B6265	Eastburn/Cross Hills	Approx 11,500
Pink		Lothersdale Road	No data
		Cononley/Carleton	Approx 1,500
Pink	B6252	Barnoldswick/Thornton-in-Craven	No data
		Keasdon Road, Clapham	No data
Pink		Bentham (passed the Big Stone)	No data
MINOR ROUTES			
Not Listed, such as			
The Ellers – Sutton-in-Craven to Laycock			
Dick Lane – Cowling to Keighley			
West Lane – Sutton-in-Craven to Keighley, Slippery Ford, Haworth			
Lang Gate Road – Newsholme to Sutton-in-Craven			
Warley Wise Lane – Cowling Hill to Colne			

APPENDIX B

CRAVEN DISTRICT

SCALE 1:250,000



EXAMPLES OF BOUNDARY SIGNS

Suggested Wording:



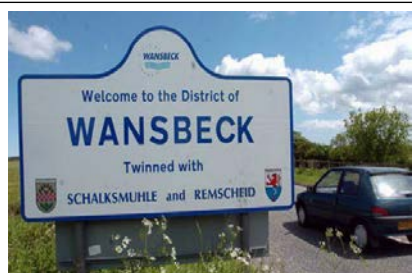
or



"Welcome to the District of Craven"

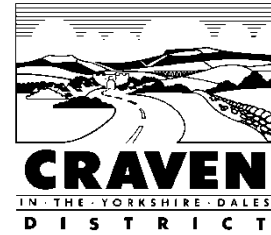
Styles:





Policy Committee – 15th January 2019

Joint Venture Company



Report of Director of Services

Ward(s) affected: All Wards

Lead Member: Cllr P Mulligan

1 Purpose of the Report

To provide Members with an update on the progress on the Council's Joint Venture Partnership with Barnfield Investment Properties Limited.

2 Recommendations: Members are recommended to:

- 2.1 Note the progress being made and the indicative timetable for when the business cases for the individual developments will be presented to Policy Committee for approval.

3 Background

- 3.1 The Council selected Barnfield Investment Properties Limited as its preferred partner and has formed a joint venture company, Craven Barnfield Regeneration Limited (CBRL) to deliver land regeneration projects across Craven.
- 3.2 The joint venture with a private sector strategic partner provides the additional capacity and innovation to enable land to be developed, creating economic growth and local regeneration. The Council is also seeking to capture long term value from some of the property developments.
- 3.3 The Craven Barnfield Regeneration Plan 2017 to 2020, approved by Members sets out how CBRL will deliver the Council's aspirations to generate economic growth by making the best use of the Council's land and property assets.
- 3.4 The business plan sets three objectives
- generate and deliver new employment and housing land
 - increase investment and financial leverage for development
 - Maximise returns from land assets and create a revolving fund for future schemes
- 3.5 A Strategic Partnering Board has been established comprising three representatives nominated by each of the Council and the Developer. The role of the board is to ensure the approved business plan is delivered and to monitor, maintain and review the Company's financial and operating procedures.

AGENDA ITEM 10

4 Progress

- 4.1 Initial activity involved the examination of the Council's asset portfolio to identify the opportunities that best satisfy the business plan objectives. A long list of potential projects was identified and from the long list, six projects were prioritised to form a phase one delivery programme. The projects selected will ensure a balance of employment and housing opportunities, including much needed affordable housing will be delivered.
- 4.2 In identifying which projects should form part of the first programme of activity weight was also attached to any opportunities where Growth Deal and/or Homes England funding may be available. Subsequently York, North Yorkshire and East Riding Local Enterprise Partnership Growth Deal Funding and Homes England funding has been confirmed to redevelop Engine Shed Lane Depot and provide the infrastructure for a housing development at Horse Close in Skipton.
- 4.3 The Council has also been successful in obtaining funding from Central Governments' Land Release fund to provide infrastructure on sites in Ingleton and Skipton. We have also secured a separate Growth Deal funding allocation of £2m to accelerate the development of our housing sites and to then create a recyclable fund to fund further developments schemes in the future.
- 4.4 Progress on each of the six projects is set out in paragraphs 5 and 6 below:

5 New Employment Opportunities

Land Rear of Victoria Hall and Whitefriars Car Park, Settle

- 5.1 The proposed site for development is the derelict land owned by the Council adjacent to Victoria Hall in Settle and the neighbouring pay and display car park at Whitefriars. The outline proposal is to build a mixed use development on the existing car park to provide a combination of retail and/or commercial units on the ground floor with residential, including affordable housing apartments above. The scheme will also include landscaping and additional car parking spaces. The derelict land adjacent to Victoria Hall will then be redeveloped to provide a new area of pay and display car parking for the Council of at least the equivalent number of spaces currently in use.
- 5.2 Feasibility work is ongoing and example streetscape images and front elevation design options are being prepared to present to local Members in January 2019. A period of public consultation will then follow. It is recognised that the site is an iconic site in the town and development must complement the surrounding area as well as keeping any disruption to a minimum. Further detailed comprehensive consultation will therefore be undertaken once initial feasibility work has concluded.
- 5.3 Initial market enquiries have been undertaken to establish the extent of likely interest in any commercial units that are to be developed and some interest has been shown in the retail space.
- 5.4 A topographical survey and geotechnical assessment have been completed and searches are expected to be concluded by end January 2019. Quotes for a CCTV survey of the drainage at the development area are being collated.
- 5.5 The indicative timescale is for public consultation by March 2019 and for initial designs to be produced by September 2019.

AGENDA ITEM 10

Engine Shed Lane Depot, Skipton

- 5.6 Originally built as a storage and maintenance centre for the railway the site is currently used by the Council for its waste management service. Following a review of the suitability of the premises it has been established the working environment needs upgrading and by making better use of the existing footprint additional new commercial floor-space could be created.
- 5.7 The site forms part of the South Skipton employment zone which includes the development of a 28-hectare greenfield site for housing and employment and the upgrading of the existing road layout.
- 5.8 Initial drawings and a viability appraisal to develop the site as part depot / part employment are being prepared. The depot will be reconfigured within the existing site footprint allowing space for the construction of six business start-up units for which there is high demand.
- 5.9 A series of site investigations are required due to the level of potential contamination. The site has previously been used as a storage and maintenance centre for the railway and has a current use for the storage of fuel and vehicle maintenance and household waste. The site investigations have been commissioned and will be completed by March 2019.
- 5.10 There is a conditional £519,000 of Local Growth Deal funding allocated for the decontamination of the land at the Engine Shed Lane Depot and clearing the site in readiness for the development of business space.
- 5.11 The indicative timescale is for a business case to be submitted to Policy Committee in April 2019, submission to planning in October 2019 and a start on site in April 2020.

Langcliffe Quarry

- 5.12 The quarry is located between Langcliffe and Stainforth, approximately 2.3km from Settle. It was formerly used as a Waste Management Depot and consist of old stone works buildings, covered stores, yard areas and is home to the Hoffman Lime Kiln, a Scheduled Ancient Monument built in 1873.
- 5.13 A large proportion of the site including the Hoffman Kiln and quarry face is leased to the Yorkshire Dales National Park. The lease is due to expire in June 2025. YDNP have expressed an interest in remaining at the quarry site and this interest is being considered as part of the sites re-development.
- 5.14 A plan and viability appraisal to develop the site for employment is being prepared and expressions of interest in renting space in addition to the interest already shown from YDNP have been received.
- 5.15 A series of site investigations are required due to the level of potential contamination. The site has previously been used a waste management depot. The site investigations will commence once a draft design for the outline of the site has been produced.
- 5.16 The indicative timescale is for a business case and submission to planning in September 2019 and a start on site in April 2020.

6 Housing Developments

Airedale Avenue Skipton

- 6.1 The development area comprises a sloping agricultural field with an area of approximately 2.14 hectares owned by the Council. To the north and west is an area identified as a non-developable zone comprising wooded land leading to a railway embankment. To the east is another development area of approximately 4.6 hectares owned by a third party. Both sites are allocated in the emerging Local Plan.
- 6.2 A concept scheme for the whole site allocated in the local plan, including the land owned by a third party has been produced to support the housing numbers projected in the draft local plan. The scheme includes 1.8 hectares allocated for a school with half a hectare earmarked for school playing fields.
- 6.3 Based on Council policy of 32 dwellings to the hectare the whole site would deliver 218 houses and a new school. Approximately 68 of the housing units are on Council land. The topographical findings do however indicate significant gradients of the land. Four drawings have been produced and are being costed to establish the site infrastructure feasibility. The location of the housing plots will determine the layout and the final number.

A scheme design is expected to be finalised by March 2019 with the indication that the final housing numbers will be between 50 and 68.

- 6.4 The development site has been registered with the NYCC Highways Department and a consultation response is expected at the end of January 2019.
- 6.5 A topography survey and geotechnical assessment have been completed and there are no significant ground conditions or contaminated land risks that will need to be mitigated. There is small area of approximately 6 metres squared that corresponded to tanks identified on historical maps where intrusive investigations are to be undertaken but this is assessed as having of low impact potential on the site.
- 6.6 Central Government Land Release Funding of £375,000 is available to provide an access road conditional on the road being completed by December 2019. The indicative timescale is for a business case to Policy Committee and a planning application to be submitted by March 2019 with a start on site in October 2019.

Horse Close Skipton

- 6.7 The proposed development site is approximately 3.6 hectares of greenfield land lying to the south of Skipton Town Centre off the A6131 Keighley Road. The site is allocated for housing in the emerging Local Plan.
- 6.8 A scheme is being developed to provide 88 housing units and improved connectivity to Keighley Road with the construction and adoption of a new bridge at the Cawder Road junction. The site will also deliver much needed affordable housing on the site in line with Council Policy, currently 30%. A sizeable area of approximately 0.6 hectares within the site, alongside the canal will be retained as open space.
- 6.9 An up to date flood risk assessment is being produced to consider any impact following the completion of the Skipton flood alleviation works and to advise on options for attenuation.

AGENDA ITEM 10

- 6.10 Homes England Grant of £2,376,394 for the infrastructure works including roads and a new bridge is available through their Accelerated Construction programme which is designed to support local authorities to develop land for housing. The grant has been calculated by estimating a high and a low best and worst case and then carrying out a risk assessment based on impact and likelihood of the work being required. The Council can ask Homes England to revisit the grant award in the event of costs exceeding the due diligence expectations.
- 6.11 The timeframe for the delivery is for the infrastructure to be completed by March 2021. The 88 homes will then be built in a 2-year timeframe at a pace of 3.6 units per month.
- 6.12 Meetings are currently taking place with local landowners, highways and the Canal and River Trust on the bridge design. A bridge design will be presented to all stakeholders by end January 2019
- 6.13 A topographical survey and geotechnical assessment have been completed.
- 6.14 The indicative timescale is for a business case to Policy Committee by April 2019, submission to planning August 2019 and a start on site early in 2020.

Back Gate and Low Demesne Ingleton

- 6.15 Back Gate Lorry Park is an underused Council owned pay and display car park in Ingleton with an area of 0.26 hectares. Low Demense is greenfield land of approximately 0.7 hectares. Both sites have been allocated for housing in the emerging Local Plan.
- 6.16 It had been intended the development of the former Council owned lorry park at Back Gate in Ingleton would be the first Joint Venture build however it has been difficult to finalise the design due to the constraints on the site.
- 6.17 A planning application had been listed for October 2018 Planning Committee however it was deferred following comments from Sports England on the proximity of the properties and the environmental impact on the properties caused by a neighbouring MUGA.
- 6.18 A topography survey, geotechnical assessment, light and acoustic survey have been undertaken with the results informing a revised design scheme. The revised scheme will consist of 3 sets of semi-detached and one row of 3 three bed properties and will include an exclusion strip with the housing plots situated on the opposite side of the site away from the MUGA.
- 6.19 Design work for Low Demesne is in progress. The development area is established as the level plateau of land with the land at the bottom of the site suitable for attenuation, public open space and green infrastructure. The development would be phased with phase 1 including an access road and 36 dwellings per hectare. There is potential for further phases to extend into additional Council owned land to the east of the site.
- 6.20 The mix of properties and density will be in line with policy unless the topography dictates otherwise. Access to the site is to be assessed by highways, the extension of the site would be dependent on access using the current access point.
- 6.21 A topography survey, services survey and geotechnical assessment have been completed on Low Demesne. There are likely contamination issues due to an historic railway line and an old tip site and costs for a phase 2 geotechnical assessment are being prepared.

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- 6.22 The indicative timescale is for business cases and planning applications for both Ingleton sites to be submitted in April 2019 and a start on site in November 2019.

7 Timescales

- 7.1 The table below summarises the indicative timescales for business cases to be presented to Policy Committee, planning decisions, construction and completion dates. The timescales are designed to ensure there is sufficient capacity both in the Council and the Joint Venture Company to deliver the projects, the construction of some will be taking place concurrently.

Development Pipeline - Summary					
Schemes	Design / Development Appraisal	Council Decision to develop	Planning Decision	Construction Start	Completion
Airedale Ave	Mar 2019	Mar 2019	Jul 2019	Oct 2019	Jan 2021
Back Gate / Low Demesne	Apr 2019	Apr 2019	Aug 2019	Nov 2019	May 2021
Engine Shed Lane	Apr 2019	Apr 2019	Oct 2019	Apr 2020	May 2021
Horse Close	Apr 2019	Apr 2019	Aug 2019	Feb 2020	Dec 2020 (Infrastructure)
Langcliffe	Sep 2019	Sep 2019	Jan 2020	Apr 2020	Apr 2021
Whitefriars	Jun 2019	Jun 2019	tbc	tbc	tbc

8 Financial Implications

There are no financial implications arising directly from this report. The full implications for each project will be set out in the business cases as they are presented to Council.

9 Legal Implications

- 9.1 There are no legal implications arising directly from this report. The full legal implications for each project will be set out in the business cases as they are presented to Council.

10 Contributions to Corporate Policies

- 10.1 The proposals in this report support the Council priorities of 'Enterprising Craven' by stimulating economic growth through land development and regenerations schemes and 'Financial Resilience' by ensuring the Council remains sustainable and can continue to deliver essential front line services

11 Author of the Report

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