Nottinghamshire County Council

County Hall West Bridgford Nottingham NG2 7QP

SUMMONS TO COUNCIL

date Thursday, 17 September 2015 venue County Hall, West Bridgford,
commencing at 10:30 Nottingham

You are hereby requested to attend the above Meeting to be held at the time/place and on the date mentioned above for the purpose of transacting the business on the Agenda as under.

Chief Executive

1	Minutes of the last meeting held on 9 July 2015	5 - 24
2	Apologies for Absence	
3	Declarations of Interests by Members and Officers:- (see note below) (a) Disclosable Pecuniary Interests (b) Private Interests (pecuniary and non-pecuniary)	
4	Chairman's Business a) Presentation of Awards/Certificates (if any)	
5	Constituency Issues (see note 4)	
6	Presentation of Petitions (if any) (see note 5 below)	
7	Clarification of Committee Meeting Minutes published since the last meeting	25 - 26
8	Statement of Accounts 2014-15	27 - 152

11 Questions

a) Questions to Nottinghamshire and City of Nottingham Fire Authority

b) Questions to Committee Chairmen

12 NOTICE OF MOTION

"This Council:-

a) Shares the concern of residents in Hucknall that Gedling Borough Council's plans for 1,000 new homes at Top Wighay Farm and 300 new homes North of Papplewick Lane will place great strain on public infrastructure in their town;

b) Recognises that demand on Nottinghamshire County Council services such as highways, education and public health will inevitably increase as a result of this development;

c) Reminds the charging authority, Gedling Borough Council that sufficient developer contributions must be provided to Nottinghamshire County Council in good time to fund the expansion of these services so they are in place for the occupiers of the new dwellings;

d) Asserts that these essential services, which cross local government boundaries and tiers, must take priority over any other plans to use developer contributions to fund facilities in Gedling Borough."

Councillor Philip Owen **Councillor Richard Butler**

13 ADJOURNMENT DEBATE
(if any)

Notes:-

(A) For Councillors

(1) Members will be informed of the date of their Group meeting for Council by their Group Researcher.

(2) The Chairman has agreed that the Council will adjourn for lunch at their discretion.

(3) (a) Persons making a declaration of interest should have regard to the Code of Conduct and the Procedure Rules for Meetings of the Full Council. Those declaring must indicate whether their interest is a disclosable pecuniary interest or a private interest and the reasons for the declaration.

(b) Any member or officer who declares a disclosable pecuniary interest in an item must withdraw from the meeting during discussion and voting upon it, unless a dispensation has been granted. Members or officers requiring clarification on whether to make a declaration of interest are invited to contact the Monitoring Officer or Democratic Services prior to the meeting.

(c) Declarations of interest will be recorded and included in the minutes of this meeting and it is therefore important that clear details are given by members and others in turn, to enable Democratic Services to record accurate information.

(4) At any Full Council meeting except the annual meeting, a special meeting and the budget meeting, Members are given an opportunity to speak for up to three minutes on any issues which specifically relates to their division and is relevant to the services provided by the County Council. These speeches must relate specifically to the area the Member represents and should not be of a general nature. They are constituency speeches and therefore must relate to constituency issues only. This is an opportunity simply to air these issues in a Council meeting. It will not give rise to a debate on the issues or a question or answer session. There is a maximum time limit of 30 minutes for this item.

(5) Members are reminded that petitions can be presented from their seat with a 1 minute time limit set on introducing the petition.

Nottinghamshire County Council

Meeting	COUNTY COUNCIL
Date	Thursday, 9th July 2015 (10.30 am – 5.14 pm)

Membership
Persons absent are marked with `A'

COUNCILLORS

Sybil Fielding (Chairman)
Yvonne Woodhead (Vice-Chairman)

	Reg Adair		John Knight
	Pauline Allan		Darren Langton
	Roy Allan		Bruce Laughton
	John Allin		Keith Longdon
	Chris Barnfather		Rachel Madden
	Alan Bell		Diana Meale
	Joyce Bosnjak		John Ogle
	Nicki Brooks		Philip Owen
	Andrew Brown		Michael Payne
	Richard Butler		John Peck JP
	Steve Calvert		Sheila Place
A	Ian Campbell		Liz Plant
	Steve Carr		Mike Pringle
	Steve Carroll		Darrell Pulk
	John Clarke		Alan Rhodes
	John Cottee	A	Ken Rigby
	Jim Creamer		Tony Roberts MBE
	Mrs Kay Cutts MBE		Mrs Sue Saddington
	Maureen Dobson		Andy Sissons
	Dr John Doddy		Pam Skelding
	Boyd Elliott		Martin Suthers OBE
	Kate Foale		Parry Tsimbiridis
	Stephen Garner		Gail Turner
	Glynn Gilfoyle		Keith Walker
	Kevin Greaves		Stuart Wallace
	Alice Grice		Muriel Weisz
	John Handley		Gordon Wheeler
	Colleen Harwood		John Wilkinson
	Stan Heptinstall MBE		Jacky Williams
	Tom Hollis		John Wilmott
	Richard Jackson		Liz Yates
	Roger Jackson		Jason Zadrozny
	David Kirkham		

HONORARY ALDERMEN

Martin Brandon-Bravo OBE
John Carter

OFFICERS IN ATTENDANCE

Anthony May	(Chief Executive)
Jayne Francis–Ward	(Policy, Planning and Corporate Services)
Sue Batty	(Adult Social Care, Health & Public Protection)
Paul McKay	(Adult Social Care, Health & Public Protection)
Steve Edwards	(Children, Families and Cultural Services)
John Slater	(Children, Families and Cultural Services)
Tim Gregory	(Environment and Resources)
Neil Robinson	(Environment and Resources)
Sara Allmond	(Policy, Planning and Corporate Services)
Carl Bilbey	(Policy, Planning and Corporate Services)
Martin Done	(Policy, Planning and Corporate Services)
Catherine Munro	(Policy, Planning and Corporate Services)
Anna Vincent	(Policy, Planning and Corporate Services)
Michelle Welsh	(Policy, Planning and Corporate Services)
Chris Kenny	(Public Health)

OPENING PRAYER

Upon the Council convening, prayers were led by the Chairman's Chaplain.

MINUTE SILENCE

A minute silence was held in memory of all those killed in the recent terrorist attack in Tunisia. This included a member of staff John Stollery who was a much loved and respected Children's Social Worker who would be greatly missed.

A book of condolence was opened outside the Council Chamber.

1. MINUTES

RESOLVED: 2015/030

That the Minutes of the last meeting of the County Council held on 14th May 2015 be agreed as a true record with the following amendments and signed by the Chairman:-

- Item 8 – Appointment of Committees, in both recorded votes the removal of Councillor John Wilmott and the addition of Councillor Alan Bell to those voting "For" the motion in each vote.
- Attendance list – typographical error in the spelling of Councillor John Wilmott's name.

2. APOLOGIES FOR ABSENCE

An apology for absence was received from:-

Councillor Ken Rigby (other reasons)

3. DECLARATIONS OF INTEREST

Councillor John Wilmott declared a personal interest in item 6a – Presentation of Petitions as he would be presenting a petition on behalf of residents in relation to a road he was a resident of.

4. CHAIRMAN'S BUSINESS

(a) PRESENTATION OF AWARDS

Considerate Constructors Award

Councillor Kevin Greaves introduced the award won by the Term Service Contracts Team which was awarded for showing the highest levels of consideration towards the public, its workforce and the environment through adhering to the Considerate Constructors Scheme. The Chairman received the award from Councillor Greaves and presented it to Martin Carnaffin – Contract Manager and Ian Copeland – Lafarge Tarmac.

Legal Services Team of the Year Award

Councillor Darren Langton introduced the award which was won by the Legal Services Team in recognition of the way in which the Team were doing things differently by embracing new technology and new ways of working to revolutionise the way it operates. This had nearly halved its running costs. The Chairman received the award from Councillor Langton and presented it to Geoff Russell – Term Manager, Litigation, Angela Kindness – Corporate and Environmental Law, Sarah Gyles – Legal Practitioner (Litigation) and Andrew Rice – Legal Practitioner (Litigation).

NEPALESE FUNDRAISER

The Chairman informed Full Council that £2,135 had been raised through a coffee morning and raffle. A cheque was presented to representatives of the Nepalese community.

5. CONSTITUENCY ISSUES

The follow Members spoke for up to three minutes on issues which specifically related to their division and was relevant to the services provided by the County Council.

Councillor Bruce Laughton – lorry parking, road restrictions and road conditions in Cromwell

Councillor Roger Jackson – traffic congestion around Lowdham

Councillor Jason Zadrozny – library services in Skegby

6a. PRESENTATION OF PETITIONS

The following petitions were presented to the Chairman as indicated below:-

(1) Councillor John Allin regarding 209 Bus Service (Warsop to Worksop)

(2) Councillor Jacky Williams requesting a bus shelter on Ilkeston Road near the junction of Hickings Lane

(3) Councillor Steve Carr regarding inappropriate short cuts by UPS vans

(4) Councillor Steve Carr regarding bus services in Beeston North

(5) Councillor John Wilmott from residents of Knoll Avenue, Hucknall asking if a piece of grassed area on the avenue can be resurfaced and used as a car park

(6) Councillor John Wilmott requesting improvements to the condition of the road at Carlingford Road, Hucknall

RESOLVED: 2015/031

That the petitions be referred to the appropriate Committees for consideration in accordance with the Procedure Rules, with a report being brought back to Council in due course

6a. PETITIONS RESPONSES REPORT FROM TRANSPORT AND HIGHWAYS COMMITTEE

RESOLVED: 2015/032

That the contents and actions taken as set out in the report be noted.

7. CLARIFICATION OF MINUTES

The report provided Members with the opportunity to raise any matters of clarification in the Minutes of Committee meetings published since the last meeting.

8. MANAGEMENT ACCOUNTS 2014/15

Councillor David Kirkham introduced the report and moved a motion in terms of resolution 2015/033 below.

The motion was seconded by Councillor Darren Langton.

RESOLVED: 2015/033

1) That the 2014/15 year end revenue position be noted.

2) That the level of General Fund Balances set out in section 7.1 and Appendix A of the report be approved.

3) That the movements in the reserves as detailed in section 7 and Appendix B of the report be noted.

4) That the Capital Programme and its financing be noted.

5) That the Council's Prudential Indicators were not breached in 2014/15 as detailed in Appendix C of the report be noted.

6) That the Treasury Management outturn report in Appendix D of the report be noted.

7) That the variation to the Treasury Management Policy in Appendix E of the report be approved.

9. COUNTY BOUNDARY REVIEW – COMMISSION DRAFT RECOMMENDATIONS FOR NEW ELECTORAL ARRANGEMENTS

Councillor Alan Rhodes introduced the report and moved an amended motion in terms of resolution 2015/34 below.

The motion was seconded by Councillor Joyce Bosnjak.

RESOLVED: 2015/034

1) That the Commission's proposals on new electoral arrangements for the County be noted.

2) That the Council makes no formal objections to the Commission's draft recommendations.

10. RECOGNITION OF OFFICERS OF GROUPS

Councillor Steve Carroll introduced the report and moved a motion in terms of resolution 2015/35 below.

The motion was seconded by Councillor Nicki Brooks.

RESOLVED: 2015/035

That, in accordance with the Procedure Rules, the Officers of Groups be noted.

11. QUESTIONS

(a) QUESTIONS TO NOTTINGHAMSHIRE AND CITY OF NOTTINGHAM FIRE AUTHORITY

One question had been received as follows:-

1) from Councillor Gordon Wheeler about the regional control centre (Councillor Darrell Pulk, Chair of the Nottinghamshire and Nottingham Fire Authority replied)

The full response to this question is set out in Appendix A to these Minutes.

(b) QUESTIONS TO COMMITTEE CHAIRMEN

Thirteen questions had been received as follows:-

1) from Councillor Tom Hollis about plans for gritting this winter (Councillor Kevin Greaves replied)

2) from Councillor Jason Zadrozny regarding update on spending of government funding (Councillor Kevin Greaves replied)

3) from Councillor Rachel Madden about County bus services (Councillor Kevin Greaves replied)

4) from Councillor Maureen Dobson concerning traffic issues in Newark-on-Trent (Councillor Alan Rhodes replied)

The full responses to these questions are set out in Appendix B to these Minutes.

Council adjourned for lunch from 12.31pm to 1.30pm after question one.

Councillor John Cottee did not return to the meeting after lunch.

The time limit of 60 minutes allowed for questions was reached before the following nine questions were asked. A written response to each question would be provided to the

Councillor who asked the question within 15 days of the meeting and be included within the papers for the next Full Council meeting.

5) from Councillor John Wilmott about County bus services (Councillor John Knight to reply)

6) from Councillor Keith Longdon regarding an update on the future of the extra care provision scheduled for development in Eastwood (Councillor Muriel Weisz to reply)

7) from Councillor Jason Zadrozny concerning road safety convex mirrors (Councillor Kevin Greaves to reply)

8) from Councillor Philip Owen regarding Section 106 contributions from proposed developments at Top Wighay Farm (Councillor Alan Rhodes to reply)

9) from Councillor Tom Hollis regarding road safety and public transport requirements in Ashfield (Councillor Kevin Greaves to reply)

10) from Councillor Rachel Madden about closure of care homes (Councillor Muriel Weisz to reply)

11) from Councillor Tom Hollis regarding the full costs of hiring the new Chief Executive (Councillor David Kirkham to reply)

12) from Councillor John Wilmott concerning the quality of remedial road repairs (Councillor Kevin Greaves replied)

13) from Councillor Jason Zadrozny concerning future action on A38 in Kirkby (Councillor Kevin Greaves to reply)

12. NOTICE OF MOTION

Motion One

A motion as set out below was moved by Councillor Jason Zadrozny and seconded by Councillor Tom Hollis:-

"TWENTY REALLY IS PLENTY OUTSIDE OUR PARKS AND PLAY AREAS.

This Council recognises the huge difference that reducing the speed limit to 20 mph on residential streets across the County has made.

This Council acknowledges that according to transport statistics - more than half of roads deaths and serious injuries occur on roads with 30 mph limits. We also recognise that many parks and play areas in the County do not have the protection that residential streets enjoy.

This Council further notes the rise in serious road traffic accidents around our parks and play areas. This includes a recent one in Teversal, where a child was seriously injured whilst leaving a play area.

We therefore call upon Nottinghamshire County Council to do a review of all speed limits outside our parks and play areas and to adopt a policy of twenty really is plenty outside our parks and play areas, thus giving park users - many of the them young people and children the same protection outside our parks as on our residential streets."

Following a short debate an amendment to the motion as set out below was moved by Councillor Kevin Greaves and seconded by Councillor Richard Jackson:-

"TWENTY REALLY IS PLENTY OUTSIDE OUR PARKS AND PLAY AREAS.

This Council recognises the potential benefit~~huge difference~~ that could be achieved by reducing the speed limit to 20 mph on residential streets across the County~~ has made~~.

This Council acknowledges that according to transport statistics - more than half of roads deaths and serious injuries occur on roads with 30 mph limits. We also recognise that some~~many~~ parks and play areas in the County do not have the protection that residential streets enjoy.

This Council recognises the seriousness of~~further notes the rise in serious~~ road traffic accidents around our parks and play areas. This includes a recent one in Teversal, where a child was seriously injured whilst leaving a play area.

This Council resolves to carry out~~We therefore call upon Nottinghamshire County Council to do~~ a review of ~~all~~ speed limits outside our parks and play areas, and based on the findings of the review identify the best way forward, recognising the cost of implementation in times of financial constraint but giving a commitment to review the situation over time, thereby affording~~to adopt a policy of twenty really is plenty outside our parks and play areas, thus giving~~ park users - many of the them young people and children - the ~~same~~most suitable and appropriate protection outside our parks as on our residential streets."

Council adjourned from 2.33pm to 2.43pm.

The amendment was accepted by the mover of the motion.

Following a debate, the amendment was put to the meeting and after a show of hands the Chairman declared it was carried so the amendment became the motion.

The motion as amended was put to the meeting and after a show of hands the Chairman declared it was carried and it was:-

RESOLVED: 2015/036

TWENTY REALLY IS PLENTY OUTSIDE OUR PARKS AND PLAY AREAS.

This Council recognises the potential benefit that could be achieved by reducing the speed limit to 20 mph on residential streets across the County.

This Council acknowledges that according to transport statistics - more than half of roads deaths and serious injuries occur on roads with 30 mph limits. We also recognise that some parks and play areas in the County do not have the protection that residential streets enjoy.

This Council recognises the seriousness of road traffic accidents around our parks and play areas. This includes a recent one in Teversal, where a child was seriously injured whilst leaving a play area.

This Council resolves to carry out a review of speed limits outside our parks and play areas, and based on the findings of the review identify the best way forward, recognising the cost of implementation in times of financial constraint but giving a commitment to review the situation over time, thereby affording park users - many of the them young people and children - the most suitable and appropriate protection outside our parks as on our residential streets.

Motion Two

A motion as set out below was moved by Councillor Rachel Madden and seconded by Councillor Jason Zadrozny:-

"ELECTRIFICATION OF NOTTINGHAM TO LONDON RAILWAY LINE

This Council is appalled at the decision of the Government to put on hold the electrification of the Nottingham to London Railway line.

This Council notes that the East Midlands is the biggest growing region outside of the London. We also note the promises made by Conservative Party Candidates in the region in the recent elections.

This Council believes that the delay to the electrification of the substandard existing line will have a devastating impact on the East Midland's economy. This project would have brought significant benefits to our region including construction jobs and created long term economic growth.

We therefore call, as a Council on the Government to make good their promise to the people of Nottinghamshire and the East Midland's region and reverse their decision to prioritise other transport projects across the UK and reinstate their plans to electrify the line that will make a huge difference to our economy.

We call for the Council to write to the Department of Transport and to all MPs in the region making the case of the reinstatement of the project and call for a transport summit to ensure that transport in our County and across our region is no longer treated in this manner."

An amendment to the motion as set out below was moved by Councillor Alan Rhodes and seconded by Councillor Mrs Kay Cutts MBE:-

"ELECTRIFICATION OF NOTTINGHAM TO LONDON RAILWAY LINE

This Council ~~is appalled at~~ notes the decision of the Government to pause ~~put on hold~~ the electrification of the Nottingham to London Railway line, but welcomes other measures to:-

- increase capacity in Nottinghamshire and Leicestershire;
- allow trains to run at higher speed; and
- make station and track improvements at Market Harborough to improve line journey times for passengers.

~~This Council notes that the East Midlands is the biggest growing region outside of the London. We also note the promises made by Conservative Party Candidates in the region in the recent elections.~~

This Council believes that ~~the delay to the~~ electrification of the ~~substandard~~ existing line ~~will have a devastating impact on the East Midland's economy. This project would have brought~~ bring significant benefits to our region including construction jobs and ~~created~~ long term economic growth.

~~We therefore call, as a~~This Council calls on the Government to re-prioritise the electrification of the Midland Mainline ahead of ~~make good their promise to the people of Nottinghamshire and the East Midland's region and reverse their decision to prioritise~~ other transport projects across the UK ~~and reinstate their plans to electrify the line that will make a huge difference to our economy~~.

~~We call for the~~ This Council resolves to write to ~~the Department of Transport and to all~~ MPs, Council Leaders, the 'East Midlands Councils' body, and Chamber of Commerce along the length of the line ~~in the region making the case of the reinstatement of the project and~~ to call for a collective lobby of the Treasury and the Department for Transport to this effect."

The amendment was accepted by the mover of the motion.

Following a debate, the amendment was put to the meeting and after a show of hands the Chairman declared it was carried so the amendment became the motion.

The motion as amended was put to the meeting and after a show of hands the Chairman declared it was carried and it was:-

RESOLVED: 2015/037

ELECTRIFICATION OF NOTTINGHAM TO LONDON RAILWAY LINE

This Council notes the decision of the Government to pause the electrification of the Nottingham to London Railway line, but welcomes other measures to:-

- increase capacity in Nottinghamshire and Leicestershire;
- allow trains to run at higher speed; and
- make station and track improvements at Market Harborough to improve line journey times for passengers.

This Council believes that electrification of the existing line bring significant benefits to our region including construction jobs and long term economic growth.

This Council calls on the Government to re-prioritise the electrification of the Midland Mainline ahead of other transport projects across the UK.

This Council resolves to write to MPs, Council Leaders, the 'East Midlands Councils' body, and Chamber of Commerce along the length of the line to call for a collective lobby of the Treasury and the Department for Transport to this effect.

Motion Three

A motion as set out below was moved by Councillor Tom Hollis and seconded by Councillor Jason Zadrozny:-

"PCSOs

That this Council notes the valuable contribution that Police Community Support Officers make in our our communities.

This Council notes the announcement by Nottinghamshire's Police and Crime Commissioner Paddy Tipping that he intends to axe a number of them.

This council supports the work they do and calls on PCC to protect the officers we value so much."

An amendment to the motion as set out below was moved by Councillor Glynn Gilfoyle and seconded by Councillor Alice Grice:-

"PCSOs

That this Council notes the valuable contribution that Police Community Support Officers make in our ~~our~~ communities <u>and welcomes the fact that they have increased to a record level of 317; deplores the continued Government reduction in grant requiring savings of £42 million or a 20% budget reduction over the past three years together with a saving of £12 million in the current year</u>.

~~This Council notes the announcement by Nottinghamshire's Police and Crime Commissioner Paddy Tipping that he intends to axe a number of them.~~

This Council will work in partnership with both the Chief Constable and the Police and Crime Commissioner in the review of the funding formula which will commence shortly to ensure that Nottinghamshire Police and local residents get a fair deal.

This council supports the work~~ they do~~ PCSOs do in our communities and calls on ~~PCC~~the Police and Crime Commissioner to protect the officers we value so much."

The amendment was not accepted by the mover of the motion.

Following a debate, the amendment was put to the meeting and after a show of hands the Chairman declared it was carried so the amendment became the motion.

Council adjourned from 5pm to 5.10pm.

An amendment to the amended motion as set out below was moved by Councillor Maureen Dobson and seconded by Councillor John Wilmott:-

"PCSOs

That this Council notes the valuable contribution that Police Community Support Officers make in our communities and welcomes the fact that they have increased to a record level of 317.~~; deplores the continued Government reduction in grant requiring savings of £42 million or a 20% budget reduction over the past three years together with a saving of £12 million in the current year.~~

This Council notes the announcement by Nottinghamshire's Police and Crime Commissioner Paddy Tipping that he intends to reduce the number of them.

This Council will work in partnership with both the Chief Constable and the Police and Crime Commissioner in the review of the funding formula which will commence shortly to ensure that Nottinghamshire Police and local residents get a fair deal.

This council supports the work they~~PCSOs~~ do~~ in our communities~~ and calls on the Police and Crime Commissioner to protect the officers we value so much."

The amendment was accepted by the mover of the amended motion.

The motion as amended was put to the meeting and after a show of hands the Chairman declared it was carried and it was:-

RESOLVED: 2015/038

PCSOs

That this Council notes the valuable contribution that Police Community Support Officers make in our communities and welcomes the fact that they have increased to a record level of 317.

This Council notes the announcement by Nottinghamshire's Police and Crime Commissioner Paddy Tipping that he intends to reduce the number of them.

This Council will work in partnership with both the Chief Constable and the Police and Crime Commissioner in the review of the funding formula which will commence shortly to ensure that Nottinghamshire Police and local residents get a fair deal.

This council supports the work they do and calls on the Police and Crime Commissioner to protect the officers we value so much.

Councillor Alice Grice left the meeting at 4.37pm during consideration of this item and did not return.

14. ADJOURNMENT DEBATE

None

The Chairman declared the meeting closed at 5.14 pm.

CHAIRMAN

APPENDIX A

COUNTY COUNCIL MEETING HELD ON 9TH JULY 2015
QUESTIONS TO NOTTINGHAMSHIRE AND CITY OF NOTTINGHAM FIRE AUTHORITY

Question to the Chairman of the Nottinghamshire and City of Nottingham Fire Authority, from Councillor Gordon Wheeler

Four years ago, a National Audit Office report described John Prescott's *FiReControl Project* as a 'failure' which had wasted 'a minimum of £469 million' nationally. Even now, the unused Castle Donington control centre is costing taxpayers more than £4,000-a-day to maintain. A Fire Brigade Union spokesman said about the project: "We said it was too ambitious, it would overrun on costs and it was not needed."

Would the Chairman of the Fire Authority, as a former Director of the company created to operate this site, explain to this Council what role, if any, he has played in the efforts to resolve this expensive mistake, and will he join me in welcoming the news that potential bidders have now come forward to take the site on?

Response from Councillor Darrell Pulk, Chairman of the Nottinghamshire and City of Nottingham Fire Authority

I am sure that Councillor Wheeler as a prominent member of Nottingham Fire and Rescue Authority of many years standing is fully aware of the background surrounding the FireControl Project and roles and responsibility of fire authorities. For the benefit of other members, I will first give some detail as to the background around the project.

The project extended beyond just the commissioning of control centres and new IT solutions and was part of a new dimensions program following 9/11. FireControl aimed to improve the resilience, efficiency and technology of Fire and Rescue services by replacing 46 local control rooms with a network system to handle calls, mobilise equipment and manage incidents. Many of the existing controls were considered outdated and in need of replacement.

FireControl commenced in 2004 and was expected to be completed by October 2009. In 2007 the Department for Communities and Local Government (DCLG) contracted European Air and Defence Systems (EADS), now Kasabian, to design, develop and install the computer system underpinning the project. However the project was subject to a number of delays and costs escalated over its lifetime.

FireControl aimed to deliver a more resilient service with the support of the Fire and Rescue Service responding to major emergencies including terrorist incidents, natural disasters and industrial accidents. As I said this was in order to compliment the new dimensions program following 9/11 and provide the effecting mass coordination and contamination, urban search and rescue, high volume pumping and enhanced hazard material detection, identification and monitoring. It also aimed to enhance the capabilities which would ensure that all Fire and Rescue services and their staff had access to the best supporting infrastructures and it would achieve greater operational efficiencies through economies of scale.

The coalition government cancelled the project in December 2010 after concluding that it could not be delivered to an acceptable timescale. At the point when that decision was made, the Department had spent £245 million on the project and calculated that completion would take the total cost to more than five times the original estimate of £120 million.

As with the inception of the project, Firefighters were informed of the decision rather involved with the decision when it was cancelled. The nine regional control centres were purpose-built by DCLG on sites determined by DCLG to house the new computerised equipment and were designed specifically for that purpose.

APPENDIX B

COUNTY COUNCIL MEETING HELD ON 9TH JULY 2015
QUESTIONS TO COMMITTEE CHAIRMEN

Question to the Chairman of the Transport and Highways Committee, from Councillor Tom Hollis

Could the Chairman please give the Council an update on plans for gritting this Winter, what steps have the Council taken to avoid last year's debacle and what will the Council do differently this year?

Response from Councillor Kevin Greaves, Chairman of the Transport and Highways Committee

"The delivery of winter gritting and snow clearance operations last year, as in previous years, was in line with Council's policy and standards which are set out in the Highway's Network Management Plan, the Winter Service Operational Plan and the Winter Weather plan.

Weather prediction is not an exact science and the Council makes best use of weather forecast information and data from its own weather stations to inform operational decisions. However there are occasions, where weather conditions change rapidly and snow blankets the roads without warning and despite the best efforts of our teams, working in hazardous conditions overnight, it can take time to fully clear our roads. This Council is no different to any other Council in facing these difficulties and it is interesting to note that our neighbours had exactly the same problems we did, at the same time last year.

For the forthcoming winter I can report that our road salt supplies are being replenished right now so that we will have full stocks; almost twice as much as the Government recommends, this means that the risk of running out should there be any bad weather, is removed.

Improvements are being made to the location systems used in the gritting vehicles to give better information to those managing the service and investigations are taking place to allow this information to be provided more widely."

Question to the Chairman of the Transport and Highways Committee, from Councillor Jason Zadrozny

Whilst welcoming the £77,000,000 given to the County Council by the previous Coalition Government - Can the Chairman please update the Council on how this money is being spent and where? Can he confirm how the Council are deciding how this money is being spent and that everywhere in the County is getting its fair share.

Response from Councillor Kevin Greaves, Chairman of the Transport and Highways Committee

"Councillor Zadrozny here refers to the £77.8m allocated for Highways Maintenance over the next 6 years commencing in 2015/16.

Capital funding is allocated for maintenance of all of the highways assets – roads, bridges, signs, lighting etc.

The annual programmes are made up of schemes across the County based on evidence of need, identified through technical surveys and analysis. Value for money; as well as delivery of corporate priorities, national transport priorities, and the County Council's local transport objectives are also factored into preparing the works programmes.

The annual capital programmes are approved at Transport and Highways Committee. Prior to approval the programmes are sent to all County Council members for comment so that each member is given the opportunity to comment on them and offer further scheme suggestions for consideration.

If the member would like further information on how or where the 2015/16 capital programmes will be spent it is detailed clearly in the 19th March 2015 'Integrated Transport and Highway Maintenance Capital Programmes 2015/16' Transport and Highways Committee report."

Question to the Chairman of the Transport and Highways Committee, from Councillor Rachel Madden

Whilst welcoming the new network of bus services providing connections between Worksop, Gainsborough and Retford. Can I ask what plans the Council has to replace bus services axed in the County including evening and Sunday services?

Response from Councillor Kevin Greaves, Chairman of the Transport and Highways Committee

"The Councillor will know that due to severe budget pressures we have reduced support local bus service funding by £1.8m over the last two years. To achieve this we had no option but to withdraw financial support for poorly used services and services operating in the evenings, Sundays and bank holidays. This strategy ensured that we could sustain operating services during the daytime on Monday to Saturdays thus ensuring local residents could continue to access jobs and essential services such as health. The County Council has no plans to replace the withdrawn services."

Question to the Leader of the Council, from Councillor Maureen Dobson

As County Councillor for the Collingham Division I have been active in encouraging collaboration amongst the relevant authorities to resolve the traffic issues faced by Newark-on-Trent. Can the Leader inform us of the progress the Council has made in engaging and lobbying the Government in its project to resolve this severe traffic situation. Once again we have had another week of horrendous traffic congestion and the residents I represent are finding it impossible to get to work and businesses are suffering.

Response from Councillor Alan Rhodes, Leader of the Council

“I share your concerns about the congestion and consequent economic impact on Newark and its environs resulting from the inadequacies of the junctions of the A46 Newark Relief Road at A616/A617 (Cattlemarket roundabout), A1/A46 and A46/A17 and the remaining single lane highway. Councillor Maureen Dobson is the only Newark County Councillor to raise these issues directly with me, the Chair of the Transport and Highways Committee and the most Senior Officers of the Highways Division. She has done so with tenacity and consistency and I admire both of these qualities.

The County Council will continue to lobby Highways England to deliver the major improvement to the A46 Newark Relief Road as set out in the Government’s Roads Investment Strategy. A letter to Highways England was sent by the Corporate Director of Environment and Resources in June advising that the problems faced in Newark appear to be accelerating and intensifying since the lobby last autumn.

I was delighted to lead that lobby of the Roads Minister John Hayes together with Robert Jenrick MP, Councillor Roger Blaney and Senior Officers of Nottinghamshire County Council and Newark and Sherwood District Council. This was an excellent example of joint working between the County Council, the District Council and the Member of Parliament.

This administration is fully aware of the problems being faced by residents and businesses of Newark. We will be doing everything we can to work in partnership to address this.

A meeting with the MP, Highways England and County Council representatives is set to take place tomorrow at which we will urge Highways England to resolve the serious traffic problems as quickly as possible and will encourage interim schemes of improvement to be implemented in advance of the major scheme.”

Nottinghamshire County Council

Report to County Council

17th September 2015

Agenda Item: 7

REPORT OF THE CHIEF EXECUTIVE

Clarification of Minutes of Committee Meetings published since the last meeting on 9th July 2015

Purpose of the Report

1. To provide Members the opportunity to raise any matters of clarification on the minutes of Committee meetings published since the last meeting of Full Council on 9th July 2015.

Information and Advice

2. The following minutes of Committees have been published since the last meeting of Full Council on 9th July 2015 and are accessible via the Council website:- http://www.nottinghamshire.gov.uk/dms/Meetings.aspx

Committee meeting	Minutes of meeting
Adult Social Care and Health Committee	15th July
Appeals Sub-Committee	22nd June
Audit Committee	10th June
Children & Young People's Committee	15th June, 13th July*
Community Safety Committee	2nd June
Corporate Parenting Sub-Committee	8th June
Culture Committee	9th June, 21st July*
Economic Development Committee	None
Environment and Sustainability Committee	11th May
Finance and Property Committee	29th June, 20th July
Grant Aid Sub-Committee	None
Health Scrutiny Committee	18th May, 20th July*
Health & Well Being Board	3rd June
Joint City/County Health Scrutiny Committee	16th June, 14th July
Joint Committee on Strategic Planning and Transport	12th June*
Nottinghamshire Pensions Fund Committee	16th June
Pensions Investment Sub-Committee	4th June
Pensions Sub-Committee	21st May
Personnel Committee	1st July*
Planning & Licensing Committee	30th June, 21st July*
Police & Crime Panel	15th June
Policy Committee	17th June, 15th July
Public Health Committee	2nd July

Committee meeting	Minutes of meeting
Transport and Highways Committee	18th June, 16th July

* Minutes expected to be published before 17th September 2015, but not yet approved by the relevant Committee.

Anthony May
Chief Executive

Nottinghamshire County Council

Report to COUNTY COUNCIL

17 September 2015

Agenda Item: 8

REPORT OF CHAIRMAN OF FINANCE AND PROPERTY COMMITTEE

STATEMENT OF ACCOUNTS 2014/15

Purpose of the Report

1. To inform the County Council of the results of the external audit of the Statement of Accounts 2014/15.

2. To present the Audited Statement of Accounts 2014/15 for approval by the County Council.

3. To inform Council of the contents of the auditor's Annual Governance Report.

4. To present the letter of representation to be issued in relation to the audit for approval by County Council.

Audit Results

5. The statutory audit of the Statement of Accounts 2014/15 was undertaken by KPMG. The audit was completed satisfactorily and the audit report to be issued will include an unqualified opinion on the financial statements.

6. No material adjustments were identified within the financial statements.

7. The audit did not identify any significant weaknesses in internal control and there were no significant difficulties or matters identified during the audit.

8. The auditor will issue an unqualified value for money conclusion stating that the Council had proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

9. The statement of accounts is one of the key documents prepared by the Council to demonstrate good governance and value for money. This provides information about the County Council's financial position, performance and cash flows and consequently, shows the results of the stewardship and accountability of elected members and management for the resources entrusted to them, which is of paramount importance in the use of public funds.

10. The results of this year's audit are a continued positive reflection of the Council's performance, particularly in the context of the continuing complexities arising from the introduction of International Financial Reporting Standards.

11. As required by The Accounts and Audit (England) Regulations 2011, the Council's S151 Officer will recertify the accounts following completion of the audit, the Chairman of the County Council will sign the Statement of Approval and the S151 Officer will sign the letter of representation.

Statutory and Policy Implications

12. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

13. That

    a) The contents of the Annual Governance Report are noted.

    b) The letter of representation is approved.

    c) The Statement of Accounts 2014/15 is approved.

Councillor David Kirkham
Chairman of Finance and Property Committee

For any enquiries about this report please contact:
Nigel Stevenson
Service Director (Finance, Procurement and Improvement)

Constitutional Comments (HD 07/09/2015)

14. Full Council is the appropriate body to consider the content of this report; it is a legal requirement to present externally audited accounts to Full Council.

Background Papers

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Annual Governance Report 2014/15

Electoral Division(s) and Member(s) Affected

All

NOTTINGHAMSHIRE COUNTY COUNCIL
ANNUAL FINANCIAL REPORT 2014/15

Contents **Page**

EXPLANATORY FOREWORD

1. The Authority's Statement of Accounts for the year 2014/15 is set out on the following pages. It is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 (the Code) and the Service Reporting Code of Practice (SeRCOP), both issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The statements also comply with appropriate guidance notes issued by CIPFA covering International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and interpretations of the Standing Interpretations Committee (SIC) and IFRS Interpretations Committee (IFRIC) as they apply to local authorities.

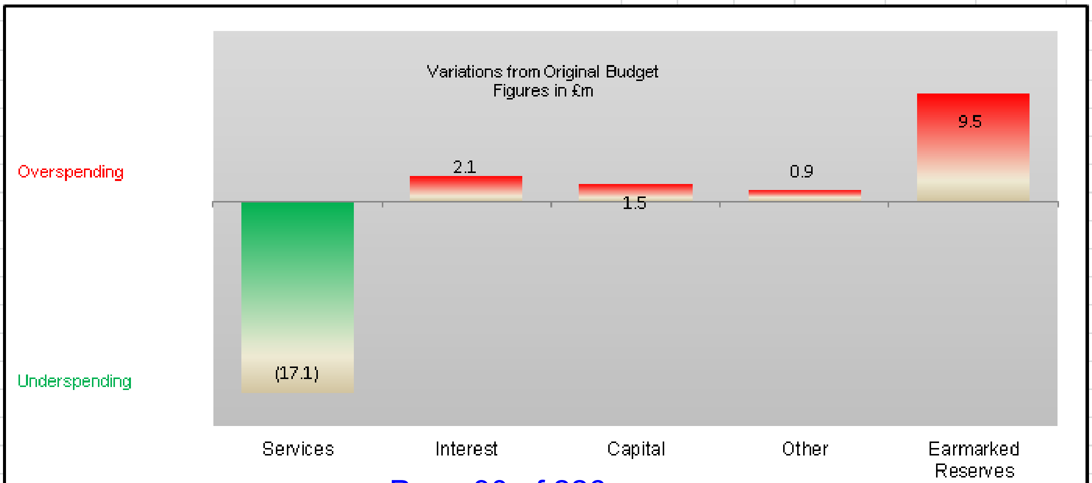
2. This foreword gives a brief summary of the Authority's overall financial results for 2014/15. It also indicates the type of expenditure incurred and the ways in which money has been raised to pay for this.

Revenue Expenditure

3. The original budget estimated that there would be a £5.2 million contribution from General Fund balances. The final accounts show that there was a reduction of £2.1 million in balances.

	Original Budget £m	Actual £m	Variance from Budget £m
INCOME			
Income raised from taxation:			
Precept Income (Council Tax)	284.2	284.2	-
Non Domestic Rate Income	98.0	98.8	(0.8)
Revenue Support Grant	122.0	122.0	-
	504.2	505.0	(0.8)
NET EXPENDITURE (inc appropriations)	**509.4**	**507.1**	**(2.3)**
Contribution (to)/from General Fund Balances	**5.2**	**2.1**	**(3.1)**

The main variations to net expenditure were:



	£m	£m
Areas where non-schools expenditure was reduced:		
Underspending on services	(17.1)	
Areas where non-schools expenditure increased:		
Interest Payments	2.1	
Capital Payments	1.5	
Other	0.9	
		(12.6)
Movement on reserves created from items above:		
Improvement Programme	2.1	
Earmarked Underspendings	2.1	
Public Health	4.8	
Net Other	0.5	
		9.5
Overall decrease in net expenditure compared with budget		**(3.1)**

In addition, the Schools Statutory Reserve has increased by £1.6 million.

4. The following table shows the position on the various balances and available reserves held by the Authority and usable for revenue purposes.

	31 March 14 £m	Movement during year £m	31 March 15 £m
General Fund Balances	29.1	(2.1)	27.0
Insurance Reserve	10.8	(0.5)	10.3
Schools Statutory Reserve	36.3	1.6	37.9
Reserves:			
Trading Services	2.7	0.5	3.2
Earmarked for Services	48.2	2.7	50.9
Earmarked Reserves	3.4	(2.3)	1.1
Capital Projects Reserve	21.3	(10.1)	11.2
NDR Pool Reserve	0.2	2.2	2.4
East Leake PFI Schools	3.1	0.1	3.2
Bassetlaw PFI Schools	0.6	(0.3)	0.3
Waste PFI Reserve	28.7	0.4	29.1
Corporate Pay Review Reserve	0.8	(0.1)	0.7
The Improvement Programme	3.0	(0.5)	2.5
Corporate Redundancy Reserve	10.1	(1.0)	9.1
Strategic Development Fund	9.0	(1.6)	7.4
	207.3	**(11.0)**	**196.3**

5. The gross revenue cost of Authority services was £1,085.3 million in 2014/15. The analysis by type of expenditure is:

	Amount £m	Proportion %
Employees:		
Teachers and Lecturers	142.7	13.1
Other Employees	267.9	24.7
Other Running Costs	626.1	57.7
Capital Charges to service revenue accounts	48.6	4.5
	1,085.3	**100.0**

6. The methods of financing the gross revenue cost of services are shown in the following table:

	Amount £m	Proportion %
Specific Revenue Grants paid to County Council	417.1	38.5
Fees and Charges etc.	157.2	14.5
	574.3	53.0
Council Tax, National Non-Domestic Rate, RSG and general revenue grants	533.0	49.1
Interest and Investment Income	0.4	-
Other Items	(22.4)	(2.1)
	1,085.3	**100.0**

7. The Authority's Medium Term Financial Strategy (MTFS) has identified the need for further significant savings. Budget reductions of £30.2 million were approved in February 2015 with a further £25.7 million required by 2018/19. All savings are monitored with a status update included in the monthly report to Finance and Property Committee.

8. Forthcoming changes will affect Local Government Accounting during 2015/16. Public Health responsibilities for children aged 0-5 will transfer to Local Authorities from 1 October 2015. The Better Care Fund announced in the June 2013 spending round will provide financial support for Councils and NHS organisations to jointly plan and deliver local services.

Capital Expenditure and Financing

9. The Authority's capital expenditure in 2014/15 was £101.1 million including amounts counted as capital expenditure for control purposes. The external capital financing costs amounted to £32.9million, which included interest on PFI schemes.

10. At 31 March 2015, the insured value of the Authority's buildings was £1,661 million. The net book value of property, plant and equipment was £1,185 million. The Authority owns approximately 4,067 hectares of land and is responsible for 4,619 kilometres of roads.

11. The Authority's borrowings, used to finance the past acquisitions of assets, were £543.9 million at 31 March 2015. This includes long term borrowings, loans to be repaid within one year, deferred liabilities and finance leases related to PFI schemes. The Authority makes use of financial instruments called Lenders' Option Borrowers' Option (LOBOs)

which offer attractive borrowing rates of interest as well as greater flexibility. At 31 March 2015 the amount owed of these type of borrowings was £100.0 million.

12. The Authority has entered into Private Finance Initiative (PFI) partnerships. The major schemes are as follows:

- The provision of schools at East Leake. Service commenced during 2003/04
- The provision of schools and leisure facilities in Bassetlaw which commenced during 2007/08
- Waste recycling and energy recovery facilities. The waste recycling facility became operational in 2007/08.

Further details of all PFI contracts are set out in Note 34 to the Accounts.

Explanation of the Statements

13. **Annual Governance Statement**
Alongside the Statement of Accounts the Authority publishes an Annual Governance Statement which sets out the Authority's responsibility for internal control and describes both the purpose of internal control and the internal control environment. The Statement also summarises the Authority's review of the effectiveness of internal control and highlights significant internal control issues and the actions to be taken in order to address these.

14. **Other Statements**
The Statement of Accounts is supported by the Statement of Responsibilities, the Statement of Accounting Policies and the Notes which follow the core financial statements. In addition, the Authority publishes the Pension Fund Accounts and a glossary of financial terms.

15. **Movement in Reserves Statement**
This statement shows the movement in the year on the different reserves held by the Authority, analysed into usable reserves (i.e. those that can be applied to fund expenditure or reduce local taxation) and unusable reserves. The surplus / deficit on the provision of services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for Council Tax setting purposes. The net increase /decrease before transfers to earmarked reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Authority.

16. **Comprehensive Income and Expenditure Statement**
This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

17. **Balance Sheet**
The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or reduce

the Authority's Capital Financing Requirement). The second category of reserves are unusable reserves with which the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets were sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulation'.

18. **Cash Flow Statement**

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of taxation and grant income or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

19. **Pension Fund Accounts**

This Statement shows the income and expenditure relating to the Local Government Pension Scheme (LGPS) administered by Nottinghamshire County Council.

20. **Pension Net Assets Statement**

This Statement shows the net current assets and liabilities arising from the operation of the Authority's Pension Scheme (LGPS). This Statement does not take account of liabilities to pay pensions and other benefits after the period end. Such liabilities are shown in the Balance Sheet.

ANNUAL GOVERNANCE STATEMENT

1. Scope of Responsibility

Nottinghamshire County Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. Public money must be safeguarded and properly accounted for, and used economically, efficiently and effectively. The Authority has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The Localism Act 2011 has, among other things, established a general power of competence for local authorities.

In discharging this overall responsibility, the County Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including the arrangements for the management of risk.

This statement meets the requirements of regulation 4 of the Accounts and Audit Regulations (England) 2011 in relation to the publication of an annual governance statement.

2. The Purpose of the Governance Framework

The governance framework comprises the culture, values and duties of the Authority, supported by the systems and processes put in place to provide assurance that the culture, values and duties are complied with in practice. The Authority uses this framework to direct and control its work and ensure that it engages with, leads, and accounts to the community it serves. The framework enables the Authority to provide assurance over the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate cost-effective services within the existing legal framework.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at the County Council for the year ended 31 March 2015 and up to the date of approval of the Statement of Accounts.

3. The Governance Framework

The Authority's governance framework comprises many systems and processes including the arrangements for:-

a) Identifying and communicating the Authority's vision of its purpose and intended outcomes for citizens and services users.

The Council has agreed a new Strategic Plan for the period from 2014 to 2018. The Plan:-

- Provides a clear statement of the Authority's vision, priorities and values, together with a commitment to treat people fairly, provide value for money and to work together with our partners and residents.
- Enables agreed policy objectives and statutory requirements to drive the Authority's activities.

- Enables the communication of the Authority's priorities to the community of Nottinghamshire, partner organisations and staff.
- Provides a broad framework of objectives and performance indicators, to ensure effective performance management.

The performance indicators used to monitor its delivery and the key actions undertaken to deliver the priorities are reviewed and refreshed each year to ensure they remain achievable and appropriate.

Each year the Authority approves the annual budget and capital programme which includes an update of the Medium Term Financial Strategy. The Medium Term Financial Strategy is the financial plan which underpins the Strategic Plan.

b) Reviewing the Authority's vision and its implications for the Authority's governance arrangements

The Strategic Plan provides the basis for future corporate and service planning over the period 2014 to 2018. Progress on the Authority's achievements is assessed by the monitoring of agreed key actions and meeting performance indicator targets. Progress across the whole plan is reported quarterly to the Corporate Leadership Team to enable performance to be managed. The Corporate Leadership Team also review performance risks on a monthly basis. The Authority has developed a strategic management framework which sets out in detail the individual factors that are required to manage performance and how they work together in the Authority. The framework has been developed and approved by the Corporate Leadership Team and reported to Policy Committee and a supporting Annual Delivery Plan was approved on 2nd April 2014.

c) Measuring the quality of services for users, ensuring that they are delivered in accordance with the Authority's objectives and ensuring that they represent the best use of resources.

The Authority carried out extensive budget consultations in preparing the 2014/15 and 2015/16 budgets. A Citizens Panel, 'Nottinghamshire Listens', made up of approximately 6,000 people is in place and has been used to engage with citizens throughout the County on a wide range of issues. Progress towards delivering the Strategic Plan's priorities and objectives is monitored quarterly and reported to Policy Committee.

d) Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication.

The Head of Paid Service is responsible for reporting to Full Council on the manner in which the discharge of the Council's functions is co-ordinated, the number and grade of officers required for the discharge of functions and the organisation of officers.
The Monitoring Officer is responsible for maintaining the Constitution, ensuring it is available for inspection and making minor changes as a result of any restructuring. The Monitoring Officer is also responsible for ensuring the lawfulness and fairness of decision making; this includes responsibility, after consulting with the Head of Paid Service and Chief Finance Officer, to report to Full Council if they consider that any proposal, decision or omission would give rise to unlawfulness or maladministration. The Monitoring Officer is responsible for contributing to the promotion and maintenance of high standards of conduct.
The Constitution sets out how decisions are made and the procedures followed to ensure that these are efficient, transparent and accountable to local people. There was a significant change in the Authority's constitution in 2012, with a move to a committee system of decision making. The Authority established service committees for each of the key areas of service, in addition to an

overarching Policy Committee and Full Council. The Constitution is under continuous review and a number of changes have been made during 2014/15 to keep it relevant; the most recent changes became effective in March 2015.

e) Developing, communicating and embedding codes of conduct, defining the standards of behaviour for Members and staff.

Codes of Conduct, for both Members and staff, are contained within the Constitution together with the Code on Member and Officer Relationships. The Constitution is posted on the Council's website. In January 2014, a new Conduct Committee was approved by Full Council with terms of reference and a Procedure for Dealing with Conduct Allegations agreed in February 2014. The Procedure commits the Council to promoting and maintaining high standards of conduct by all Councillors and Co-opted Members.

f) Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks.

The Monitoring Officer is responsible for keeping the Constitution under review and reporting any proposed amendments to Council. The most recent review was in March 2015. The Authority's Risk Register is reviewed at each of the five meetings a year of the Risk, Safety and Emergency Management Board to determine whether additional steps are required to mitigate key risks.

g) Ensuring the Authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of The Chief Financial Officer in Local Government

The Statement sets out the five principles that need to be met, to ensure that the Chief Financial Officer can carry out the role effectively. The principles are that the Chief Financial Officer:-

- Is a key member of the Leadership Team
- Must be actively involved in all material business decisions
- Must lead the promotion and delivery of good financial management
- Must lead and direct a finance function that is resourced to be fit for purpose
- Must be professionally qualified and suitably experienced.

The Chief Financial Officer for the Authority is the Service Director – Finance and Procurement. This post reports to the Corporate Director for Environment and Resources who is a member of the Leadership Team. The Chief Financial Officer is also a member of the Leadership Team, ensuring involvement in material business decisions. The Authority have set up the Business Support Centre which manages financial transactions on behalf of the Authority, including payroll, pensions and income transactions. As the Business Support Centre does not report to the Chief Financial Officer, controls have been established to ensure that the Chief Financial Officer can secure the promotion and delivery of good financial management in these areas. The Chief Financial Officer is professionally qualified. A regular report on the Council's financial position is made to the Finance and Property Committee.

h) Undertaking the core functions of an audit committee, as identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities.

A self-assessment of compliance with the new Public Sector Internal Audit Standards was completed during 2013/14 and the results reported to the Audit Committee. A Quality Assurance and Improvement Programme has been agreed to address the identified issues. The core functions relate to the review of Internal and External Audit work, the effectiveness of the Authority's control environment, the review of the annual assurance statement and the review of the financial statements. These functions are covered by the Audit Committee.

i) Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.

The Monitoring Officer is responsible, after consultation, for reporting to the relevant committee or Council if it is considered that any proposal, decision or omission would give rise to unlawfulness. In addition, Constitutional Comments are contained in reports to Council and Committees to advise on compliance with the policy framework and the Constitution. The Service Director - Finance and Procurement also has a responsibility to highlight any proposal, decision or course of action which will involve any unlawful expenditure. The External Auditors also carry out an external audit of the Council's accounts.

j) Whistle-blowing and receiving and investigating complaints from the public.

The Authority's Whistleblowing Policy was reviewed by Policy Committee in December 2013 and revised to reflect changes in legislation. The Authority's complaints procedure is well established and is monitored by the Policy Committee. The Policy Committee receives an annual report on the discharge of the Authority's duties under the Whistleblowing Policy.

k) Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training.

During 2014/15 the member development programme continued to respond to changing national and local policy. Elections were held in May 2013 resulting in a number of new Members being elected. A comprehensive induction programme was completed to provide information and briefings on a range of issues to new and returning Members. All officers, including senior officers, are subject to annual Performance and Development Reviews. These reviews specifically identify and monitor development and training needs in relation to the individual employee's role. The Performance and Development Reviews also sets out a detailed Competency Framework which sets out the observable skill levels and behaviours required of every employee at each tier of the organisation.

l) Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.

There is a steady move towards more digital communications which is more cost effective and targeted than other traditional print models. While this trend is expected to continue over the coming years, it is important to not exclude anyone so there is likely to remain a mixed approach for the foreseeable future. An ambitious and wide-ranging digital transformation project, called Digital First, is currently under way and is due to deliver a customer focussed, transactional website in September 2015 along with a new approach to social media and more effective employee engagement tools. Where possible, better value for money products have been developed such as the Life magazines that target all residents, families and the retired community. These sit alongside and are complemented by the electronic channels such as the authority's email subscription service, Emailme, which now has more than 100,000 subscriptions. All of these improvements have helped to deliver some of the biggest budget consultations in the Authority's history. Last year there were more than 17,000 responses to the budget consultation.

m) **Incorporating good governance arrangements in respect of partnerships and other group working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the Authority's overall governance arrangements.**

The Authority works in partnership with a number of bodies. Formal, joint governance arrangements are in full compliance with public administration rules.

4. Review of Effectiveness

The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Authority (Head of Paid Service, Monitoring Officer and Chief Financial Officer) who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the External Auditor and other review agencies and inspectorates.

Throughout 2014/15, the Authority has maintained and reviewed the effectiveness of the governance framework. In particular:-

a) The County Council has received and considered a number of reports, including:-

- Statement of Accounts 2013/14
- Treasury Management
- Strategic Plan for 2014/2018
- Conduct Issues
- Budget Report 2015/16 and Medium Term Financial Strategy 2015/16 to 2018/19
- Pay Policy Statement for 2014/15
- Amendments to the Constitution

b) Policy Committee has considered and approved a number of reports in its role as the committee responsible for policy development and approval, including:-

- Annual Delivery Plan 2014/15
- Redefining your Council – A framework for transformation
- Redefining your Council – Consultation outcome
- Local Government transparency code
- Annual Delivery Plan 2014/15 quarterly progress reports
- Transformation Programme progress update
- Budget Consultation 2015/16
- Redefining your Council – Transformation and spending proposals 2015/16 to 2017/18
- Findings from the Nottinghamshire Annual Residents Satisfaction Survey 2014
- Digital Transformation progress update
- Outcomes from the complaints process – April 2014 to December 2014

c) The Audit Committee have considered a wide variety of issues including:-

- Internal Audit Annual Plan 2014/15
- Statement of Accounts 2013/14
- Annual Governance Statement
- Statement on conformance with Public Sector Internal Audit Standards
- Revised Counter-Fraud and Counter-Corruption Policy

- Internal Audit Annual Report
- Statement of Accounts 2014/15 – Accounting Policies
- KPMG External Audit Plan 2014/15

d) Internal Audit has undertaken planned reviews of internal control procedures across all departments and across a range of functions in the Authority. Each review contains an opinion on the internal controls in place and Internal Audit's overall opinion of the Authority's system of internal control, based on the audits completed in 2014/15, is that it is good.

e) External Audit's report to those charged with governance (Audit Committee) for 2013/14 stated that the Auditor issued an unqualified audit opinion on the County Council's 2013/14 accounts. No material audit adjustments within the financial statements were identified. The Authority's organisational control environment was deemed effective overall, and they did not identify any significant weaknesses in controls over key financial systems. They undertook a review of the work of internal audit. Their review did not identify any significant issues and they were able to rely on internal audit work where this was relevant to their work. The Auditor also concluded that the Council had made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

5. Significant Governance Issues

The Authority continues to face significant financial challenges. Local authorities are struggling with falling Government grants while facing increased demand for services as well as other cost pressures from inflation and new legislation.

In response to the financial outlook, a new transformation framework, ***Redefining Your Council***, was established in July 2014. The framework seeks different ways of delivering services by looking first at innovative and creative solutions. A comprehensive review has been carried out into every aspect of Council activity with a particular focus on high-cost services.

An evaluation of the first phase of Redefining Your Council will be undertaken to assess progress and initiate plans for the next phase of transformation and develop further proposals. The Council's Medium Term Financial Strategy shows that the Council can deliver a balanced budget in 2015/16, however further savings of £25.7 million will be required from 2016/17 to 2018/19.

Against this backdrop, there are a number of other key governance issues that need to be addressed:-

a) The Council will continue its transformation into a smaller organisation with a greater diversity of delivery arrangements with the potential for greater risk. Alternative Service Delivery Models are under consideration in a number of areas, including Highways, Libraries and Support Services.

b) Changes to national policy such as the Care Bill, which comes into effect in 2015/16

c) Following the County Council elections in 2013 the Authority had a Labour majority. Over the last two years there have been several changes in the membership of the County Council Labour Group which have resulted in the Authority having no overall control. The places allocated on committees to groups and to the 4 elected members who are not in a group has been reassessed on three occasions to ensure it complies with the requirements of political proportionality.

d) The Council is currently undergoing a Boundary review by the Local Government Boundary Commission. Throughout the review a cross party member reference group has worked with officers on the Council's submission and make recommendations to Full Council and Policy Committee on those submissions.

e) Social care provision is increasingly being integrated with health care provision. Work is underway to manage this effectively.

The Council has adopted a robust approach to addressing these financial, demographic, technological and legislative challenges.

The Audit Committee reviewed the governance framework detailed in this statement at their meeting on 10 June 2015. We are aware of the steps that are being and will be taken to address the above significant governance issues and we are satisfied that these are appropriate. We will monitor their implementation during the course of 2015/16 and beyond.

Councillor Alan Rhodes
Leader of the County Council
10 June 2015

Anthony May
Chief Executive
10 June 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOTTINGHAMSHIRE COUNTY COUNCIL

Independent auditor's report to the members of Nottinghamshire County Council

We have audited the financial statements of Nottinghamshire County Council for the year ended 31 March 2015 on pages 18 to 112. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.

This report is made solely to the members of the Authority, as a body, in accordance with Part II of the Audit Commission Act 1998. Our audit work has been undertaken so that we might state to the members of the Authority, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Authority, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Service Director (Finance & Procurement) and auditor

As explained more fully in the Statement of the Service Director (Finance & Procurement)'s Responsibilities, the Service Director (Finance & Procurement) is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Authority's and the Pension Fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Service Director (Finance & Procurement); and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Explanatory Foreword and the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2015 and of the Authority's expenditure and income for the year then ended;
- give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2015 and the amount and disposition of the fund's assets and liabilities as at 31 March 2015 and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.

Matters on which we are required to report by exception

The Code of Audit Practice 2010 for Local Government Bodies requires us to report to you if:

- the annual governance statement set out on pages 7 to 13 the annual governance statement which accompanies the financial statements does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007; or
- the information given in the explanatory foreword and the content of the Annual Report for the financial year for which the financial statements are prepared is not consistent with the financial statements; or
- any matters have been reported in the public interest under section 8 of Audit Commission Act 1998 in the course of, or at the conclusion of, the audit; or
- any recommendations have been made under section 11 of the Audit Commission Act 1998; or
- any other special powers of the auditor have been exercised under the Audit Commission Act 1998.

We have nothing to report in respect of these matters

Conclusion on Nottinghamshire County Council's arrangements for securing economy, efficiency and effectiveness in the use of resources

Authority's responsibilities

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission.

We report if significant matters have come to our attention which prevent us from concluding that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our audit in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria, published by the Audit Commission in October 2014, as to whether the Authority has proper arrangements for:

- securing financial resilience; and
- challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2015.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Conclusion

On the basis of our work, having regard to the guidance on the specified criteria published by the Audit Commission in October 2014, we are satisfied that, in all significant respects, Nottinghamshire County Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2015.

Certificate

We certify that we have completed the audit of the financial statements of Nottinghamshire County Council in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice 2010 for Local Government Bodies issued by the Audit Commission.

Tony Crawley
for and on behalf of KPMG LLP, Appointed Auditor

Chartered Accountants
1 Waterloo Way
Leicester
LE1 6LP

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Authority's Responsibilities

The Authority is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. The Service Director (Finance & Procurement) is the responsible officer;
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- to prepare and publish a Statement of Accounts in accordance with the Accounts and Audit (England) Regulations 2011 ("the Regulations").

Responsibilities of the Service Director (Finance & Procurement)

The Service Director (Finance & Procurement) is responsible for the preparation of the Authority's Statement of Accounts, in accordance with the appropriate CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Service Director (Finance & Procurement) has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code and the Regulations.

The Service Director (Finance & Procurement) has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the accounts present a true and fair view of the financial position at the accounting date and its income and expenditure for the year ended on that date.

Nigel Stevenson
Service Director (Finance & Procurement), Environment and Resources
30 June 2015

STATEMENT OF APPROVAL OF THE STATEMENT OF ACCOUNTS

The Statement of Accounts was approved by a meeting of the County Council on 17 September 2015. The Service Director (Finance & Procurement) is satisfied with the position set out in the Statement of Accounts. As Chairman of Nottinghamshire County Council, I am satisfied that the approval process for the Statement of Accounts has now been completed satisfactorily and that the Statement of Accounts may now be issued.

Councillor Sybil Fielding
Chairman of the County Council
17 September 2015

STATEMENT OF ACCOUNTING POLICIES

1. General Policies

The Statement of Accounts summarises the Authority's transactions for the 2014/15 financial year and its position at the year-end of 31 March 2015. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2012, which require them to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 and the Service Reporting Code of Practice 2014/15, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

2. Exceptional Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Authority's financial performance.

3. Prior Period Adjustments, Changes in Accounting Policies, Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

4. Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- amortisation of intangible non-current assets attributable to the service.

The Authority is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Authority in accordance with statutory guidance.

Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance (Minimum Revenue Provision), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

5. Costs of Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice 2014/15 (SeRCOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users as follows:

- Office accommodation – in proportion to floor area occupied
- Other central administrative expenses – allocation of staff time
- Architectural Engineering Services for the Capital Programme – recharged to capital using professional scale fees.

The following two cost categories are defined in SeRCOP and accounted for as separate headings in the Comprehensive Income and Expenditure Statement, as part of Net Expenditure on the Cost of Services.

- Corporate and Democratic Core – costs relating to the Authority's status as a multifunctional, democratic organisation
- Non Distributed Costs – the cost of discretionary benefits awarded to employees retiring early, pensions past service cost and depreciation and impairment losses chargeable on Surplus Assets.

6. Employee Benefits and Pensions

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the relevant service line (or discontinued operations) in the Comprehensive Income and Expenditure Statement when the Authority is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-Employment Benefits

Employees of the Authority are members of two separate pension schemes:

- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE)

- The Local Government Pension Scheme, administered by Nottinghamshire County Council.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees work for the Authority. However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Authority. The scheme is therefore accounted for as if it was a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The Children's and Education Services line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year.

The Local Government Pension Scheme (LGPS)

The Scheme is accounted for as a defined benefits scheme:

- The liabilities of the pension fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc. and projections of projected earnings for current employees. In assessing these liabilities at 31 March 2015 for the 2014/15 Statement of Accounts, the actuary made a number of changes in the assumptions underlying the present value of the scheme liabilities. These include a change in the assumed pensions increases and inflation. Application of these revised assumptions has resulted in an increase in liabilities measured at today's prices of £267.8 million (£262.2 million LGPS, £5.6 million Teachers).
- The assets of the pension fund attributable to the Authority are included in the Balance Sheet at their fair value:
    - quoted securities – current bid price
    - unquoted securities – professional estimate
    - unitised securities – current bid price
    - property – market value.
- The change in the net pensions liability is analysed into several components:
    - current service cost / gain – the change in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
    - past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs
    - interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
    - expected return on scheme assets – the annual investment return on the fund assets attributable to the Authority, based on an average of the expected long-term return – credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
    - gains or losses on settlements and curtailments – the result of actions to relieve the Authority of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs
    - actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – credited/debited to the Pensions Reserve

- contributions paid to the pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

7. Revenue Expenditure Financed from Capital Under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council Tax.

Capital grants made to other bodies are written off to the appropriate Service revenue account during the financial year because they do not represent value for money to the Authority beyond the end of the financial year. This includes grants made to bodies for which the Authority is the accountable body and exercises control over grant distribution.

8. Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Assets are, however, only recognised when they exceed the de minimus levels for 2014/15 set out below:

Asset Type	De minimus
Land & Buildings	£0
Community Assets	£10,000
Infrastructure Assets	£0
Assets under Construction	£0
Heritage Assets	£10,000
Vehicles, Plant, Furniture and Equipment	£6,000
Other assets	£6,000

Accounting for Schools Property, Plant and Equipment

The Authority has made detailed judgements regarding the control exercised over schools run in a wide variety of ways to determine whether they should be treated as on or off Balance Sheet. The treatment of all schools has been considered with analysis predicated on the application of tests inherent within the following IFRS requirements adopted by the CIPFA Code (Module 4 – Non Current Assets) – IAS16 – Property, Plant and Equipment, IAS17 – Leases and IFRIC12 – Service Concession Arrangements. This has resulted in the following treatment:

- Academy schools - off-Balance Sheet
- Foundation schools - on-Balance Sheet
- Voluntary Aided schools – off-Balance Sheet
- Voluntary Controlled schools – off-Balance Sheet
- Community schools – on-Balance Sheet

Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The Authority does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure, Community Assets and Assets under Construction – depreciated historical cost

- Heritage Assets - held at valuation or, under certain conditions, historical cost (depreciated where appropriate)
- all other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.

The current land and building values used in the Statement of Accounts are based upon a certificate as at 31 March 2015 issued by Mr I Brearley MRICS, Interim Team Manager – Estates and Strategy for the Council's Property Division, on 15th June 2015. A rolling 5 year revaluation programme is in place to maintain the accuracy of the valuations. When significant changes occur in any year they are included in the revaluation work undertaken during that year.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that they may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is charged in the year after acquisition or construction. Where depreciation is provided for, assets are depreciated using the straight line method. The lives of the assets vary and fall within the following ranges:

Asset Type	**Useful Life (In Years)**
Buildings	1 – 50
Vehicles and plant	1 – 20
Infrastructure	40
IT and other equipment	3 – 5
Intangibles	3 – 5
Furniture and Fittings	5 - 15

Where an item of Property, Plant and Equipment has major components whose costs are at least 20% of the total cost of the item, the components are depreciated separately. A review was carried out for all items over a de minimus of £0.5 million. For the 2014/15 Statement of Accounts, the Authority has not identified any components to be depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction, rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any losses previously recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as Held for Sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Capital receipts are required to be credited to the Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

9. Financial Assets

Financial assets are classified into two types:

- loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market
- available-for-sale assets – assets that have a quoted market price and/or do not have fixed or determinable payments.

Loans and Receivables

Loans and receivables are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Authority has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

However, the Authority, for policy reasons, can make loans to not for profit organisations at less than market rates (soft loans). When soft loans are made, a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the not for profit organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the relevant service (for receivables specific to that service) or the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

Any gains and losses that arise on the de-recognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Available for Sale Assets

Available for Sale assets are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Where the asset has fixed or determinable payments, annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (e.g. dividends) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the Authority.

Assets are maintained in the Balance Sheet at fair value. Values are based on the following principles:

- instruments with quoted market prices – the market price

- other instruments with fixed and determinable payments – discounted cash flow analysis
- equity shares with no quoted market prices – independent appraisal of company valuations.

Changes in fair value are balanced by an entry in the Available for Sale Reserve and the gain/loss is recognised in the Surplus or Deficit on Revaluation of Available for Sale Financial Assets. The exception is where impairment losses have been incurred – these are debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any net gain or loss for the asset accumulated in the Available for Sale Reserve.

Where assets are identified as impaired because of a likelihood arising from a past event that fixed or determinable payments due under the contract will not be made, or fair value falls below cost, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. If the asset has fixed or determinable payments, the impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. Otherwise, the impairment loss is measured as any shortfall of fair value against the acquisition cost of the instrument (net of any principal repayment and amortisation).

Any gains and losses that arise on the de-recognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any accumulated gains or losses previously recognised in the Available for Sale Reserve.

Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).

10. Cash and Cash Equivalents

Amounts held in call accounts or money market funds are highly liquid and readily convertible. These can be held for relatively long periods as call account rates are currently attractive. However, these accounts are used to cover short-term cash flow needs and so will be classed as cash equivalents.

Fixed term investments, of whatever duration, are not readily convertible to known amounts of cash. Fixed deals can be broken but only through negotiation with the borrower and at a penalty depending on the fair value of the loan at the time of break. All fixed term investments will not therefore be classed as cash equivalents.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

11. Other Assets

Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Authority will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Authority's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

Interests in Companies and Other Entities

In the Authority's accounts, the interests in companies and other entities are recorded as financial assets at cost, less any provision for losses.

Investment Property

Investment Properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment Properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

Jointly Controlled Operations and Jointly Controlled Assets

Jointly Controlled Operations are activities undertaken by the Authority in conjunction with other venturers that involve the use of the assets and resources of the venturers rather than the establishment of a separate entity. The Authority recognises on its Balance Sheet the assets that it controls and the liabilities that it incurs and debits and credits the Comprehensive Income and Expenditure Statement with the expenditure its incurs and the share of income it earns from the activity of the operation.

Jointly Controlled Assets are items of Property, Plant or Equipment that are jointly controlled by the Authority and other venturers, with the assets being used to obtain benefits for the venturers. The joint venture does not involve the establishment of a separate entity. The Authority accounts for only its share of the jointly controlled assets, the liabilities and expenses that it incurs on its own behalf or jointly with others in respect of its interest in the joint venture and income that it earns from the venture.

12. Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value.

13. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from the sale of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority
- Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected
- Where significant debtors or creditors arise from such items as government grants and pay awards that are not yet finalised, estimates are made on the basis of best information that is currently available.

Accounting instructions require accruals to be raised where amounts are in excess of £5,000. Schools are asked to take responsibility for accruing for employee costs where individual amounts owing are in excess of £5,000.

14. Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Authority has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

15. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Authority as Lessee

Finance Leases

Property, Plant and Equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower), where the fair value exceeds the de minimus limit. The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to write down the lease liability. Where material, contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Authority at the end of the lease period).

The Authority is not required to raise Council Tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation, revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased Property, Plant or Equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

The Authority as Lessor

Finance Leases

Where the Authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Operating Leases

Where the Authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

16. Private Finance Initiative (PFI) and Similar Contracts

The Authority has entered into a number of Private Finance Initiative contracts. PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Authority is deemed to control the services that are provided under its PFI schemes, and as ownership of the property, plant and equipment will pass to the Authority at the end of the contracts for no additional charge, the Authority carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment. For the Bassetlaw Schools PFI scheme and East Leake Schools PFI scheme, the liability was written down by initial capital contributions of £9.0 million and £2.9 million respectively.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as Property, Plant and Equipment owned by the Authority.

The amounts payable to the PFI operators each year are analysed into five elements:

- fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement
- finance cost – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease)
- lifecycle replacement costs – charges for ongoing maintenance of the Property, Plant and Equipment debited to the relevant scheme.

17. Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:

- the Authority will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as receipts in advance. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement.

Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

18. Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Authority becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

19. Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence, or otherwise, of uncertain future events not wholly within the control of the Authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but are disclosed in a note to the accounts.

20. Contingent Assets

A contingent asset arises where an event has taken place that gives the Authority a possible asset whose existence will only be confirmed by the occurrence, or otherwise, of uncertain future events not wholly within the control of the Authority.

Contingent assets are not recognised in the Balance Sheet but are disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

No contingent assets have been identified for the Authority at 31 March 2015.

21. Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against Council Tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Authority. These reserves are explained in Note 40.

22. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

23. Events After the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would

have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

24. Foreign Currency Translation

Where the Authority has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

25. The Carbon Reduction Scheme

The authority is required to participate in the Carbon Reduction Commitment Energy Efficiency Scheme. This scheme is currently in the initial year of its second phase, which ends on 31 March 2019. The authority is required to purchase allowances, now prospectively (previous phase was retrospectively), and surrender them on the basis of emissions, i.e. carbon dioxide produced as energy is used. As carbon dioxide is emitted (i.e. as energy is used), a liability and an expense are recognised. The liability will be discharged by surrendering allowances. The liability is measured at the best estimate of the expenditure required to meet the obligation, normally at the current market price of the number of allowances required to meet the liability at the reporting date. The cost to the authority is recognised and reported in the costs of the authority's services and is apportioned to services on the basis of energy consumption.

26. Heritage Assets

Tangible and Intangible Heritage Assets

The Authority's Heritage Assets are held at County Hall or at the Nottinghamshire Archives. Nottinghamshire Archives has a number of architectural drawings and records relating to Rufford Abbey and the Savile of Rufford Estate. These collections are held in support of the primary objective of the Authority's Archives. In addition, the Authority retains a number of important ceremonial regalia and paintings that are also retained for increasing the knowledge, understanding and appreciation of the Authority's history and local area.

Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Authority's accounting policies on Property, Plant and Equipment. However, some of the measurement rules are relaxed in relation to Heritage Assets as detailed below. The accounting policies in relation to Heritage Assets that are deemed to include elements of intangible Heritage Assets are also presented below. The Authority's collections of Heritage Assets are accounted for as follows:

Ceremonial Regalia and Art Collection

The ceremonial regalia and art collection includes ceremonial items, paintings (both oil and watercolour), sketches, sculptures, glass and silverware and is reported in the Balance Sheet at market value. There is an annual programme of valuations and the items in the collection are valued by an external valuer. These assets are deemed to have indeterminate lives and a high residual value; hence the Authority does not consider it appropriate to charge depreciation. Acquisitions are made by purchase or donation. Acquisitions are initially recognised at cost and donations are recognised at valuation with valuations provided by the external valuers and with reference to appropriate commercial markets for the paintings using the most relevant and recent information from sales at auctions.

Architectural Drawings and Records

The architectural drawings and records relating to the Savile of Rufford Estate are held at Nottinghamshire Archives and are reported in the Balance Sheet at historical cost. Valuation of these items is not readily available and the Authority believes that the benefits of obtaining annual valuations for these items would not justify the cost. These assets are deemed to have indeterminate lives and a high residual value; hence the Authority does not consider it appropriate to charge depreciation. Acquisitions are made by purchase or donation. Acquisitions are initially recognised at cost and donations are recognised at valuation if appropriate with valuations provided by external valuers. Nottinghamshire Archives holds a number of other records (e.g. Lothian of Melbourne records) that are valued at less than £10,000. Consequently, the Authority does not recognise these assets on the Balance Sheet.

Heritage Assets – General

The carrying amounts of Heritage Assets are reviewed where there is evidence of impairment for Heritage Assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Authority's general policies on impairment. Where assets are disposed of, the proceeds of such items are accounted for in accordance with the Authority's general provisions relating to the disposal of Property, Plant and Equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

MOVEMENT IN RESERVES STATEMENT 2014/15

	General Fund £000	Schools Statutory Reserve £000	Insurance Reserve £000	Capital Receipts and Grants Unapplied Reserve £000	Other Earmarked Reserves £000	**Total Usable Reserves** £000	**Total Unusable Reserves** £000	**Total Reserves** £000
Balance Brought Forward	**29,131**	**36,308**	**10,831**	**1,980**	**130,993**	**209,243**	**(356,990)**	**(147,747)**
Surplus/(Deficit) on the provision of services	(41,423)	-	-	-	-	**(41,423)**	-	**(41,423)**
Other Comprehensive Income and Expenditure								
(Surplus)/Deficit arising on revaluation of non-current assets	-	-	-	-	-	**-**	**19,081**	**19,081**
Actuarial gains / (losses) on pension fund assets and liabilities	-	-	-	-	-	**-**	**(235,817)**	**(235,817)**
Other gains / (losses)	-	-	-	(1)	-	**(1)**	**283**	**282**
	-	**-**	**-**	**(1)**	**-**	**(1)**	**(216,453)**	**(216,454)**
Total Comprehensive Income and Expenditure	**(41,423)**	**-**	**-**	**(1)**	**-**	**(41,424)**	**(216,453)**	**(257,877)**
Adjustments between accounting basis and funding basis under regulations								
Amortisation of intangible assets	2,688	-	-	-	-	**2,688**	**(2,688)**	**-**
Depreciation of Property, Plant and Equipmen	38,119	-	-	-	-	**38,119**	**(38,119)**	**-**
Revaluation / Impairment (Gains) and Losses	7,869	-	-	-	-	**7,869**	**(7,869)**	**-**
Movements in fair value of investment properties	(1,205)	-	-	-	-	**(1,205)**	**1,205**	**-**
Movements in fair value of non-current assets held for sale	720	-	-	-	-	**720**	**(720)**	**-**
Capital Grants credited to the CI&E	(33,285)	-	-	33,285	-	**-**	**-**	**-**
Application of grants to capital financing transferred to the CAA	-	-	-	(33,717)	-	**(33,717)**	**33,717**	**-**
Revenue Expenditure Funded from Capital under Statute	16,875	-	-	-	-	**16,875**	**(16,875)**	**-**
Revenue Expenditure Funded from Capital under Statute Grant Funding	(12,358)	-	-	-	-	**(12,358)**	**12,358**	**-**
Net Gain/Loss and disposal proceeds on disposal of non-current assets	28,716	-	-	-	-	**28,716**	**(28,716)**	**-**
Difference between the statutory charge and the amount recognised as income and expenditure in respect of financial instruments	(6)	-	-	-	-	**(6)**	**6**	**-**
Difference between amounts credited to the CI&E Account and amounts to be recognised under statutory provisions relating to Council Tax	1,099	-	-	-	-	**1,099**	**(1,099)**	**-**
Difference between amounts credited to the CI&E Account and amounts to be recognised under statutory provisions relating to NNDR	(718)	-	-	-	-	**(718)**	**718**	**-**
Net charges made for retirement benefits in accordance with IAS 19	82,767	-	-	-	-	**82,767**	**(82,767)**	**-**
Statutory provision for the financing of capital investmen	(24,672)	-	-	-	-	**(24,672)**	**24,672**	**-**
Capital Expenditure charged in the year to the General Fund	(27,259)	-	-	-	-	**(27,259)**	**27,259**	**-**
Employer's contributions payable to the Pension Fund and retirement benefits paid directly to pensioners	(50,485)	-	-	-	-	**(50,485)**	**50,485**	**-**
Movement in deferred Capital Receipts	1,000	-	-	-	-	**1,000**	**(1,000)**	**-**
Difference between employee benefits charged to the CI&E and charged per statutory requirements	602	-	-	-	-	**602**	**(602)**	**-**
Net additional Amount to be credited to the General Fund Balance	**30,467**	**-**	**-**	**(432)**	**-**	**30,035**	**(30,035)**	**-**
Net Increase/(Decrease) before transfers to Earmarked Reserves	**(10,956)**	**-**	**-**	**(433)**	**-**	**(11,389)**	**(246,488)**	**(257,877)**
Transfers to/(from) Earmarked Reserves								
Transfers to/(from) other Earmarked Reserves	8,856	1,591	(555)	-	(9,892)	**-**	**-**	**-**
	8,856	**1,591**	**(555)**	**-**	**(9,892)**	**-**	**-**	**-**
Carried Forward	**27,031**	**37,899**	**10,276**	**1,547**	**121,101**	**197,854**	**(603,478)**	**(405,624)**

MOVEMENT IN RESERVES STATEMENT 2013/14

Restated

	General Fund £000	Schools Statutory Reserve £000	Insurance Reserve £000	Capital Receipts and Grants Unapplied Reserve £000	Other Earmarked Reserves £000	**Total Usable Reserves £000**	**Total Unusable Reserves £000**	**Total Reserves £000**
Balance Brought Forward	**42,118**	**32,973**	**10,361**	**7,578**	**137,823**	**230,853**	**(386,381)**	**(155,528)**
Surplus/(Deficit) on the provision of services	(108,250)	-	-	-	-	**(108,250)**	-	**(108,250)**
Other Comprehensive Income and Expenditure								
(Surplus)/Deficit arising on revaluation of non-current assets	-	-	-	-	-	**-**	**18,632**	**18,632**
Actuarial gains / (losses) on pension fund assets and liabilities	-	-	-	-	-	**-**	**97,469**	**97,469**
Other gains / (losses)	-	1	-	(1)	-	**-**	**(70)**	**(70)**
	-	**1**	**-**	**(1)**	**-**	**-**	**116,031**	**116,031**
Total Comprehensive Income and Expenditure	**(108,250)**	**1**	**-**	**(1)**	**-**	**(108,250)**	**116,031**	**7,781**
Adjustments between accounting basis and funding basis under regulations								
Amortisation of intangible assets	2,448	-	-	-	-	**2,448**	**(2,448)**	**-**
Depreciation of Property, Plant and Equipmen	38,671	-	-	-	-	**38,671**	**(38,671)**	**-**
Revaluation / Impairment (Gains) and Losses	34,689	-	-	-	-	**34,689**	**(34,689)**	**-**
Movements in fair value of investment properties	1,582	-	-	-	-	**1,582**	**(1,582)**	**-**
Movements in fair value of non-current assets held for sale	(648)	-	-	-	-	**(648)**	**648**	
Capital Grants credited to the CI&E	(29,257)	-	-	29,257	-	**-**	**-**	**-**
Application of grants to capital financing transferred to the CAA	-	-	-	(34,854)	-	**(34,854)**	**34,854**	**-**
Revenue Expenditure Funded from Capital under Statute	21,754	-	-	-	-	**21,754**	**(21,754)**	**-**
Revenue Expenditure Funded from Capital under Statute Grant Funding	(7,822)	-	-	-	-	**(7,822)**	**7,822**	**-**
Net Gain/Loss and disposal proceeds on disposal of non-current assets	43,216	-	-	-	-	**43,216**	**(43,216)**	**-**
Difference between the statutory charge and the amount recognised as income and expenditure in respect of financial instruments	(17)	-	-	-	-	**(17)**	**17**	**-**
Difference between amounts credited to the CI&E Account and amounts to be recognised under statutory provisions relating to Council Tax	(125)	-	-	-	-	**(125)**	**125**	**-**
Difference between amounts credited to the CI&E Account and amounts to be recognised under statutory provisions relating to NNDR	1,515					1,515	**(1,515)**	**-**
Net charges made for retirement benefits in accordance with IAS 19	86,605	-	-	-	-	86,605	**(86,605)**	**-**
Statutory provision for the financing of capital investment	(24,500)	-	-	-	-	(24,500)	**24,500**	**-**
Capital Expenditure charged in the year to the General Fund	(21,696)	-	-	-	-	(21,696)	**21,696**	**-**
Employer's contributions payable to the Pension Fund and retirement benefits paid directly to pensioners	(47,346)	-	-	-	-	(47,346)	**47,346**	**-**
Movement in Deffered Capital Receipts	(1,000)					(1,000)	**1,000**	**-**
Difference between employee benefits charged to the CI&E and charged per statutory requirements	(5,832)	-	-	-	-	(5,832)	**5,832**	**-**
Net additional Amount to be credited to the General Fund Balance	**92,237**	**-**	**-**	**(5,597)**	**-**	**86,640**	**(86,640)**	**-**
Net Increase/(Decrease) before transfers to Earmarked Reserves	**(16,013)**	**1**	**-**	**(5,598)**	**-**	**(21,610)**	**29,391**	**7,781**
Transfers to/(from) Earmarked Reserves								
Transfers to/(from) other Earmarked Reserves	3,026	3,334	470	-	(6,830)	**-**	**-**	**-**
	3,026	**3,334**	**470**	**-**	**(6,830)**	**-**	**-**	**-**
Carried Forward	**29,131**	**36,308**	**10,831**	**1,980**	**130,993**	**209,243**	**(356,990)**	**(147,747)**

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

	Note	2013/14 Restated Gross Expenditure £000	2013/14 Restated Income £000	2013/14 Restated Net Expenditure £000	2014/15 Gross Expenditure £000	2014/15 Income £000	2014/15 Net Expenditure £000
Gross expenditure, gross income and net expenditure of continuing operations							
Children's and Education Services		599,701	(405,519)	194,182	551,977	(396,950)	155,027
Environmental Services		36,917	(4,497)	32,420	45,023	(3,726)	41,297
Highways, Roads and Transportation	8	89,200	(12,142)	77,058	78,365	(12,180)	66,185
Cultural Services		29,108	(4,868)	24,240	24,313	(5,211)	19,102
Planning and Development		5,543	(643)	4,900	14,288	(9,603)	4,685
Adult Social Care		327,325	(96,379)	230,946	319,217	(98,587)	220,630
Democratic Representation and Management		4,581	(141)	4,440	4,242	(109)	4,133
Corporate Management		14,728	(6,498)	8,230	11,135	(8,143)	2,992
Non Distributed Costs		(4,687)	(56)	(4,743)	(2,454)	(90)	(2,544)
Central Services to the Public		3,690	(1,766)	1,924	2,117	(1,417)	700
Public Health		33,646	(37,396)	(3,750)	36,344	(38,251)	(1,907)
Contributions to Other Bodies							
Coroner		708	-	708	774	-	774
Cost of services		**1,140,460**	**(569,905)**	**570,555**	**1,085,341**	**(574,267)**	**511,074**
Other Operating Expenditure	38						
Loss on Disposal of non-current assets		42,216	-	42,216	29,716	-	29,716
Change in fair value of Assets Held for Sale	22	(648)	-	(648)	720	-	720
Other Operating Income and Expenditure		100	(1,025)	(925)	211	(307)	(96)
Financing and Investment Income and Expenditure	39						
Interest Payable	26	32,096	-	32,096	32,907	-	32,907
Net Interest on the defined liability/(asset)	16	36,841	-	36,841	34,457	-	34,457
Interest and Investment Income	26	-	(679)	(679)	-	(430)	(430)
Income and Expenditure in relation to Investment Properties and changes in their fair value	23	1,706	(443)	1,263	(1,092)	(680)	(1,772)
Net (Surplus)/Deficit of Trading Undertakings	7	41,795	(39,194)	2,601	36,273	(35,664)	609
Insurance Revenue	41	179	(650)	(471)	1,686	(1,202)	484
Taxation and Non-Specific Grant Income							
Recognised capital grants and contributions	12			(29,257)			(33,285)
Income from Council Tax				(274,134)			(283,829)
General Government Grants	12			(160,570)			(136,532)
Non-Domestic Rates Distribution				(95,299)			(101,069)
New Homes Bonus Scheme				(2,461)			(2,632)
Council Tax Freeze Grant				(3,124)			-
Education Services Grant				(9,754)			(8,899)
(Surplus)/Deficit on Provision of Services				108,250			41,423
(Surplus)/Deficit on Revaluation of non current assets				(18,632)			(19,081)
Actuarial (gains) / losses on pensions assets / liabilities	16			(97,469)			235,817
Any other (gains) and losses				70			(282)
Total Comprehensive Income and Expenditure				**(7,781)**			**257,877**

BALANCE SHEET

	Note	31 March 2014 Restated £000	£000	31 March 2015 £000	£000
Property, Plant and Equipment (PPE)	17				
Land and Buildings		602,245		608,850	
Vehicles, Plant Furniture and Equipment		44,604		44,312	
Infrastructure Assets		469,941		480,283	
Community Assets		32		31	
Surplus Assets		31,266		25,428	
Assets Under Construction		14,201	1,162,289	26,336	1,185,240
Heritage Assets	18	481		481	
Investment Property	23	12,692		13,336	
Intangible Assets	24	7,929		8,015	
Long Term Advances	25	3,006		3,688	
Long Term Investments	25	4,566		4,519	
Long Term Debtors	30	1,678	30,352	1,308	31,347
Total Long Term Assets			**1,192,641**		**1,216,587**
Short Term Investments	25	5,057		20,028	
Inventories	29	2,889		2,879	
Short Term Debtors	30	63,661		78,457	
Less Bad Debts Provision	30	(5,731)		(5,639)	
		57,930		72,818	
Cash and Cash Equivalents	32	17,402		40,172	
Assets Held for Sale	22	5,515		5,115	
Total Current Assets			**88,793**		**141,012**
Short Term Creditors	31	(97,005)		(107,812)	
Short Term Provisions	36	(9,869)		(3,455)	
Loans to be repaid within 1 year	25, 28	(39,826)		(17,798)	
Short Term Finance Lease Liability	25, 33, 34	(3,809)		(4,970)	
			(150,509)		(134,035)
Total Assets less Current Liabilities			**1,130,925**		**1,223,564**
Long Term Provisions	36	(11,050)		(16,610)	
Long Term Borrowing	25, 28	(318,316)		(397,757)	
Long Term Finance Lease Liability	25, 33, 34	(123,596)		(121,899)	
Deferred Liability	26	(1,529)		(1,438)	
Capital Grants Receipts in Advance	12	(4,288)		(3,773)	
			(458,779)		(541,477)
IAS 19 Pensions Liability	16		(819,893)		(1,087,711)
Total Net Assets			**(147,747)**		**(405,624)**
Usable Reserves					
Capital Receipts and Grants Unapplied Reserve	37	1,980		1,547	
Other Earmarked Reserves	40	130,993		121,101	
General Insurance	40, 41	10,831		10,276	
Schools Statutory Reserves	40, 42	36,308		37,899	
General Fund Balance	40	29,131	209,243	27,031	197,854
Unusable Reserves	43				
Capital Adjustment Account		367,455		384,584	
Revaluation Reserve		104,210		110,387	
IAS 19 Pensions Reserves	16	(819,893)		(1,087,711)	
Deferred Capital Receipts		1,000		-	
Financial Instruments Adjustment Account		(113)		(107)	
Collection Fund Adjustment Account		3,105		2,725	
Employee Benefits Account		(12,754)	(356,990)	(13,356)	(603,478)
Net Worth / Total Reserves			**(147,747)**		**(405,624)**

CASH FLOW STATEMENT

	Note	2013/14 Restated £000	2014/15 £000
Net (surplus) or deficit on the provision of services		108,250	41,423
Adjust for non-cash movements			
Depreciation and amortisation		(41,119)	(40,807)
Revaluation / Impairment of Property, Plant and Equipment		(34,689)	(7,869)
Movement in current assets and liabilities		3,760	2,780
Movement in reserves and provisions		(6,322)	854
Adjustments in respect of pension charges		(39,259)	(32,282)
Grants applied		29,257	33,285
Carrying value of assets disposed of		(45,897)	(31,765)
Other		(1,501)	(332)
		(135,770)	**(76,136)**
Adjust for items included in investing or financing		2,680	3,049
Net cash flows from operating activities		**(24,840)**	**(31,664)**
Investing activities	45	49,959	65,186
Financing activities	46	(28,120)	(56,292)
Net (increase)/decrease in cash and cash equivalents		**(3,001)**	**(22,770)**
Cash and cash equivalents at beginning of period		**14,401**	**17,402**
Cash and cash equivalents at end of period		**17,402**	**40,172**

NOTES TO THE STATEMENT OF ACCOUNTS

1. Explanation of Prior Period Adjustments: Changes in Accounting Policies

The Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 introduced a change in the accounting treatment of local authority maintained schools.

In summary, the main changes relate to the following areas:
• The treatment of maintained schools (Community, Foundation, Voluntary Controlled and Voluntary Aided) as entities for financial reporting purposes based on the application of IFRS10 Consolidated Financial Statements
• The implications for the recognition of non-current assets based on the tests of control determined in line with other relevant accounting standards

The impact on Balance Sheet consolidation of non-current assets following the application of these tests are as follows:

Community Schools - Consolidated (No change)
Foundation Schools - Consolidated (Change)
Voluntary Aided (VA) Schools - Not consolidated (No change)
Voluntary Controlled (VC) Schools - Not consolidated (Change)

Changes will be retrospectively applied by adjusting opening balances from 1st April 2013 to remove those assets no longer consolidated. The first time recognition of Foundation Schools is made at deemed cost via the Capital Adjustment Account (CAA)

The restated Balance Sheet as at 1st April 2013 is summarised as follows:

	01/04/2013 Original Statement	Adjustment Made	01/04/2013 As Restated
	£000	£000	£000
Property, Plant and Equipment	1,190,442	(20,098)	1,170,344
Total Long Term Assets	1,223,370	(20,098)	1,203,272
Total Net Assets	(135,430)	(20,098)	(155,528)
Usable Reserves	230,853	-	230,853
Unusable Reserves	(366,283)	20,098	(386,381)
Net Worth / Total Reserves	(135,430)	20,098	(155,528)

The 2013/14 Comprehensive Income and Expenditure Account and the Movement In Reserves Statement have thus been restated in the 2014/15 Statement of Accounts to apply the new policy. The effects of the restatement are as follows:

Comprehensive Income and Expenditure Statement 2013/14

	2013/14 Original Statement £000	Adjustment Made £000	2013/14 As Restated £000
Children's and Educational Services	193,390	792	194,182
Cost of Services	569,763	792	570,555
(Surplus)/Deficit on Provision of Services	107,458	792	108,250
(Surplus)/Deficit on Revaluation of non current assets	(19,809)	1,177	(18,632)
Total Comprehensive Income and Expenditure	(9,750)	1,969	(7,781)

Movement in Reserves Statement 2013/14

General Fund	2013/14 Original Statement £000	Adjustment Made £000	2013/14 As Restated £000
Surplus/(Deficit) on the provision of services	(107,458)	(792)	(108,250)
Total Comprehensive Income and Expenditure	(107,458)	(792)	(108,250)
Depreciation of Property Plant and Equipment	39,366	(695)	38,671
Revaluation Gains and Losses	35,307	(618)	34,689
Revenue Expenditure Funded from Capital under Statute	19,649	2,105	21,754
Net additional Amount to be credited to the General Fund Balance			-

Total Usable Reserves	2013/14 Original Statement £000	Adjustment Made £000	2013/14 As Restated £000
Balance at end of prev reporting period 31st March 2013	230,853	-	230,853
Surplus/(Deficit) on the provision of services	(107,458)	(792)	(108,250)
Total Comprehensive Income and Expenditure	(107,458)	(792)	(108,250)
Depreciation of Property Plant and Equipment	39,366	(695)	38,671
Revaluation Gains and Losses	35,307	(618)	34,689
Revenue Expenditure Funded from Capital under Statute	19,649	2,105	21,754
Balance at end of current reporting period 31st March 2014	209,243	-	209,243

Total Unusable Reserves	2013/14 Original Statement £000	Adjustment Made £000	2013/14 As Restated £000
Balance at end of prev reporting period 31st March 2013	(366,283)	(20,098)	(386,381)
(Surplus)/Deficit arising on revaluation of non-current assets	19,809	(1,177)	18,632
Total Comprehensive Income and Expenditure	117,208	(1,177)	116,031
Depreciation of Property Plant and Equipment	(39,366)	695	(38,671)
Revaluation Gains and Losses	(35,307)	618	(34,689)
Revenue Expenditure Funded from Capital under Statute	(19,649)	(2,105)	(21,754)
Balance at end of current reporting period 31st March 2014	(334,923)	(22,067)	(356,990)

The restated Balance Sheet as at 31st March 2014 is summarised as follows:

	31/03/2014 Original Statement £000	Adjustment Made £000	31/03/2014 As Restated £000
Property, Plant and Equipment	1,184,356	(22,067)	1,162,289
Total Long Term Assets	1,214,708	(22,067)	1,192,641
Total Net Assets	(125,680)	(22,067)	(147,747)
Usable Reserves	209,243	-	209,243
Unusable Reserves	(334,923)	22,067	(356,990)
Net Worth / Total Reserves	(125,680)	22,067	(147,747)

2. Accounting Standards Issued but not yet Adopted

IAS8 - Accounting Policies, Changes in Accounting Estimates and Errors requires the Authority to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code for the relevant financial year.

IFRS13 (issued in May 2011) is a standard that requires local authorities to measure their assets and liabilities and provide disclosures where the Code requires or permits fair value measurement. The requirements of the standard will be introduced for local authorities in the 2015/16 Code. It will cover all assets and liabilities subject to fair value assessment, including PPE and Financial Instruments. In the main it is anticipated that the amended requirements of the Code will result in little or no amendment to the financial statements reported as at 31 March 2015; however changes are anticipated in Surplus Assets and Financial Instrument fair values.

There are a number of other changes to the Code; however they will not have a material impact upon the financial statements of the Authority.

3. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in the Statement of Accounting Policies, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- The Authority has had to make detailed assessments and judgements regarding the control exercised over schools run in a wide variety of different ways to determine whether they should be treated as on or off Balance Sheet. This has resulted in the following treatments:

    - Academy schools - off Balance Sheet
    - Foundation schools - on Balance Sheet
    - Voluntary Aided schools - off Balance Sheet
    - Voluntary Controlled schools - off Balance Sheet
    - Community schools - on Balance Sheet

- There is a high degree of uncertainty about future levels of funding for local government. However, the Authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be impaired as a result of a need to close facilities and reduce levels of service provision.

4. Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future, or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from assumptions and estimates.

The items in the Authority's Balance Sheet at 31 March 2015 for which there is significant risk of material adjustment in the forthcoming financial year are as follows:

Property, Plant and Equipment

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets. If the useful life of an asset is reduced, depreciation increases and the carrying amount of the asset falls. It is estimated that the annual depreciation charge for buildings would increase by £0.6 million for every year that useful lives had to be reduced.

Land and Building assets that are required to be measured at Fair Value are revalued on a 5 year rolling basis by the Authority's internal team of valuers. Each property is assessed and valued on its own merits and the valuation is determined with due regard to any changes or uncertainties which may affect the specific property. It is estimated that a theoretical 1% market drop applied across all properties valued in 2014/15 would equate to an additional £1.3 million impairment to be expensed through the surplus / deficit on the provision of services.

Provisions

The Authority made a provision in 2014/15 of £3.8 million in respect of anticipated cost of redundancies. This figure was calculated based upon the best estimate of the impact of published section 188 notice of redundancies as at 31 March 2015; in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992. A variation of 10% of the amount provided would have an impact of £0.4 million on the provision required.

Insurance

The Authority operates a self insurance scheme and has established a provision of £14.4 million to cover known claims and liabilities. The values provided are based upon historic experience and advice from claims advisers. However the actual payments paid out are subject to agreement and possible legal action. Therefore the final payments may differ significantly from that provided. A variation of 10% on the amount provided would have an impact of £1.4 million on the provision required.

Pensions

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied. The effects on the net pensions liability of changes in individual assumptions can be measured, as is contained in Note16.

5. Adjustments between Accounting Basis and Funding Basis under Regulations

The adjustments between the accounting basis and the funding basis under regulations are shown in the Movement in Reserves Statement.

6. Amounts Reported for Resource Allocation Decisions

For the year ended 31 March 2015

	Schools	Children & Young People's Services	Adult Social Care & Health Services	Transport & Highways	Other Direct Services	Total
	£000	£000	£000	£000	£000	£000
Fees, charges and other service income	(18,028)	(22,314)	(105,541)	(21,132)	(60,842)	**(227,857)**
Government grants and contributions	(352,518)	(5,020)	(3,198)	(4,554)	(54,329)	**(419,619)**
Total Income	**(370,546)**	**(27,334)**	**(108,739)**	**(25,686)**	**(115,171)**	**(647,476)**
Employee expenses	244,383	65,599	51,493	14,078	63,092	**438,645**
Other operating expenses	118,958	91,551	259,828	55,647	144,697	**670,681**
Depreciation, amortisation, impairment and revaluation	13,761	816	1,118	16,436	7,734	**39,865**
Transactions with departmental reserves	7,170	588	(774)	1,501	8,925	**17,410**
Total Operating Expenses	**384,272**	**158,554**	**311,665**	**87,662**	**224,448**	**1,166,601**
Net Cost of Services	**13,726**	**131,220**	**202,926**	**61,976**	**109,277**	**519,125**

Reconciliation to Net Cost of Services in Comprehensive Income and Expenditure Statement

	£000
Cost of Services in Service Analysis	**519,125**
Add services not included in main analysis	-
Add amounts not reported in service management accounts	2,358
Remove amounts reported to management not included in the Comprehensive Income and Expenditure Statement	(10,409)
Net Cost of Services in Comprehensive Income and Expenditure Statement	**511,074**

Reconciliation to Subjective Analysis	Service Analysis	Not reported in service mgmt a/c's	Not included in CI&E	Net Cost of Services	Corporate Amounts	Total
	£000	£000	£000	£000	£000	£000
Fees, charges and other service income	(227,857)	58,248	13,162	**(156,447)**	(37,113)	**(193,560)**
Interest and investment income	-	-	-	**-**	(430)	**(430)**
Income from council tax	-	-	-	**-**	(283,829)	**(283,829)**
Government grants and contributions	(419,619)	1,396	403	**(417,820)**	(282,476)	**(700,296)**
Total Income	**(647,476)**	**59,644**	**13,565**	**(574,267)**	**(603,848)**	**(1,178,115)**
Employee expenses	438,645	2,613	(2,392)	**438,866**	73,105	**511,971**
Other operating expenses	670,681	(62,873)	(9,837)	**597,971**	(918)	**597,053**
Depreciation, amortisation, impairment and revaluation	39,865	8,373	(5)	**48,233**	439	**48,672**
Other Expenditure Relating to Held for Sale and Investment Properties	-	-	-	**-**	(1,052)	**(1,052)**
Transactions with departmental reserves	17,410	(5,670)	(11,740)	**-**	**-**	**-**
Interest Payments	-	-	-	**-**	32,907	**32,907**
Precepts and Levies	-	271	-	**271**	-	**271**
(Gain) or Loss on Disposal of Non-current assets	-	-	-	**-**	29,716	**29,716**
Total Operating Expenses	**1,166,601**	**(57,286)**	**(23,974)**	**1,085,341**	**134,197**	**1,219,538**
(Surplus) or deficit on provision of services	**519,125**	**2,358**	**(10,409)**	**511,074**	**(469,651)**	**41,423**

6. Amounts Reported for Resource Allocation Decisions (Continued)

Restated

For the year ended 31 March 2014

	Schools	Children & Young People's Services	Adult Social Care & Health Services	Transport & Highways	Other Direct Services	Total
	£000	£000	£000	£000	£000	£000
Fees, charges and other service income	(16,690)	(23,400)	(104,045)	(22,901)	(50,672)	**(217,708)**
Government grants and contributions	(360,994)	(19,246)	(3,135)	(588)	(40,337)	**(424,300)**
Total Income	**(377,684)**	**(42,646)**	**(107,180)**	**(23,489)**	**(91,009)**	**(642,008)**
Employee expenses	262,133	69,464	57,338	15,414	64,159	**468,508**
Other operating expenses	108,280	112,706	257,589	56,745	126,246	**661,566**
Depreciation, amortisation, impairment and revaluation	14,423	857	1,355	15,556	8,131	**40,322**
Transactions with departmental reserves	(1,400)	1,325	5,894	546	5,254	**11,619**
Total Operating Expenses	**383,436**	**184,352**	**322,176**	**88,261**	**203,790**	**1,182,015**
Net Cost of Services	**5,752**	**141,706**	**214,996**	**64,772**	**112,781**	**540,007**

Reconciliation to Net Cost of Services in Comprehensive Income and Expenditure Statement

	£000
Cost of Services in Service Analysis	**540,007**
Add services not included in main analysis	-
Add amounts not reported in service management accounts	41,107
Remove amounts reported to management not included in the Comprehensive Income and Expenditure Statement	(10,559)
Net Cost of Services in Comprehensive Income and Expenditure Statement	**570,555**

Reconciliation to Subjective Analysis	Service Analysis	Not reported in service mgmt a/c's	Not included in CI&E	Net Cost of Services	Corporate Amounts	Total
	£000	£000	£000	£000	£000	£000
Fees, charges and other service income	(217,708)	51,410	13,172	**(153,126)**	(40,011)	**(193,137)**
Interest and investment income	-	-	-	**-**	(679)	**(679)**
Income from council tax	-	-	-	**-**	(274,134)	**(274,134)**
Government grants and contributions	(424,300)	7,118	403	**(416,779)**	(300,465)	**(717,244)**
Total Income	**(642,008)**	**58,528**	**13,575**	**(569,905)**	**(615,289)**	**(1,185,194)**
Employee expenses	468,508	3,010	(2,512)	**469,006**	75,436	**544,442**
Other operating expenses	661,566	(57,785)	(9,875)	**593,906**	1,984	**595,890**
Depreciation, amortisation, impairment and revaluation	40,322	37,082	(128)	**77,276**	637	**77,913**
Other Expenditure Relating to Held for Sale and Investment Properties	-	-	-	-	615	**615**
Transactions with departmental reserves	11,619	-	(11,619)	**-**	-	**-**
Interest Payments	-	-	-	**-**	32,096	**32,096**
Precepts and Levies	-	272	-	**272**	-	**272**
(Gain) or Loss on Disposal of Non-current assets	-	-	-	**-**	42,216	**42,216**
Total Operating Expenses	**1,182,015**	**(17,421)**	**(24,134)**	**1,140,460**	**152,984**	**1,293,444**
(Surplus) or deficit on provision of services	**540,007**	**41,107**	**(10,559)**	**570,555**	**(462,305)**	**108,250**

7. Summary Revenue Accounts of Trading Undertakings

Note		2013/14 Turnover	2013/14 Expenditure	2013/14 Surplus/ (Deficit)	2014/15 Turnover	2014/15 Expenditure	2014/15 Surplus/ (Deficit)
		£000	£000	£000	£000	£000	£000
1	**Direct Services** *Cleaning, catering, vehicle maintenance, building and grounds maintenance and highways maintenance to the Authority. Some work is undertaken on behalf of external clients.*	76,798	79,200	(2,402)	75,256	76,036	(780)
	County Supplies *A purchasing and supply service to the Authority and some external public bodies*	5,705	6,216	(511)	9,584	9,566	18
	Clayfields Secure Unit *Specialist children's services to the Youth Justice Board and Local Authorities*	4,206	3,894	312	4,085	3,932	153
	Total	**86,709**	**89,310**	**(2,601)**	**88,925**	**89,534**	**(609)**

Note:
1.The Direct Services deficit is a result of the pension costs impact of IAS19, redundancy payments and backfunding of pensions.

8. Agency Work

The Authority carries out work on behalf of the Highways Agency, mainly relating to traffic signal maintenance and payment of energy charges for Area 7 of the Trunk Road network. Expenditure is fully reimbursed by the Highways Agency and the amount for 2014/15 was £267,100 (£277,100 for 2013/14).

9. Audit Fees

The Authority has been advised of the following fees payable to KPMG (UK) LLP. All fees have been included in the accounts for the period to which they relate except grant claims. The fees included for grant claims are an estimate of the cost of the certification of grant claims and returns relating to 2014/15 which will be paid to KPMG (UK) LLP in 2015/16

	2013/14 Restated £000	2014/15 £000
External Audit Fees	132	135
Other Services	2	3
	134	**138**

The other services relate to audit of the Teacher's Pension Agency return £3,000

10. Specific Revenue Grants

The value of revenue grants included as income within the cost of services is as follows:

Service	Restated £000	2014/15 £000
Children's and Education Services	376,606	364,795
Environmental Services	424	53
Highways, Roads and Transportation	473	4,540
Cultural Services	24	127
Public Health	35,135	36,154
Planning and Development	285	6,194
Adult Social Care	3,135	4,839
Corporate Management	57	340
Democratic Representation and Management	-	53
	416,139	**417,095**
Funding Body		
Department for Communities and Local Government	2,447	4,701
Department for Education	369,893	360,428
Department of Health	36,039	39,045
Department for Transport	473	4,256
Department for Work and Pensions	2,425	2,392
Home Office	664	740
Arts Council	884	128
Department for Business, Innovation and Skills	3,269	1,955
Department for Environment, Food and Rural Affairs	-	108
Other	45	3,342
	416,139	**417,095**
Analysis of Revenue Receipts in Advance		
Department for Education	-	1,170
Department for Communities and Local Government	871	191
Department for Transport	417	62
Department for Business, Innovation and Skills	109	567
Arts Council	-	29
Department for Work and Pensions	256	-
European Grants	1,111	-
Other	82	65
	2,846	**2,084**

11. Minimum Revenue Provision (MRP)

Regulations require local authorities to set aside money to provide for redemption of outstanding debt. This amount is offset against the level of depreciation already charged to the Authority's Comprehensive Income and Expenditure Statement to ensure that depreciation charges do not increase the net expenditure of the Authority. The MRP Policy agreed by the Authority on 26 February 2015 requires that:

- MRP for capital expenditure financed by borrowing prior to 1 April 2007 continues to be based on the previous regulatory method and the Authority continues to set aside 4% of outstanding debt
- MRP for capital expenditure financed by borrowing after 1 April 2007 is made on the basis of equal annual instalments over the estimated lives of assets
- For "on Balance Sheet" PFI contracts, the MRP requirement is regarded as met by a charge equal to the element of the unitary charge applied to write down the liability
- For finance leases, the MRP requirement is regarded as met by a charge equal to the element of the rent that goes to write down the liability.

The amount required under the MRP regulations for 2014/15 is £24.7 million (£24.5 million for 2013/14) of which £4.1 million (£4.7 million for 2013/14) relates to repayments of the PFI and finance lease liabilities. The amount of depreciation and amortisation charged was £40.8 million (£41.1 million for 2013/14)

12. General Government Grants Income and Taxation

The Authority set the 2014/15 Council Tax for a Band D property at £1,241.14 (£1,193.18 in 2013/14). This was suitably adjusted for other Bands of property and a precept was issued to the District Councils to recover the relevant amounts. Any variances in the amounts actually collected by the District Councils on behalf of the Authority will be adjusted in the amounts payable next year.

The figure for income from Council Tax includes accruals for the year-end position for the Authority's share of the various District Council Collection Funds. The value of the accrual in 2014/15 decreased by £1.1 million (£0.1 million increase in 2013/14) which is reversed out of the General Fund in the Movement in Reserves Statement and held in the Balance Sheet in the Collection Fund Adjustment Account.

A number of grants are paid to the Authority directly by the Government. The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement:

Credited to Taxation and Non Specific Grant Income	**2013/14 £000**	**2014/15 £000**
Department for Communities and Local Government	290	25
Department for Education	4,317	8,084
Department of Health	1,883	733
Department for Transport	18,460	20,564
Sport England	801	-
Other Grants	3,506	3,879
Recognised Capital Grants and Contributions	**29,257**	**33,285**

	2013/14 £000	**2014/15 £000**
Revenue Support Grant	143,751	122,036
Local Services Support Grant	988	734
PFI	14,940	13,754
Localised Council Tax Transition Grant	882	-
Other	9	8
General Government Grants	**160,570**	**136,532**

The Authority has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that, if not fulfilled, will require the monies or property to be returned to the donor. The balances at year-end are as follows

Capital Grants Receipts in Advance	**2013/14 £000**	**2014/15 £000**
Department for Communities and Local Government	204	32
Department for Education	9	102
Department of Health	-	366
Other Grants	4,075	3,273
Total	**4,288**	**3,773**

13. Deployment of Dedicated Schools Grant

The Authority's expenditure on schools is funded primarily by grant monies provided by the Department for Education, the Dedicated Schools Grant (DSG). An element of DSG is recouped by the Department to fund Academy schools in the Authority's area. The DSG is ringfenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School Finance (England) Regulations 2011. The schools budget includes elements for a range of educational services provided on an Authority-wide basis and for the Individual Schools Budget, which is divided into a budget share for each maintained school.

Details of the deployment of DSG receivable for 2014/15 are as follows:

Schools Budget Funded by Dedicated Schools Grant

	Central Expenditure £000	Individual Schools Budget (ISB) £000	Total £000
Final DSG for 2014/15 before Academy recoupment			528,013
Academy figure recouped for 2015/16			(209,750)
Total DSG after Academy recoupment for 2014/15			318,263
Brought Forward 2013/14			9,995
Carry Forward to 2015/16 agreed in advance			-
Agreed initial budgeted distribution for 2014/15	**74,197**	**254,061**	**328,258**

	Central Expenditure £000	Individual Schools Budget (ISB) £000	Total £000
In year adjustments	(9,961)	11,219	1,258
Final budgeted distribution for 2014/15	64,236	265,280	329,516
Actual central expenditure	(49,230)	-	(49,230)
Actual ISB deployed to schools	-	(265,280)	(265,280)
Plus Local Authority contribution for 2014/15	-	-	-
Carried forward to 2015/16	**15,006**	**-**	**15,006**

14. Employee Remuneration

The table below shows the number of staff employed by the Authority whose remuneration, taxable expenses and severance (if applicable) amounted to £50,000 or more in the financial year. The table includes the senior staff separately identified in the subsequent tables.

Pay Band		Number of Staff					
		2013/14			2014/15		
		Exc Redundancy		Inc Redundancy	Exc Redundancy		Inc Redundancy
		Schools	Non Schools	Total	Schools	Non Schools	Total
£185,000	£189,999	-	1	2	-	1	1
£180,000	£184,999	-	-	-	-	-	-
£175,000	£179,999	-	-	-	-	-	-
£170,000	£174,999	-	1	1	-	-	-
£165,000	£169,999	-	-	-	-	1	1
£160,000	£164,999	-	-	-	-	-	-
£155,000	£159,999	-	-	-	-	-	-
£150,000	£154,999	-	-	-	-	-	-
£145,000	£149,999	-	-	-	-	-	-
£140,000	£144,999	1	-	1	-	1	1
£135,000	£139,999	-	1	2	-	-	-
£130,000	£134,999	-	1	1	-	-	-
£125,000	£129,999	-	1	2	1	2	3
£120,000	£124,999	1	3	6	-	3	3
£115,000	£119,999	-	-	-	-	-	-
£110,000	£114,999	-	-	-	-	-	-
£105,000	£109,999	-	1	-	-	-	-
£100,000	£104,999	-	1	1	-	1	1
£95,000	£99,999	-	-	-	-	1	2
£90,000	£94,999	2	-	4	2	1	4
£85,000	£89,999	2	10	13	4	7	12
£80,000	£84,999	3	4	9	4	3	8
£75,000	£79,999	7	1	8	2	-	3
£70,000	£74,999	6	2	10	8	3	12
£65,000	£69,999	21	4	24	27	6	33
£60,000	£64,999	49	23	71	49	19	69
£55,000	£59,999	91	26	116	90	18	109
£50,000	£54,999	103	40	142	87	42	134
		286	**120**	**413**	**274**	**109**	**396**

The tables below show the remuneration of the Authority's Senior Employees as defined by the Accounts and Audit (England) Regulations 2011.

2014/15

Post Holder information (Post title and name (where applicable))	Note	Salary (including fees & allowances) £	Expenses £	Compen-sation for Loss of Office £	Employer Pension contri-butions* £	Total Remun-eration £
Chief Executive - M Burrows		184,410	1,999	-	-	186,409
Corporate Director of CFCS		139,908	918	-	26,862	167,688
Corporate Director of ASCH & PP		121,371	111	-	23,303	144,785
Corporate Director of Env & Resources		121,371	484	-	7,768	129,623
Corporate Director of PPCS	1	121,371	693	-	23,303	145,367
Director of Public Health	4	129,577	-	-	16,066	145,643
Service Director (Finance & Procurement	2	41,654	92	-	7,613	49,359
Service Director (Finance & Procurement	3	69,933	387	-	13,427	83,747
Deputy Director of Public Health - Dr J Tomlinson	5	168,199	973	-	(50)	169,122
Service Director of Personal Care and Support (Younger Adults)	6	101,206	438	-	19,432	121,076
Deputy Director of CFCS	7	90,240	923	-	17,326	108,489

*Pension Contributions are estimated at 19.2% to account for the pensions deficit (see note 15).

1. The post of Corporate Director of PPCS has the statutory responsibility of Monitoring Officer.
2. The post of Service Director (Finance & Procurement) has the statutory responsibility of S151 Officer. The original post holder left 15th September 2014. Their annualised salary is £87,038.
3. The post of Service Director (Finance & Procurement) has the statutory responsibility of S151 Officer. The incumbent started in this role 15th September 2014. Their annualised Salary is £79,867.
4. The post of Director of Public Health is employed by NCC but 40% is recharged to Nottingham City Council under a formalised Joint Arrangement under Section 113 of Local Government Act 1972. The above table shows the full remuneration.
5. This senior employee is named as their salary and allowances are over £150,000, in accordance with the Code. With effect from 1 October 2013 20% of basic salary and on-costs are recovered from Public Health England of £25,377. One of the allowances the officer receives is a National Clinical Excellence Award of £35,602.
6. In 2013 the Corporate Director ASCH & PP was elected as the Vice President, and then President, of the Association of Directors of Adult Social Services (ADASS) until 31st March 2015. From 11 November 2013 a Deputy Director was appointed and represents ASCH &PP at the Corporate Leadership Team.
7. From 19 Jan 2015 an officer has been in receipt of an allowance for acting as Deputy Director of CFCS. Their annualised salary (including allowance) is £102,500.

2013/14

Post Holder information (Post title and name (where applicable))	Note	Salary (including fees & allowances) £	Expense Allowances £	Compen-sation for Loss of Office £	Employer Pension contri-butions £	Total Remun-eration £
Chief Executive - M Burrows		184,410	1,155	-	-	185,565
Corporate Director of CFCS		136,991	1,219	-	25,069	163,279
Corporate Director of ASCH & PP		124,399	-	-	22,745	147,144
Corporate Director of Env & Resources		121,371	566	-	22,211	144,148
Corporate Director of PPCS	1	121,371	506	-	22,211	144,088
Direct of Public Health	3	126,480			16,193	142,673
Service Director (Finance & Procurement)	2	87,038	875	-	15,928	103,841
Deputy Director of Public Health - Dr J Tomlinson	4	171,080	762	-	20,107	191,949
Service Director of Personal Care & Support (Younger Adults)	5	89,708	-	-	16,417	106,125

1. The post of Corporate Director of PPCS has the statutory responsibility of Monitoring Officer.
2. The post of Service Director (Finance & Procurement) has the statutory responsibility of S151 Officer.
3. The post of Director of Public Health was new in 2013/14. The post holder is employed by NCC but 40% is recharged to Nottingham City Council under a formalised Joint Arrangement under Section 113 of Local Government Act 1972. The above table shows the full remuneration.
4. One senior employee is named as their salary and allowances are over £150,000, in accordance with the code. With effect from 1 October 2013 20% of basic salary and on-costs are recovered from Public Health England of £13,574. One of the allowances the officer receives is a National Clinical Excellence Award of £35,839.
5. In 2013 the Corporate Director ASCH & PP was elected as the Vice President, and then President, of the Association of Directors of Adult Social Services (ADASS). From 11 November 2013, a Deputy Director was appointed and represents ASCH &PP at the Corporate Leadership Team.

The table below includes all exits from the Authority, including school based staff, and takes into account the cost of pension contributions that would have been paid had a retiring employee not left the Authority early. It may differ from other published information.

Payment Ranges			Number of Compulsory Redundancies		Number of Other Departures Agreed		Total Number of Exit Packages		Total Cost of Exit Packages £	
			2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
£0	-	£20,000	56	120	66	196	122	316	962,540	2,290,261
£20,001	-	£40,000	25	20	30	61	55	81	1,601,744	2,354,829
£40,001	-	£60,000	8	5	7	16	15	21	698,138	960,150
£60,001	-	£80,000	4	2	8	2	12	4	798,030	254,103
£80,001	-	£100,000	-	-	5	-	5	-	416,356	-
£100,001	-	£150,000	-	-	7	-	7	-	790,741	-
			93	**147**	**123**	**275**	**216**	**422**	**5,267,549**	**5,859,344**

15. Pensions – Contributions

Teachers

In 2014/15, the Authority paid £16.8 million to the Teacher's Pension Agency (£18.3 million in 2013/14) in respect of teachers' pension costs, which represents 14.1% of teachers' pensionable pay (14.1% in 2013/14). In addition, the Authority is responsible for all pension payments relating to added years it has awarded, together with the related inflation increases. In 2014/15, this was £6.0 million (£5.6 million in 2013/14), representing 5.03% of pensionable pay (4.31% in 2013/14). The Authority is allowed to enhance lump sum retirement payments to teachers which in 2014/15 amounted to £0.2 million (£0.2 million in 2013/14).

Other Employees

During 2014/15, the net cost of pensions and other benefits amounted to £39.6 million (£37.6 million in 2013/14), which represented 19.3% of pensionable pay (18.3% in 2013/4).

The Actuarial report upon which 2015/16 accounts are based is for a 3 year period commencing 1 April 2014. The report indicated rates that will provide the cost for 100% of pension funding in accordance with IAS19.

This is a combined rate of 13.2% and a value to be contributed:

		Additional contribution £000
2014/15	13.2% of pensionable pay	12,638
2015/16	13.2% of pensionable pay	12,979
2016/17	13.2% of pensionable pay	13,330

The Authority is responsible for all pension payments relating to discretionary added years benefits it has awarded, together with the related inflation increases. The annual costs are funded by charges to Services. In 2014/15 these amounted to £2.3 million (£2.2 million in 2013/14), representing 1.97% of pensionable pay (1.07% in 2013/14). The Authority also paid £2.5 million into the Pension Fund in 2014/15 (£1.8 million for 2013/14) to fund the non-discretionary additional strain on the pension fund of early retirements.

16. Pensions – IAS19

The IAS19 position as at 31 March 2015 was a net liability as set out in the table below

	2013/14 £000	2014/15 £000
Local Government Pension Scheme	724,842	987,000
Teachers Unfunded Defined Benefit Scheme	95,051	100,711
Total Net Liability	**819,893**	**1,087,711**

Assets have been valued using the market value at 31 December 2014 increased by market index returns for the last three months of the accounting period. Liabilities have been valued using the projected unit method which assesses the future liabilities of the fund discounted to their present value. This work was undertaken by Barnett Waddingham LLP, an independent firm of actuaries, based upon the estimated position at 31 March 2015 provided by the Authority during March 2015. The actual figures for 2014/15 are not considered materially different from the estimates provided.

Local Government Pension Scheme

The Authority recognises the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Authority is required to make against Council Tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out in the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and Movement in Reserves Statement during the year:

	2013/14 £000	2014/15 £000
Comprehensive Income and Expenditure Statement		
Cost of Services		
- Current service cost	(55,301)	(51,164)
- Past service cost (including curtailments)	(2,921)	(4,420)
- Liabilities (assumed) / extinguished on settlements	19,783	12,995
- Settlement Prices received / (paid)	(11,239)	(5,482)
Other Operating Expenditure		
- Administration Expenses	(86)	(239)
Financing and Investment Income and Expenditure		
- Net interest on the defined (liability) / asset	(34,630)	(30,774)
Net Charge to the Comprehensive Income and Expenditure Statement	**(84,394)**	**(79,084)**
Movement in Reserves		
- Reversal of net charges made for retirement benefits in accordance with IAS19	84,394	79,084
Actual amount charged against the General Fund Balance for pensions in the year:		
- Employers contributions payable to the Pension Fund and retirement benefits payable directly to pensioners	41,747	44,497

In addition to the recognised gains and losses included in the Comprehensive Income and Expenditure Statement, the following actuarial gains/losses were included within Other Comprehensive Income and Expenditure.

	2013/14 £000	2014/15 £000
Actuarial gains / (losses)	111,230	(227,852)

Assets and liabilities in relation to retirement benefits

Reconciliation of present value of the scheme liabilities:

	2013/14 £000	2014/15 £000
At 1 April	**2,023,297**	**2,050,633**
Current service cost	55,301	51,164
Interest cost	89,451	88,749
Change in Financial Assumptions	35,850	317,566
Change in Demographic Assumptions	80,868	-
Experience loss/(gain) on Defined Benefit Obligation	(167,388)	-
Past service costs/(gain)	2,921	4,420
Liabilities extinguished on settlements	(19,783)	(12,995)
Benefits paid	(60,505)	(64,504)
Contributions by scheme participants	12,994	12,916
Unfunded pension payments	(2,373)	(2,343)
at 31 March	**2,050,633**	**2,445,606**

Reconciliation of fair value of the scheme assets:

	2013/14 £000	2014/15 £000
At 1 April	**1,229,941**	**1,325,791**
Interest on assets	54,821	57,975
Return on assets less interest	19,183	88,563
Other actuarial gains/(losses)	41,376	-
Administration expenses	(86)	(239)
Employer contributions	41,679	44,778
Contributions by scheme participants	12,994	12,916
Estimated benefits paid	(62,878)	(66,847)
Settlement prices received/(paid)	(11,239)	(5,482)
Other Movements*	-	1,151
At 31 March	**1,325,791**	**1,458,606**
Opening Net Position	**(793,356)**	**(724,842)**
Closing Net Position	**(724,842)**	**(987,000)**

*Contribution from Nottinghamshire Probation Trust for former employees of the Authority.

The expected return on scheme assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 April 2014 for the year to 31 March 2015). The returns on gilts and other bonds are assumed to be gilts yields and corporate bond yields (with an adjustment to reflect default risk) respectively at the relevant date. The return on equities and property is then assumed to be a margin above gilts yields.

Scheme History

	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m
Present value of liabilities	(1,589.1)	(1,890.8)	(2,023.3)	(2,050.6)	(2,445.6)
Fair value of scheme assets	1,082.3	1,092.6	1,229.9	1,325.8	1,458.6
Surplus/(deficit) in the scheme	(506.8)	(798.2)	(793.4)	(724.8)	(987.0)
Cumulative actuarial gain (loss)	**(115.5)**	**(402.6)**	**(397.6)**	**(286.4)**	**(514.3)**

IAS19 requires the Authority to determine the surplus or deficit of its Pension Fund on an annual basis. In the short-term, changes in the value of investments can lead to a significant variation to the surplus or deficit on the fund which might be expected to show a smoother trend over the longer term. Every three years the Authority reviews its contributions to the fund based upon a detailed actuarial exercise which takes account of existing liabilities and likely investment returns and sets out an approach to meeting 100% of liabilities over a period of time. This takes a longer-term view of the fund position than that required by IAS19 and is expected to be less prone to significant changes in fund value as a result of short-term fluctuations in market values. The Authority does not expect the deficit shown to make a significant impact upon reserves or revenue funding requirements in the short term. The triennial revaluation effective 1 April 2014 showed that the Authority's contributions to the fund would be be 13.2% of pensionable pay in each of the next three financial years, and an additional value of:

	£000
2014/15	12,638
2015/16	12,979
2016/17	13,330

The total contributions expected to be made to the Local Government Pension Scheme by the Authority in the year to 31 March 2015 is £41.4 million.

The actuarial assumptions used to calculate the position in accordance with IAS19 were as follows

		31 March 2014	31 March 2015
Rate of inflation - RPI Increases		3.5%	3.2%
Rate of inflation - CPI Increases		2.7%	2.4%
Rate of increase in salaries		4.5%	4.2%
Rate of increase in pensions		2.7%	2.4%
Discount rate		4.4%	3.3%
Mortality assumptions:			
Longevity at 65 for current pensioners:			
Men	(years)	22.0	22.1
Women	(years)	25.1	25.2
Longevity at 65 for future pensioners:			
Men	(years)	24.1	24.2
Women	(years)	27.4	27.6
Expected return on assets		4.4%	11.0%
Proportion of employees opting to take an increased lump sum/reduced pension		50.0%	50.0%

The Authority's estimated asset allocation, which is 36% of the whole fund is as follows:

	31 March 2014		31 March 2015	
	£000	%	£000	%
Assets				
Equities	967,827	73	1,028,231	70
Gilts	106,063	8	45,574	3
Other Bonds	66,290	5	102,943	7
Property	145,837	11	170,238	12
Cash	39,774	3	70,933	5
Inflation-linked pooled fund	-	-	40,687	3
Total	**1,325,791**	**100**	**1,458,606**	**100**

The Authority publishes a Pension Fund Annual Report which is available upon request. A copy is available on the pension fund website (www.nottspf.org.uk).

Sensitivity analysis

This table shows the assumption change and the impact upon present value of total obligation and projectec Service Cost:

	£000	£000	£000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present Value of Total Obligation	2,403,038	2,445,606	2,488,968
Projected Service Cost	61,947	63,355	64,796
Adjustment to long term Salary Increase	+0.1%	0.0%	-0.1%
Present Value of Total Obligation	2,451,699	2,445,606	2,439,550
Projected Service Cost	63,385	63,355	63,325
Adjustment to pensions Increase and Deferred revaluation	+0.1%	0.0%	-0.1%
Present Value of Total Obligation	2,483,215	2,445,606	2,408,681
Projected Service Cost	64,777	63,355	61,964
Adjustment to mortality age rating assumption	+1 Year	None	-1 Year
Present Value of Total Obligation	2,358,494	2,445,606	2,533,547
Projected Service Cost	61,158	63,355	65,573

Teachers

Under IAS19, the Teachers added years scheme is classed as an unfunded defined benefit scheme. The Authority recognises the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Authority is required to make against Council Tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out in the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and Movement in Reserves Statement during the year:

	2013/14 £000	2014/15 £000
Comprehensive Income and Expenditure Statement		
Cost of Services		
- Past service (cost) / gain	-	-
- Gains / (losses) on curtailments	-	-
Financing and Investment Income and Expenditure		
- Interest cost	(2,211)	(3,683)
Net Charge to the Comprehensive Income and Expenditure Statement	**(2,211)**	**(3,683)**

Movement in Reserves	**2013/14 £000**	**2014/15 £000**
- Reversal of net charges made for retirement benefits in accordance with IAS19	2,211	3,683
Actual amount charged against the General Fund Balance for pensions in the year:		
- Employers contributions payable to the Pension Fund and retirement benefits payable directly to pensioners	5,599	5,988

In addition to the recognised gains and losses included in the Comprehensive Income and Expenditure Statement, the following actuarial gains/losses were included within other comprehensive income and expenditure.

	2013/14 £000	2014/15 £000
Actuarial gains / (losses)	(13,761)	(7,965)

Liabilities in relation to retirement benefits

Reconciliation of present value of the scheme liabilities:

	2013/14 £000	2014/15 £000
Deficit at 1 April	**84,678**	**95,051**
Interest cost	2,211	3,683
Actuarial (gains) / losses	(11,942)	7,965
Gain / (loss) on curtailments	16,786	-
Past service costs / (gain)	8,917	-
Unfunded pension payments	(5,599)	(5,988)
Deficit at 31 March	**95,051**	**100,711**

Scheme History

	2011/12	2011/12	2012/13	2013/14	2014/15
	£m	£m	£m	£m	£m
Present value of liabilities	(74.7)	(76.7)	(84.7)	(95.1)	(100.7)
Fair value of scheme assets	-	-	-	-	-
Surplus/(deficit) in the scheme	**(74.7)**	**(76.7)**	**(84.7)**	**(95.1)**	**(100.7)**

The actuarial assumptions used to calculate the position in accordance with IAS19 were as follows

	31 March 2014	31 March 2015
Rate of inflation - RPI Increases	3.3%	2.8%
Rate of inflation - CPI Increases	2.5%	2.0%
Rate of increase in pensions	2.5%	2.0%
Discount rate	4.0%	2.8%
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men (years)	22.0	22.1
Women (years)	25.1	25.2
Longevity at 65 for future pensioners:		
Men (years)	24.1	24.2
Women (years)	27.4	27.6

17. Property, Plant and Equipment

Movements in 2014/15

	Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant & Equipment £000	PFI Assets included in Property, Plant & Equipment £000
Cost or Valuation								
At 1 April 2014	622,389	90,579	620,783	35	32,005	14,201	1,379,992	39,348
Additions	33,986	9,232	25,955	-	62	12,134	81,369	3,073
Donations	-	-	-	-	-	-	-	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	12,113	-	-	-	(2,720)	-	9,393	1,183
Revaluation increases/(decreases) recognised in the surplus/deficit on Provision of Services	(13,097)	-	-	-	(2,289)	-	(15,386)	(13,513)
Derecognition - disposals	(28,086)	(11,592)	-	-	(3,263)	-	(42,941)	-
Derecognition - other	-	-	-	-	-	-	-	-
Assets reclassified (to)/from Held for Sales/Investment Property	(885)	-	-	-	428	-	(457)	-
Assets reclassified to/(from) Surplus, Land and Buildings, Infrastructure, Assets Under Construction	(5,102)	3,110	-	-	1,992	-	-	-
Other Movements in cost or valuation	-	(1)	1	-	-	1	1	-
At 31 March 2015	**621,318**	**91,328**	**646,739**	**35**	**26,215**	**26,336**	**1,411,971**	**30,091**
Accumulated Depreciation and Impairment								
At 1 April 2014	(20,144)	(45,975)	(150,842)	(3)	(739)	-	(217,703)	(3,235)
Depreciation charge	(12,109)	(9,977)	(15,614)	(1)	(418)	-	(38,119)	(787)
Depreciation written out to the Revaluation Reserve	9,677	-	-	-	11	-	9,688	138
Depreciation written out to the Surplus/Deficit on Provision of Services	7,512	-	-	-	4	-	7,516	1,133
Impairment losses/(reversals) recognised in the Revaluation Reserve	-	-	-	-	-	-	-	-
Impairment losses/(reversals) recognised in the Surplus/Deficit on the Provision of Services	-	-	-	-	-	-	-	-
Derecognition - disposals	1,697	9,734	-	-	444	-	11,875	-
Derecognition - other							-	-
Change in category	899	(797)	-	-	(89)	-	13	-
Other movements in depreciation and impairment	-	(1)	-			-	(1)	-
At 31 March 2015	**(12,468)**	**(47,016)**	**(166,456)**	**(4)**	**(787)**	**-**	**(226,731)**	**(2,752)**
Net Book Value								
At 31 March 2015	**608,850**	**44,312**	**480,283**	**31**	**25,428**	**26,336**	**1,185,240**	**27,339**
At 31 March 2014	**602,245**	**44,604**	**469,941**	**32**	**31,266**	**14,201**	**1,162,289**	**36,113**

17. Property, Plant and Equipment (Continued)

Movements in 2013/14
Restated

	Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant & Equipment £000	PFI Assets included in Property, Plant & Equipment £000
Cost or Valuation								
At 1 April 2013	646,052	92,012	591,716	35	35,504	4,685	1,370,004	41,802
Additions	42,726	7,778	29,067	-	-	10,209	89,780	259
Donations	-	-	-	-	-	-	-	-
Revaluation increases/(decreases) recognised in the Revaluation Reserve	13,765	-	-	-	(689)	-	13,076	99
Revaluation increases/(decreases) recognised in the surplus/deficit on Provision of Services	(38,583)	-	-	-	(2,012)	-	(40,595)	(2,812)
Derecognition - disposals	(41,848)	(9,211)	-	-	(1,025)		(52,084)	-
Derecognition - other	-	-	-	-	-	-	-	-
Assets reclassified (to)/from Held for Sales/Investment Property	(348)	-	-	-	161	-	(187)	-
Assets reclassified to/(from) Surplus, Land and Buildings, Infrastructure, Assets Under Construction	627	-	-	-	66	(693)	-	-
Other Movements in cost or valuation	(2)	-	-	-	-	-	(2)	-
At 31 March 2014	**622,389**	**90,579**	**620,783**	**35**	**32,005**	**14,201**	**1,379,992**	**39,348**
Accumulated Depreciation and Impairment								
At 1 April 2013	(20,279)	(42,417)	(135,904)	(3)	(1,057)	-	(199,660)	(2,697)
Depreciation charge	(12,432)	(10,984)	(14,938)	(1)	(316)		(38,671)	(1,227)
Depreciation written out to the Revaluation Reserve	4,973	-	-	-	585	-	5,558	383
Depreciation written out to the Surplus/Deficit on Provision of Services	5,857	-	-	-	49	-	5,906	306
Impairment losses/(reversals) recognised in the Revaluation Reserve	-	-	-	-	-	-	-	-
Impairment losses/(reversals) recognised in the Surplus/Deficit on the Provision of Services	-	-	-	-	-	-	-	-
Derecognition - disposals	1,736	7,426	-	-	-	-	9,162	-
Derecognition - other	-	-	-	-	-	-	-	-
Change in category	1	-	-	-	-	-	1	-
Other movements in depreciation and impairment	-	-	-	1	-	-	1	-
At 31 March 2014	**(20,144)**	**(45,975)**	**(150,842)**	**(3)**	**(739)**	**-**	**(217,703)**	**(3,235)**
Net Book Value								
At 31 March 2014	**602,245**	**44,604**	**469,941**	**32**	**31,266**	**14,201**	**1,162,289**	**36,113**
At 31 March 2013	**625,773**	**49,595**	**455,812**	**32**	**34,447**	**4,685**	**1,170,344**	**39,105**

18. Heritage Assets

The Code of Practice requires a statement of five-year summary of transactions for Heritage Assets.

Heritage Assets are measured at Open Market Value, or, under certain circumstances, at historic cost and depreciated where appropriate.

	2010/11	2011/12	2012/13	2013/14	2014/15
	£000	£000	£000	£000	£000
Balance at 1 April	601	601	481	481	481
Additions	-	14	-	-	-
Revaluations	-	(134)	-	-	-
Balance at 31 March	**601**	**481**	**481**	**481**	**481**

Further Information on Heritage Assets

Savile of Rufford Abbey estate records

These documents relate to estates built up by the family in the West Riding of Yorkshire from the Middle Ages to the 17th century, and subsequently, augmented by the inheritage of the former Rufford Abbey estates in Nottinghamshire in 1626 through the marriage into the Talbot family, earls of Shrewsbury. The records were removed from Rufford Abbey prior to the Second World War and subsequently catalogued by the National Register of Archives in London in the 1940s and 1950s. They were deposited in the Nottinghamshire Archives in 1958, with subsequent additional deposits added in 1960, 1974 and 1982. These were supplemented by smaller acquisitions made in 1982. The collection consists of 394 boxes of documents.

Architectural drawings of Rufford and elsewhere by James Gibbs, 17th-18th centuries

The collection consists of 35 documents: 22 architectural drawings of Rufford Abbey, Ollerton Hall and Ollerton Church, with one drawing possibly of Osberton Hall, together with 17th and 18th century news cuttings reporting on Rufford Abbey and the Savile family, prints of Mr Henry Savile, Sir Henry Savile and Rufford landscapes.

The drawings were passed down to the present Lord Savile by descent. They were purchased at Sotherby's auction by Nottinghamshire Archives in July 2010, with the assistance of then Museums Libraries and Archives and Archives Council (now Arts Council)/ Victoria and Albert Museum Purchase Grant Fund and the friends of the National Libraries.

Ceremonial Regalia and Art Collection

The ceremonial regalia and art collection includes ceremonial items, paintings (both oil and watercolour), sketches, sculptures, glass and silverware acquired over a number of years. The majority of the collection is on display at County Hall with the remainder held in secure storage.

19. Capital Expenditure and Financing

	Note	2013/14 Restated £000	2014/15 £000
Opening Capital Financing Requirement (CFR)		**695,935**	**717,258**
Capital Investment			
Property, Plant and Equipment	17	89,538	77,820
Investment Properties	23	6	1
Intangible Assets	24	1,301	2,775
Heritage Assets	18	-	-
Assets Held for Sale	22	14	13
Capital Advances		20	39
Amounts treated as revenue expenditure in accordance with the Code but which are classified as capital expenditure under statute		21,754	16,875
Additions/Reductions to PFI finance liability		243	3,000
Additions/Reductions to finance lease liability		-	549
Sources of finance			
Capital receipts	37	(2,680)	(3,049)
Government grants and other contributions		(42,677)	(46,076)
Sums set aside from revenue (inc. MRP)		(41,512)	(47,844)
Repayment of PFI finance liability		(4,684)	(4,026)
Repayment of finance lease liability		-	(60)
Closing Capital Financing Requirement (CFR)		**717,258**	**717,275**
Explanation of movements in year			
Change in underlying need to borrow (unsupported by Government financial assistance)		21,323	17
		21,323	**17**

The estimated commitments for capital expenditure in future years for schemes that had started and for which a legal contract had been entered into by 31 March 2015 are:

	£000
2015/16	17,105
2016/17	2,635
2017/18	1,000
2018/19	1,000
2019/20	1,000
	22,740

The committed projects for 2015/16 are:

	£000
School Projects	5,936
Superfast Broadband	4,051
Extra Care (for Adults)	2,842
Information Technology	1,000
Ways of Working	1,151
Other	2,125
	17,105

20. Valuation of Property, Plant and Equipment

The Authority carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years. Furthermore, for those assets measured at fair value that fall outside of the 5-year rolling cycle, an annual revaluation is applied to the highest value assets and also those subject to significant in-year additional expenditure. This ensures that the closing current value of assets held on the balance sheet does not materially deviate from a fair value as determined by a recent formal revaluation. All valuations of land and buildings have been carried out internally in accordance with methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors (RICS). Vehicles, plant, furniture and equipment are carried at depreciated historic cost as a proxy for fair value where useful lives are of short duration and values are immaterial.

Land and Buildings	Included at Open Market Value in existing use, or, where this cannot be assessed because there is no market for the subject asset, the Depreciated Replacement Cost.
Fixed Plant and Machinery	Where appropiate, included in the valuation of the buildings.
Furniture and Fittings	Included at Depreciated Historic Cost, plus the depreciated value of items as at 31 March 2004 which are still in operational use.
Vehicles, Plant and Equipment	Included at Depreciated Historic Cost as a proxy for fair value.
Surplus Assets	Included at Open Market Value in existing use, or, where this cannot be assessed because there is no market for the subject asset, the Depreciated Replacement Cost.
Assets under construction	Included at Cost.
Community Assets	Included at Depreciated Historic Cost.
Infrastructure Assets	Included at Depreciated Historic Cost.

Valuation of Property, Plant and Equipment carried at current value

The following statement shows the progress of the Authority's rolling programme for the revaluation of Property, Plant and Equipment. The basis for valuation is set out in the Statement of Accounting Policies.

	Land & Bldgs £000	Surplus Assets £000	Other PPE Assets £000	Total £000
Valued at current value as at:				
31/03/2015	275,582	9,914		285,496
31/03/2014	92,890	8,405		101,295
31/03/2013	137,587	4,633		142,220
31/03/2012	84,493	2,017		86,510
31/03/2011	18,298	459		18,757
Valued at historic cost			550,962	550,962
Total	**608,850**	**25,428**	**550,962**	**1,185,240**

Impairment review

In accordance with the requirements of the Code, the Authority undertakes a review each year to identify any assets which may have been subject to an impairment in value. Where any potential impairment of Land and Buildings is identified, the asset is revalued and consequently all decreases in value are treated as revaluation losses.

21. Non-Maintained Schools

The Authority assesses the accounting treatment of all schools based upon the requirements of IFRS. This has led to Academy,Voluntary Aided and Voluntary Controlled schools being treated as off balance sheet. Consequently, all land and buildings are written out of the Authority's asset register when a school converts status. The value of land and buildings transferred to schools in 2014/15 was £25.8 million (£39.0 million in 2013/14). Transfers to schools are treated as disposals with nil sales proceeds.

At the end of the year the number of schools treated as off balance sheet was as follows:

	2014/15
	No.
Academy schools	75
Voluntary Controlled schools	31
Voluntary Aided schools	30
	136

22. Assets Held for Sale

	Current 2013/14	2014/15
	£000	£000
Balance at start of year	**5,662**	**5,515**
Assets newly qualified as Held for Sale:		
Property, Plant and Equipment	4,060	872
Revaluation losses	(82)	(720)
Revaluation gains	730	-
Declassified		
Property, Plant and Equipment	(3,895)	-
Assets sold	(974)	(565)
Other Movements	14	13
Balance at end of year	**5,515**	**5,115**

There are no non-current assets held for sale.

23. Investment Properties

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

	2013/14	2014/15
	£000	£000
Rental income from Investment Property	(443)	(680)
Direct operating expenses arising from Investment Property	124	113
Net (income)/expenditure	**(319)**	**(567)**

There are no restrictions on the Authority’s ability to realise the value inherent in its Investment Property or on the Authority’s right to the remittance of income and the proceeds of disposal. The Authority has no contractual obligations to purchase, construct or develop Investment Property or to undertake repairs, maintenance or enhancement.

Investment Properties have been valued as at the Balance Sheet date by the Authority's Estate Specialist Mr I Brearley MRICS who holds a relevant professional qualification and has recent experience. The following table summarises the movement in the fair value of Investment Properties over the year.

	2013/14 £000	2014/15 £000
Balance at start of year	**16,247**	**12,692**
Additions:		
Subsequent expenditure	6	1
Disposals	(2,000)	(134)
Net gains/(losses) from fair value adjustments	(1,582)	1,205
Transfers		
(to)/from Surplus	(44)	(428)
(to)/from L&B	65	-
Balance at end of year	**12,692**	**13,336**

24. Intangible Assets

The Authority accounts for its software as Intangible Assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment.

All software is given a finite useful life, based on assessment of the period that the software is expected to be of use to the Authority. The useful lives assigned to the major software suites used by the Authority are from 3-5 years.

Intangible Assets are held at depreciated historic cost as a proxy for fair value where useful lives are low and/or values are immaterial.

The carrying amount of Intangible Assets is amortised on a straight-line basis. The amortisation of £2.7 million expensed to revenue in 2014/15 (£2.4 million in 2013/14) was charged to the IT Administration cost centre and then absorbed as an overhead across all the service headings in the Net Expenditure of Services. It is not possible to quantify exactly how much of the amortisation is attributable to each service heading.

The movement on Intangible Asset balances during the year is as follows:

	2013/14 Purchased Software Licences £000	2014/15 Purchased Software Licences £000
Balance at start of year		
Gross carrying amounts	12,771	13,915
Accumulated amortisation	(3,695)	(5,986)
Net carrying amount at start of year	**9,076**	**7,929**
Purchases	1,301	2,775
Disposals	-	-
Amortisation for the period	(2,448)	(2,688)
Other Movements	-	(1)
Net carrying amount at end of year	**7,929**	**8,015**
Comprising		
Gross carrying amounts	13,915	16,595
Accumulated amortisation	(5,986)	(8,580)
	7,929	**8,015**

Fully amortised assets of £0.1 million were disposed of in the year.

25. Financial Instruments Balance

The borrowings and investments disclosed in the Balance Sheet are made up of the following categories of Financial Instruments:

	Long-term 2013/14 £000	Long-term 2014/15 £000	Current 2013/14 £000	Current 2014/15 £000
Financial liabilities at amortised cost	441,912	519,656	130,057	121,593
Financial liabilities at fair value through profit and loss	-	-	-	-
Total borrowings	**441,912**	**519,656**	**130,057**	**121,593**
Loans and receivables	7,572	8,207	52,050	81,597
Available for sale financial assets	-	-	-	-
Unquoted equity investment at cost	-	-	-	-
Total investments	**7,572**	**8,207**	**52,050**	**81,597**

The Authority does not hold any financial liabilities at fair value through profit and loss or available-for-sale financial assets. There have been no reclassifications of financial assets during the accounting period.

The Authority's borrowings include finance leases associated with PFI schemes and borrowings with the Public Works Loans Board (PWLB) and with UK and European banks through 'Lender's Option, Borrowers' Option' loans (LOBOs). These are both classed as 'other liabilities' and measured at amortised cost.

Financial liabilities at amortised cost

Long-term

	2013/14 £000	2014/15 £000
(a) Long Term Borrowing		
Amounts still owed on loans received from external sources to acquire capital assets such as roads, buildings & equipment. Long Term Borrowing for repayment after 1 year	318,316	397,757
(b) Finance Lease Liability		
Amounts still owed on finance leases taken with external sources to acquire capital assets for PFI Schemes and long term finance leases for repayment after 1 year	123,596	121,899
Total Long Term Borrowing at 31 March	**441,912**	**519,656**

Current

	2013/14 £000	2014/15 £000
(c) Borrowing		
Long term borrowing for repayment within 1 year	39,826	17,798
Finance leases and PFI schemes for repayment within 1 year	3,809	4,970
Total Borrowing at 31 March	**43,635**	**22,768**

	2013/14 £000	2014/15 £000
(d) Trade Creditors	86,422	98,825

Financial Assets - Loans & Receivables

Long-term

(a) Long-term Investments	**2013/14 £000**	**2014/15 £000**
Long term investments with other local authorities and financial institutions	4,566	4,519

	2013/14 £000	**2014/15 £000**
(b) Long-term Advances		
Car and Bike Loans	386	267
Nottinghamshire Cricket Club	994	927
Nottingham Rugby Club	8	-
Academies	24	413
Adult Care Property Debt - Deferred Payment Scheme	1,580	2,053
Funding Circle	14	28
	3,006	**3,688**

Car and Bike Loans

The Authority has made loans for car and bike purchases to 67 employees (85 car loans) in the Authority who are in posts that require them to drive regularly on the Authority's business. These loans are not subsidised.

Car and Bike Loans Breakdown:

	2013/14 £000	**2014/15 £000**
Opening balance	384	386
Advances	244	76
Repayments	(242)	(195)
Closing Balance	**386**	**267**

Car Loans Breakdown:	**2013/14 £000**	**2014/15 £000**
One year or less	169	112
More than one year	217	155
	386	**267**

On 19 September 2007 the Authority approved a loan of £1.23 million for 20 years to Nottinghamshire Cricket Club to help fund the £8.2 million development plans for the Trent Bridge ground. In addition to enhancing the reputation of the Cricket Club and helping it to retain Trent Bridge as a test match venue there are benefits to the economy and wider community benefits. Consequently, the loan was offered at a discounted rate with a capital repayment holiday for the first 5 years. Security has been set by way of a charge against the fixed assets of the Club to safeguard the interests of the Authority. Since the loan was offered at less than the prevailing rate the figure in the Balance Sheet represents the fair value of the loan carried at its amortised cost. The balancing figure appears in the Financial Instruments Adjustment Account.

On 21 May 2010 Nottinghamshire County Council and Nottingham City Council jointly lent Nottingham Rugby Club £50,000 repayable over 4 years to fund working capital needs. Interest is payable on the loan at the annual rate of 1% over the PWLB rate. The loan has been repaid in 2014/15.

The Authority makes loans to the County's schools, when a schools converts to academy status any outstanding balance will be reclassified as a loan to an external body and shown as a loan in the Authority's Balance Sheet.

The Authority operates an internal school loans scheme to enable schools to purchase assets such as ICT equipment, minibuses, photocopiers or contribute towards capital schemes. Typically these amounts are repaid over a three year period. Interest is charged at the current base rate plus 1 % on these loans.

The Authority also provides loans to fund energy efficiency projects, i.e. Lighting, ICT upgrades and energy management systems. These are normally repaid over a five year period. No interest is charged on these loans. Since the loan was offered at less than the prevailing rate the figure in the Balance Sheet represents the the fair value of the loan carried at its amortised cost. The balancing figure appears in the Financial Instruments Adjustment Account.

Adult Care Property Debt under the deferred payment scheme (as per section 55 of the Health and Social Care Act, 2001) consists of loans to those with insufficient income and capital, excluding their property, to meet their care home fees. Repayment of such loans is deferred until the residents die or their property is sold.

As part of its Economic Regeneration programme since 2013/14, the Authority has invested through the Funding Circle as a way of supporting direct lending or investment to small and medium sized local businesses. This was a consequence of the reduction in lending to businesses from banks or other mainstream sources of funding following the economic downturn.

Current

(c) Temporary investments	**2013/14** **£000**	**2014/15** **£000**
Temporary investments with other local authorities and financial institutions	5,057	20,028

The Authority manages its cash in line with its approved Treasury Management Policy and in accordance with prevailing statutory requirements. The amount invested at the year end depends on the cash flow position at that date.

Short-term Trade Debtors	**2013/14** **£000**	**2014/15** **£000**
(d) Trade Debtors (less bad debt provision)	46,993	61,569

Financial Assets - unquoted equity investment at cost

Economic Development: There are equity holdings amounting to £0.15 million (£0.26 million in 2013/14) that have been written off to the Comprehensive Income and Expenditure Account to reflect the high risk of the investment. Consequently, their fair value has been assessed as nil in the Balance Sheet.

The Authority holds a share in the local authority controlled CLASP Consortium (14%) and SCAPE System Building Ltd (17%). The CLASP Consortium was originally set up by a number of local authorities in 1957/58 for the design and delivery of a build system known as CLASP especially for school buildings but its role now is the provision of buildings design services for local authorities. Some members of the consortium are share holders in SCAPE, a limited company set up in 2006/07 to continue with the provision of build design and property consultancy services. The CLASP Consortium no longer undertakes any economic activities following the creation of SCAPE. The Authority is a founder member of the consortium and holds shares in SCAPE Ltd. The Authority does not receive any dividends from its holdings. The value of this holding is small and there are conditions on the shares that prevent them being traded on the open market. Consequently, since the fair value cannot be measured reliably, no value is carried on the Balance Sheet.

Interests in Companies

The Authority has a 50% interest in Nottingham and Nottinghamshire Futures Limited (formerly Connexions Nottinghamshire Limited). The Company transferred into local authority control from the Learning and Skills Council at 1 April 2008 at no cost and consequently, this is reflected at an immaterial investment cost in the Authority's accounts.

26. Financial Instruments Gains/Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Account in relation to financial instruments are made up as follows:

	2013/14 Financial Liabilities £000	2013/14 Financial Assets £000	2013/14 Total £000	2014/15 Financial Liabilities £000	2014/15 Financial Assets £000	2014/15 Total £000
Interest expense	(32,096)	-	(32,096)	(32,907)	-	(32,907)
Losses on derecognition	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-
Interest payable and similar charges	**(32,096)**	**-**	**(32,096)**	**(32,907)**	**-**	**(32,907)**
Interest income	-	679	679	-	430	430
Gains on derecognition	-	-	-	-	-	-
Interest and investment income	**-**	**679**	**679**	**-**	**430**	**430**

The average cost of external borrowing was 4.90% (5.04% in 2013/14).

The interest expense figure includes the cost of administration fees. For most of the transactions entered into by the Authority the transaction costs are negligible. For example, the PWLB charges an administration fee when advancing new loans at the current rate of 35p per £1,000 and LOBO loans taken out through brokers have incurred fees of £24,000 on borrowings of £10 million. Administration fees below 0.5% of the amount borrowed are considered not material and are charged directly to the Comprehensive Income and Expenditure Account.

Following comprehensive local government re-organisation in 1974, the Authority took over assets from other local authorities on which there were repayments of advances still outstanding. These debts are administered by the other authorities and the amounts recharged to the Authority are included in the above figures.

The balance outstanding on these deferred liabilities is as follows:

	2013/14 £000	2014/15 £000
Loan taken over from District Councils when the responsibility for services was transferred to the Authority on local government reorganisation in 1974.	1,529	1,438

27. Fair Value of Assets and Liabilities carried at amortised cost

Financial liabilities and financial assets represented by loans and receivables are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- no early repayment or impairment is recognised
- where an instrument will mature in the next 12 months, the carrying amount is assumed to approximate to fair value
- the fair value of trade and other receivables is taken to be the invoiced or billed amount.

For long term borrowings and investments, fair values have been calculated by reference to relevant interest rates in force as at 31 March 2014 and 2015 as follows:

- for PWLB loans, the relevant PWLB rate in force
- for LOBO loans, the PWLB premature repayment rate applicable to loans in excess of 50 years

- for long term investments, the market rate for a loan of similar value and profile
- for finance leases and Salix loan, the PWLB rate for an annuity commencing on 31 March of equal length to the remaining scheduled length
- for loans and receivables, the PWLB rate for an annuity commencing on 31 March of length equal to the remaining scheduled length of the relevant instrument, plus 1% to recognise risk on loans and receivables.

	2013/14		2014/15	
	Carrying Amount £000	**Fair Value £000**	**Carrying Amount £000**	**Fair Value £000**
Financial liabilities	571,969	720,655	641,249	782,066

The fair value is greater than the carrying amount because the Authority's portfolio of loans and finance leases includes a number of fixed rate loans and leases where the interest rate payable is higher than the rates available for similar loans at the Balance Sheet date. This commitment to pay interest above current market rates increases the amount that the Authority would have to pay if the lender agreed to early repayment of the loans.

	2013/14		2014/15	
	Carrying Amount £000	**Fair Value £000**	**Carrying Amount £000**	**Fair Value £000**
Loans and receivables	59,622	59,730	89,804	89,991

The fair value is different from the carrying amount because the Authority's portfolio of investments included a number of fixed rate loans where the interest rate receivable was different from the rates available for similar loans at the Balance Sheet date. Where the agreed interest is above current market rates, the Authority would have to accept higher repayment if it negotiated early repayment of the loans; where the interest rate is lower then a lower repayment.

28. Disclosure of nature and extent of risks arising from financial instruments

The Authority's activities expose it to a variety of financial risks:

- credit risk – the risk of failure by a counterparty to meet its contractual obligations under an investment, borrowing, capital, project or partnership financing
- liquidity risk – the risk that cash will not be available when it is needed, thereby causing additional unbudgeted costs with consequent impact on the Authority's business/service objectives.
- market risk – the risk that, through adverse market fluctuations in the value of the principal sums the Authority borrows and invests, its stated treasury management policies are compromised.

The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. In 2002, the Authority adopted the CIPFA Code of Practice on Treasury Management. In accordance with this Code of Practice, the Authority sets an annual Treasury Management Strategy, by March each year. This contains a number of measures to control the key financial instrument risks above including:

- treasury management practices
- prudential indicators for borrowing and investment
- approved counterparties for lending purposes.

The Authority also receives regular reports measuring the performance of the treasury management function. A copy of the Authority's Treasury Management Policy and Strategy is available upon request.

Credit Risk

The following analysis summarises the Authority’s potential maximum exposure to credit risk, based on experience of default and uncollectability over the last five financial years, adjusted to reflect current market conditions.

	Amounts at 31/3/15 £000	Historical experience of default	Historical experience adjusted for market conditions at 31/3/15	Estimated maximum exposure to default and uncollecta-bility £000
Deposits with banks and financial institutions	20,028	-	-	-
Customers	27,538	0.20%	0.20%	55

No credit limits were exceeded during the reporting period and the Authority does not expect any losses from non-performance by any of its counterparties in relation to deposits.

Customers are assessed, taking into account their financial position, past experience and other factors. The Authority's policy is to set aside a provision for bad debt in order to minimise the effect of default. At the end of 2014/15 the provision for bad and doubtful debt was £5.6 million (£5.7 million in 2013/14).

The Authority does not generally allow credit for customers, such that £8.7 million (£6.7 million in 2013/14) of the £27.5 million (£39.2 million in 2013/14) balance is past its due date for payment. The past due amount can be analysed by age as follows:

	£000
Less than three months	2,057
Three to six months	1,599
Six months to one year	1,168
More than one year	3,865
	8,689

Liquidity risk

As the Authority has ready access to borrowings from the Public Works Loans Board, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that a significant proportion of borrowings will mature at a time of unfavourable interest rates. Current borrowings are spread over 54 years with a maximum of any one year's maturity around 7.2% of the total. However, since the Authority's future borrowing requirement is fairly sizeable in relation to current debt, the prudential indicator for debt maturity has been set with as part of the annual Treasury Management Strategy. The strategy for new loans is to borrow each year close to the lowest lowest rate available and, where economic circumstances make it favourable, early repayment of fixed rate loans will be considered.

In addition, the Authority has a number of finance lease liabilities that relate to PFI and other schemes.

The maturity analysis of financial liabilities is as follows:

	2013/14 £000	%	2014/15 £000	%
Maturity date				
Within 1 year	43,635	9.0	22,768	4.2
1 year and up to 2 years	13,876	2.9	15,229	2.8
2 years and up to 5 years	44,647	9.2	51,599	9.5
5 years and up to 10 years	90,102	18.5	89,656	16.5
10 years and up to 15 years	87,249	18.0	87,032	16.1
15 years and up to 20 years	80,047	16.4	74,149	13.7
20 years and up to 25 years	25,121	5.2	51,121	9.4
25 years and over	100,870	20.8	150,870	27.8
	485,547	**100.0**	**542,424**	**100.0**

	2013/14 £000	2014/15 £000
Source of Borrowing		
Public Works Loan Board	233,546	308,359
External Bonds and Loans	124,346	106,296
Finance Leases related to PFI and other schemes	127,405	126,869
Salix Loan	250	900
	485,547	**542,424**

All trade and other payables are due to be paid in less than one year.

Market risk

Interest rate risk

The Authority is exposed to risk in terms of interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Authority. For instance, a rise in interest rates would have the following effects:

- borrowings at fixed rates – the fair value of the borrowings will fall
- investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise
- investments at fixed rates – the fair value of the assets will fall.

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Comprehensive Income and Expenditure Statement. However, changes in interest receivable on variable rate investments will be posted to the Comprehensive Income and Expenditure Statement and affect the General Fund Balance £ for £. Movements in the fair value of fixed rate investments will be reflected in other comprehensive income and expenditure.

The Authority has a number of strategies for managing interest rate risk. The policy for borrowing rates is to achieve a managed decline in the average rate and borrow each year close to the lowest rate available. During periods of falling interest rates, and where economic circumstances make it favourable, early repayment of fixed rate loans will be considered to limit exposure to losses. The risk of loss is ameliorated by the fact that a proportion of Government grant payable on financing costs will normally move with prevailing interest rates or the Authority's cost of borrowing and provide compensation for a proportion of any higher costs. The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget. The strategy is used to advise investment and borrowing decisions and also whether new borrowing taken out should be fixed or variable. This allows any adverse changes to be accommodated.

The Authority has no variable rate borrowings and minimal variable rate investments. A 1% change in interest rates would therefore have no material impact on the Comprehensive Income and Expenditure Statement. If interest rates had been 1% higher at 31 March 2015, with all other variables held constant, the fair value of fixed rate borrowings would be lower but with no impact on the Comprehensive Income and Expenditure Statement.

Price risk

The Authority does not hold any equity shares that can be measured and consequently is not exposed to losses from movements in the prices of shares.

Foreign exchange risk

The Authority has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to movements in exchange rates.

29. Inventories

	Raw Materials		Finished Goods		Totals	
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
	£000	£000	£000	£000	£000	£000
Opening Balance	1,515	1,690	1,232	1,199	2,747	2,889
Purchases	9,434	10,515	10,341	10,049	19,775	20,564
Expended	(9,237)	(10,358)	(10,367)	(10,195)	(19,604)	(20,553)
Written Off	(22)	(20)	(1)	(1)	(23)	(21)
Reversal of write off	-	-	(6)	-	(6)	-
Closing Balance	**1,690**	**1,827**	**1,199**	**1,052**	**2,889**	**2,879**

30. Debtors and Long Term Debtors

Debtors less than one year	**2013/14**	**2014/15**
	£000	**£000**
Central government bodies	11,318	13,715
Other local authorities	20,269	29,361
NHS bodies	19,831	8,285
Public corporations and trading funds	10	-
Other entities and individuals	12,233	27,096
	63,661	78,457
Less bad debt provision	(5,731)	(5,639)
Total	**57,930**	**72,818**

Long term debtors	**2013/14**	**2014/15**
	£000	**£000**
Adult care property debt	1,627	1,257
Other	51	51
Total	**1,678**	**1,308**

Analysis of bad debt provision	**2013/14**	**2014/15**
	£000	**£000**
Opening bad debt provision	**5,106**	**5,731**
Amounts paid	(2,733)	(2,817)
Amounts written off	(304)	(403)
Provisions adjustment	3,662	3,128
Closing bad debt provision	**5,731**	**5,639**

31. Creditors

Creditors less than one year	2013/14 £000	2014/15 £000
Central government bodies	8,035	9,650
Other local authorities	16,450	22,476
NHS bodies	7,719	3,456
Public corporations and trading funds	2,513	475
Other entities and individuals	62,288	71,755
Total	**97,005**	**107,812**

32. Cash and Cash Equivalents

The Authority monitors cash balances on a daily basis to make maximum use of the funds available and invests any surplus cash identified. The bank account balance at 31 March will consist of an overdraft with the Authority's main bank, amounts held in call accounts or money market funds and school deposits either with the Authority's main bank or held with other banks.

The analysis of cash and cash equivalents is as follows:

	2013/14		2014/15	
	£000	£000	£000	£000
Amounts held in call accounts and money market funds		13,510		45,717
Main overdraft		(37,863)		(46,306)
School bank accounts:				
Main Authority accounts	34,688		30,585	
Other bank accounts	7,067	41,755	10,176	40,761
		17,402		**40,172**

33. Leases

Authority as Lessee

Finance Leases

The Authority leases the following assets that qualify as a finance lease:

Land & Buildings - Highways Depot
Vehicles, Plant, Furniture & Equipment - Six highways winter maintenance vehicles

The assets acquired under each lease are carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts:

	2013/14 £000	2014/15 £000
Other Land and Buildings	3,575	3,545
Vehicles, Plant, Furniture and Equipment	-	549
	3,575	**4,094**

The Authority is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest acquired by the Authority and finance costs that will be payable by the Authority in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

	2013/14 £000	2014/15 £000
Finance lease liabilities (net present value of minimum lease payments):		
- current	-	223
- non-current	879	1,145
Finance costs payable in future years	3,921	4,929
Minimum lease payments	**4,800**	**6,297**

The minimum lease payments will be payable over the following periods:

	Minimum Lease Payments		Finance Lease Liabilities	
	2013/14 £000	2014/15 £000	2013/14 £000	2014/15 £000
Not later than one year	40	319	-	223
Later than one year and not later than five years	200	534	1	267
Later than five years	4,560	5,444	878	878
	4,800	**6,297**	**879**	**1,368**

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2014/15 £0.01m of contingent rents were payable by the Authority (£0 in 2013/14).

Operating Leases

The Authority leases a wide variety of properties for use in the provision of services including libraries, offices, industrial units and youth centres.

The minimum lease payments due under leases in future years are:

	2013/14 £000	2014/15 £000
Not later than one year	596	713
Later than one year and not later than five years	1,105	1,294
Later than five years	799	798
	2,500	**2,805**

The expenditure charged in the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

	2013/14 £000	2014/15 £000
Minimum lease payments	920	900
Contingent rents	42	45
	962	**945**

Authority as Lessor

Finance Leases

The Authority leases out one property for use as a Community Centre at a peppercorn rental. The property is valued at £0 (£0 in 2013/14) and there are no balances in the accounts in relation to the lease. The Authority leases school land and buildings to Academy schools for 125 year terms on peppercorn rentals. The assets are removed from the Authority's balance sheet upon transfer to Academy status. Details of the number of the number of Academies and asset values are shown in note 21.

Operating Leases

The Authority leases out property and equipment under operating leases for the following purposes:

- for the provision of community services, such as sports facilities, tourism services and community centres
- for economic development purposes to provide suitable affordable accommodation for local businesses.

The minimum lease payments receivable under leases in future years are:

	2013/14 £000	2014/15 £000
Not later than one year	982	759
Later than one year and not later than five years	1,506	919
Later than five years	2,001	1,729
	4,489	**3,407**

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2014/15 £0.1 million contingent rents were receivable by the Authority (£0.2 million in 2013/14).

34. Private Finance Initiative (PFI)

East Leake Schools

The Council has a contract with East Leake Schools Limited for the provision of secondary and primary schools and a community leisure facility in East Leake. Service commenced during 2003/04 and the contract finishes on 31 July 2027 when the buildings transfer back to the Council.

The Council retained the freehold of the land which is valued and included in the Balance Sheet as other land and buildings where the school is under local authority control.

The assets used to provide the schools services are recognised on the Council's Balance Sheet where the school is under local authority control.

The Authority makes an agreed payment each year which is increased each year by inflation and can be reduced if the contractor fails to meet availability and performance standards in any year but is otherwise fixed. Payments remaining to be made under the PFI contract at 31 March 2015 including an estimate of inflation at 2.5% but excluding any performance or availability deductions, are as follows:

	Service £000	Lifecycle £000	Finance £000	Interest £000	Contingent £000	Total £000
Payable within 1 year	553	203	485	1,037	302	**2,580**
Within 2-5 years	2,265	929	2,393	3,619	1,373	**10,579**
Within 6-10 years	2,962	1,613	4,253	2,951	2,051	**13,830**
Within 11-15 years	1,434	412	3,111	527	1,213	**6,697**
	7,214	**3,157**	**10,242**	**8,134**	**4,939**	**33,686**

Bassetlaw Schools

The Council has a contract with Transform Schools (Bassetlaw) Ltd for the provision of five secondary schools, two post-16 centres, one special school and two community leisure centres. These became fully operational during 2007/08 and the contract finishes on 31 July 2032 when the buildings transfer back to the Council.

An agreement has been entered into between Nottinghamshire County Council and Bassetlaw District Council with regards to the two leisure facilities which form part of the PFI Scheme. A lease has been granted to Bassetlaw District Council for a term of 60 years secured on both the leisure facilities. Consequently these facilities are not included as assets on the Council's Balance Sheet.

The Council retained the freehold of the land which is valued and included in the Balance Sheet as other land and buildings where the school is under local authority control.

The assets used to provide the schools services are recognised on the Council's Balance Sheet where the school is under local authority control.

The Authority makes an agreed payment each year which is increased each year by inflation and can be reduced if the contractor fails to meet availability and performance standards in any year but is otherwise fixed. Payments remaining to be made under the PFI contract at 31 March 2015 including an estimate of inflation at 2.5% but excluding any performance or availability deductions, are as follows:

	Service £000	Lifecycle £000	Finance £000	Interest £000	Contingent £000	Total £000
Payable within 1 year	5,579	1,092	2,693	9,205	302	**18,871**
Within 2-5 years	23,969	5,045	12,999	34,148	1,310	**77,471**
Within 6-10 years	34,074	8,435	23,279	34,482	1,430	**101,700**
Within 11-15 years	39,337	13,215	33,902	21,471	(163)	**107,762**
Within 16-20 years	20,892	6,441	23,194	3,815	184	**54,526**
	123,851	**34,228**	**96,067**	**103,121**	**3,063**	**360,330**

Waste Recycling

The Authority has received Government support for a Nottinghamshire Waste PFI scheme which involves the commissioning of Materials Recycling Facilities (MRF) and an Energy Recovery Facility. A PFI credit of £38.3 million has been allocated. The contract was signed on 26 June 2006 with Veolia Environmental Services and the contract ends on 31 March 2033 when the assets transfer to the Council. The MRF became operational in January 2009. The MRF site is subject to a 50 year rental agreement with the Council, which is then recharged to Veolia Environmental Services at the same rates.

The Council retained the freehold of the land which is valued and included in the Balance Sheet.

The assets used to provide the services are recognised on the Council's Balance Sheet. Movements in their value over the year are included in the analysis of the movement in Property, Plant and Equipment balance.

The Authority makes an agreed payment per tonne of waste which is increased each year by inflation and can be reduced if the contractor fails to meet availability and performance standards in any year but is otherwise fixed. Payments remaining to be made under the PFI contract at 31 March 2015 including an estimate of inflation at 2.5% but excluding any performance or availability deductions, are as follows:

	Service £000	Lifecycle £000	Finance £000	Interest £000	Contingent £000	Total £000
Payable within 1 year	17,230	1,175	1,569	2,364	1,368	**23,706**
Within 2-5 years	73,126	8,353	1,252	11,771	6,036	**100,538**
Within 6-10 years	101,208	7,103	6,603	15,878	12,013	**142,805**
Within 11-15 years	114,512	1,365	3,822	11,829	19,262	**150,790**
Within 16-20 years	75,807	-	5,946	2,989	14,688	**99,430**
	381,883	**17,996**	**19,192**	**44,831**	**53,367**	**517,269**

35. Single Status Reserve

Single Status arises from a national agreement between the employers and the trade unions which requires all local authorities to harmonise the conditions of employment of Local Government Services employees. These conditions were previously agreed by two separate negotiating bodies and there were significant differences between the two sets of conditions. Implementation of the Authority's proposals on the final stage of harmonisation of a new pay and grading structure began in April 2008. This process began with non-school based staff and was rolled out across the Authority in 2008/09. As part of the package being implemented any upgrades had an effective date of 1 April 2002.

Single Status costs of £4,348 (£14,580 in 2013/14) were incurred in 2014/15 and accounted for in Non Distributed Costs. As at 31 March 2015 a total of £34.2 million had been paid out as a consequence of back dating upgrading's to 1 April 2002. The total number of employees included in the first phase of the

Single Status programme was over 28,000 (including former employees) and as at 31 March 2015 these payments had been completed with the exception of equal pay claims.

The next phase of the programme was to review non-teaching posts in schools and this stage is nearing completion with only a few outstanding issues to be resolved. The total number of posts included in this category is over 8,000. During 2014/15 £0.1million (£0.4 million in 2013/14) of the reserve has been used for agreed payments.

Since 2002/03, the Authority has been setting aside resources to fund Single Status costs.

The balance on the Single Status (Corporate Pay Review) Reserve is as follows:

	2013/14 £000	2014/15 £000
Balance brought forward	6,744	802
Transfers from the reserve	(5,942)	(85)
Balance carried forward	**802**	**717**

36. General Provisions

Where events have happened, which are likely to result in future costs to the Authority, an estimate of the likely impact is made and a provision is set aside. The provisions made are set out below:

Short Term Provisions	2013/14 £000	Movement £000	2014/15 £000
General Insurance Claims prior to 1/4/98	495	283	778
General Insurance Claims from 1/4/98	659	2	661
Carbon Reduction Commitment (CRC) Scheme	792	(792)	-
Corporate Redundancy Provision	6,598	(5,331)	1,267
NDR provision for backdated appeals	166	112	278
Provisions below £200,000	68	25	93
Home Care disputed invoices	601	(525)	76
Mansfield Library premises	400	(400)	-
Childrens' Social Care adaptions	90	212	302
Total	**9,869**	**(6,414)**	**3,455**

Long Term Provisions	2013/14 £000	Movement £000	2014/15 £000
General Insurance Claims prior to 1/4/98	4,457	2,540	6,997
General Insurance Claims from 1/4/98	5,930	24	5,954
NDR provision for backdated appeals	663	446	1,109
Corporate Redundancy Provision	-	2,550	2,550
Total	**11,050**	**5,560**	**16,610**

37. Capital Receipts and Grants Unapplied

The Capital Receipts Reserve holds the usable part of the capital receipts from the sale of assets. The Authority has approved the use of capital receipts for the financing of capital expenditure or the repayment of prior year borrowings.

	2013/14 £000	2014/15 £000
Balance at 1 April	-	-
Receivable	(2,680)	(3,049)
Applied	2,680	3,049
Balance at 31 March	-	-

The Capital Grants Unapplied Reserve holds grants receivable from Government and other contributions that have not been applied for the financing of capital expenditure.

	2013/14 £000	2014/15 £000
Balance at 1 April	**7,578**	**1,980**
Capital grants credited to the CI&E	29,257	33,285
Application of grants to capital financing transferred to the CAA	(34,854)	(33,717)
Other Movements	(1)	(1)
Balance at 31 March	**1,980**	**1,547**

38. Other Operating Expenditure

Other operating expenditure includes the following amounts:

	2013/14 £000	2014/15 £000
(Gains)/losses on the disposal of non-current assets	42,216	29,716
Change in fair value of assets held for sale	(648)	720
Other operating income and expenditure	(925)	(96)
Total	**40,643**	**30,340**

39. Financing and Investment Income and Expenditure

Financing and investment income and expenditure includes the following amounts:

	2013/14 £000	2014/15 £000
Interest payable and similar charges	32,096	32,907
Net interest on the defined liability/(asset)	36,841	34,457
Interest receivable and similar income	(679)	(430)
(Income) and expenditure in relation to investment properties and changes in their fair value	1,263	(1,772)
Net (surplus)/deficit of trading undertakings	2,601	609
Insurance revenue	(471)	484
Total	**71,651**	**66,255**

40. Movement on Earmarked Reserves

	2012/13 £000	Transfers Out £000	Transfers In £000	2013/14 £000	Transfers Out £000	Transfers In £000	2014/15 £000
General Fund Balance	42,118	(12,987)	-	29,131	(2,100)	-	27,031
Schools Statutory Reserves	32,973	-	3,335	36,308	(2,978)	4,569	37,899
General Insurance Reserve	10,361	-	470	10,831	(555)	-	10,276
Trading Services	3,526	(1,779)	982	2,729	(1,346)	1,877	3,260
Earmarked for Services	38,680	(27,427)	36,921	48,174	(14,993)	17,725	50,906
Earmarked Reserves	4,992	(6,272)	4,672	3,392	(4,129)	1,810	1,073
Capital Projects Reserve	30,127	(12,440)	3,619	21,306	(14,856)	4,758	11,208
NDR Pool Reserve	-	-	202	202	-	2,186	2,388
East Leake PFI Schools	2,983	(87)	183	3,079	(112)	185	3,152
Bassetlaw PFI Schools	862	(287)	46	621	(290)	2	333
Waste PFI Reserve	28,336	-	311	28,647	-	409	29,056
Corporate Pay Review Reserve	6,744	(5,942)	-	802	(85)	-	717
The Improvement Programme	11,450	(8,404)	-	3,046	(520)	-	2,526
Corporate Redundancy Reserve	5,918	-	4,135	10,053	(1,000)	-	9,053
Strategic Development Fund	-	-	8,942	8,942	(2,414)	901	7,429
Lifecycle Maintenance	4,205	(4,205)	-	-	-	-	-
Total Other Earmarked Reserves	**137,823**	**(66,843)**	**60,013**	**130,993**	**(39,745)**	**29,853**	**121,101**
Total Reserves	**223,275**	**(79,830)**	**63,818**	**207,263**	**(45,378)**	**34,422**	**196,307**

General Fund Balance comprises reserves available for use by the Authority as a contingency**.**

Schools Statutory Reserve - See note 42

General Insurance Reserve - See note 41

Trading Services reserves comprise accumulated revenue surpluses plus or minus any transfer between those reserves and the General Fund.

Earmarked for Services are amounts set aside to cover expected events where the accounting criteria for the creation of provisions are not met.

Earmarked Reserves hold year end underspends where approval has been given to be carried forward and spent in the following year. This reserve also contains reserves previously classifed under earmarked for services but are no longer required for their original purpose.

Capital Projects Reserve comprises contributions from revenue towards future capital schemes.

NDR Pool Reserve holds the Authority's share of the Non Domestic Rates pool surplus. The pool was established 1 April 2013 when the new funding mechanism was introduced with the seven District and Borough Councils. It also holds the Authority's share of growth and renewable energy.

Bassetlaw, East Leake and Waste PFI Reserves are surplus funding amounts set aside during the early years of the PFI contracts. These are contributions from central Government and the Authority will be required in later years to finance the unitary charge.

Corporate Pay Review Reserve - See note 35

Improvement Programme was established in 2010 to fund the Authority's service transformation. The residual balance in 2014/15 relates to the Ways of Working Project which is not yet completed.

Corporate Redundancy Reserve was established to help meet redundancy costs in excess of the amount already held in contingency for future years.

Strategic Development Fund was approved in the Budget Report to Council 27 February 2014 to facilitate the Authority's commitment to redefine service delivery.

Lifecycle Maintenance Reserve was established to spread the cost of maintaining new buildings. In 2013/14, after reassessment of the Authority's priorities, the balance of the reserve was released as it was no longer required.

41. Insurance Reserve and Account

The Authority operates a self-insurance scheme and covers each kind of risk up to set limits which are reviewed annually. External insurers cover risks in excess of the internally insured amounts. The major areas where significant risks are covered externally are Fire, Liability and Motor. The insurance provision covers known liabilities. Amounts are also set aside in the Insurance Reserve to cover possible insurance claims losses that are not yet known about.

The total of the Insurance Provision and Reserve as at 31 March 1998 has been ring-fenced for liabilities arising up to that date. The balance and the liabilities are being shared by the County and City Councils in the proportion of 23.55 % City and 76.45% County.

The amount set aside in the Insurance Provision is detailed in Note 36. The Insurance Reserve is shown below:

General Insurance Reserve	**Note**	**2013/14 £000**	**2014/15 £000**
General Insurance Reserve		**10,831**	**10,276**

Insurance Account		**2013/14 £000**	**2014/15 £000**
Premiums paid		1,689	1,654
Claims made		5,326	4,041
Contribution (from)/to Provision		(64)	2,628
		6,951	8,323
Less charges to Departments	1	(6,772)	(6,637)
Total Expenditure		**179**	**1,686**
External Premiums		-	(30)
Interest on ringfenced fund at 31 March 1998		(13)	(110)
Contribution to Closed Fund from City and County Council's		(637)	(1,062)
Total Income		**(650)**	**(1,202)**
Net (surplus)/deficit		**(471)**	**484**

Note 1. Classed as expenditure to avoid double counting in the net cost of services.

42. Schools Statutory Reserve

Surplus and deficit balances relating to schools must be carried forward from one financial year to the next in accordance with the requirements of Section 48 of the School Standards and Framework Act 1998. The Schools Statutory Reserve is committed to be spent on schools and is not available to the Authority for general use.

During 2014/15 the overall reserve has increased by £1.6 million to £37.9 million. Within the total reserve school accumulated balances decreased by £2.8 million to £24.3 million; of this, £2.8 million is to fund capital schemes.

The reserve also includes £14.6 million relating to the non-ISB (Individual Schools Budget) element of the Schools Budget.

Part of the reserve is used to finance a school loan scheme, whereby schools are advanced funding for major capital items and then repay this over a three year period.

School Balances	2013/14	Movement in year	2014/15
	£000	£000	£000
Balances held by schools	27,175	(2,847)	24,328
Non ISB Balances	9,996	4,569	14,565
School Loan Scheme	(863)	(131)	(994)
School Statutory Reserve Total	**36,308**	**1,591**	**37,899**

43. Unusable Reserves

	2013/14 Restated £000	2014/15 £000
Revaluation Reserve	104,210	110,387
Capital Adjustment Account	367,455	384,584
Financial Instruments Adjustment Account	(113)	(107)
IAS 19 Pensions Reserve	(819,893)	(1,087,711)
Collection Fund Adjustment Account	3,105	2,725
Deferred Capital Receipts	1,000	-
Employee Benefits Account	(12,754)	(13,356)
Total Unusable Reserves	**(356,990)**	**(603,478)**

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

	2013/14 Restated £000	2014/15 £000
Balance at 1 April	**98,385**	**104,210**
Upward revaluation of assets	30,330	29,366
Downward revaluation of assets and impairment losses not charged to the Surplus or Deficit on the Provision of Services	(11,697)	(10,285)
Surplus/(deficit) on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	18,633	19,081
Difference between fair value depreciation and historic cost depreciation	(1,596)	(1,697)
Accumulated gains on assets sold or scrapped	(11,212)	(11,207)
Amount written off to the Capital Adjustment Account	(12,808)	(12,904)
Balance at 31 March	**104,210**	**110,387**

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historic cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement. The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Authority. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. The Movement in Reserves Statement provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

	2013/14 Restated £000	2014/15 £000
Balance at 1 April	**407,488**	**367,455**
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
Charges for depreciation on non-current assets	(38,671)	(38,119)
Revaluation losses and Impairments on PPE	(34,689)	(7,869)
Amortisation of intangible assets	(2,448)	(2,688)
Revenue expenditure funded from capital under statute	(21,754)	(16,875)
Amounts of non-current assets written off on disposal or sale as part of the gain/(loss) on disposal to the Comprehensive Income and Expenditure Statement	(43,216)	(28,716)
	(140,778)	(94,267)
Adjusting amounts written out of the Revaluation Reserve	12,808	12,904
Net written out amount of the cost of non-current assets consumed in the year.	(127,970)	(81,363)
Capital financing applied in the year:		
Use of the Capital Receipts Reserve to finance outstanding debt	-	-
Application of grants to capital financing from the Capital Grants Unapplied Account	42,675	46,076
Statutory provision for the financing of capital investment charged against the General Fund	24,500	24,672
Capital expenditure charged against the General Fund	21,696	27,259
	88,871	**98,007**
Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	(1,582)	1,205
Movement in the fair value of Non Current Assets Held for Sale credited to the Comprehensive Income and Expenditure Statement	648	(720)
Balance at 31 March	**367,455**	**384,584**

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments.

	2013/14 £000	2014/15 £000
Balance at 1 April	**(130)**	**(113)**
Premiums incurred in the year and charged to the Comprehensive Income and Expenditure Statement	-	(16)
Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	17	22
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	17	6
Balance at 31 March	**(113)**	**(107)**

IAS19 Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	2013/14 £000	2014/15 £000
Balance at 1 April	**(878,034)**	**(819,893)**
Actuarial gains / (losses) on pensions assets and liabilities	97,469	(235,817)
Other gains / (losses)	(69)	1,432
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provisions of Services in the Comprehensive Income and Expenditure Statement	(86,605)	(82,767)
Employer's pensions contributions and direct payments to pensioners payable in the year	47,346	49,334
Balance at 31 March	**(819,893)**	**(1,087,711)**

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax income in the Comprehensive Income and Expenditure Statement as it falls due from Council Tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund. Since 2013/14 the NDR changes required a similar account to be held for Non Domestic Rates.

	2013/14	2014/15
	£000	£000
Balance at 1 April	**4,495**	**3,105**
Amount by which Council Tax income credited to the Comprehensive Income and Expenditure Statement is different from Council Tax income calculated for the year in accordance with statutory requirements	125	(1,098)
Amount by which NDR income credited to the Comprehensive Income and Expenditure Statement is different from Council Tax income calculated for the year in accordance with statutory requirements	(1,515)	718
Balance at 31 March	**3,105**	**2,725**

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve is an unusable reserve that holds the value of capital receipts that the Authority has recognised as disposal income in the Comprehensive Income and Expenditure Statement but where the consideration is to be paid in future years.

	2013/14	2014/15
	£000	£000
Balance at 1 April	-	1,000
Movement in Deferred Capital Receipts held	1,000	(1,000)
Balance at 31 March	**1,000**	**-**

Employee Benefits Account

The Employee Benefits Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

	2013/14	2014/15
	£000	£000
Balance at 1 April	**(18,586)**	**(12,754)**
Settlement or cancellation of accrual made at the end of the preceding year	18,586	12,754
Amounts accrued at the end of the current year	(12,754)	(13,356)
Amount by which the officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accrual basis is different from remuneration chargeable in the year in accordance with statutory requirements	5,832	(602)
Balance at 31 March	**(12,754)**	**(13,356)**

44. Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

	2013/14	2014/15
	£000	£000
Interest received	(804)	(71)
Interest paid	32,133	32,170

45. Cash Flow Statement - Investing Activities

	2013/14 Restated £000	2014/15 £000
Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	98,569	85,607
Purchase of short and long-term investments	2,500	74,008
Other payments for investing activities	(166)	966
Proceeds from the sale of Property, Plant and Equipment, Investment Property and Intangible Assets	(2,680)	(3,049)
Capital Grants and contributions received	(33,566)	(33,056)
Proceeds from short-term and long-term investments	(14,996)	(59,000)
Net other receipts from investing activities	298	(290)
Net cash flows from investing activities	**49,959**	**65,186**

46. Cash Flow Statement - Financing Activities

	2013/14 £000	2014/15 £000
Cash receipts of short and long-term borrowing	(43,000)	(90,816)
Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	4,199	293
Repayments of short and long-term borrowing	10,681	34,231
Net cash flows from financing activities	**(28,120)**	**(56,292)**

47. Termination Benefits

The Authority terminated the contracts of a number of employees in 2014/15, incurring costs of £2.2 million (£1.6 million in 2013/14). These figures include accounting entries required by the Code. The Authority is undergoing major restructuring of its services which explains the large value of these payments.

48. Information on Assets

	Note	Number of Buildings 2013/14 Restated	Number of Buildings 2014/15
Nursery and Primary Schools	1	207	202
Secondary Schools	1	5	4
Special Schools and Pupil Referral Units		21	20
Libraries		58	56
Family and Children's Centres		61	62
Youth and Community Centres		38	38
Residential Homes For Elderly and Disabled		6	6
Day Centres and Clubs For Elderly and Disabled		19	18
Children's Residential Homes		3	3
Staff and Other Houses		103	88
Other, including Factories, Depots and Offices		180	165
		701	**662**

Note 1: The figures exclude Academy, Voluntary Controlled and Voluntary Aided schools which are not on the Authority's Balance Sheet. See Note 21 for further details.

The Authority owns approximately 4,067 hectares of land, of which some 444 hectares are used as smallholdings. It also has 4,619 kilometres of roads. For insurance purposes, the reinstatement value of the Authority's buildings is £1,661 million.

49. Members' Allowances

The Authority makes payments to Councillors for work undertaken in the course of their duties. The cost during the financial year was £1,441,432 (£1,435,791 in 2013/14). In addition to this, Members were reimbursed a total of £60,325 (£68,397 in 2013/14) for expenses incurred on Authority business.

50. Related Parties

The Authority is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

Central Government

Central Government has effective control over the general operations of the Authority – it is responsible for providing the statutory framework within which the Authority operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties (e.g. Council Tax bills, housing benefits). Grants received from Government departments are set out in the subjective analysis in Note 10 on reporting for resources allocation decisions.

Members

Members of the Council have direct control over the Authority's financial and operating policies. The total of Members' allowances paid in 2014/15 is shown in Note 49. During 2014/15, there were no works or services commissioned from companies in which Members had an interest (2013/14 - none). Any contracts would have been entered into in full compliance with the Authority's standing orders. Grants totalling £3,028,039 were paid to 19 organisations in which 18 Members had positions on the governing body (2013/14 £2,998,331 to 25 organisations, 27 Members). No grants were made to organisations whose senior management included close members of the families of Members. In all instances, the grants were made with proper consideration of declarations of interest. The relevant Members did not take part in any discussion or decision relating to the grants. Details of all these transactions are recorded in the Register of Members' Interests which is open to public inspection and is also available on the Authority's website at:
http://www.nottinghamshire.gov.uk/thecouncil/democracy/councillors/allowances-expenses-conduct-interests/

Senior Employees

In accordance with section 117 of the Local Government Act 1972, Senior Employees must declare their interest in any organisations which have received grant payments. During 2014/15, grants of £2.1million were paid to an organisation in which Senior Employees had an interest (none for 2013/14). This is a director of Futures and this officer is now part of the Corporate Leadership Team.
Grants totalling £51,199 were paid to one organisation in which a senior employee declared an interest.

Other Public Bodies (subject to common control by Central Government)

The Authority has a pooled budget arrangement with Integrated Community Equipment Service (ICES). Transactions and balances outstanding are detailed in Note 52.

The Authority is the administering body for the Local Government Pension Scheme (LGPS). Details of the Accounts of the Pension scheme can be found after the notes to the Authority's accounts.

Entities Controlled or Significantly Influenced by the Authority

The Authority has significant influence in the following organisations :

Nottingham and Nottinghamshire Futures Limited - See below
CLASP - See note 25
SCAPE - See note 25

These organisations are deemed to be influenced significantly by the Authority through its representation on the board or ownership of shares. Details of the transactions with Nottingham and Nottinghamshire Futures Limited are provided below. There are no material transactions with the other organisations listed.

Futures Advice, Skills and Employment Ltd ("Futures") is a company owned equally between Nottingham City Council and Nottinghamshire County Council that provides support services to young people in Nottinghamshire. Following an assessment of the materiality of Futures to the Council, Group Accounts have not been prepared for 2014/15. Information related to Futures is provided below. Further details may be found within the accounts of the company which is registered in England under number 4172770.

	Audited 2013/14 £000	**Unaudited 2014/15 £000**
Revenue	13,145	15,800
Profit / (loss)	(711)	153
Total Assets	2,800	4,401
Total Liabilities	(12,396)	(22,580)
Equity and Reserves	(9,596)	(18,179)

Nottinghamshire County Council had the following transactions with Futures:

	2013/14 £000	**2014/15 £000**
Sales of facilities management services	-	-
Grants given	2,100	2,100
Purchases of works and services	389	525

51. Trust Funds

The Authority acts as trustee for a number of separate trust funds, most of which are relatively small amounts. The cash balances held by the Authority are summarised below:

Department/Service	**Balance at 31/3/14 £000**	**Income £000**	**Expend-iture £000**	**Investment Movement £000**	**Balance at 31/3/15 £000**
Children and Young People	4	5	(8)	(1)	-
Adult Social Care and Health	10	-	-	-	10
Cultural Services	12	3	-	-	15
	26	**8**	**(8)**	**(1)**	**25**

In addition to cash balances held, the Authority has invested surplus funds, principally in gilt-edged securities, and the values are set out below:

	Value of Investments £000 31/3/14	**Movement £000**	**Value of Investments £000 31/3/15**
Children and Young People	4	1	5
Adult Social Care and Health	2	-	2
Cultural Services	50	-	50
	56	**1**	**57**

52. Pooled Budgets

Under Section 31 of the Health Act 1999, Nottinghamshire County Council has entered into the following Pooled Budget Arrangements with the partners set out below. The County Council is the Host Authority for the pooled budget and has responsibility for it's financial management. The details are set out below:

Integrated Community Equipment Loan Service (ICELS) - Nottinghamshire

Nottinghamshire County Council (Host)
Nottingham City Council
Nottingham City CCG
Nottinghamshire County CCG's
Bassetlaw CCG

Pooled Budgets Memo Account	2013/14 £000	2014/15 £000
Net surplus / (deficit) brought forward	**248**	**145**
Funding provided to the pooled budget:		
Nottinghamshire County Council ASCH&PP	2,050	2,110
Nottinghamshire County Council CYP	262	267
Nottingham City Council ASCH	1,286	1,201
Bassetlaw CCG	466	362
Nottinghamshire County CCG's	2,210	2,400
Nottingham City CCG	1,314	1,189
Continuing Healthcare Specialist Equipment	323	187
Other income	3	401
Total Funding	**7,914**	**8,117**

Expenditure met from the pooled budget:	2013/14 £000	2014/15 £000
Partnership Management and Administration costs	291	366
Contract Management Fee	1,091	1,191
Continuing Healthcare Specialist Equipment	286	235
Equipment	5,545	5,451
Minor Adaptations	804	846
Weekend Working Project	-	76
Direct Payments	-	1
Total Expenditure	**8,017**	**8,166**
Net surplus / (deficit) carried forward	**145**	**96**

The combined ICELS Contract commenced on 1 April 2011 for a period of 3 years. The option to extend for up to 2 years was agreed.

53. Contingent Liabilities

In 1992, Municipal Mutual Insurance (MMI) ceased to trade and now exists solely to discharge its responsibilities under policies that it had previously issued. These responsibilities relate mainly to legal liability claims, which will take many years to materialise and finalise. In the event of MMI's insolvency during this period, local authority policyholders agreed to enter into a 'scheme of arrangement' under which there are claw-back provisions on claims payments made by MMI after the implementation of the scheme. The potential maximum liability if the scheme is triggered is £3.3 million although MMI may also cease to deal fully with any new liability claims. On 28 March 2012 a judgement handed down by the Supreme Court in the Employers' Liability Policy Trigger Litigation was unfavourable to MMI and hence the Directors of the company decided that a solvent run-off of all MMI's obligations was unlikely to be achieved. Therefore on 13 November 2013 the board of MMI triggered the Scheme of Arrangement and Ernst & Young LLP became responsible for the management of MMI's business, affairs and assets. In February 2013 the proposed levy or claw-back rate was initially set at 15%, however, the actuarial review of the insurance liabilities of MMI is uncertain and Ernst & Young LLP is not able to guarantee that this initial levy percentage will be sufficient for a solvent run-off. It is therefore anticipated that further levies will be made. For this reason a provision of £1.5 million has been set aside in respect of potential claw-back, this figure being taken from an external review of the provision and reserve.

A group litigation has been lodged against the Authority for negligence in its responsibilities for providing social care. Experience of similar cases in other authorities suggests that it will be three to five years before the case is concluded. An allowance has been set aside within the insurance provision for the possible settlement that the Authority may have to pay. However, in order not to prejudice seriously the privacy of the individuals and the Authority's position in the case, any further information has been withheld from this publication.

The Authority has set aside a reserve in the accounts for the implementation of the Single Status Agreement from 1 April 2002. Harmonisation of a new pay and grading structure began in April 2008. The process began with non-school based staff and was rolled out across the Authority in 2008/09 and has since completed. The roll-out of Single Status to non-teaching posts in schools is nearing completion. There remains a potential for equal pay claims arising. Although it is not possible to reliably estimate any amount at this time it is anticipated that this will be met from the Corporate Pay Review Reserve.

54. Post Balance Sheet Events

There are no material events to report since the accounts were prepared which are not reported in the accounts.

55. Income from bodies under the Local Authority (Goods and Services) Act 1970

The Authority is empowered by this Act to provide goods and services to other public bodies. The Authority provided the following:

	2013/14		2014/15	
	£000 Expenditure	**£000 Income**	**£000 Expenditure**	**£000 Income**
Administration and Professional Services				
NHS Trusts	56,147	56,147	58,205	58,205
Other Authorities	10,941	10,941	7,227	7,227
Schools and Colleges	48	48	32	32
Maintenance works				
Other Authorities	170	170	174	174
Schools and Colleges	132	132	92	92
	67,438	**67,438**	**65,730**	**65,730**

56. Section 137 of the Local Government Act 1972

Local authorities are empowered by Section 137 of the Local Government Act 1972, as amended, to make contributions to certain charitable funds, not for profit bodies providing a public service and mayoral appeals. During 2014/15 these powers were not used.

57. Publicity Work

Local authorities are required to disclose their expenditure on publicity. The definition of publicity includes a number of routine items of expenditure. The Authority's expenditure is summarised below:

	2013/14 £000	2014/15 £000
Advertising for staff	581	455
Other advertising, including education courses	764	656
Public Relations - salaries and running costs	1,077	975
Other publicity expenditure	112	63
	2,534	**2,149**
As a percentage of gross expenditure (cost of services)	0.22%	0.20%

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NOTTINGHAMSHIRE COUNTY COUNCIL PENSION FUND

Introduction

Nottinghamshire County Council is the Administering Authority for the Local Government Pension Scheme (LGPS) within Nottinghamshire. The LGPS is a statutory scheme administered by individual pension funds. The benefits within the scheme are determined by regulation and are guaranteed by statute. The pension fund (the Fund) exists to help defray the cost of paying the pension benefits. Members make contributions to the Fund as specified in the regulations and employers make contributions as determined by the Fund's actuary as part of the triennial valuation of the Fund. All new employees are brought into the scheme automatically, unless a positive election not to participate is received from the employee.

The Authority administers the pension fund for over 300 participating employers and over 110,000 members. The employers include the County Council, the City Council, District Councils and organisations which used to be part of local government (such as Nottingham Trent University, Colleges, Police civilian staff and Academies). They also include organisations which satisfy the conditions to participate in the LGPS and have been admitted to the Fund by the Authority. In general, these organisations are non-profit making, or are undertaking a service which was, or could be, carried out by a local authority.

The operation of the Fund is set out in a number of published policy statements. Under the Governance Compliance Statement, the functions as administering authority of the Fund are delegated to the Nottinghamshire Pension Fund Committee supported by two advisory sub-committees.

The Funding Strategy Statement sets out the aims and purpose of the Fund and details the responsibilities of the administering authority as regards funding the scheme.

The Statement of Investment Principles sets out more detailed responsibilities relating to the overall investment strategy of the Fund including the proposed asset allocation, restrictions on investment types, the type of investment management used and performance monitoring. It also states the Fund's approach to responsible investment and corporate governance issues.

The Communications Strategy Statement details the overall strategy for involving stakeholders in the Fund. A key part of this strategy is a dedicated Fund website (available at www.nottspf.org.uk).

A separate annual report for the Fund is also produced and this, along with previous years' reports, will be accessible via the the pension fund website. The annual report includes the accounts and the published policies as well as information on the performance of the fund.

The accounts of the fund are set out over the following pages. The CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 requires:

- a fund account showing the changes in net assets available for benefits
- a net assets statement showing the assets available at the year end to meet benefits
- supporting notes.

NOTTINGHAMSHIRE COUNTY COUNCIL PENSION FUND

FUND ACCOUNT

	Notes	2013/14 Restated £000	2014/15 £000
Contributions	4		
Employer contributions		(123,905)	(130,112)
Member contributions		(41,018)	(42,714)
		(164,923)	**(172,826)**
Transfers in from other pension funds		(6,638)	(6,124)
Benefits	5		
Pensions		132,832	137,495
Commutation of pensions and lump sum retirement benefits		23,115	25,991
Lump sum death benefits		3,793	3,324
		159,740	**166,810**
Payments to and on account of leavers		15,326	87,072
Administration expenses	6	1,291	1,764
Net (additions)/withdrawals from dealings with members		**4,796**	**76,696**
Oversight and governance expenses	7	**628**	**572**
Investment Income	9	(105,388)	(110,790)
Profits & losses on disposal of investments & changes in value		(141,271)	(316,474)
Taxes on income		644	703
Investment management expenses	8	3,892	3,838
Net Returns on Investments		**(242,123)**	**(422,723)**
Net (increase)/decrease in net assets available for benefits during the year		**(236,699)**	**(345,455)**
Opening net assets of the Fund		3,496,446	3,733,145
Net assets available to fund benefits		**3,733,145**	**4,078,600**

Payments to and on account of leavers in 2014/15 includes an amount of £76.0 million in respect of the transfer out of liabilities relating to the Nottinghamshire Probation Trust as part of the transfer of services to the National Probation Service. Excluding this bulk transfer, the net withdrawal from dealings with members was £0.7 million.

NET ASSETS STATEMENT FOR THE YEAR ENDED

	Notes	31 March 2014 £000	31 March 2015 £000
Investment Assets	10 & 14		
Fixed Interest Securities		360,883	412,853
Equities		1,818,478	1,983,371
Pooled Investment Vehicles		1,091,132	1,199,849
Property		288,140	321,700
Forward Foreign Exchange		191	-
Cash deposits		153,469	131,916
Other Investment Balances	12	21,670	21,568
Investment liabilities	12	(2,650)	(4,571)
		3,731,313	**4,066,686**
Current assets	13	10,033	14,198
Current liabilities	13	(8,201)	(2,284)
		1,832	**11,914**
Net assets of the fund available to pay benefits at the year end		**3,733,145**	**4,078,600**

The actuarial present value of promised retirement benefits, as required by the *Code of Practice on Local Authority Accounting in the United Kingdom 2014/15*, is shown at note 2c.

EXPLANATION OF PRIOR PERIOD ADJUSTMENTS

The management costs of the Fund have previously been split between administration expenses and investment management expenses. Following review by CIPFA, a range of costs have been identified that could be more accurately described as oversight and governance costs.

Management costs have been reported for 2014/15 in the three categories recommended by CIPFA and, as a consequence, the costs for 2013/14 have been reclassified. The impact on the Fund Account is shown in the table below. There is no impact on the Net Assets Statement arising from the reclassification.

Impact on the Fund Account:	Fund Account 2013/14 Original Statement £000	Adjustment Made £000	Fund Account 2013/14 As Restated £000
Administration Expenses	1,442	(151)	1,291
Oversight and governance expenses	-	628	628
Investment management expenses	4,369	(477)	3,892
	5,811	**-**	**5,811**

NOTES TO THE ACCOUNTS

1. Accounting Policies

(a) Basis of Preparation
The Pension Fund accounts have been prepared in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom 2014/15* (the Code). On issues where there is no clear guidance in the Code, reference has been made under the hierarchy of standards to *Financial Reports of Pension Schemes: a Statement of Recommended Practice 2007* (the Pensions SORP) or to individual International Acccounting Standards (IAS). Disclosures in the Pension Fund accounts have been limited to those required by the Code.

(b) Debtors and Creditors
The accruals concept is applied to these accounts in compliance with the Code.

(c) Investments
Pension fund investments are carried at fair value in accordance with the Code. Fair value is defined as 'the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's-length transaction'. Where an active market exists, the quoted market price is used. Where there is no active market, fair value is established by using valuation techniques.

Specific details on the valuation methods for particular classess of assets are listed below:

- Equities traded through a stock exchange are valued at the latest quoted price. Where more than one price is quoted the 'bid' price is used.
- Unit Trusts and managed funds are valued at the closing single price or the bid price where applicable. These reflect the market value of the underlying investments.
- Unquoted securities and pooled private equity investments are valued at fair value by the fund managers at the year end in accordance with industry accepted guidelines.
- The market value of fixed interest investments is based on the 'clean price', i.e. excludes income accrued at 31 March but not yet due for payment.
- Property investments are stated at open market value based on a quarterly independent valuation at the Net Assets Statement date.

Transaction costs arising on all investment purchases and sales are charged to the Fund Account within ‘Profits & losses on disposal of investments & changes in value’ by adding to purchase costs and netting against sale proceeds, as appropriate, for all investment types. This achieves consistency between asset classes and ensures all transaction costs are charged to the Fund Account. It also ensures that the financial statements faithfully represent the economic substance of the transactions. The economic substance of purchases and sales of all asset types is to generate returns for the Fund to help mitigate the cost to employers of providing pensions. Transactions costs are ancillary to this purpose.

The change in fair value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments and unrealised changes in market value.

Forward foreign exchange contracts are "over the counter contracts" under which two parties agree to exchange two currencies on a specified future date at an agreed rate of exchange. These are used to manage the economic exposure to bond markets and hedge against foreign currency movements. These contracts are included at fair value by determining the gain or loss that would arise from closing out the contract at the Net Assets Statement date by entering into an equal and opposite contract at that date. The movements on these contracts during the year are shown in the reconciliation of opening and closing balances of investments at note 10(b).

Cash deposits includes all fixed term deposits, amounts held in call accounts or money market funds and amounts held by the Fund's custodian. These are classed as investment assets in accordance with the Code.

(d) Investments Income
Income is accounted for on an accruals basis for the following:

- interest on cash deposits and fixed interest securities is accrued on a daily basis
- dividends from equities are accrued when the stock is quoted ex-dividend
- rents from property are accrued in accordance with the terms of the lease.

(e) Taxes on Income
UK equity dividends are quoted and accounted for at the net rate. The tax credit, which the Fund is unable to recover, is not recognised (in accordance with the Pensions SORP). Overseas equity dividends are accounted for gross of withholding tax, where this is deducted at source. Partial reclaims of withholding tax, where allowed, are adjusted at the year end by outstanding claims.

(f) Foreign Currencies
Where forward exchange contracts are in place in respect of assets and liabilities in foreign currencies, the contract rate is used. Other assets and liabilities in foreign currencies are expressed in sterling at the rates of exchange ruling at the year-end. Income from overseas investments is translated into sterling at the rate ruling on the date of the transaction. Surpluses and deficits arising on conversion or translation are dealt with as part of the change in market value of investments.

(g) Contributions
Normal contributions, both from the members and from employers, are accounted for in the payroll month to which they relate at rates as specified in the rates and adjustments certificate. Additional contributions from employers are accounted for on an accruals basis.

(h) Benefits Payable
Under the rules of the Scheme, members can receive a lump sum retirement grant in addition to their annual pension. Lump sum retirement grants are accounted for from the date of retirement. Where a member can choose whether to take a greater retirement grant in return for a reduced pension these lump sums are accounted for on an accruals basis from the date the option is exercised. Other benefits are accounted for on the date the member leaves the Scheme or on death.

(i) Transfers to and from Other Schemes
Transfer values represent the capital sums either receivable (in respect of members from other pension schemes of previous employers) or payable (to the pension schemes of new employers for members who have left the Scheme). They take account of transfers where the trustees (or administering authority) of the receiving scheme have agreed to accept the liabilities in respect of the transferring members before the year end, and where the amount of the transfer can be determined with reasonable certainty.

(j) Other Expenses
Management expenses are accounted for on an accruals basis. Expenses are recognised net of any recoverable VAT. Nottinghamshire County Council charges the Fund with the costs it incurs in administering the scheme and the Fund.

(k) Additional Voluntary Contributions
The Fund provides an additional voluntary contribution (AVC) scheme for its members, the assets of which are invested separately from those of the Fund. The Fund has appointed Prudential and Scottish Widows as its AVC providers. AVCs are paid to the AVC providers by employers and are specifically for providing additional benefits for individual contributors. Each AVC contributor receives an annual statement showing the amount held in their account and the movements in the year.

The AVCs are not included in the Fund's accounts in accordance with regulation 4(2)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009. The value of the separately invested AVCs is disclosed at note 15.

2. Operation of the fund

(a) Contributions and Solvency

With effect from 1 April 2008 The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 were introduced. The principal changes from the 1997 regulations were: the replacement, for future service, of the existing benefits structure (based on a pension of 1/80th of pensionable pay for each year of pensionable service plus an automatic lump sum of three times this amount) by one based on 1/60th of pensionable pay for each year of pensionable service and no automatic lump sum. Under the 2008 scheme, employees were required to make percentage contributions by deduction from earnings at a rate between 5.5% and 7.5% depending on salary.

From 1 April 2014 the new Local Government Pension Scheme was introduced for service accruing after that date. This is a career average revalued earnings (CARE) scheme with an accrual rate of 1/49th of pensionable pay and a retirement age linked to the state retirement age. Employee contribution rates in the new scheme range from 5.5% to 12.5% depending on salary.

Employers are required to make such balancing contributions, determined by the Actuary, as will maintain

(b) Actuarial Valuations

As required by the Regulations an Actuarial Valuation of the Fund was carried out as at 31 March 2013. The market value of the Fund's assets at the valuation date was £3,470 million. The Actuary has estimated that the value of the Fund was sufficient to meet 85% of its expected future liabilities in respect of service completed to 31 March 2013. The certified contribution rates are expected to improve this to 100% within a period of 20 years. The full actuarial valuation report is available on the Fund's website at www.nottspf.org.uk.

The Actuarial Valuation was carried out using the projected unit method and the assumptions used within the valuation are shown below along with the equivalent assumptions from the 2010 valuation.

	31 March 2010 % pa	**31 March 2013 % pa**
Expected investment returns:		
Equities	7.5	6.7
Gilts	4.5	3.3
Property	5.6	5.8
Discount Rate	6.9	6.0
Retail price inflation (RPI)	3.5	3.5
Consumer price inflation (CPI)	3.0	2.7
Long term pay increases	5.0	4.5
Pension Increases	3.0	3.5

The 2013 valuation produced an average employer contribution rate of 18.8% (2010 18.0%). Employer contributions were certified by the actuaries for the years 2014/15 to 2016/17. For the majority of employers, the rate for future service accrual was certified as a percentage of salary with an additional cash amount specified for deficit recovery. The employers' contribution rates paid in 2013/14 were set by the 2010 valuation. The following list shows the contributions payable by the main employers.

Certified employer contributions		**2013/14**	**2014/15**	**2015/16**	**2016/17**
Nottinghamshire County Council		18.3%	13.2%	13.2%	13.2%
	Plus:		£12,638,000	£12,979,000	£13,330,000
Nottingham City Council		18.0%	12.5%	12.5%	12.5%
	Plus:		£8,031,000	£8,880,000	£9,356,000
Ashfield District Council		22.4%	12.3%	12.3%	12.3%
	Plus:		£1,021,000	£1,144,000	£1,272,000
Bassetlaw District Council		22.1%	13.5%	13.5%	13.5%
	Plus:		£1,890,000	£2,027,000	£2,127,000
Broxtowe Borough Council		18.7%	13.2%	13.2%	13.2%
	Plus:		£716,000	£735,000	£755,000
Gedling Borough Council		18.2%	12.3%	12.3%	12.3%
	Plus:		£555,000	£569,000	£585,000
Mansfield District Council		20.5%	13.9%	13.9%	13.9%
	Plus:		£1,075,000	£1,250,000	£1,433,000
Newark and Sherwood District Council		21.9%	12.5%	12.5%	12.5%
	Plus:		£946,000	£1,065,000	£1,189,000
Rushcliffe Borough Council		19.5%	13.0%	13.0%	13.0%
	Plus:		£478,000	£556,000	£638,000

(c) Actuarial Present Value of Promised Retirement Benefits

The actuarial present value of promised retirement benefits has been calculated by the Fund's actuaries in accordance with IAS 19. To do this, the actuaries rolled forward the value of the Employers' liabilities calculated for the Triennial valuation as at 31 March 2013 allowing for the different financial assumptions required under IAS19. The assumptions used for the purposes of the IAS 19 calculations are as follows:

	31 March 2013		**31 March 2014**		**31 March 2015**	
	% pa	**Real % pa**	**% pa**	**Real % pa**	**% pa**	**Real % pa**
RPI Increases	3.4	-	3.6	-	3.3	-
CPI increases	2.6	(0.8)	2.8	(0.8)	2.5	(0.8)
Salary Increases	4.8	1.4	4.6	1.0	4.3	1.0
Pension Increases	2.6	(0.8)	2.8	(0.8)	2.5	(0.8)
Discount Rate	4.5	1.1	4.5	0.9	3.4	0.1

The net liability under IAS 19 is shown below.

	31 March 2013 £000	**31 March 2014 £000**	**31 March 2015 £000**
Present value of funded obligation	5,476,127	5,733,792	6,886,812
Fair value of scheme assets	3,477,023	3,708,200	4,050,198
Net Liability	**1,999,104**	**2,025,592**	**2,836,614**

The present value of funded obligation consists of £6,560.7 million in respect of vested obligation and £326.1 million in respect of non-vested obligation.

These figures are presented only for the purposes of IAS 19. In particular, they are not relevant for calculations undertaken for funding purposes or for other statutory puposes under UK pensions legislation.

(d) Investment Strategy

The investment strategy of the Fund is designed to maximise growth within acceptable risk parameters to help meet the future liabilities. The powers of investment are governed by the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009. The investment policy is set out in the Fund's Statement of Investment Principles, a copy of which is available on the pension fund website (www.nottspf.org.uk).

The Nottinghamshire Pension Fund Committee, advised by the Pensions Sub-Committee, is responsible for determining the investment strategy of the Fund and the type of investment management to be used. The Pensions Sub-Committee consists of nine elected County Councillors, three representatives of Nottingham City Council, two representatives of the District Councils, two representatives of the Trade Unions, a representative elected by the other scheduled and admitted bodies and two appointed pensioner representatives. Meetings are also attended by an independent adviser and representatives of the Chief Financial Officer.

The investments are managed by officers of the Authority or by organisations specialising in the management of pension fund assets. The Investments Sub-Committee is responsible for monitoring performance of the fund and meets on a quarterly basis to review the Fund's main investment managers and

(e) External Audit

A separate fee is payable to KPMG LLP for audit of the pension fund. The fee for 2014/15 is £33,226 (£29,926 for 2013/14). All fees have been included in the accounts for the period to which they relate. Rebates were also received from the Audit Commission as part of their efficiency savings in advance of closure. The rebate for 2014/15 was £7,171 (£3,120 for 2013/14).

3. Contributors and Pensioners

	Members at 31 March 2015				
	County Council	**City Council**	**District Councils**	**Other**	**Total**
Contributors	15,653	9,225	3,457	14,336	42,671
Deferred Beneficiaries	17,987	8,963	3,631	9,130	39,711
Pensioners	15,187	6,339	4,594	5,895	32,015
					114,397

	Members at 31 March 2014				
	County Council	**City Council**	**District Councils**	**Other**	**Total**
Contributors	15,244	8,210	3,286	12,411	39,151
Deferred Beneficiaries	16,932	7,850	3,456	8,073	36,311
Pensioners	14,702	6,114	4,479	5,529	30,824
					106,286

4. Analysis of Contributions

	Employers		Members		Total	
	2013/14 £000	**2014/15 £000**	**2013/14 £000**	**2014/15 £000**	**2013/14 £000**	**2014/15 £000**
County Council	39,473	42,324	12,956	12,845	52,429	55,169
Scheduled Bodies	79,817	83,306	26,441	28,300	106,258	111,606
Admitted Bodies	4,615	4,482	1,621	1,569	6,236	6,051
	123,905	**130,112**	**41,018**	**42,714**	**164,923**	**172,826**

5. Analysis of Benefits

	2013/14 £000	2014/15 £000
Pensions	132,832	137,495
Commutation and lump sum	23,115	25,991
Lump sum death benefits	3,793	3,324
	159,740	**166,810**
Comprising of:		
County Council	65,160	68,831
Scheduled Bodies	89,657	92,802
Admitted Bodies	4,923	5,177
	159,740	**166,810**

6. Administration Expenses

	2013/14 Restated £000	2014/15 £000
Printing and stationery	36	11
Legal fees	-	39
Other external fees	212	541
Administering Authority Costs	1,043	1,173
	1,291	**1,764**

7. Oversight and Governance Expenses

	2013/14 Restated £000	2014/15 £000
Training and conferences	8	17
Printing and stationery	-	1
Subscriptions and membership fees	21	28
Actuarial fees	56	9
Audit fees	30	33
Audit Commission rebate	(3)	(7)
Other external fees	79	90
Administering Authority Costs	437	401
	628	**572**

8. Investment Management Expenses

	2013/14 Restated £000	2014/15 £000
Custody fees	299	326
Investment management fees	3,420	3,335
Other external fees	152	158
Administering Authority Costs	21	19
	3,892	**3,838**

9. Investment Income

Analysis by type of investment	2013/14 £000	2014/15 £000
Interest from fixed interest securities	(13,472)	(17,232)
Income from index-linked securities	(684)	-
Dividends from equities	(66,959)	(61,158)
Income from pooled investment vehicles	(5,401)	(12,876)
Income from property pooled vehicles	(3,055)	(3,557)
Net rents from property	(14,461)	(13,661)
Interest on cash deposits	(854)	(911)
Other	(502)	(1,395)
	(105,388)	**(110,790)**

	2013/14 £000	2014/15 £000
Directly held property		
Rental income	(17,001)	(15,723)
Less operating expenses	2,540	2,062
Net rents from property	**(14,461)**	**(13,661)**

10. Investments

(a) **Investment Analysis**	**31 March 2014 £000**	**31 March 2015 £000**
Fixed Interest Securities		
UK Public Sector	89,020	123,886
UK Other	233,576	272,302
Overseas Other	38,287	16,665
Equities		
UK	1,150,350	1,201,166
Overseas	665,788	779,595
Unlisted	2,340	2,610
Pooled Investment Vehicles		
Unit Trusts	400,043	472,802
Other Managed Funds	572,005	595,426
Pooled Vehicles Invested in Property		
Property Unit Trusts	32,743	39,545
Other Managed Funds	86,341	92,076
Property	288,140	321,700
Forward Foreign Exchange	191	-
Cash and Currency	153,469	131,916
Investment Liabilities	-	(210)
Total Investments	**3,712,293**	**4,049,479**

The original values of investments are based on purchase cost plus transaction costs. If any investments have been held since 1 April 1974 (when the Authority was given the responsibility for the Fund) these are included at the market value as at that date.

	31 March 2014 £000	**31 March 2015 £000**
Market Value	3,712,293	4,049,479
Original Value	2,688,995	2,771,543
Excess/(Deficit) of Market Value over Original Value	**1,023,298**	**1,277,936**

The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 contain a number of restrictions on investments. The limits that are relevant to the Fund are specified in the Fund's Statement of Investment Principles as follows:

(a) Not more than 10% of the Fund to be invested in unlisted securities.
(b) Not more than 10% of the Fund to be invested in a single holding.
(c) Not more than 25% of the Fund to be invested in securities which are managed by any one body, i.e. in a unit trust type arrangement.
(d) Not more than 15% of the Fund to be invested in partnerships, with not more than 2% in any one partnership.

No investments have been made contrary to these limits.

(b) Reconciliation of Opening and Closing Values of Investments 2014/15

	Value at 1 April 2014 £000	Purchases at Cost £000	Proceeds of Sales £000	Change in Market Value £000	Value at 31 March 2015 £000
Fixed Interest Securities	360,883	209,548	(192,162)	34,584	412,853
Equities	1,818,478	243,831	(227,821)	148,883	1,983,371
Pooled Investment Vehicles	972,048	227	(7,595)	103,548	1,068,228
Property Pooled Vehicles	119,084	20,369	(3,523)	(4,309)	131,621
Property	288,140	29,597	(30,760)	34,723	321,700
	3,558,633	**503,572**	**(461,861)**	**317,429**	**3,917,773**
Forward Foreign Exchange	191	113,640	(113,086)	(955)	(210)
	3,558,824	**617,212**	**(574,947)**	**316,474**	**3,917,563**
Cash deposits	153,469				131,916
	3,712,293				**4,049,479**

Reconciliation of Opening and Closing Values of Investments 2013/14

	Value at 1 April 2013 £000	Purchases at Cost £000	Proceeds of Sales £000	Change in Market Value £000	Value at 31 March 2014 £000
Fixed Interest Securities	323,555	480,789	(420,813)	(22,648)	360,883
Index Linked Securities	80,739	7,219	(84,291)	(3,667)	-
Equities	1,675,534	246,295	(226,450)	123,099	1,818,478
Pooled Investment Vehicles	906,164	67,114	(26,579)	25,349	972,048
Property Pooled Vehicles	121,955	2,886	-	(5,757)	119,084
Property	288,075	12,354	(37,425)	25,136	288,140
	3,396,022	**816,657**	**(795,558)**	**141,512**	**3,558,633**
Forward Foreign Exchange	250	158,731	(158,549)	(241)	191
	3,396,272	**975,388**	**(954,107)**	**141,271**	**3,558,824**
Cash deposits	81,269				153,469
	3,477,541				**3,712,293**

For Forward Foreign Exchange contracts, the purchase cost and sale proceeds represent the sterling value of the currency purchases and sales at the settlement dates specified in the contracts.

Transaction costs are included in the cost of purchases and sale proceeds. The costs charged directly to the fund, such as fees, commissions and stamp duty, amounted to £2.0 milion in 2014/15 (£1.9 million in 2013/14). In addition, indirect costs are incurred through the bid-offer spread on investments. This amount is not separately provided.

(c) Management Arrangements

The assets of the Fund are managed within five portfolios and a breakdown of these as at the Net Assets Statement date is shown below:

	31 March 2014 £000		31 March 2015 £000	
In-house	1,557,437	42.1%	1,616,513	39.9%
Schroder Investment Management	1,011,414	27.2%	1,161,491	28.7%
Kames Capital	361,074	9.7%	417,018	10.3%
Aberdeen Property Investors	294,459	7.9%	329,340	8.1%
Specialist	487,909	13.1%	525,117	13.0%
Total	**3,712,293**	**100.0%**	**4,049,479**	**100.0%**

A breakdown of material pooled holdings managed by external managers within the In-house and Specialist portfolios is shown below:

	31 March 2014 £000	31 March 2015 £000
In-house		
Legal & General	259,562	298,820
Specialist		
Kames Capital	102,543	118,769
RWC Capital	134,638	127,580
Standard Life	49,428	64,589

(d) Asset Allocation

The asset allocation of the Fund as at the Net Assets Statement date is shown below:

	31 March 2014 £000		31 March 2015 £000	
UK Fixed Interest	322,597	8.7%	396,188	9.8%
Overseas Fixed Interest	38,287	1.0%	16,665	0.4%
UK Equities	1,287,335	34.7%	1,336,470	33.0%
Overseas Equities:				
US	488,001	13.2%	586,559	14.5%
Europe	397,607	10.7%	417,433	10.3%
Japan	117,074	3.2%	161,430	4.0%
Pacific Basin	134,542	3.6%	147,863	3.6%
Emerging Markets	169,878	4.6%	192,149	4.7%
Global	18,094	0.5%	21,394	0.5%
UK Property	327,785	8.8%	368,885	9.1%
Overseas Property	79,439	2.1%	84,436	2.1%
Private Equity	75,451	2.0%	72,441	1.8%
Multi-Asset	102,543	2.8%	115,860	2.9%
Forward Foreign Exchange	191	-	(210)	-
Cash	153,469	4.1%	131,916	3.3%
Total	**3,712,293**	**100.0%**	**4,049,479**	**100.0%**

(e) Property

Direct property is shown at open market value (as defined by the International Valuation Standards Committee) as determined by Savills Commercial Limited. The analysis of property is:

	31 March 2014 £000	31 March 2015 £000
Freehold	288,140	321,700
Leasehold more than 50 years	-	-
	288,140	**321,700**
Original Value	285,068	273,485

(f) Analysis of Pooled Investment Vehicles

The underlying economic exposure of pooled investment vehicles is shown below:

	31 March 2014 £000	31 March 2015 £000
UK Equities	158,665	158,248
Overseas Equities:		
US	192,984	226,251
Japan	72,746	67,597
Europe	71,166	91,980
Pacific Basin	134,542	147,863
Emerging Markets	148,198	169,204
Global	18,094	21,394
UK Property	39,645	47,185
Overseas Property	79,439	84,436
Private Equity	73,110	69,831
Multi-Asset	102,543	115,860
Total	**1,091,132**	**1,199,849**

(g) Private Equity Funds

The Fund has made commitments to a number of private equity funds. The original commitment amounts are shown below in the fund currencies:

Funds	Currency	Commitment millions
Wilton Private Equity Fund LLC	USD	14
Pantheon Europe Fund III	EUR	10
East Midlands Regional Venture Capital Fund	GBP	5
Coller International Partners IV	USD	10
Schroders Private Equity Fund of Funds III	EUR	22
DCM Private Equity Fund II	USD	18
Pantheon Europe Fund V	EUR	15
Coller International Partners V	USD	18
Catapult Growth Fund LP	GBP	4
Altius Associates Private Equity Fund	USD	10
Partners Group Secondary 2008	EUR	13
DCM Private Equity Fund III	USD	16
Coller International Partners VI	USD	16
Altius Associates Private Equity Fund II	USD	15
Partners Group Global Infrastructure	EUR	12
Foresight Nottingham Fund LP	GBP	10
Altius Real Assets Fund I	USD	15
Aberdeen SVG Private Equity	USD	15
DCM Private Equity Fund IV	USD	16

These commitments are drawn by the funds over time as investments are made in underlying companies. The undrawn commitment as at 31 March 2015 was £75.7 million (£79.3 million at 31 March 2014). Of the fund above, the following was a new commitment made during 2014/15:

	Currency	Commitment millions
Aberdeen SVG Private Equity	USD	15

(h) Analysis of derivatives

Open Forward Foreign Exchange contracts at 31 March 2015

Settlement	Currency Bought	Local Value 000	Currency Sold	Local Value 000	Asset Value £000	Liability Value £000
Up to 3 months	GBP	1,065	EUR	(1,490)	-	(15)
Up to 3 months	GBP	13,621	USD	(20,500)	-	(195)
					-	**(210)**
	Total net forward foreign exchange contracts				**(210)**	

Open Forward Foreign Exchange contracts at 31 March 2014

Settlement	Currency Bought	Local Value 000	Currency Sold	Local Value 000	Asset Value £000	Liability Value £000
Up to 3 months	GBP	12,503	EUR	(15,000)	97	-
Up to 3 months	GBP	25,900	USD	(43,000)	94	-
					191	**-**
	Total net forward foreign exchange contracts				**191**	

11. Contingent Liabilities

The fund has 19 private equity funds which have undrawn commitments as at 31 March 2015 of £75.7 million (£79.3 million at 31 March 2014).

12. Other Investment Balances and Liabilities

	31 March 2014 £000	31 March 2015 £000
Other investment balances		
Outstanding investment transactions	1,376	1,364
Investment income	20,294	20,204
	21,670	**21,568**
Investment Liabilities		
Outstanding investment transactions	-	(1,728)
Investment income	(2,650)	(2,843)
	(2,650)	**(4,571)**

13. Current Assets and Liabilities

	31 March 2014 £000	31 March 2015 £000
Current assets		
Contributions due from employers	8,865	8,951
Other	1,168	5,247
	10,033	**14,198**
Current Liabilities		
Payments in advance	(720)	-
Sundry creditors	(838)	(794)
Other	(6,643)	(1,490)
	(8,201)	**(2,284)**

14. Financial Instruments

(a) The various financial instruments held by the Fund are valued at fair value. The following tables analyse the fair value of financial assets and liabilities by asset class.

	31 March 2015			
	Designated at Fair Value through profit and loss	**Loans and Receivables**	**Financial liabilities at amortised cost**	**Totals**
	£000	**£000**	**£000**	**£000**
Financial Assets				
Fixed Interest Securities	412,853	-	-	412,853
Equities	1,983,371	-	-	1,983,371
Pooled Investment Vehicles	1,068,228	-	-	1,068,228
Property Pooled Vehicles	131,621	-	-	131,621
Forward Foreign Exchange	-	-	-	-
Cash deposits	-	131,916	-	131,916
Other investment balances	-	21,568	-	21,568
Current Assets	-	14,198	-	14,198
	3,596,073	**167,682**	**-**	**3,763,755**
Financial Liabilities				
Investment Liabilities	-	-	(4,571)	(4,571)
Current Liabilities	-	-	(2,284)	(2,284)
	-	**-**	**(6,855)**	**(6,855)**
	3,596,073	**167,682**	**(6,855)**	**3,756,900**

	31 March 2014			
	Designated at Fair Value through profit and loss	**Loans and Receivables**	**Financial liabilities at amortised cost**	**Totals**
	£000	**£000**	**£000**	**£000**
Financial Assets				
Fixed Interest Securities	360,883	-	-	360,883
Equities	1,818,478	-	-	1,818,478
Pooled Investment Vehicles	972,048	-	-	972,048
Property Pooled Vehicles	119,084	-	-	119,084
Forward Foreign Exchange	191	-	-	191
Cash deposits	-	153,469	-	153,469
Other investment balances	-	21,670	-	21,670
Current Assets	-	10,033	-	10,033
	3,270,684	**185,172**	**-**	**3,455,856**
Financial Liabilities				
Investment Liabilities	-	-	(2,650)	(2,650)
Current Liabilities	-	-	(8,201)	(8,201)
	-	**-**	**(10,851)**	**(10,851)**
	3,270,684	**185,172**	**(10,851)**	**3,445,005**

No financial assets were reclassified during the accounting period.

(b) Valuation of financial instruments carried at fair value

The valuation of financial instruments has been classified into three levels according to the quality and reliability of information used to determine fair values.

Level 1	Fair values derived from quoted market price. - this includes all quoted equity, fixed interest and index linked instruments.
Level 2	Fair values derived from valuation techniques based significantly on observable inputs. - this includes all pooled property investments.
Level 3	Fair values derived from valuation techniques where at least one significant input is not based on observable market data. - this includes unlisted shares and investments in private equity funds.

As at 31 March 2015	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial Assets				
Fair value through profit and loss	3,389,401	131,621	75,051	3,596,073
Loans and receivables	167,682	-	-	167,682
Total	**3,557,083**	**131,621**	**75,051**	**3,763,755**
Financial Liabilities				
Fair value through profit and loss	-	-	-	-
Financial liabilities	(6,855)	-	-	(6,855)
Total	**(6,855)**	**-**	**-**	**(6,855)**
Net	**3,550,228**	**131,621**	**75,051**	**3,756,900**

As at 31 March 2014	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial Assets				
Fair value through profit and loss	3,073,809	119,084	77,791	3,270,684
Loans and receivables	185,172	-	-	185,172
Total	**3,258,981**	**119,084**	**77,791**	**3,455,856**
Financial Liabilities				
Fair value through profit and loss	-	-	-	-
Financial liabilities	(10,851)	-	-	(10,851)
Total	**(10,851)**	**-**	**-**	**(10,851)**
Net	**3,248,130**	**119,084**	**77,791**	**3,445,005**

(c) Nature and extent of risks arising from financial instruments

The aims of the Fund are to:

- manage employers' liabilities effectively
- ensure that sufficient resources are available to meet all liabilities as they fall due
- maximise the returns from investments within reasonable risk parameters
- enable employer contribution rates to be kept as nearly constant as possible and at reasonable cost to the taxpayers, scheduled, resolution and admitted bodies.

The key risks to the achievement of these aims, as well as measures to mitigate those risks, are set out in the various Fund policies (available at www.nottspf.org.uk) including:

- Statement of Investment Principles
- Funding Strategy Statement
- Governance Compliance Statement
- Risk Management Strategy and Risk Register

The Risk Register identifies the highest risks as arising from:

- Fund assets are assessed as insufficient to meet long term liabilities
- Standing data and permanent records are not accurate
- Significant variations from assumptions used in the actuarial valuation

Actions have been agreed to mitigate these risks.

The Fund's primary risk is that its assets fall short of its long term liabilities. The Funding Strategy Statement states that the funding objectives are to:

- Set levels of employer contribution that will build up a fund of assets that will be sufficient to meet all future benefit payments from the Fund
- Build up the required assets in such a way that employer contribution rates are kept as low and stable as possible.

The most significant effect on the funding level arises from changes in the discount rate used by the actuaries. The sensitivity analysis below (prepared by the Fund's actuaries) shows the impact of a

Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present Value of Total Obligation (£000)	6,757,872	6,886,812	7,018,341

The Fund deficit at the last triennial valuation was £620 million. With no other change in assumptions, an increase in the discount rate of just under 0.5% would reduce the deficit to nil.

For the first time in 2013/14 there was a net withdrawal from dealings with members. This was the case again in 2014/15, although the net withdrawal would have been marginal but for the transfer out in respect of the Nottinghamshire Probation Trust. However, the Fund continues to receive significant investment income and it is therefore unlikely that assets will have to be realised in order to meet pension benefits. This allows the Fund to implement a long term investment strategy and minimise the impact of short term fluctuations in investment and currency markets. The strategy, and the assumptions that underpin it, are reviewed on a regular basis and cash flows are monitored closely to ensure there is sufficient liquidity to meet forecast cash flows.

The investment strategy is aimed at achieving best returns in line with the requirements of the triennial valuation whilst minimising risk and overall variability in future employers' contribution rates. A key part of managing the investment risk is by ensuring an adequate number of suitably qualified investment managers and by requiring managers to hold a diversified spread of assets. The level of risk in the equities block is managed by a balance between passive and active management.

Policies are reviewed regularly to reflect changes in activity and in market conditions. Responsibility for reviewing and revising the policies rests with the Nottinghamshire Pension Fund Committee.

15. Members Additional Voluntary Contributions

The Nottinghamshire Fund provides an additional voluntary contribution (AVC) scheme to enable members to purchase additional benefits. Contributions are paid over to, and invested separately by, the two scheme providers, Prudential and Scottish Widows. The contributions are not included in the Fund's accounts in accordance with regulation 4(2)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009. The value of the separately invested AVCs is shown below:

	31 March 2014 £000	31 March 2015 £000
Prudential	33,667	33,573
Scottish Widows	3,282	3,298
	36,949	**36,871**

16. Related Party Transactions

Under IAS 24, a party is related to an entity if:

- the party is a member of the key management personnel
- the party is a post-employment benefit plan for the benefit of employees of the entity.

The purpose of related party disclosures is to provide information on transactions and balances that could have an effect on the operations or financial position of an entity. For example, related parties may enter into transactions that unrelated parties would not and transactions between related parties may not be made at the same amounts as between unrelated parties.

Disclosures are required for:

- the nature of the related party relationship
- key management personnel compensation
- information about the transactions and outstanding balances necessary for an understanding of the potential effect of the relationship on the financial statements.

Nottinghamshire County Council is the administering authority for the Local Government Pension Scheme (LGPS) within Nottinghamshire and is one of the major employers within the scheme. Information regarding key management personnel is provided within the main accounts of Nottinghamshire County Council. Members and officers of the Council involved in managing the Fund are allowed to be members of the LGPS. All transactions between Nottinghamshire County Council and the Fund and all benefit payments from the Fund are in accordance with the regulations governing the LGPS. There are no transactions therefore that are made on a different basis from those with non-related parties.

GLOSSARY OF TERMS

Accruals

The concept that income and expenditure are recognised as they are earned or incurred, not as money happens to be received or paid.

Actuary

An actuary is an expert on pension scheme assets and liabilities. The Local Government Pension Scheme actuary reassesses the rate of employer contributions to the Pension fund every three years.

Added Years

Additional years of service awarded to increase benefits of employees taking early retirement.

Amortisation

The process of charging capital expenditure, usually on Intangible Assets, to the Comprehensive Income & Expenditure Statement over a suitable period of time.

Balance Sheet

The accounting statement which sets out the Council's total net assets and how they were financed.

Budget

The Council's statement of spending plans and policies for a financial year, expressed in financial terms.

Capital Adjustment Account (CAA)

This account absorbs the timing differences between the consumption of non-current assets and the financing arrangements in respect of their acquisition, creation or enhancement throughout their useful life.

Capital Financing Requirement (CFR)

The Capital Financing Requirement is a measure of the capital expenditure incurred historically by the Authority that has yet to be financed.

Capital Grants Receipts in Advance

Under the Code, grants and contributions for capital schemes are recognised as income when they become receivable unless conditions apply to the grant/contribution. In which case the grant/contribution is classified as capital grants receipts in advance on the balance sheet.

Carbon Reduction Commitment Efficiency Scheme (CRC)

The CRC Efficiency Scheme is a mandatory scheme aimed at improving energy efficiency and cutting emissions in large public and private sector organisations.

Cash Flow Statement

Summarises the inflows and outflows of cash arising from transactions with third parties for capital and revenue purposes.

Clinical Commissioning Groups (CCG)

The Clinical Commissioning Groups took over from Primary Care Trusts (PCT) with effect from 1 April 2013.

Comprehensive Income and Expenditure Statement (CI&E)

Consolidates all the gains and losses experienced during the financial year.

Community Assets

Assets such as historical structures and artefacts that the Authority intends to hold in perpetuity, that have no determinable useful life, and that may have restrictions on their disposal.

Creditors

Persons or bodies owed monies by the Authority that have not been paid by the end of the financial year.

DCLG

Department for Communities and Local Government.

Debtors

Persons or bodies owing sums to the Authority that have not been paid by the end of the financial year.

Direct Labour/Service Organisations

Workforces employed directly by local authorities to carry out works of repair, maintenance, construction etc. of buildings, grounds and roads and to provide catering and cleaning services and repairs and maintenance of vehicles.

Earmarked Reserves

Reserves set aside for a specific purpose.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability of another. For instance, financial assets could be bank deposits, loans receivable, shares etc, whilst financial liabilities could be borrowings, financial guarantees etc.

General Fund

This balance is a general revenue reserve. Part of this fund is earmarked to provide a number of reserves.

IAS

International Accounting Standard.

IFRS

International Financial Reporting Standard.

IFRIC

The International Financial Reporting Interpretations Committee provides interpretations of IFRS.

Infrastructure Assets

Assets such as roads and bridges, expenditure on which is recoverable only by continued use of the asset. These assets, by their nature, have no practical prospect of being decommissioned and sold or applied to alternative uses.

Impairments

An impairment or loss of value may arise on an asset upon revaluation. Assets which may be impaired are those in the categories of Property, Plant and Equipment and Intangible Assets.

Intangible Assets

Identifiable assets that lack physical substance and are expected to yield benefits to the Authority and the services it provides, e.g. software.

LOBO

Lenders' Option Borrowers' Option.

Leasing

A method of financing capital expenditure in which a rental charge for an asset is paid for a specific period. There are two forms of lease: 'finance leases' which transfer substantially all the risks and rewards of ownership to the lessee and other leases which are known as 'operating leases'.

Local Government Pension Scheme (LGPS)

Nottinghamshire County Council is the administrating authority for the LGPS within Nottinghamshire.

Minimum Revenue Provision (MRP)	The minimum amount which must be charged to revenue in the year for the repayment of debt (credit liabilities and credit arrangements). An authority may voluntarily set aside amounts in excess of the minimum required.
NNDR	National Non-Domestic Rate.
PFI	Private Finance Initiative.
PPE	Property, Plant and Equipment.
Precept Income	County Councils obtain part of their income from precepts levied on the District Councils in their area. Precepts, based on the 'Council Tax bases' of the District Councils, are levied on each District's 'collection fund'.
PWLB	Public Works Loans Board.
Provisions	Sums of money set aside to meet specific expenses which are likely or certain to be incurred, but where the amounts cannot be accurately determined or dates on which they will arise. The sums set aside are charged to the appropriate service revenue accounts.
Reserves	Sums of money set aside to cover future eventualities. The sums set aside are charged to the General Fund and not to service revenue accounts.
Revaluation Reserve	Represents the difference between the revalued amount of Property, Plant and Equipment as shown in the accounts and actual costs.
Revenue Expenditure Financed from Capital Under Statute (REFfCUS)	These were previously known as deferred charges and included such items as work on property not owned by the authority and grants for economic development purposes.
Trust Funds	Funds established where the Authority acts as trustee. These amounts do not form part of the Council's resources.

This matter is being dealt with by:
Nigel Stevenson

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E nigel.stevenson@nottscc.gov.uk
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Tony Crawley
Director, Infrastructure & Government & Healthcare
KPMG LLP UK
St Nicholas House
31 Park Row
Nottingham
NG1 6FQ

17 September 2015

Dear Mr Crawley,

Nottinghamshire County Council and Nottinghamshire County Council Pension Fund - Audit for the year ended 31 March 2015

This representation letter is provided in connection with your audit of the financial statements of Nottinghamshire County Council and Nottinghamshire Pension Fund ("the Authority") for the year ended 31 March 2015, for the purpose of expressing an opinion:

i. as to whether these financial statements give a true and fair view of the financial position of the Authority as at 31 March 2015 and of the Authority's expenditure and income for the year then ended;

ii. whether the Pension Fund financial statements give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2015 and the amount and disposition of the Fund's assets and liabilities as at 31 March 2015, other than liabilities to pay pensions and other benefits after the end of the scheme year; and

iii. whether the financial statements have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.

These financial statements comprise the Authority Movement in Reserves Statement, the Authority Comprehensive Income and Expenditure Statement, the Authority Balance Sheet, the Authority Cash Flow Statement and the related notes. The Pension Fund financial statements comprise the Fund Account, the Net Assets Statement and the related notes.

The Authority confirms that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Authority confirms that, to the best of its knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing itself:

Financial statements

1. The Authority has fulfilled its responsibilities, as set out in regulation 8 of the Accounts and Audit (England) Regulations 2011, for the preparation of financial statements that:

- give a true and fair view of the financial position of the Authority as at 31 March 2015 and of the Authority's expenditure and income for the year then ended;

- give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2015 and the amount and disposition of the Fund's assets and liabilities as at 31 March 2015, other than liabilities to pay pensions and other benefits after the end of the scheme year; and

- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.

The financial statements have been prepared on a going concern basis.

2. Measurement methods and significant assumptions used by the Authority in making accounting estimates, including those measured at fair value, are reasonable.

3. All events subsequent to the date of the financial statements and for which IAS 10 *Events after the reporting period* requires adjustment or disclosure have been adjusted or disclosed.

4. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole.

Information provided

5. The Authority has provided you with:

- access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;

- additional information that you have requested from the Authority for the purpose of the audit; and

- unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.

6. All transactions have been recorded in the accounting records and are reflected in the financial statements.

7. The Authority confirms the following:

i. The Authority has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.

ii. The Authority has disclosed to you all information in relation to:

(a) Fraud or suspected fraud that it is aware of and that affects the Authority and involves:

- management;

- employees who have significant roles in internal control; or

- others where the fraud could have a material effect on the financial statements; and

(b) allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.

In respect of the above, the Authority acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Authority acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

8. The Authority has disclosed to you all known instances of non-compliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing the financial statements.

9. The Authority has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

10. The Authority has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements, in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

11. The Authority has disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with IAS 24 *Related Party Disclosures*.

12. The Authority confirms that:

    a) The financial statements disclose all of the key risk factors, assumptions made and uncertainties surrounding the Authority's ability to continue as a going concern as required to provide a true and fair view.
    b) Any uncertainties disclosed are not considered to be material and therefore do not cast significant doubt on the ability of the Authority to continue as a going concern.

13. On the basis of the process established by the Authority and having made appropriate enquiries, the Authority is satisfied that the actuarial assumptions underlying the valuation of pension scheme liabilities are consistent with its knowledge of the business and are in accordance with the requirements of IAS 19 (revised) *Employee Benefits.*

The Authority further confirms that:

(a) all significant retirement benefits, including any arrangements that:

- are statutory, contractual or implicit in the employer's actions;
- arise in the UK and the Republic of Ireland or overseas;
- are funded or unfunded; and
- are approved or unapproved,

have been identified and properly accounted for; and

(b) all settlements and curtailments have been identified and properly accounted for.

This letter was agreed at the meeting of the Audit Committee on 2 September 2015 and approved by full Council on 17 September.

Yours faithfully,

Signed

Name: Nigel Stevenson

Position: Service Director (Finance and Procurement), Nottinghamshire County Council

Date: 17 September 2015

Appendix A

Representation Letter of Nottinghamshire County Council and Nottinghamshire Pension Fund: Definitions

Financial Statements

A complete set of financial statements comprises:

- Comprehensive Income and Expenditure Statement for the period
- Balance Sheet as at the end of the period
- Movement in Reserves Statement for the period
- Cash Flow Statement for the period
- Notes, comprising a summary of significant accounting policies and other explanatory information, and
- Balance Sheet as at the beginning of the earliest comparative period (i.e. a third Balance Sheet) when an authority applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements.

A local authority is required to present group accounts in addition to its single entity accounts where required by chapter nine of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.

A housing authority must present:

- a HRA Income and Expenditure Statement; and
- a Movement on the Housing Revenue Account Statement.

A billing authority must present a Collection Fund Statement for the period showing amounts required by statute to be debited and credited to the Collection Fund.

A pension fund administering authority must prepare Pension Fund accounts in accordance with Chapter 6.5 of the Code of Practice.

An entity may use titles for the statements other than those used in IAS 1. For example, an entity may use the title 'statement of comprehensive income' instead of 'statement of profit or loss and other comprehensive income'

Material Matters

Certain representations in this letter are described as being limited to matters that are material.

IAS 1.7 and IAS 8.5 state the following:

Material omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

a) was available when financial statements for those periods were authorised for issue, and

b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Management

For the purposes of this letter, references to "management" should be read as "management and, where appropriate, those charged with governance".

Related Party and Related Party Transaction

Related party:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the "reporting entity").

a) A person or a close member of that person's family is related to a reporting entity if that person:
    i. has control or joint control over the reporting entity;
    ii. has significant influence over the reporting entity; or
    iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
b) An entity is related to a reporting entity if any of the following conditions applies:
    i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
    ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
    iii. Both entities are joint ventures of the same third party.
    iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
    v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
    vi. The entity is controlled, or jointly controlled by a person identified in (a).
    vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Key management personnel in a local authority context are all chief officers (or equivalent), elected members, the chief executive of the authority and other persons having the authority and responsibility for planning, directing and controlling the activities of the authority, including the oversight of these activities.

A reporting entity is exempt from the disclosure requirements of IAS 24.18 in relation to related party transactions and outstanding balances, including commitments, with:

a) a government that has control, joint control or significant influence over the reporting entity; and
b) another entity that is a related party because the same government has control, joint control or significant influence over both the reporting entity and the other entity.

Related party transaction:

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Nottinghamshire County Council

Report to Full Council

17 September 2015

Agenda Item: 9

REPORT OF THE CHAIRMAN OF CHILDREN AND YOUNG PEOPLE'S COMMITTEE

OFSTED INSPECTION OF CHILDREN'S SERVICES

Purpose of the Report

1. To update Full Council on the outcome of the Ofsted inspection of children's services that took place in May/June 2015.

Information and Advice

2. In March 2010, Nottinghamshire County Council received an inadequate rating for its safeguarding services. Following this inspection outcome an improvement notice was issued to the Council and a robust improvement plan was implemented. This was supported by significant financial investment and cross-party political support. In September 2011, the Council was re-inspected and safeguarding services were found to be adequate, with good capacity to improve. The inspection recognised the swift and decisive action taken and found the Council to be on a journey of improvement.

3. In November 2013, Ofsted introduced a new inspection framework for children's services, covering services for children in need of help and protection, children looked after and care leavers. This new framework was widely acknowledged to have raised the bar for achieving a 'good' inspection outcome, with the 'adequate' judgement replaced with 'requires improvement.'

4. Nottinghamshire County Council received its inspection under this framework in May and June 2015. The full inspection report was published on 20 July 2015 and is attached as **Appendix 1**.

5. Judgements achieved under the new framework were as follows:

- Overall effectiveness – **good**
- The experiences and progress of children who need help and protection – **good**
- The experiences and progress of children looked after and achieving permanence – **good**; including graded judgements on:
    - Adoption performance – **good**
    - the experiences and progress of care leavers – **requires improvement**
- Leadership, management and governance - **good**.

6. To put these judgements into context, only 27% of authorities inspected under the current framework have been judged to be good for overall effectiveness, with no authorities

judged to be outstanding, 55% of authorities requiring improvement and 18% judged to be inadequate (Ofsted data published September 2014).

7. The judgement of leaving care services as requiring improvement indicates that this area of service requires additional focus. The new strategy for looked after children and care leavers 2015-18, approved by Policy Committee in June 2015, provides the framework under which this will happen, with the Corporate Parenting Sub-Committee playing an increased role in scrutiny.

8. The Council is now required to develop and submit an improvement plan to ensure that areas identified in the inspection as requiring further improvement are prioritised and achieved. This plan will be governed through existing arrangements, including through the Nottinghamshire Safeguarding Children Board and the Children and Young People's Committee.

9. At the same time as the inspection of children's services, a review of the effectiveness of the Nottinghamshire Safeguarding Children Board (NSCB) was undertaken. This found the effectiveness of the Board to be good. The executive summary of the review and recommendations for improvement can be found in **Appendix 1**. The NSCB will be responsible for developing and monitoring its own improvement plan.

Other Options Considered

10. The report is for noting only.

Reason/s for Recommendation/s

11. Ofsted inspections of children's services are the key measure of the effectiveness of service provision.

Statutory and Policy Implications

12. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Safeguarding of Children and Adults at Risk Implications

13. The inspection outcome demonstrates that children and young people in Nottinghamshire are effectively safeguarded.

Implications for Service Users

14. The inspection outcome demonstrates that children, young people and families in Nottinghamshire receive an effective service.

RECOMMENDATION/S

1) That the outcome of the inspection of children's services that took place in May/June 2015 be noted.

Councillor John Peck JP
Chairman of Children & Young People's Committee

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Constitutional Comments

15. As this report is for noting only, no Constitutional Comments are required.

Financial Comments (SS 27/08/15)

16. There are no financial implications arising directly from this report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Looked After Children and Care Leavers 2015 - 18 – report to Policy Committee on 17 June 2015 (previously published)

Electoral Division(s) and Member(s) Affected

All.

C0695

Nottinghamshire County Council

Inspection of services for children in need of help and protection, children looked after and care leavers

and

Review of the effectiveness of the Local Safeguarding Children Board[1]

Inspection date: 11 May 2015 – 4 June 2015

Report published: 20 July 2015

Children's services in Nottinghamshire County Council are good
Good leadership means that children and young people are protected, the risks to them are identified and managed through timely decisions and the help provided reduces the risk of, or actual, harm to them. Children and young people looked after, those returning home and those moving to or living in permanent placements outside of their immediate birth family have their welfare safeguarded and promoted.

1. Children who need help and protection		**Good**
2. Children looked after and achieving permanence		**Good**
	2.1 Adoption performance	**Good**
	2.2 Experiences and progress of care leavers	**Requires Improvement**
3. Leadership, management and governance		**Good**

[1] Ofsted produces this report under its power to combine reports in accordance with section 152 of the Education and Inspections Act 2006. This report includes the report of the inspection of local authority functions carried out under section 136 of the Education and Inspections Act 2006 and the report of the review of the Local Safeguarding Children Board carried out under the Local Safeguarding Children Boards (Review) Regulations 2013.

Ofsted

Contents

The local authority

Information about this local authority area[2]

Previous Ofsted inspections

- The local authority operates seven children's homes, including one secure unit. Six were judged to be good or outstanding at their most recent Ofsted inspection.
- An inspection of safeguarding and arrangements for looked after children took place in March 2010 and found overall effectiveness of safeguarding services to be inadequate. The overall effectiveness of services for looked after children was judged to be adequate.
- A follow up inspection of the local authority's arrangements for the protection of children took place in September 2011. The local authority was judged to be adequate.

Local leadership

- The Acting Director of Children's Services has been in post since April 2015.
- The chair of the LSCB has been in post since April 2009.

Children living in this area

- Approximately 162,500 children and young people under the age of 18 years live in Nottinghamshire. This is 20.5% of the total population in the area.
- Approximately 17% of the local authority's children are living in poverty.
- The proportion of children entitled to free school meals:
  - in primary schools is 14% (the national average is 17%)
  - in secondary schools is 12% (the national average is 15%).
- Children and young people from minority ethnic groups account for 7% of all children living in the area, compared with 22% in the country as a whole.
- The largest minority ethnic groups of children and young people in the area are any other white, white and black Caribbean and any other mixed background.

[2] The local authority was given the opportunity to review this section of the report and has updated it with local unvalidated data where this was available.

- The proportion of children and young people with English as an additional language:
  - in primary schools is 6% (the national average is 19%)
  - in secondary schools is 4% (the national average is 14%).

Child protection in this area

- At 31 March 2015, 4,287 children had been identified through assessment as being formally in need of a specialist children's service. This is a reduction from 4,930 at 31 March 2014.
- At 31 March 2015, 692 children and young people were the subject of a child protection plan. This is an increase from 587 at 31 March 2014.
- At 31 March 2015, 14 children lived in a privately arranged fostering placement. This is a reduction from 21 at 31 March 2014.
- Since the last inspection, 10 serious incident notifications have been submitted to Ofsted and seven serious case reviews have been completed or were on-going at the time of the inspection.

Children looked after in this area

- At 31 March 2015, 841 children were being looked after by the local authority (a rate of 52 per 10,000 children). This is an increase from 826 (51 per 10,000 children) at 31 March 2014.
  - Of this number, 291 (or 35%) live outside the local authority area
  - 75 live in residential children's homes, of whom 33 (44%) live out of the authority area
  - five live in residential special schools[3], of whom four (80%) live out of the authority area
  - 629 live with foster families, of whom 187 (30%) live out of the authority area
  - six live with parents, of whom four (67%) live out of the authority area
  - 32 children are unaccompanied asylum-seeking children.
- In the last 12 months:
  - there have been 97 adoptions
  - 52 children became the subject of special guardianship orders
  - 372 children ceased to be looked after, of whom 55 (15%) subsequently returned to be looked after

[3] These are residential special schools that look after children for 295 days or less per year.

- 89 children and young people ceased to be looked after and moved on to independent living
- 13 children and young people ceased to be looked after and are now living in houses of multiple occupation.

Executive summary

Enduring stability in the senior leadership team over the last five years, combined with strong and active involvement by elected members, have seen the county council respond very effectively to poor findings from previous inspections. A substantial financial investment, a clear focus on what needed to be done and a determination to improve services for children and families have resulted in significant progress being made. Improvements to the way children's services are now delivered are evident in the number of children currently receiving a service that meets their identified needs. Performance management information is used well, although there is more to be achieved in exploring the impact of early help services.

Robust senior management oversight, a renewed focus on social work practice and an effective case auditing programme have seen the council respond positively to a history of poor practice, which left some children living for far too long in neglectful and challenging circumstances. An increase in the number of children on child protection plans, children being appropriately looked after and an improving picture of looked after children living much closer to home, mean that children are now safer and better protected.

Developing a workforce with sufficient capacity, skills and expertise to support children and families has been a challenge and remains so. Competing for experienced social workers with neighbouring authorities has contributed to a commitment by the council to improve the working environment. Effective support packages, including practice consultants working within teams to improve consistency of practice, effective caseload management, better technical support for remote working and the introduction of business support services in some teams have all been implemented successfully. The reliance on agency staff is reducing.

The transformation programme has led to a reconfiguration of service delivery. New structures are now well embedded, including a single point of entry for contacts and referrals through a well-established multi-agency safeguarding hub (MASH). The multi-agency threshold for services document 'Pathway to Provision' is well understood. There is a good range of support services to help children and families. Children living in households where domestic violence, mental health issues and substance misuse are prevalent are well supported. However, the waiting list for Child and Adolescent Mental Health Services is too long. Delays have occurred in completing assessments for children and young people who are privately fostered.

Children missing from home, care and education and those at risk of being sexually exploited are known about and well supported. Return home interviews are influential in identifying patterns of behaviour and support careful planning to further reduce risks. Information gathered is used well to inform multi-agency operational 'hot spot' meetings.

Social work practice is effective and well-managed, with good outcomes being achieved for children and young people. Children are seen and seen alone, their wishes and feelings are known and understood and their views are generally reflected well in assessments and decisions being made about them. Cases being stepped-down to early help provision or stepped-up for social care intervention are managed effectively. Diversity is addressed well, including the use of interpreters, placement matching and work with unaccompanied asylum seeking children.

Management oversight of case work is good. Some practice is less robust with some assessments being too descriptive and lacking sufficient analysis. Strategy discussions do not routinely include education and health partners and recording is not sufficiently detailed. Police do not routinely attend initial and review child protection conferences.

Strong collaborative arrangements with the Nottinghamshire Safeguarding Children Board have seen learning from case audits and outcomes from national and local serious case reviews support further improvements to social work practice.

Families on the edge of care are well supported. When children cannot remain with their families, court processes supported by legal planning meetings and the Public Law Outline are effective and timely. Many more children and young people are now entering care at the right time and for the right reasons. Looked after children and young people genuinely enjoy good relationships with their social workers. Improvements are required to ensure that the health needs of looked after children are met, such as dental checks and immunisations. The virtual school is tenacious in ensuring that looked after children and young people make better progress in their learning. It monitors the progress and achievement of young people well, attendance at school is good and performance at most key stages is improving.

Nottinghamshire Adoption Service is highly effective. A dedicated specialist Child and Adolescent Mental Health Service (CAMHS) for looked after and adopted children, sensitive and well-illustrated life story books and effective post-adoption support are outstanding features of the service. However, despite the council's best efforts in family finding, a small number of children continue to experience some delay in finding permanent families and are left in uncertain situations for too long.

Services for care leavers have yet to benefit fully from the transformation programme, which initially focused on the immediate priorities to safeguard children and young people. Their lack of inclusion, until quite recently, in the looked after children and care leavers' strategy indicates that their needs have not received high priority. The Corporate Parenting Sub-Committee has not had sufficient oversight of services for care leavers. Improvements have yet to be made to the quality of pathway plans, and care leavers do not routinely receive copies of their health history. Action is being taken to improve the range of accommodation available. Information regarding some care leavers such as those at risk of sexual exploitation is not analysed so that resources can be targeted more effectively.

Children and young people feel valued and know that their views are incorporated into service delivery. They are justifiably proud of the contribution they make to support service improvement.

Recommendations

1. Ensure that care leavers are given information about their health histories and that work is completed to understand the health needs of care leavers so that resources can be better targeted. (Paragraphs 101 - 103)

2. Ensure that pathway plans are more specific regarding actions and timescales and that work is followed up and reviewed regularly. (Paragraphs 104 - 105)

3. Gather and use management information pertaining to care leavers who are missing, at risk of sexual exploitation, substance misusers or offenders, to understand needs and allocate resources. (Paragraph 109)

4. Implement, monitor and review the 16+ accommodation strategy and engage with providers, district and borough councils to drive improvements. (Paragraph 106)

5. Review the effectiveness of the Corporate Parenting Sub-Committee to ensure that it has active oversight of services for care leavers. (Paragraph 109)

6. Raise the awareness of private fostering and improve the response and timeliness of assessments when arrangements are identified. (Paragraph 46)

7. Ensure that the collection and analysis of information about the effectiveness and impact of the council's arrangements for services to children and young people who receive early help are improved to better inform practice and service development. (Paragraph 17)

8. Ensure that relevant partner agencies are included in child protection strategy discussions, initial and review conferences so that decisions and investigations are fully informed and benefit from their knowledge and information. (Paragraphs 22 - 23)

9. Improve the consistency of social work practice across the service with regard to recording and the quality of analysis in assessments. (Paragraphs 22, 24)

10. Work with partners to ensure that mental health services for vulnerable children and young people are provided promptly when required. (Paragraph 32)

11. Work with partners to improve the timeliness of dental checks and immunisations and the completion rates of the strengths and difficulties questionnaire, to better inform the overall health needs of looked after children. (Paragraphs 56, 57)

Summary for children and young people

- In 2009 and 2010 we found that services in Nottinghamshire for children who needed help and protection were poor. At our inspections in February 2011 and September 2011 we found that the council had made considerable progress in improving services. In this inspection we found that most services for children and young people are now good. Council leaders and managers are determined to improve services even further and they are doing well.
- The council knows what it still needs to do to further improve services for children and young people, and managers are taking effective action to address the weaknesses that are still there. They know that services for care leavers have not had high priority, as they have been making sure that other areas of the service were safe. They agree that they need to do more to improve these services and they are taking action to do this very quickly. Care leavers who spoke to inspectors said they feel safe, but services for them are not yet good enough.
- Managers know that young people wait too long when they have emotional or mental health problems, and they have a plan to improve this.
- When people report a serious worry about a child, staff act quickly to help keep children safe.
- Young people, parents, social workers, teachers, police officers and other professionals have all been given lots of information about how to help keep children and young people safe if they are at risk of sexual exploitation. They are working well together to reduce the dangers and risk to children and young people.
- Social workers work hard to find permanent families for children who need them and more children are now moving to live with an adoptive family or other family members or friends.
- Social workers spend a lot of time talking to the children and young people they work with to try to understand what their lives are like. This helps them make better decisions that make a difference to children and young people's lives.
- Children's and young people's views are important to the council. 'No Labels' (the children in care council), and Young Pioneers, a group for young people with additional needs, have worked hard with the council to change and develop services. This has led to a review of the Pledge to looked after children, the production of a DVD as part of an anti-bullying campaign, and the opportunity to shape new health services.
- Managers in children's services are good at checking that the social workers do what they should do to help children and keep them safe.

The experiences and progress of children who need help and protection	Good

Summary

Children, young people and families in Nottinghamshire receive help and protection from agencies in a timely way. Thresholds for services are well understood and applied appropriately.

Early help services delivered by children's centres, targeted support, supporting families and family resource services are accessible and address a wide range of needs. In addition, the commissioning and development of early help services mean that children who do not meet the threshold for social work services receive timely and appropriate help.

Almost all children who need help and protection are allocated to a social worker without delay and receive timely assessments which inform good child protection and children in need plans. The quality of assessments is good in the majority of cases and none seen by inspectors was inadequate. However, achieving greater consistency in the quality of assessments is an area for development, as is the timeliness of assessments of children who are privately fostered.

Children's plans, including child in need plans, are now consistently good. Social workers are responsible for developing children's plans, which are then subject to effective regular management oversight and quality assurance. Decision making, management oversight and supervision are areas of strength.

Multi-agency working, especially in child in need cases, is good and partners are consulted before major changes are made to a child's plan. However, strategy discussions do not routinely involve all relevant agencies and are not recorded in sufficient detail. The police do not routinely attend initial and review child protection conferences.

Children's voices are heard, well-recorded and respected.

Investment in technology, workforce capacity, business support staff and practice consultants have all had a positive impact on improving morale and social work practice in front line teams.

Children and young people who go missing from home and children who are at risk of sexual exploitation receive well-planned and coordinated help and protection. This is underpinned by consistent and accountable strategic planning and multi-agency oversight, including case audits, training and the development of practice standards.

The council uses management information well to promote good outcomes for children and to drive up standards and performance. However, information about the impact of early help and child sexual exploitation services is not fully utilised to ensure that resources are targeted effectively.

Waiting lists for Child and Adolescent Mental Health Services are unacceptably long. The council is working with health partners to reduce waiting times for treatment.

Inspection findings

12. The early help unit deals effectively with all new external enquiries and referrals from the multi-agency safeguarding hub (MASH). The service is well organised and consists of workers with a broad range of experience and skills. This enables them to understand the needs of children, young people and their families and to refer them for the right support. The addition of a social worker to the team strengthens oversight and the quality of decision-making. This has resulted in a greater confidence to assess and manage risk appropriately within the unit.

13. Early help is mostly provided through the council's children's centres for younger children, and through the integrated targeted support teams and youth justice service for older children. Three targeted support teams enable families to have access to services in their local area. Three county-wide specialist teams conduct parenting assessments, undertake return interviews for children and young people who go missing from home and deliver help to young people who experience homelessness or substance misuse.

14. Early help assessments seen by inspectors were thorough and well-recorded. Outcomes for children and young people who received help from targeted support teams were good. Figures from the last three months show that children aged 12-16 years are by far the highest group (57%) in receipt of early help support. In 2014-15, 2,667 early help assessments were completed and the proportion where issues were fully resolved increased from 46% at the beginning of the year to 58% by the final quarter of the year. The target for next year is an ambitious 70% for the year as a whole.

15. The perinatal support service provides effective, targeted support to pregnant young women and young mothers. This befriending service, which is accessed through the early help arrangements, helps mothers in danger of becoming isolated and a risk to themselves and their child to regain their confidence. Support is implemented quickly following assessment, and mothers are provided with an effective bespoke package from a range of options which enables them to re-engage positively in the community. In addition, 58 trained volunteer champions to develop this work are well established across the county.

16. The MASH is well-resourced and responds effectively to all new enquiries. Good partnership working is evident in the MASH. Representatives from the police, health, adult services and education are based in the MASH; other agencies such as the probation service, early help, mental health services and trading standards are also available for additional advice and support.

17. Thresholds for services are well understood by staff and other agencies. This is reflected in the low numbers of enquiries which require no further action. The total number of referrals received has reduced from 17,836 in 2013–14 to 16,667 during 2014–15. However, this reduction cannot be directly linked to

the effectiveness of early help arrangements. Inspectors saw examples of good, well planned early help services that were improving outcomes for children and families, but the council's information about the impact of these services remains under-developed. For example, 47.9%, of children are on a child protection plan due to neglectful parenting; the impact of early help arrangements on reducing neglect is not yet fully understood. The authority is working to improve information systems to coincide with a reorganisation of early help arrangements planned for late 2015.

18. All staff are clear about cases where the family's consent is required before information can be shared. Consent is recorded clearly on children's files and in some child in need cases seen by inspectors enquiries and information-sharing were suspended until it could be established that the family had provided the necessary consent.

19. Domestic abuse notifications received from the police form the largest number of contacts. In most cases these are dealt with thoroughly and effectively, with risks clearly identified by a social worker. A daily meeting of social care managers, police and education representatives agrees the level of response to all domestic abuse notifications which have been graded medium or high risk. Schools are informed in line with 'Operation Encompass' to ensure they are able to respond to children who have witnessed incidents of domestic abuse.

20. Cases which need further social work assessment transfer quickly from the MASH to assessment teams. They are allocated to a social worker on the same day in the majority of cases. Cases deemed to be high risk are transferred immediately for further action.

21. Where assessment determines that children's cases do not reach the threshold for a child protection investigation, help is arranged through the child in need system or the provision of early help. The children in need service is prioritised well and multi–agency communication and planning are effective. Child in need plans receive regular management oversight and review, which are well-recorded. Service managers scrutinise these cases after nine months, and group managers if the plan remains in place for twelve months. Plans are detailed and include clear information about the help to be offered, the agencies who will deliver services to the family, timescales and the improvements needed before the plan can be ended. When children's plans come to an end this decision is agreed by the social worker's manager and formally reviewed by other agencies. Decisions are recorded well. The arrangements for ensuring children receive help at the right level when risks increase are also clear and operate effectively. This means that children's cases are purposefully reviewed by social workers and managers and that when the help being delivered is not having sufficient impact, alternative plans are put in place.

22. Strategy discussions are timely. However, the reasons for the concern and the rationale for the decisions are not always recorded in sufficient detail. Strategy

discussions seen by inspectors only involved social work managers and the police. Although decisions were appropriate to the risks identified, they did not benefit from the information and expertise of other partner agencies. In more complex areas of work, in particular child sexual exploitation, strategy discussions were multi-agency and recorded to a much higher standard.

23. Most child protection enquiries are timely. On average 87% are completed within timescales. However, performance is still too variable across the county, reducing to 74.5% in one area. Almost all initial child protection conferences (94.5%) are completed within 15 days of the decision to begin an investigation; this is a significant improvement on 85.2% in the previous year. Performance in respect of child protection reviews has also seen sustained improvement, with 99.6% of reviews completed on time between November 2014 and March 2015, an improvement on 97.4% for 2013–14. However, the police do not routinely attend initial and review child protection conferences.

24. Information and assessments presented to child protection conferences were at least of an adequate standard in all cases seen, and in the majority of cases were good. In cases which were good, assessments were clear, thorough and included relevant historical information and an analysis which helped to inform the child's plan. The council has a 'My child protection plan' document to record the child's view where the child is old enough to be consulted and this is used well. The council's performance in working in partnership with agencies and families to deliver timely and effective child protection arrangements has improved and is now good.

25. Child protection plans are outlined at the initial child protection case conference (ICPC) and fully developed at the first multi-agency core group. Children's plans are considered carefully by people who work directly with the family and the family themselves. In the last three months of 2014–15, 143 ICPCs were held and parental participation was high with 299 family members (80.8%) attending. Parents who spoke to inspectors said they understood the plans and knew what needed to change to reduce risk. The detailed child protection plans are reviewed by the social worker's manager and practice consultant to ensure they comply with the general areas specified by the conference. This practice is working well to improve the quality and effectiveness of plans. The role of the child protection conference chair has been strengthened. They provide social workers and managers with information about the quality of social work practice and routine reminders to ensure that plans do not drift. Child protection conference reports sampled by inspectors enabled parents and carers to read them before the conference, and contained appropriate historical and current detail.

26. Children are seen and seen alone regularly by their social workers, and their views are sought and well recorded. This is an area of strength. Inspectors saw examples of good quality, imaginative direct work with children and the information gained and recorded was used to influence children's plans.

27. Advocacy is available to children and young people via a commissioned service from an independent provider. However, this is dependent on a request from the social worker and is not routinely offered to all young people of an appropriate age who are subject to child protection conferences and other formal processes.

28. Multi-agency core groups track children's progress and plans are reviewed regularly to establish the level of risk. Core group records are reviewed by managers and practice consultants and the general standard of these records is at least adequate. The oversight applied to them means that few children's cases are subject to drift. This has helped to reduce year on year the percentage of child protection plans which have been in place for two or more years to 2.3% in 2013–14, which is better than the national average (2.6%). Performance is continuing to improve.

29. Children benefit from the help they receive through child protection arrangements. In one child protection review conference parents told the inspector they felt that their child was better cared for as a result of the parenting and other support they had received, and that the social worker had been clear and honest with them about the assessed risks and the actions they needed to take from the outset.

30. Parents who need help with substance misuse or domestic abuse benefit from a range of accessible non-statutory specialist services located across the county, which work in partnership with the council. Domestic abuse services include individual support, targeted support for children and young people and structured programmes. Inspectors saw examples of successful engagement with these services. However, there is limited provision for perpetrators of domestic violence. A voluntary organisation has seconded six specialist domestic abuse link workers (DALW) to the council's assessment teams. These provide guidance to social workers and work directly with families. This is a recent development and an example of good practice and imaginative collaboration with partners. However, it is not yet possible to demonstrate its impact on outcomes for children and families. The authority and the police have worked together effectively to develop a strategic plan for the commissioning of domestic abuse services. In June 2014 the police completed a detailed overview of the services and proposals for future funding in order to preserve and build on present provision; services will be subject to re-commissioning in late 2015.

31. The authority is providing child protection or child in need services to 812 children whose parents are affected by substance misuse, 795 whose parents have mental health problems and 409 children whose parents are affected by both. The commissioned substance misuse service for children and young people responds promptly and positively to referrals from children's social workers. Its staff engage fully in effective multi-agency planning and joint work.

32. Children and young people who need Child and Adolescent Mental Health Services (CAMHS) experience unreasonable delays. The council's own figures

reveal that the waiting time from referral to treatment varies between 22 weeks and 35 weeks in different parts of the county. A review of the service is underway, underpinned by a £2 million investment by the clinical commissioning groups (CCGs) in the county.

33. The current structure of children's services and the practice of completing initial and core assessments lead to children being subjected to unnecessary changes of social worker. While the council's view is that this has been a necessary step in the development of the service, a single assessment will be introduced later in 2015.

34. Equality and diversity are considered well in assessments and plans. Inspectors saw examples of good practice where the full range of children's and families' needs was being considered. The availability and use of translation services and work in supporting unaccompanied asylum seeking children to access legal advice and attend asylum hearing tribunals are good. Specialist domestic violence projects provide support to same sex couples.

35. Management oversight and supervision are strong. Social workers are supervised regularly and this is recorded clearly in their personal files with relevant case work decisions copied onto children's files. There is some variability in the format used across the service. However, this does not detract from the quality of management oversight.

36. The development of the social work practice consultant role has had a positive impact in improving the quality of practice, for example through training and reflective practice sessions. Practice consultants offer multi-agency problem solving meetings for challenging cases or cases that social workers regard as 'stuck', and ensure that research and good practice materials are disseminated to practitioners. They also have a specific role in the development of less experienced social workers, including co-working individual children's cases. Social workers are very positive about these arrangements and other examples of commitment to practice such as home working arrangements, mobile working technology and the recent employment of additional support staff in social work teams to enable social workers to spend more time working directly with children and families.

37. Decisive and responsible action is taken to respond to children and young people who go missing. The specialist children's missing officer receives regular reports from the police and ensures return interviews are always offered. A multi-agency meeting is arranged after the third missing episode. Over 70% of young people take up the offer of a return interview, and 70% of these interviews take place within 72 hours of the young person's return. The link between this behaviour and vulnerability to sexual exploitation is acknowledged and understood. Information gathered is used well to inform multi-agency operational 'hot-spot' meetings.

38. Children who experience or are vulnerable to child sexual exploitation receive a good service from the council. The NSCB and child sexual exploitation Cross-Authority Group provide strategic oversight and promote awareness across the county and Nottingham City, and reports are presented to the Safer Nottinghamshire Board. Four missing children events organised for 2014–15 have been held and have been well attended. Staff from all partner agencies have access to NSCB training including sexual health and e-learning on the risk of sexual exploitation, which has been promoted well, and inspectors saw responsive and well-informed work. Social workers make frequent use of the recently introduced version of the child sexual exploitation risk assessment tool, which helps them to assess the potential vulnerability to child sexual exploitation of individual children. Staff have easy access to advice and consultation from the specialist child sexual exploitation co-ordinator, who is an experienced child protection conference chair. The threshold for access to a multi-agency strategy meeting, chaired by the co-ordinator, is deliberately low, which enables agencies to share information and work together effectively. The number of child sexual exploitation strategy meetings has increased from 105 in 2013–14 relating to 49 children to 136 in 2014–15 relating to 82 children. This is as a result of effective awareness-raising and training delivered to 700 staff face-to face and more than 1,000 participants, including parents, via the NSCB on-line learning.

39. Assessment and planning in these cases are effective and thorough. Parents are invited to strategy meetings unless there are specific reasons for excluding them. Information from the police, social care, schools and other relevant agencies is shared about the young person and the known risks and concerns. They consider the need for disruption activity to deter and prosecute perpetrators. Young people can be referred to the specialist support worker employed to work with this specific group or to other agencies for individual support and direct work. However, information about the impact of this work is limited and is not subject to analysis to help agencies to plan the future development of the service.

40. Partnership arrangements, enthusiasm and drive to improve the attendance of children at school are strong. Swift action is taken to make sure children are not missing from education. Managers identify effectively the levels of risk of all children who are missing from education through tight monitoring processes which include a weekly evaluation of all absentee cases and daily electronic monitoring of those children in alternative provision. They are currently tackling rigorously 38 children they have identified as being most at risk of missing education. For the rest, 191 have an appropriate education plan in place and their attendance is being monitored closely and a further 138 children are now receiving education to meet their needs. Staff monitor proactively the 443 children who are educated at home. Almost all parents have received a visit or submitted a report about the education and welfare of their children so far this year.

41. The local authority has significantly reduced the time it takes to place a child in a school. Managers now place a child in education within 27 days, a significant improvement on the 94 days it used to take. Leaders are bringing together the range of available data they use which will give them an even better oversight of the attendance at schools.

42. A protocol with housing is in place in relation to 16 and 17 year old young people who become homeless. Attempts are made to help the young person to return to the care of their family. Where young people cannot return home, consideration is given to their vulnerability in deciding upon the appropriateness of foster care. Residential care, non-local authority accommodation and supported housing are other options available. Bed and breakfast is not used unless all other options have been exhausted, and only for one or two nights; the accommodation is risk assessed and the consent of a senior manager is needed. No young person was placed in bed and breakfast at the time of this inspection.

43. The service children and young people receive out of hours is good. The service is provided by a sufficient number of experienced social workers and managers, who work from a permanent base and have access to the council's information systems and children's files. Practice is aligned with the rest of the service through regular training, team meetings and development days and information is passed reliably between this part of the service and other teams. A duty group manager system ensures that staff have access to senior management when needed.

44. The council participates fully in the effective Multi-Agency Risk Assessment Conferences (MARAC) and MARAC notes relevant to known individual children are copied onto the child's social care file. Multi-Agency Public Protection Arrangements (MAPPA) meetings are well attended by the council's managers, which means that there is effective joint working and planning in respect of the risks considered at these meetings.

45. Arrangements for the management of allegations against adults working or volunteering with children are well organised and responsive. Allegations are handled by a small team comprising an allegations officer, a specialist officer for dealing with cases from education settings, and dedicated staff to deal with children missing from home and cases of suspected child sexual exploitation. Individual cases are managed and planned well, with timely and effective work carried out to ensure risks to individual children are assessed and addressed, as well as investigation of the adults concerned.

46. Awareness-raising about private fostering has not had an impact on increasing the number of children and young people known to the council as living in private fostering arrangements. Currently 14 children and young people are known to be privately fostered. The response to these arrangements was variable with some examples seen by inspectors where assessments were

delayed by a number of months. This means some children have been left in situations where risks have been unassessed.

The experiences and progress of children looked after and achieving permanence	Good

Summary

Services for looked after children have improved since the last inspection and children and young people now enter care when they need to. Looked after children and young people benefit from positive relationships with their social workers. Their wishes and feelings contribute to their individual care plans and broader service development. Sound social work practice is evident, exemplified by assessments that are mostly of a good quality.

Families on the edge of care are well supported. When children cannot remain with their birth families, court processes supported by legal planning meetings and the Public Law Outline (PLO) are effective and timely.

The vast majority of looked after children and young people live with families in good quality placements within 20 miles of their homes. Most live in stable placements and are cared for by skilled foster carers. Children with complex needs are supported by the work of bespoke Child and Adolescent Mental Health Services (CAMHS) for looked after children.

Looked after children are making good progress at school, attendance is good and performance at most key stages is improving.

Independent reviewing officers (IROs) demonstrate appropriate rigour and challenge to care planning. A high proportion of children take part in their reviews and the increased visiting of children and young people by IROs between statutory reviews is a commendable development.

Arrangements to track children missing education and those who go missing from care are robust. Effective multi-agency planning reduces risk for most children and young people. Children looked after are routinely offered an interview when they return from a missing episode.

High priority is given to children achieving permanence through adoption. Recruitment, training and post adoption support are all areas of considerable strength.

More needs to be done to ensure that looked after children’s health needs are promptly assessed and met in a timely way.

Services for care leavers have not developed at the same pace as others within the council and are not yet good. The health needs of care leavers are not fully addressed and too many pathway plans lack specific actions and timescales. More needs to be done to secure suitable accommodation for all care leavers.

47. Services for looked after children have improved since the last inspection. Since 2008, the rate of looked after children has increased faster than anywhere else in the country. Despite this rapid increase, Nottinghamshire continues to have fewer children in care than its statistical neighbours or the national average. However numbers are predicted to rise further. The number of looked after children has risen from 675 in 2011 to 850 as of March 2015. This rise is due to the effective work of the council and its partners in responding to a history of poor social work decisions that resulted in children remaining for too long in abusive family situations.

48. Good work takes place with children and young people on the edge of care. A nominated senior manager reviews their needs and ensures that effective work takes place with the young person and their family to prevent children from entering care unnecessarily. Decisions that children should be cared for are made at an appropriately senior level, supported by legal advice. Such decisions are evidence based and timely. Inspectors saw no cases where children had entered care inappropriately. All legal planning meetings are chaired by the same senior manager to achieve consistency in the application of thresholds. This also ensures that all other options for children are thoroughly explored at an early point.

49. A small number of looked after children and young people return to live with their families on a planned basis. Where this is the case, re-unification is well planned and underpinned by assessment and the identification of sustained and appropriate support. This may include 'theraplay', undertaken by fostering support workers. In cases seen, decisions for children to return home were based on realistic assessments of risk and parenting capacity. A small number of older looked after children and young people have returned home in an unplanned way. When this happens, social workers are pro-active in providing ongoing monitoring and support. It is usual for the young person's care placement to be held open while stability is sought.

50. The Public Law Outline (PLO) is used well to ensure that timely decisions are made for children and young people to keep them safe. Parents are helped to understand what they need to do to change and the potential consequences if they do not. PLO meetings observed by inspectors were conducted well and were appropriately child centred. Family group conferences are used at times to consider alternative options for children, but they are not used as a matter of routine.

51. Effective strategic and operational work with the courts and Cafcass result in good and timely performance. The average length of time it takes to conclude care proceedings was 27 weeks during 2014–15; this is an improving figure and is better than that of statistical neighbours (29 weeks) and the England average (30 weeks). The local judiciary confirmed that the move towards electronic case bundles and the improved quality of court reports are helping to improve the

timeliness of court proceedings. This demonstrates good performance in reducing delay for children. Assessments and reports prepared by social workers for proceedings are of a high standard overall. All cases benefit from legal oversight in their preparation.

52. Social workers visit children and young people regularly and see them alone. They know and understand the needs of children and young people well and demonstrate warmth and commitment to them. There are many examples of social work interventions with looked after children that are making a positive difference to improve their outcomes. In the vast majority of cases seen by inspectors, assessments have led to good quality direct work that helps children. The majority of assessments seen were of good quality.

53. The range of in-house fostering resources is appropriate and includes mainstream, short-term and long-term therapeutic services. There has recently been significant investment by the council in securing additional residential provision through the commissioning of a further 24 placements. This demonstrates the council's commitment to use residential care alongside its own provision as a positive choice for some children and young people whose needs are best met in children's homes.

54. There are robust monitoring and reporting arrangements for children missing from care and associated risks including child sexual exploitation. A cross-authority multi-agency group established in April 2014 pro-actively considers children and young people who go missing on a regular basis. The group demonstrates good attendance, discussion and challenge. Agencies work well together to assess and manage risks posed to children and young people. This work is effectively co-ordinated by a Children Missing Officer, underpinned by Safeguarding Board procedures that require multi-agency meetings (MAMs) and strategy discussions.

55. Social workers undertake return interviews in accordance with procedures, and the records are mostly of good quality. Despite increased demand, there is good compliance for completing return interviews; 70% are completed within 72 hours and 81% within 5 days.

56. The health needs of looked after children are not given sufficient priority. While performance in relation to annual health checks for 2013–14 is higher at 90% than the national average of 88%, the percentage of looked after children receiving dental checks is 64%, and 61% for immunisations. These figures are lower than the national averages, which are 84% and 87% respectively.

57. The council use the strengths and difficulties questionnaire to identify the well-being and emotional health of looked after children and young people. However, the current data show completion rates stand at 52%. This poor performance represents a missed opportunity to identify and respond to the emotional needs of looked after children and young people through targeted service provision. The council is aware that the meeting of health needs of the

looked after children population remains a stubborn obstacle that was also identified in previous inspections. Accordingly, a multi-agency action plan has been devised to drive up performance in this area. It is too early to measure impact and improved outcomes.

58. There is a specialist service to looked after children and young people through the CAMHS Looked After Children and Adoption Team. The team is currently working with 319 open cases. Dedicated professionals provide timely support to staff and carers through both consultations and assessment. Based on the most recent January 2015 to April 2015 data the average waiting time for the initial CAMHS consultation with a social worker is 5 weeks. Following the initial CAMHS consultation, young people or foster carers are generally seen within two weeks for treatment or follow up.

59. Young people misusing drugs and alcohol have access to commissioned services to help them reduce risks. Effective action is taken to identify and tackle risks associated with offending. There is a good overview of all those in care who are known to the youth offending service, ensuring that suitable support and diversionary activities are in place for each individual young person. This contributes to offending rates of 11%, which are lower than national averages.

60. The council is playing a critical role in improving the educational outcomes for looked after children in the community it serves. Staff plan and monitor looked after children's progress and emotional development carefully, which they record well in personal education plans (PEPs). They are working particularly effectively with leaders and managers in schools to ensure that an increasing number of these children make good progress and achieve. They have a good grip on attendance at schools county-wide. Attendance rates, which have improved over the last few years, were in line with national rates in 2013 and have improved again in 2014/15. Absence rates for looked after children have decreased over the last few years, despite increasing numbers of looked after children. For example, in 2012/13 the overall absence rate was 4.4%; a year later it was 3.7%.

61. The latest virtual school data indicate the proportion of looked after children in primary schools making at least the expected progress in reading and mathematics between Key Stages 1 and 2 has significantly improved from 71% to 86% over the last few years. In 2013/14 the attainment of looked after children in reading and mathematics was above average compared to their peers nationally at Key Stages 1 and 2. The proportion that attained well at Key Stage 1 in reading and mathematics was 76%. The proportion that attained well at Key Stage 2 in reading was 69% and in mathematics 63%. The attainment gaps in mathematics and reading between looked after children and all children are reducing. About 67% attain well in their writing at Key Stage 1 and the proportion that make the expected progress is improving, but attainment is below the average for similar children nationally at Key Stage 2.

62. The service managers are relentless in their desire for improvement. Managers of the virtual school use their self-evaluation process well to identify and take resolute action to tackle poorer performance. This, for example, has meant that they are fully aware of the need to improve progress and achievement further, particularly for looked after children at secondary schools between Key Stages 2 and 4. A small proportion of all looked after children in the council take examinations at Key Stage 4. The proportion gaining five GCSEs including English and mathematics is increasing and above the average of their peers nationally, although it is still too low.

63. Senior managers focus well on targeted action to raise attainment. One particularly effective initiative using the pupil premium to raise standards in looked after children's English skills has captured the imagination of the children, carers and teachers. It has helped children who have significant barriers to learning to create, for example, inventive narratives to a sequence of photographs they have taken. The result of unlocking these children's thirst to read and write, with support from carers and teachers, is the improvement they are making in their attainment and the confidence they gain from the pieces of work they complete. Since the project started, data held by the council show 55 out of 56 children at different key stages have made the expected progress in developing their English skills and 35% have made exceedingly good progress.

64. The large majority (78%) of looked after children attend good or better schools and thorough planning with partners ensures the educational and emotional needs of looked after children are met, including for those where a range of alternative provision is the right choice. The council monitors carefully the very small minority (4%) of children who attend inadequate schools to ensure that their needs continue to be met. Managers implement a good range of training events and information sharing with schools on the dangers of, for example, cyber bullying, self-harm, and radicalisation. They monitor closely and take action where incidents arise in schools; further work is required to understand fully the effectiveness of their work.

65. The very large majority (85%) of looked after children go on to further education or training in employment between ages 16-18. However, managers do not analyse this enough or set targets to increase it further. The number of looked after children following apprenticeships or work-based learning is increasing but is still too low. The audits of personal education plans focus well on children's progress and attainment but are less rigorous in assessing the appropriateness of the young person's next steps at the end of Key Stage 4.

66. The local authority and its partners ensure that looked after children and their carers have access to a broad range of social and leisure activities. The achievements of looked after children are celebrated annually.

67. The majority (87%) of looked after children and young people are placed within 20 miles of their own home, with a large majority (75%) of these living with families. The percentage of children placed with in-house carers or with kinship

carers is 64%. Effective work has been undertaken in the last year to reduce the number of children placed in out-of-county residential provision. At the time of inspection three young people had been successfully moved to foster families. The annual 'At a distance' audit in September 2014 highlighted good quality placements being achieved, good identification and management of children at risk of child sexual exploitation, and children making good use of the local community and leisure facilities. Nottinghamshire has a policy of only placing children in good or outstanding provision, so the vast majority of children and young people live in provision that is at least 'good'. These children and young people are well matched, their needs are met and in the majority of cases seen, outcomes are improving.

68. The sufficiency strategy for looked after children has recently been refreshed following evaluation of the range of current services. Targeted recruitment and significant additional financial investment have increased in-house fostering sufficiency, reducing expenditure on external provision. All assessments are concluded within eight months. The authority approved 66 foster households in 2014–15 and terminated the approvals of 26 households, a net gain of 40 households. Nottinghamshire is one of the country's top ten performing councils in respect of the number of foster placements each foster household provides, 1.6 compared with a national average of 1.3.

69. The fostering panel is effective. Feedback is provided to team managers on the quality of social work assessments; currently about 90% are judged by the panel to be of high quality. Panel members have annual appraisals and performance plans, to ensure that their skills continue to develop.

70. Good practical and financial support is available to families when a Special Guardianship Order (SGO) is made, including access to support services, for example 'theraplay'. Following a steady increase in SGOs, numbers are stabilising, with 80 SGOs being granted in 2013-14 and 62 in 2014-15. It is common practice for the council to consider applying for a Supervision Order alongside SGOs and Child Arrangements Orders. This practice ensures ongoing social work support to children, young people, families and carers. These children and young people become subject to child in need planning that is reviewed by child protection coordinators. Support plans identify support arrangements for these children. Applications to foster to adopt have increased and there were two applications in progress at the time of the inspection.

71. Foster carers are skilled. They benefit from good continuity of support from their supervising social workers. Such support extends to round-the-clock access to a bespoke fostering helpline. A range of training is in place for foster carers and is delivered both online and through face-to-face workshops and training events. Foster carer training involves delivery by fostered young people, other foster carers, and internal and external training providers. The training delivered by CAMHS in relation to methods of intervention and attachment disorder is reported by foster carers to be particularly helpful.

72. Care plans for looked after children and young people are underpinned by good quality assessments of need. They are regularly re-assessed by social workers to reflect the changing needs of children, to ensure they are met. The majority of care plans consider the diverse needs of children and young people well.

73. Permanence planning is good. In all cases seen by inspectors, it was timely and appropriate. Permanence is considered for all children at the second statutory review. Tracking meetings convened every six weeks are attended by the Court, Permanency and Adoption teams. These meetings discuss all aspects of permanence planning, for example assessing foster carers as adopters and placing children with older siblings who have been adopted. Plans for permanence other than through adoption for children and young people under fifteen years, are subject to scrutiny by the Permanence Panel.

74. Life story work is given appropriate priority. Children are assisted to understand their life history through purposeful direct work. The council has been effective in placing children with their brothers and sisters when it has been assessed to be in their best interests.

75. Placement stability is good. Over the last three years 9% of looked after children placed by Nottinghamshire have experienced three or more placement moves within a year, compared with 11% nationally. Over 72% of looked after children have been in the same placement for two or more years, exceeding the national average of 67%.

76. The number of statutory reviews of looked after children, chaired and completed by independent reviewing officers (IROs) between April 2014 and March 2015 was 2,263; 90.5% were completed within timescales in the year to March 2015. Of the 2,382 children who had a looked after review during 2014–15, 1,904 were at least four years old. Nearly half of these children and young people are recorded as having attended reviews. Of the remainder, 47.3% are recorded as having their views made known to the review. Throughout the year, there were only 62 occasions when it was recorded that a child's views had not been known and able to inform the review. Where views are not evidenced at the review, the IROs subsequently endeavour to gain the views of the young person.

77. IROs bring rigour and challenge to care planning. Recommendations arising from the regular reviews provide a good overview of progress made and action needed, which ensures that drift is avoided in most cases. An effective escalation process is in place and is used well to help inform service development and social work practice.

78. Looked after children are well represented by a vibrant and dedicated children in care council called 'No Labels'. This is well structured, with three groups comprising different age bands of young people from diverse backgrounds. The young people are rightly proud of the wide range and high quality of materials that they have produced to inform others of what they do, including the Pledge.

The graded judgement for adoption performance is that it is good

79. Nottinghamshire has secured adoption for a significantly increased percentage of looked after children annually over the last three years. Between 2011-14, 17% of looked after children in Nottinghamshire left care through adoption, proportionately greater than in other councils. Council figures show that in 2014-15, 84 children were placed for adoption and 92 were adopted. This compares with 51 and 42 respectively in 2011-12.

80. Improved adoption performance has resulted from a concerted strategy to improve the range of appropriate permanence options for all looked after children who need them. The numbers of Special Guardianship Orders (SGOs) have also increased from 55 in the two year period 2011-13 to 134 during 2013-2015. At March 2014, this comprised 19% of all looked after children. More looked after children are being placed with their extended family or friends under fostering regulations, 31 children are permanently placed and 35 are looked after by their family or friends subject to temporary approval as foster carers. The Court, Permanence and Adoption teams work closely together to commence parallel planning at the earliest stage of care proceedings.

81. Nottinghamshire local figures show that the council achieves adoption for 11% of its black and minority ethnic looked after children, which is in proportion to their representation in the looked after population. This indicator also compares favourably with similar councils. A slightly higher number of older children, aged 5 to 11 years, are adopted in the county than in other authorities. In 2013–14, 31 of 90 children adopted during that year were aged between five and 11 years. The council also has a strong record in adoptions of brothers and sisters. Of 67 children adopted between April to December 2014, 60% were part of a sibling group. In 2013–14, 15 family groups of brothers and sisters were placed together, and none was separated, which is commendable. This information indicates that Nottinghamshire is highly effective in achieving adoption for children who are typically more difficult to place. This is in addition to the increased range of other permanent outcomes secured for their looked after children.

82. Nottinghamshire placed children with their adoptive families an average of 606 days from the point they entered care during 2011–14. This is better than the national average of 628 days, although below the Department for Education target. The average time in 2014 was shorter than the previous year. However, the council took significantly longer, at 254 days, during the period 2011–2014 to match children with adopters from the point court authority was obtained than other councils. Over the last two years the number of days has increased,

indicating that an improving trend is not yet evident. In the last year, the average time from placement order to matching was 324 days.

83. Children who wait longer to be matched are typically those with severe disabilities, behavioural difficulties such as attention deficit hyperactivity disorder, autism, and older children. Cases sampled during the inspection indicated that extensive family finding was undertaken over a protracted time period, of two to three years in some cases. While the reasons for delays in family finding are recognised, this does leave some children in uncertain situations for too long, despite the council's tenacity in ongoing family finding efforts.

84. Adopter recruitment has markedly increased over the last three years and there are currently 56 approved adopters awaiting a match, with 27 children waiting. This demonstrates efficient sufficiency planning in the recruitment of adopters. There are, on average, six new enquiries, six approvals and six children placed each month.

85. There are three adoption panels each month, enabling all prospective adopter approvals and matches to be scrutinised without delay. The panels have a diverse membership with longstanding independent chairs. Panel members receive regular training and annual appraisals. Panels are efficiently administered and managed with extensive minutes chronicling careful probing and analysis of social work assessments. Placement breakdowns are extremely low in number, indicating that panel quality assurance is an important component in planning careful, enduring matches.

86. There were 34 children waiting for matching at the point of the inspection. Seven of these did not have a Placement Order, so home finding activities were duly limited. Potential links had been identified for 27 children, ranging from early phases of report exchange, through to advanced preparations for panel. Five children had a panel date booked during the month the inspection was held. One child was unborn, with discussions occurring about a foster-to-adopt placement.

87. Enquiries from prospective adopters are responded to promptly. Social workers complete the large majority of both stages of the assessment process within timescales. On average Stage 1 of the assessment process is completed in less than two months at 7.1 weeks and Stage 2 marginally outside of the prescribed four months target at an average of 127 days. Where assessments take longer, there are clear reasons, such as adopters taking time out to reflect and contemplate further on their motivation, in some cases seeking counselling to consider unresolved issues emerging from their personal histories.

88. Preparation training is extensive, with prospective adopters required to attend all groups and seminars provided. Additional seminars are offered, for example, on loss, identity and discrimination, play and therapeutic parenting and contact and adoption. Thorough financial assessments are undertaken by two dedicated

welfare rights specialists to ensure all benefits and tax credits are understood and used.

89. Prospective Adopter Reports (PARs) and Child Permanency Reports (CPRs) are thorough and rigorous. PARs seen during the inspection featured well-considered reflection and analysis of adult profiles and histories with evidence of pertinent challenge and probing by both authors and panel members. Twenty five adopters seen during the inspection spoke highly of the support, professionalism and skill of social workers during their assessments. Children's family histories and individual profiles were skilfully reported in CPRs, providing prospective adopters and panel members with rich content on which to consider matches. Panel Chairs reported that the large majority of social work reports are of a good quality.

90. Home finding activities are both extensive and effective, making use of the East Midlands consortium, Adoption Register, Adoption Link and local profiling and activity days. All children waiting are reviewed each month. Home finding files demonstrate thorough, imaginative and interesting profiles of children. Importance is paid to producing high quality, sensitive and well-illustrated life story books. Direct work undertaken with children in the preparation phase by their social workers is skilled and of a consistently high quality. Adopter profiles are prepared and disseminated during the second stage of their PAR assessments to minimize delay and increase the volume of potential matches.

91. Nottinghamshire has a comprehensive service providing support after adoption. Council figures show that the service is currently engaging with 115 adults and 117 children. The support offer includes a commissioned birth parents counselling service. An online resource bank provides links to a wide range of articles, resources and books for adopters. An informative range of seminars and workshops is offered each year for adopters to both meet and learn about important themes such as the impact of foetal alcohol syndrome.

92. Family support workers are trained in 'theraplay' and dyadic developmental psychotherapy to help adopters understand attachment and develop strong attachments with their children, particularly in the earlier phases of adoption. Some adopted children are supported by sessional workers who undertake regular confidence building activities with them. Nottinghamshire's Child and Adolescent Mental Health Service (CAMHS) provides a dedicated, specialist service for looked after and adopted children. CAMHS also provide consultations to social workers and adopters. There are 319 open cases in CAMHS of looked after and adopted children. The average duration of treatment programmes is 58 weeks.

93. Adopters reported to inspectors that they can readily access effective adoption support at any stage of childhood, receiving consistent, prompt responses. The 25 adopters spoken to during the inspection particularly valued the skilled advice and support received about issues concerning contact with birth family

members, arising both in the early post placement phase through to their children's teenage and early adult years.

94. The virtual school is available to provide support to adopted children. The pupil premium is used for children with additional educational needs to provide further support in schools. Adopters are offered support when their children approach secondary school transfer, to assist them through the transition period.

95. Over the last 12 months, 14 (15%) of children where adoption was being considered have had plans changed; this illustrates an improving trend from previous years. Cases seen by inspectors show that reasons for changed plans were predominantly justifiable including examples where foster carers had formed enduring attachments and wished to foster the children permanently. The children concerned expressed clear wishes not to be moved. A further example featured a birth mother who successfully applied for revocation of a placement order, having separated from a partner who was the primary source of safeguarding concerns, and the child returned to her care under a supervision order.

96. Fostering to adopt is considered in all prospective adopter assessments and there are four such placements currently. Clear guidance is available to both adopters and potential adopters. Recent fostering-to-adopt cases involve babies where the birth mothers' older children have been removed, and younger children in proceedings whose older siblings are already members of an adoptive family. Concurrent planning occurs during care proceedings where the council position is not to consider rehabilitation but the court has not yet confirmed an adoption plan. Liaison is ongoing with the Family Proceedings Court and the Children and Family Court Advisory and Support Service to further their understanding and support of the scheme. The programme is targeted at adopters with the level of emotional resilience necessary to manage uncertainty and potential loss.

The graded judgement about the experience and progress of care leavers is that it requires improvement

97. Services for care leavers have been slower to develop than those for other children and young people, as services for safeguarding have received a higher priority. Only recently have care leavers been included in a looked after children and care leavers' strategy, and this indicates that there has been a lack of attention to their needs. An increasing population of looked after children and care leavers means improved planning and a wider range of resources need to be in place to meet the demands of young people leaving care.

98. Nevertheless, the care leaving service has a stable and experienced staff group who are passionate about their work and know the care leavers well. The council reports that they are in touch with 86% of care leavers. Case records show that personal advisers make efforts to locate those not in contact. All care leavers who spoke to inspectors talked of the valued relationship they have with their personal advisers. They all said they feel safe where they live and in the knowledge that their personal adviser is available and there to help. Care leavers talked about their personal advisers being "only a phone call away" and "amazing".

99. Case records show that personal advisers help care leavers to look at risks and life choices. Examples seen included personal advisers working with a care leaver to consider how his behaviour, though innocent, could be construed as threatening to others he lived with. In another case involving risks of domestic abuse, a personal adviser worked with a young person and other agencies to develop a safety strategy. All pathway plans include details and contact numbers of agencies who can offer support, and care leaving teams have a range of helpful leaflets and information for care leavers.

100. Independence skills are developed using the "Get Ready For Adult Life" work book and DVD. Evidence was seen of personal advisers working with young people on budgeting, relationships, use of public transport and spending of the home establishment grant. Some personal advisers are trained in a scheme to provide young people with condoms and the Family Nurse Partnership has worked with care leavers who are pregnant or parents to assist with parenting skills. Care leavers have talked of the confidence they have gained from working with personal advisers who have assisted them to prepare for job interviews. The care leaving service has provided financial support to care leavers for a wide range of needs including higher education, maintaining contact with family and friends and help with the costs of obtaining a heavy goods vehicle licence.

101. The council does not have a detailed understanding of the health needs of care leavers. The Children's Integrated Commissioning Hub, formed in July 2014, has an action plan to undertake an audit of health needs including substance misuse and teenage pregnancy but this work has not been completed to date. This means that the council is unaware of care leavers' health needs, the resources that are needed and where these should be targeted.

102. Care leavers do not have information about their health histories in the form of a letter or health passport. A new health information pack is being piloted for young people approaching their 18th birthday. However, the current group of care leavers do not have this information and there are no plans to ensure that it is made available to them. This means that they will not know their full health histories when seeking treatment in the future.

103. Personal advisers acknowledge the challenge for care leavers accessing adult services. The Looked After Children Child and Adolescent Mental Health Service,

which provides valuable consultation and direct work for looked after children, ceases when they reach the age of 18. Where emotional and mental health needs are recognised by personal advisers they have few options to support care leavers other than suggesting a GP referral. The council assists with financial support for therapeutic help in some cases but this does not meet the needs of the majority. Where care leavers with disabilities have met thresholds for adult services, inspectors saw examples of good transition planning. Social workers have been allocated, along with psychology services and support packages, including respite.

104. Pathway plans are not specific enough about actions and timescales for change. Plans describe care leavers' histories and circumstances well, with their views clearly expressed, yet the actions recorded are not sufficiently clear. Personal advisers encourage and support care leavers to take initiative and responsibility for themselves but do not set out what they will do to help them. Timescales are often set as the next review date, which means that the plan is not a working document. In some cases seen there was a lack of follow-up work described in case notes and it was not possible to see if important areas such as mental health needs were being addressed.

105. Pathway plans are not independently reviewed, which means that decisions lack scrutiny and challenge. Managers use a tracking system to ensure that plans are completed within timescales. There are 347 open cases in the care leaving service of which 38 are still open to the looked after children's teams as the young person is aged between 17.5 years and 18 years. The council's tracking system showed that 33 plans (10.6%) out of 309 had not been reviewed within timescales, though there was some uncertainty about this figure, which suggests that management information is not always reliable.

106. The council has recognised that more needs to be done to meet the accommodation needs of care leavers to provide choice and emergency provision. If they become homeless, care leavers have to apply to district councils as homeless, consider private rented accommodation or rely on family or friends. The council has developed a commissioning strategy "Supporting Young People (16-21) to Live Independently". This is due to be implemented in September 2015 and aims to provide services for homeless young people and care leavers, including emergency provision.

107. Council information shows that 82% of its care leavers are in suitable accommodation, which is higher than statistical neighbours at 74% and the England average of 78% as at 31 March 2014. The council has 199 units of accommodation, offering varying levels of support. There are specialised units in three districts catering for teenagers who are pregnant or parents, and a 12 bedded unit is available for care leavers who are disabled, with 24 hour support. Bed and breakfast accommodation is used rarely and only as a last resort and for a limited period. Of 70 houses in multi-occupation, 64 are deemed suitable and risk assessments are completed prior to a young person moving in. There has been sensitive work undertaken with asylum seekers

about their accommodation preferences. Some groups of asylum seekers choose to share accommodation, which provides a good support network.

108. Staying Put numbers have risen from 19 in September 2014 to the current figure of 31. These arrangements are made with both Nottinghamshire's and independent agency foster carers. This demonstrates the council's commitment to the stability of placements for care leavers. One asylum seeker spoke about his foster carers being like his own family, supporting his cultural needs with the purchase of halal meat and attending the mosque, and could not thank them enough.

109. A peer evaluation of Nottinghamshire's leaving care service was conducted by a large national charity in January 2015 and noted a lack of understanding of health needs and challenges in the provision of accommodation. It also recognised the limited involvement of the Corporate Parenting Sub-Committee and the subsequent lack of drive from this group to work with partners to ensure improvements are made. The lack of strategic oversight is also reflected in the fact that the council does not hold management information on care leavers who are missing, at risk of sexual exploitation, substance misusers or offenders. Individual cases are known and worked on but there is a lack of understanding of the needs of the group as a whole and how resources should be targeted. The council is now responding to the findings from this external audit. It has strengthened the corporate parenting panel with additional personnel to provide greater rigour and challenge, to ensure that services improve at a much faster rate. It is too early to see the impact of this.

110. In 2013–14, 38% of care leavers aged 19-21 years were not in education, training or employment. This is slightly better than statistical neighbours at 41% and the same as the England average. However, the proportion not in education, training or employment has been increasing in the last few years and it is still too high. Robust plans are in place and include increasing the number of apprenticeship courses available.

111. About half of care leavers go on to further and higher education, training, or employment. This is above statistical neighbours at 40% and the England average of 45%. Of these, five (3%) went on to higher education, which is below comparators at 6%, 55 went on to further education and 55 went into training or employment. While this is better than the average for councils nationally, and the proportion has been increasing in the last few years, it is still too low.

112. Personal advisers and 18+ achievement advisers encourage care leavers to access learning. The council was awarded the Care2Work quality mark in 2015 for work in supporting young people with education, employment and training. Care leavers cite their educational experiences in vocational education and the development of English and mathematics as being important stepping stones to them moving forward in their lives. Targets in plans seen by inspectors have not been sufficiently clear and several care leavers have moved between

different education and career pathways. Not enough are sufficiently well advised about the right future learning opportunities at the point of leaving care.

113. Participation events are set up for care leavers, providing them with relevant information along with opportunities to mix with staff and peers. Care leavers who spoke to inspectors were positive about such events, which have recently focused on domestic violence, refugee services and financial support.

114. None of the care leavers spoken with had heard about the Pledge to Looked After Children and Young People, which shows that it is not a meaningful document for them. Some care leavers have been involved in staff interviews and service development but not all care leavers are engaged with the development of the service. Staff recognise this as an area for development and a newsletter for care leavers is being produced. There is a range of documents available to care leavers covering their entitlements, employment, financial support and complaints. These are provided when care leavers need information. Care leavers are aware of how to complain and details are set out in pathway plans.

Leadership, management and governance	Good

Summary

Since its transformation programme began in May 2011, the council has taken authoritative action to invest in and redesign services for children and young people. This has led to services being judged as good at this inspection, with the exception of the care leaving service which has been found to require improvement. This means that the most vulnerable children and young people in Nottinghamshire are likely to receive the help they need and are safer as a result.

Effective governance arrangements are in place. Political and professional leaders are clear about their roles and responsibilities, and encourage robust challenge and oversight to support improvement in most aspects of service provision. Where services are not as strong, for example services for care leavers and children living in private fostering arrangements, plans are now in place to improve practice. A recent external review of the care leaving service, conducted by a large national charity in January 2015, identified many of the shortfalls highlighted in this inspection. Senior leaders accept they need to continue to focus on making improvements to this service. They recognise there is more to do to ensure that practice is consistently good across all services.

Clear lines of accountability and a strong culture of performance management have led to improved practice and experiences for children and young people and their families. Senior leaders and elected members are visible and active in quality assurance activity, including audit and shadowing practitioners. Management oversight of practice is embedded and social workers receive regular supervision. A strong focus on listening to practitioners about the pressures they face in their day to day work has led to initiatives to improve their working environment and contributes to high morale.

Until recently the corporate parenting panel had not had sufficient oversight of services for care leavers, but changes have been made to ensure greater scrutiny and impact as services develop. Good commissioning arrangements are in place, with, for example, renewed focus on ensuring child mental health services are equipped to meet the growing demand for complex and multiple health care needs.

Effective workforce planning has been underpinned by improvements to the working environment, the introduction of practice consultants, enhanced business support and better caseload management.

Inspection findings

115. Following the unannounced inspection by Ofsted in 2009, which revealed significant weaknesses in service delivery, and the inspection of safeguarding and arrangements for looked after children in March 2010, which found overall effectiveness for safeguarding to be inadequate, swift and decisive action was taken by the council to tackle the deficits. An unannounced inspection in February 2011 concluded that there had been considerable progress made, with a further inspection in September 2011 finding services to be adequate. A stable and consistent senior leadership team has provided vision and drive to improving services and outcomes for children and young people. Investment of £35 million over five years supported the redesign of the service and increased the social work establishment.

116. The senior leadership team, including the Chief Executive, the Interim Director of Children's Services and elected members, have detailed knowledge and understanding of the experiences of children and young people in Nottinghamshire. This is underpinned by regular reviews of data and a quality assurance process that involves senior managers and elected members in auditing, shadowing practitioners and visiting services.

117. Relationships between the Chief Executive and the chair of the LSCB are strong and are supported by regular meetings which include the Chairman of the Children and Young People's Committee, the children's social care lead member and the principal social worker. This is an effective forum for challenge and debate, informed by elected members' direct knowledge of services and the principal social worker's dialogue with frontline practitioners.

118. Governance arrangements are strong. The Children's Trust is a commissioning sub-group of the Health and Wellbeing Board. The board maintains a focus on children's issues, with regular agenda items relating to children and young people.

119. The council is responsive to children and young people who may be at risk of sexual exploitation. A strategy involving partners within the council and neighbouring authorities underpins this work. Extensive awareness training has been completed for staff including bespoke events for elected members, head teachers and school governors.

120. The council and its partners recognise the risks to children and young people who go missing and the increased risk of sexual exploitation. Systems are in place where a young person is reported absent or missing to ensure vulnerability to sexual exploitation is considered in assessing the risk they may face. The appointment of a dedicated 'missing' co-ordinator by the council provides a point of contact for external agencies, advice to social workers and is key in identifying patterns and trends. However, the council does not gather and use management information effectively enough with regard to care

leavers who are missing or at risk of sexual exploitation, to enable them to have a better understanding of their needs.

121. A new service currently being commissioned will extend preventive work to younger children in years four and five and will recognise other vulnerabilities such as risks of radicalisation.

122. The quality of practice is improving. Children and young people who need help and protection or need to be looked after are receiving the help they need. Good management oversight is embedded at team manager level. Social workers feel supported by regular supervision that assists in progressing plans and improving outcomes for children and young people. One recently appointed team manager described training on reflective supervision as having improved her practice. However, records of supervision seen by inspectors did not always evidence this. Practice consultants based in social work teams provide research and learning from local and national serious case reviews in addition to providing support to individual workers through mentoring or co-working. Their role is highly valued by practitioners.

123. The council has responded to the challenge of recruitment by focusing its strategy on recruiting newly qualified social workers. Social workers in their first year of practice benefit from the support of a mentor as well as access to practice consultants and their own line manager. Newly qualified social workers spoken to by inspectors were positive about the support they receive. Reliance on agency staff is reducing; current rates at 17%, with an average stay of 284 days, show stability within the agency workforce. Agency staff are used proactively, sometimes in a supernumerary capacity, for example to increase the balance of experienced staff where there is a high number of newly qualified social workers in a team. This ensures an appropriate balance of experience while new practitioners develop their skills and knowledge. As a result of this strategy, 100 newly qualified social workers have moved on to experienced worker status over the last four years.

124. Morale amongst social work practitioners in Nottinghamshire is high. Child protection conference co-ordinators and independent reviewing officers (IROs) consider their role in relation to challenge is acknowledged, welcomed and promoted by senior leaders. Senior managers are accessible and responsive. Thoughtful attention has been given to improving the environment for practitioners. An annual social work health check carried out by the council, a staff survey, staff forums, visits to services and shadowing opportunities are all used by leaders and managers to understand the pressures staff experience. Mobile working, personal safety alarms and additional business support are all initiatives introduced in response to feedback from staff. Social workers value this support and the council’s investment in their working environment.

125. Investment in the workforce has resulted in an increase in the number of social workers, child protection conference co-ordinators and IROs. This investment has supported good performance, for example with 99.6% of children subject

to child protection plans having their reviews held in a timely way in 2014–15. IRO caseloads reduced from around 120 two years ago to current caseloads in the low seventies. This has had a direct impact on the ability of IROs to spend time with children and young people. A caseload weighting system is in place and caseloads in social work teams vary. Caseloads seen by inspectors in the court teams ranged between 10 and 12. In assessment and district child protection teams they are higher, with the highest caseload seen by inspectors being 26. All of the social workers spoken to by inspectors described their caseloads as manageable. There was no unallocated work.

126. In addition to a detailed monthly core performance management report, managers have access to a daily data dashboard which supports them in monitoring the timely completion of work, case load numbers and visits to children in timescales, and enables them to spot potential risks and provide additional support to teams where appropriate.

127. The quality assurance framework, which did not exist in 2010, has been developed by senior managers to focus on quality of practice rather than compliance. A culture of auditing has been established with 5% of child in need cases and 5% of child protection cases audited each quarter. Audits are conducted by senior managers and elected members as well as team managers. Improvements in practice have resulted, for example, in the quality of child protection plans graded good or outstanding. In the last three months of 2013–14, 35% of 109 child protection cases audited received a good or better grade, based upon assessed and analysed needs and reflecting the views of children, young people, parents and carers. In the same three months of 2014–15, although with a smaller sample of 31 cases, 70% of child protection plans were graded good or better for their quality. External audits are commissioned to support improvement and validate the quality and rigour of the internal audit process. The council's own audit findings from the cases selected as part of the inspection were generally consistent with the overall findings of inspectors.

128. The council is aware of the shortfalls identified at this inspection in relation to the quality of services to care leavers. Plans are in place to increase the effectiveness of this service but these were not fully embedded in practice at the time of this inspection. The response by the council to a peer evaluation of its leaving care service, conducted by a large national charity in January 2015, has been uncharacteristically slow for a senior leadership team that has shown such tenacity in all other areas of service delivery.

129. Effective systems are in place for liaison between the council and Cafcass. This has improved the timeliness of proceedings to 27 weeks, reducing delay in achieving permanence for children and young people.

130. Multi-agency work to reduce re-offending has been effective. A recent Short Quality Screening inspection by HMI Probation of Youth Offending work in Nottinghamshire in May 2015 found that work to reduce re-offending, to

protect the public, children and young people, and to ensure sentences are served was of a good quality. The inspection found the performance of the Youth Justice Service to be very creditable.

131. In contrast, a recent inspection in September 2014 of police child protection arrangements in Nottinghamshire by Her Majesty's Inspectorate of Constabulary (HMIC) found some areas of weakness similar to those identified during this inspection; in particular, the police attendance at and contribution to initial child protection conferences, information sharing and children not being seen and spoken to when responding to domestic violence referrals. Since the inspection the council both through the senior leadership team, elected members and the Local Safeguarding Children Board have been engaging in conversation with senior officers in the police force to support improvement in these areas. An action plan and an action log are used to update members on the progress made.

132. Commissioning is informed by a comprehensive joint strategic needs assessment (JSNA) which gives appropriate attention to children and young people's requirements. Commissioning arrangements are responsive to need and emerging issues. Arrangements are aligned with the sufficiency strategy and the council has been successful in increasing the pool of in-house foster carers. A contract to provide a block purchase of 24 beds was awarded to two external providers in April 2015. This will provide increased opportunities for children and young people to remain in or return to Nottinghamshire when it is their best interests to do so. It is intended to reduce the overall average cost of residential care while sustaining quality.

133. The Integrated Commissioning Hub, established in 2013, has undertaken a review of a number of services including health services for children and young people with complex or multiple health needs and CAMHS. A £2million pound investment has been secured from the clinical commissioning groups (CCGs) to redesign and improve CAMHS. This will increase capacity and include a crisis intervention team which is not available currently. The Integrated Children and Young People Healthcare Programme will streamline health services for children and young people, bringing together a range of 15 services. The contract is currently out to tender and is expected to take effect in April 2016.

134. The corporate parenting panel is active. However, it has not been sufficiently effective in monitoring and improving the health care needs of looked after children. It has also not provided sufficient scrutiny with regard to the care leaving service. The panel has recently been expanded to include an IRO and team manager from the care leaving service to ensure greater scrutiny and impact in driving forward the improvements required.

135. Children and young people are effectively involved in influencing and shaping services in Nottinghamshire. Their views and life experiences are used well. They are routinely incorporated into themed audits, with practice consultants visiting children and young people to gather their views. In addition to

contributing to the audit process, children are given the opportunity to send a 'Message in a Bottle' to the head of service. All of the children receive a personal response to their messages.

136. Young Pioneers, a group of young people with additional needs, are an active and vibrant group engaged in a range of activities, consultations and campaigns. They have produced an anti-bullying DVD and contributed to the design of the Integrated Community Children and Young People's Healthcare Programme. Currently the Young Pioneers are working on a campaign on improving public transport for young disabled people. The Children in Care Council, 'No Labels', is dynamic and is involved in a range of activities and consultations that have had a direct impact on services such as the standard of children's homes and helping to train foster carers so that they are better prepared and understand the needs of looked after children.

137. The council has taken a creative approach to identifying and adopting practice which is evidence based. The Knowledge Transfer partnership established with Nottingham Trent University identified the Family Nurse Partnership as an effective parenting programme. Funding from the council and NHS England was used to extend the scheme by a further 200 places. A literature review of the effectiveness of theoretical approaches to working with children and families is underpinning the development of the single assessment in Nottinghamshire and the evidenced based multi-modality literacy project has had a direct and striking impact on looked after children's achievement in reading and writing. Inspectors saw evidence of learning from serious case reviews, for example through individual discussion with social workers, and in innovations such as the Think Family model used by GPs in Bassetlaw. This entails weekly meetings to share information and consider risk in relation to vulnerable children whose parents are involved with adult services.

138. Nottinghamshire has a thorough and robust process for learning from complaints. Most complaints are resolved quickly with only nine (3.3%) of 266 complaints received in 2014–15 progressing beyond stage one. Themes are identified at quarterly meetings; this has led to the revision of processes and procedures such as the issuing of clearer guidance on procedures to manage induced or fabricated illness, which has had a positive impact on practice.

The Local Safeguarding Children Board (LSCB)

The Local Safeguarding Children Board is good

The arrangements in place to evaluate the effectiveness of what is done by the authority and Board partners to safeguard and promote the welfare of children are good.

An LSCB that is **good** coordinates the activity of statutory partners and monitors the effectiveness of local arrangements. Multi-agency training in the protection and care of children is effective and evaluated regularly for impact. The LSCB provides robust and rigorous evaluation and analysis of local performance that identifies areas for improvement and influences the planning and delivery of high-quality services.

Executive summary

The Nottinghamshire Safeguarding Children Board (NSCB) is effectively chaired and well managed and has enabled positive co-operative relationships between partner agencies. It fulfils all of its statutory responsibilities and facilitates strong multi-agency co-operation.

Partners hold each other to account well and keep safeguarding at the centre of the work of the Board. Escalation processes are used effectively when necessary. There is a clear, succinct business plan, updated as emerging priorities arise, which holds board members to account, and a Learning and Development Framework that supports the agreed expectations of partners.

The Board has a strong multi-agency audit process and ensures improvement is monitored through repeat audit in priority areas. There is a strong learning and development programme linked to national and local issues, and learning from serious case reviews is embedded in this programme.

The Board ensures that children's experiences are at the centre of its work, including children placed away from the council, and children from other councils placed in Nottinghamshire.

The Board is aware of areas in which it needs to develop, for example with regard to influencing involvement in multi-agency strategy discussions, updating the Communication and Engagement Strategy, and ensuring the effectiveness of private fostering arrangements. The current data set primarily focuses on children's social care, which means that data and information on safeguarding by other agencies are not fully considered.

Recommendations

139. Ensure that the NSCB continues to influence appropriate partner input from relevant agencies, such as the police in child protection conferences. (Paragraph 145)

140. Update the Communication and Engagement strategy and increase front line practitioner awareness of the work of the Board. (Paragraph 154)

141. Ensure that effective action is taken to meet the needs of children who are privately fostered. (Paragraph 164)

142. Revise and refresh the Board's data set to ensure a wider focus on the performance of partner agencies. (Paragraph 155)

Inspection findings – the Local Safeguarding Children Board

143. Governance arrangements for the NSCB are good. The Board complies with its statutory and regulatory responsibilities, assisted by a regularly updated self-assessment tool. Board members are of sufficient seniority within their own organisation to have influence and effect change.

144. Attendance at meetings is good. All sub-group chairs are members of the Board and the Executive group is chaired by the Board's vice chair. Sub-groups are effective and an escalation process is in operation for any issues that cannot be resolved within these groups.

145. The Board is effectively chaired and well organised, and is described by partners as having 'a bit of life to it'. It offers a safe environment to hold partners to account and challenge as necessary. Partners who spoke to inspectors felt that the structure and grip of the Board meant that the safeguarding focus stayed strong in Nottinghamshire regardless of any external organisational changes. It was described as a Board that has matured and where members can have difficult conversations; it was defined as owning the safeguarding agenda across the partnership. Recent challenging conversations at a strategic level have included the lack of police attendance at child protection conferences and the heath care needs of looked after children.

146. The Chair of the Board has facilitated a culture of openness and challenge. Partner agencies spoken with described the Board as giving equal consideration and respect to all partners while remaining clearly focused on the overall priorities of the work of the Board. The Board has two lay members who participate in site visits to frontline services along with other Board members. This has included meeting directly with young people and shadowing front line practitioners. The role of the lay members is clear and they offer a challenging voice to the Board on behalf of children and the public.

147. Sub-groups are well chaired by senior representatives from different partner agencies across social care, education and health, with the police chairing the child sexual exploitation cross-agency sub-group. This assists in providing a multi-agency perspective across the range of Board functions. The Board is financially well managed, with long-established multi-agency funding arrangements.

148. The 2011 Ofsted inspection indicated the Board was well placed to make progress and the evidence shows that this has been fulfilled. An independent review of the Board in 2013 recognised the continued progress. The Board has continued to make significant progress while also identifying areas for further improvement. Recent specific improvements include an increased focus on early help, a higher profile for safeguarding in education and the appointment to vacant posts of the training coordinator in 2014 and a development manager (child deaths) in February 2015.

149. The NSCB's Learning and Improvement Framework supports agencies holding each other to account. Recent discussions at the full board have included the use of adult wards for the treatment of young people with mental health issues, and children detained in police cells under section 136 of the Mental Health Act 1983. Progress is monitored via a comprehensive action plan that includes timescales for review.

150. The Board has good links and relationships with other strategic groups and communication networks including the Missing Children's group, the Think Family group, the health forum, the safeguarding and education forum, the cross-authority group looking at female genital mutilation and the Young People's Board. The Board worked with the Young People's Board to commission a film to reduce the number of road traffic accidents. This was disseminated across the partnership, including schools, and lesson plans are being developed. The film was also shown at the first national Child Death Overview Panel Conference in December 2014.

151. There are effective links with the Health and Wellbeing Board, the Children's Trust, Nottinghamshire's Adults Safeguarding Board and Nottingham City Safeguarding Children Board. This has assisted on issues such as tackling child sexual exploitation, and a cross-authority multi-agency child sexual exploitation strategy and work plan for 2015–16 support this. The Chair of the safeguarding board sits on the Children's Trust, and leads two priority areas of the Children and Young People's Plan, one of which is child sexual exploitation. The current multi-agency audit focusing on mental health, domestic abuse and substance misuse is an effective example of a joint piece of work across the Adults and Children's Boards within Nottinghamshire.

152. There are clear and effective lines of communication and accountability between the council Chief Executive, the Director of Children's Services and the Chair of the Board. This is supported by regular minuted meetings between the Chief Executive, the Chair, the Principal Social Worker and elected members.

The Chair meets quarterly with the Director of Children's Services prior to a main Board meeting to discuss the agenda, performance and scrutiny issues. The Chief Executive takes priority issues from the Board to broader areas of influence and a piece of work has recently been commissioned on taxi licensing and fast food outlets as part of the child sexual exploitation action plan.

153. The Board has a clear business plan for 2014–2016, which has been recently updated to include emerging priorities such as reviewing thresholds and refreshing inter-agency guidance in relation to neglect, and scrutiny of CAMHS provision including the implementation of a review of CAMHS. Both actions are led by the Chair of the safeguarding board with a neglect threshold exercise arranged for June 2015 and a report on progress regarding CAMHS being presented to the Board in September 2015.

154. Every action in the business plan is allocated to a named senior manager. An associated action plan is used to monitor and evaluate progress against priority areas of work using a colour coded system. All but one of the actions are on target. The only area rated red, where a target has not been met, relates to the need to update the Communication and Engagement Strategy, to ensure that frontline practitioners are increasingly aware of the impact of the board.

155. There are good reporting arrangements and the Board has a clear agreed data set. Performance information is combined with qualitative analysis to help to understand the experiences of children and young people. However, information is primarily focused on children's social care; data and information from other agencies, such as the use of police powers of protection, are not currently considered.

156. The Board oversees multi-agency audit work through the multi-agency audit sub-group. This is an area of strength. Areas of practice requiring auditing are identified through a range of processes such as a serious case review and feedback from front line practitioners. Specific areas of practice that have been audited include the voice of the child, young people's access to services, child sexual exploitation, child sexual abuse, early help work and initial child protection conferences. There is a rolling programme of repeat audits in areas where progress has been made but further work is identified. The process of audit strengthens practice and this is monitored by the Board. A recent example is improvements in initial child protection case conferences (ICPCs) including in relation to timescales and in the participation of young people, an area that had been of concern. A repeat audit on ICPCs is planned for December 2015 to monitor progress and to further improve young people's involvement and contribution.

157. The Board has child sexual exploitation and missing children as priority areas in its business plan. As part of the work being undertaken to address issues relating to child sexual exploitation and children missing from home or care, practice guidance has been revised and re-issued. In January 2015 the Board's Executive group considered questionnaires returned by young people who had

been missing undertaken in response to a survey conducted with the Children in Care Council. Responses were low and more work to be undertaken on return interviews was identified for follow up.

158. The threshold document 'Pathway to Provision' is clear and appropriately used in practice. Board members undertook an interactive exercise on real case studies to test early help thresholds for themselves and have another one planned on thresholds and neglect. The Board regularly updates policies and procedures and ensures they are available on the website. Front line staff have been involved in revisions of policy documents through the Board, resulting in these staff attending impact evaluation events in September 2014 on the new procedures.

159. The Board ensures that section 11 audits are undertaken and these take place every two years. Section 11 audits have high completion rates and the Executive group monitors follow up on areas requiring progress and any non-submissions. Progress reports are requested from any partner agencies where an area of improvement is identified. Education feedback is completed through the complementary process of the Governors Compliance Checklist. Data on child sexual exploitation is now requested as part of this return.

160. Training and development are strong. Significant progress has been made over the last 12 months. A new training coordinator has been appointed and a recently refreshed learning and development sub-group has adopted a more strategic approach and brought a stronger focus on practice development. This led, for example, to police and health bringing Prevent and the radicalisation agenda to the sub-group, and raising awareness across agencies. There is a clear learning pathway, a clear rationale for each course and good follow up and analysis of impact.

161. Training is well attended by partners and the sub-group monitors attendance. The training coordinator is proactive in chasing up low agency attendance. Attendance at multi-agency training in 2014-2015 increased overall, with higher numbers of staff attending from health, police and children's social care. In addition, the take up on unlimited e-learning on child sexual exploitation and awareness of child abuse and neglect has been good with increases of over 80% in the last year. Child sexual exploitation and safeguarding children missing from home or care have been priority areas in the training programme, with extra courses made available when courses became fully booked. Two seminars were offered specifically on raising awareness of the sexual exploitation of boys and young men.

162. Training is having a positive impact on practice. For example, training in September 2014 on fabricated or induced illness has resulted in 15 cases being identified; only one case had previously been recognised.

163. A quality assurance scheme to accredit single agency introductory safeguarding training has recently been introduced, supporting the broader promotion of the awareness of safeguarding.

164. The Board has undertaken work on raising awareness of private fostering arrangements, although members are aware that further work is required both to raise awareness and to ensure that vulnerable children are protected through robust assessments. For example, the Board has identified that school admissions teams and health partners may be the first to come across such arrangements.

165. Serious case reviews are undertaken appropriately and published, and the Chair is confident in his independent role with regard to decision-making. All decisions by the Chair have been validated by the National Panel of Independent Experts (NPIE). Agencies undertake learning reviews, for example in cases that do not meet the threshold for a serious case review. Learning is then disseminated across the partnership. A recent example is promotion, via the regular NSCB newsletter, of the 'Bruising pathway', which alerts practitioners to the significance of bruising found on non-mobile babies. The serious incident review sub-group receives referrals from all partner agencies and monitors the action plans of serious case reviews. The training coordinator works closely with the serious incident review group to ensure that training courses link specifically to learning from serious case reviews and action plans are monitored through the Board. A recent training programme on child sexual abuse is an example of this. In addition bulletins are sent out to staff with headline lessons and a presentation for managers to use in team meetings, for example.

166. Inclusion of a senior education representative on the Board has extended its influence. A safeguarding in education event for the main Board in December 2014 raised awareness of a number of issues, including female genital mutilation, and a letter was recently sent to all schools about 'sexting' and the link to potential child sexual exploitation.

167. The annual report of the Board is clear and thorough and includes reports from each of the sub groups including the Child Death Overview Panel (CDOP). It is evaluative and analytical. The report includes quotes from young people, helpful case studies, progress made and areas for future development. The voice of the child is strong throughout, for example, information on the use of 'My Protection Plan' and handwritten messages from young people as part of 'message in a bottle' to the Service Director for Children's Social Care. The report specifically includes action taken in response to the Voice of the Child audit.

Ofsted

Information about this inspection

Inspectors have looked closely at the experiences of children and young people who have needed or still need help and/or protection. This also includes children and young people who are looked after and young people who are leaving care and starting their lives as young adults.

Inspectors considered the quality of work and the difference adults make to the lives of children, young people and families. They read case files, watched how professional staff work with families and each other and discussed the effectiveness of help and care given to children and young people. Wherever possible, they talked to children, young people and their families. In addition the inspectors have tried to understand what the local authority knows about how well it is performing, how well it is doing and what difference it is making for the people who it is trying to help, protect and look after.

The inspection of the local authority was carried out under section 136 of the Education and Inspections Act 2006.

The review of the Local Safeguarding Children Board was carried out under section 15A of the Children Act 2004.

Ofsted produces this report of the inspection of local authority functions and the review of the Local Safeguarding Children Board under its power to combine reports in accordance with section 152 of the Education and Inspections Act 2006.

The inspection team consisted of nine of Her Majesty's Inspectors (HMI) from Ofsted.

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Nottinghamshire County Council

Report to Full Council

17th September 2015

Agenda Item: 10

REPORT OF THE LEADER OF THE COUNCIL

ARMED FORCES COMMUNITY COVENANT

Purpose of the Report

1. To note the progress made on the Armed Forces Community Covenant and to consider the appointment of an Armed Forces Champion to promote and drive further progress.

Information and Advice

2. The County Council signed the Armed Forces Covenant on 28th January 2013. The Armed Forces Community Covenant is a voluntary statement of mutual support between a civilian community and its local Armed Forces Community and is intended to complement the Armed Forces Covenant which outlines the moral obligation between the Nation, the Government and the Armed Forces.

3. Nottinghamshire has many current and historical connections to both regular and reserve forces. Within the County are Chetwynd Barracks, RAF Syerston and several former RAF bases along with Reserve units from all three services. These are supported by cadet organisations from all three services and organisations such as the Royal British Legion, the Royal Naval Association, the Army Benevolent Fund, the Royal Air Force Association and the Parachute Regiment Association, all of which represent the interests of military veterans within Nottinghamshire. Most recently Stanford Hall has been given to the Armed Forces to be used as a rehabilitation centre for serving personnel wounded in service.

4. The commitment made in the Covenant by the council is fivefold:

   - Encourage the local community to support the Armed Forces and its personnel in Nottinghamshire and provide opportunities for them to show support
   - Promote awareness and understanding of issues affecting the Armed Forces Community in the wider Community
   - Enable military personnel and their families to access services and facilities within the wider community
   - Support military personnel and their families resettling or relocating to Nottinghamshire, including ensuring that children from Armed Forces families are not disadvantaged
   - Promote access to suitable employment and training opportunities for those in transition or preparing to leave active service.

5. The officer champion and contact for questions arising under the covenant is Tim Gregory, Corporate Director for Place and he has successfully resolved a number of issues since the signing of the covenant.

6. The Royal British Legion has recently launched a campaign for what they describe as tangible policy changes for local authorities to implement to add further support to the community covenant and they highlight five key areas to consider. Whilst a number of these areas are not relevant to Council services, i.e. those regarding housing, there are others which do, including: considering the needs of the Armed Forces community in the Joint Strategic Needs assessment, ensuring armed forces children who apply mid-term are guaranteed a place at their school of choice and disregarding military compensation payments when means testing for council services.

7. The Royal British Legion acknowledges that local authorities are under considerable financial strain but they suggest that the policy changes they advocate can be undertaken without undue cost or time.

8. It is recommended that Council appoints a Member Champion to work with the officer champion, Tim Gregory, to consider which of the Royal British Legions requests can be supported and to continue to support the actions already taken by the Council to honour the pledges made in the covenant

9. One of those actions which members will wish to be aware of is an event on 12th November "Civilian Life". The event will provide an opportunity for local authorities, armed forces champions, health sector colleagues, housing sector colleagues and key stakeholders to gain an insight into Nottinghamshire's vision for the armed forces community and how local forces charities and organisations are leading the way to support the resettlement and transition of all veterans and their families. The event will allow delegates to share community covenant best practice and examine how local understanding amongst the public of issues affecting personnel and veterans and their families can be enhanced.

10. It is recommended that the Armed Forces Champion should be someone who has served in the armed forces and has a clear understanding of the issues facing military personnel. There are a number of current elected members who are ex-military but one elected member is an active reservist, Councillor Ian Campbell, and it is recommended that in light of his very recent and ongoing involvement in the armed forces he would be best suited to fulfil the role of champion.

Other Options Considered

11. That no further consideration is given to the Royal British legion campaign and no champion is appointed. This action would not be within the spirit of the Community covenant which the Council has signed up to.

Reason for Recommendations

12. To support the commitment made to the Armed Forces via the Community covenant

Statutory and Policy Implications

13. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications

are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications
There are no direct financial implications arising from this report but if a decision is made at a later date to implement some of the policy changes requested by the Royal British Legion there may be financial implications at that time.

Public Sector Equality Duty implications
One of the requests of the Royal British Legion is that consideration is given to the Armed Forces Community as part of Equality Impact Assessments.

RECOMMENDATIONS

1) That Council notes the Royal British Legion campaign for further support for the Armed Forces Community Covenant.

2) That Council agrees to the appointment of Councillor Ian Campbell as the Member Champion for Armed Forces.

3) That Council agrees to the member and officer champion for the Armed Forces Community covenant undertaking further work in relation to the possibilities for implementation of the policy changes requested by the Royal British Legion and for a further report to be brought to the relevant committee on recommendations arising from this work

4) That Council notes the work to date on the covenant and in particular the event on 12th November "Civilian lIfe"

Alan Rhodes
Leader of the Council

For any enquiries about this report please contact:
Jayne Francis Ward
Corporate Director, Resources

Constitutional Comments (SLB 08/09/2015)

14. Full Council is the appropriate body to consider the content of this report.

Financial Comments (SES 07/09/15)

15. There are no specific financial implications arising directly from this report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- Royal British Legion "I love Community Covenants"
- Nottinghamshire County Council signed Community Covenant 28th January 2013
- Royal British Legion "Community Covenants Whats Next"
-

Electoral Divisions and Members Affected

- All

Our ref: JK/CM/011
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Date: 24/07/15

Nottinghamshire County Council

Councillor John Knight
County Hall
West Bridgford
Nottingham
NG2 7QP

Re: Question Under Procedure Rule 32

Would the Chairman of the Culture Committee agree with me it is essential that we keep open all the libraries in Nottinghamshire as a basic necessity for all our residents

Dear Councillor Wilmott

Thank you for your question to Full Council.

Nottinghamshire County Council has a 10 year library strategy (agreed in Dec 2011 by Full Council) which outlines the important role of libraries in all our communities, their role in promoting reading, learning, heritage, arts and access to information.

We have resourced the strategy in modernising our library buildings and ICT infrastructure, to enable them to meet the current and future needs of communities and for Nottinghamshire County Council to meet its statutory library duty.

We have not proposed the closure of any library and continue to develop new sustainable library partnerships and the development of alternative operating arrangements to ensure we maintain our extensive and accessible network of libraries into the future.

Yours sincerely

Councillor John Knight
(Chairman of the Culture Committee)

Our ref: MW/CM/013
Ask for: Councillor Muriel Weisz
Tel: 0115 9775664
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Date: 24/07/15

Nottinghamshire County Council

Councillor Muriel Weisz
County Hall
West Bridgford
Nottingham
NG2 7QP

Re: Question Under Procedure Rule 32

Can the Chairman of the Committee provide a full detailed update on the future of the extra care provision that was scheduled for development in Eastwood?

Dear Councillor Longdon

Thank you for your question to Full Council.

We continue to develop our Extra Care Strategy which is delivering a number of schemes in partnership across the county. The accommodation is designed to the Council's specification with input from service users and occupational therapists. The schemes all have onsite care staff available 24 hours a day, 7 days a week, to enable people to remain in the community, living as independently as possible with access to care and support when they need it. Three new schemes will be opening in 2015, with one scheme that has bungalows designed specifically for people with dementia, due to open later this year.

Following initial consideration at the December 2014 Planning Committee, officers at Broxtowe Borough Council referred the Eastwood Extra Care Housing Planning Application back to the 11th February 2015 meeting of the Borough's Planning Committee.

On 11 February 2015, the Planning Committee refused the application even though the officers recommended that the application be approved. The developers are minded to appeal this decision and have recently had a communication from the borough council asking to meet to discuss the way forward. This work will continue to be progressed.

This scheme would also be an asset to the local community and would see 140 apartments and bungalows on the site along with a range of communal facilities which would be available for local people which would in turn boost the local economy.

Yours sincerely

Muriel Weisz

Councillor Muriel Weisz
(Chairman of the Adult Social Care and Health Committee)

Your ref:
Our ref: KG/SJ
Ask for: Councillor K Greaves
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Date: 24/7/2015

Nottinghamshire County Council

Chair of Transport and Highways Committee
County Hall
West Bridgford
Nottingham
NG2 7QP

<u>Re: Question Under procedure Number 32</u>

Dear Councillor Jason Zadrozny,

> *‘Any responsible Council should look at all options available to improve road safety for residents. Can the Chair explain then why, despite repeated requests this Council refuses to consider the installation of road safety convex mirrors to protect residents at dangerous junctions? This is despite the Government having allowed convex mirrors to be erected anywhere where they may reduce accidents. Will the County consider their position to help residents in danger - such as those at the dangerous Meden Bank / Fackley Road junction in Stanton Hill?’*

Firstly, may I thank you for your question. The Government proposes to relax regulations on the use of convex mirrors but only where they would aid cycle safety at traffic signal junctions. The first ‘Trixi’ cycle safety mirror was installed at a traffic signal junction in London to give drivers of large left-turning vehicles better visibility of cyclists. The mirrors are named after a Swiss cyclist, 13-year-old Beatrix Willburger, who was struck and seriously injured by a left turning lorry. Her father has campaigned for their use across Europe.

There are no plans to extend the use of convex mirrors to any other type of highway visibility problem because of potential confusion for drivers. However, we will continue to review the usage and will take advice from the appropriate agencies on the future use of convex mirrors, as the safety of our road users including drivers, cyclists and pedestrians are of paramount importance to us.

Should you require any further information or if you wish to meet with me to discuss this further then please feel free to contact me using the details above.

Yours sincerely

Councillor Kevin Greaves
Chair of Transport and Highways Committee
Member for Worksop West
Nottinghamshire County Council

Your ref:
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Date: 23rd July 2015

Nottinghamshire County Council

County Councillor Alan Rhodes
County Hall
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NG2 7QP

"*The Council Leader is no doubt aware of concern amongst Hucknall residents that Gedling Borough Council's housing development proposals at Top Wighay Farm and North of Papplewick Lane will put excessive strain on public infrastructure in their town.*

Has he received satisfactory assurances from the Leader of Gedling Borough Council that sufficient developer contributions will be passed on to Nottinghamshire County Council, in time to prepare for increased demands on services such as transport and highways, school places and health provision?"

Dear Councillor Phillip Owen,

Thank you for your question.

Gedling Borough Council is in the process of revising the existing development brief for the Top Wighay Farm Site to achieve the comprehensive development of the site and to ensure it sets out a clear framework for the range of uses and infrastructure to be provided. This will of course include education, highways and public health.

I am aware that Gedling Borough Council held a workshop on the 16 July which brought together key stakeholders in order to discuss their requirements including representatives from across the authority.

Members and Officers will be working hard to ensure that funding from this development for County Council services is secured and delivered at an early stage to ensure that facilities are provided as the housing is built. We will want to be assured that early trigger points are imposed on any development proposals.

Please feel free to contact me should you wish to discuss this further.

Yours sincerely

COUNCILLOR ALAN RHODES
Leader of Nottinghamshire County Council
Member for Worksop North East and Carlton

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Nottinghamshire County Council

Chair of Transport and Highways Committee
County Hall
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NG2 7QP

<u>Re: Question Under procedure Number 32</u>

'Ashfield is currently seeing an unprecedented growth due to the lack of a proper planning policy by Ashfield District Council, what is the Council doing to plan for a huge increase in population especially road safety and public transport?'

Dear Councillor Tom Hollis,

Firstly, may I thank you for your question. As part of the Ashfield Local Plan, Ashfield District Council commissioned a transport study which identifies the strategic transport infrastructure that would be required to support proposed housing growth in the district.

A detailed Transport Assessment is required to support each subsequent planning application which will need to address all the transport implications including likely impacts on road safety and public transport.

Officers of the County Council will assess the suitability of each Transport Assessment and ensure that highway mitigation measures and public transport services are provided by developers. It is important that the measures developed for mitigating each site are based on the broader strategic transport objectives of encouraging sustainability, maximising the use of public transport and encouraging non car modes of travel, whilst managing the existing network in a safe manner.

It should however be remembered that the final decision on planning matters rests with Ashfield District Council and the County Council can only make recommendations in this regard.

If you do require any further information or wish to discuss this further please feel free to contact me using the contact details above.

Yours sincerely

Councillor Kevin Greaves
Chair of Transport and Highways Committee
Member for Worksop West
Nottinghamshire County Council

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Nottinghamshire County Council

Councillor Muriel Weisz
County Hall
West Bridgford
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NG2 7QP

Re: Question Under Procedure Rule 32

Could the Chair please explain the reasoning for closing care homes like Kirkland's Care Home in my Division, whilst [not] closing others?

Dear Councillor Madden

Thank you for your question to Full Council.

Following wide consultation, phased closure of the Council's six remaining Care and Support Centres (Care Homes) over three years was agreed at the Feb 15 Full Council budget meeting.

The proposal is to develop extra care housing and alternative high quality care services in place of our current provision of Care and Support Centres. People will be offered choices so that they can continue to live in their local community. The purpose built, high quality extra care accommodation is designed to support people in later life and is a real alternative to residential care. Extra care services provide people with the option to remain living independently whilst having access to care and support as and where they are needed.

I am keenly aware of the concerns about the Care and Support Centre closures and colleagues will know that we listened to the feedback received in the budget consultation and amended the proposal in relation to the Centres to give a commitment to keep them open until we have developed Extra Care Housing within the area where the Centres are located.

We will support current residents and families by providing a support worker linked to individual families to discuss and assess the best possible option for the resident. Where people don't have family support we will ensure independent Advocacy is available. We will arrange visits to Extra Care schemes or Independent Sector homes, and give people the opportunity to try Extra Care for a short period. Where possible we will support people to move in small friendship groups, and we will ensure people receive support to ensure they settle into their new homes.

The Adult Social Care Strategy, approved by Full Council in April 2014, presents a different way of working for the council in the future which is focused on promoting independence and wellbeing, and ensuring those people with the most significant needs receive the services and support they need. The development of Extra Care Housing is a key part of this.

The Council has listened to local people and we continue to deliver our Extra Care Housing with a number of schemes being developed in partnership across the county. The accommodation is designed to the Council's specification with input from service users and occupational therapists. The schemes all have onsite care staff that are available 24 hours a day to enable people to remain in the community, living as independently as possible with access to care and support when they need it. The service is a realistic alternative to traditional residential care with the aim of delivering better outcomes for individuals. In 2015 two new schemes have opened and a further scheme, that has bungalows designed specifically for people with dementia, is to open later this year.

Yours sincerely

Muriel Weisz

Councillor Muriel Weisz
(Chairman of the Adult Social Care and Health Committee)

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Nottinghamshire County Council

Councillor David Kirkham
County Hall
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NG2 7QP

<u>Re: Question Under Procedure Rule 32</u>

Could the Chair please tell the Council the full costs of hiring the new Chief Executive of this County Council? Did the Council use any external recruitment agencies. If so, how much did they pay them?

Dear Councillor Hollis

Thank you for your question to Full Council.

In order to properly test the market and attract a first-rate field of candidates to ensure that the Council appointed the best possible person for the job of Chief Executive, a decision was taken to undertake a procurement exercise with the support of an external recruitment consultancy specialising in senior recruitment in local government.

The contract was awarded to Penna who were selected as they represented the best quality, most relevant expertise and best value for money. This was reported to County Council on 18 September 2014.

Penna provided the expert market knowledge to undertake a robust and comprehensive national executive search as well as access to the most current and respected recruitment assessment tools to inform the Member appointment decision.

The total cost of the recruitment consultancy activity was £32,669**.**

Yours sincerely

D. Kirkham

Councillor David Kirkham
(Chairman of the Finance and Property Committee)

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Nottinghamshire County Council

Chair of Transport and Highways Committee
County Hall
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NG2 7QP

Re: Question Under procedure Number 32

'Can I first of all thank Him and his head of service after their visit to Hucknall recently to see some of problems with our roads at the present time. We are grateful and it is much appreciated. Can the chairman tell me, much of the remedial work and repairs that is being provided at the present time to our roads is of different qualities I wonder if the chairman could explain why this is.'

Dear Councillor John Wilmott

Thank you for your question and thank you for giving me the opportunity to visit Hucknall with both yourself and Officers.

As you are aware, keeping our roads safe is of paramount importance to us, and you will also be aware of the savage cuts this council has received from Central Government, including a 40% reduction to our Transport and Highways budget. This means we have to find alternative ways to deliver services without impacting on the quality.

There are a number of different methods used to repair defects such as potholes. The deeper and larger potholes are repaired by cutting out the area around the pothole and replacing with a patch of new asphalt. This gives the appearance of a neat high quality repair. For smaller and shallower potholes a new material called Viatec is used which has similar properties to postcrete – the material comes in bags, is tipped into the pot hole, compacted with a hand rammer and then dries into a very hard surface in two minutes. The repairs are not as neat as asphalt patches but are of a very high quality and are in fact very long lasting.

I would once again like to invite you to meet with me should you wish to discuss this further or if you would like any additional information.

Yours sincerely

Councillor Kevin Greaves
Chair of Transport and Highways Committee
Member for Worksop West
Nottinghamshire County Council

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Date: 24/7/2015

Nottinghamshire County Council

Chair of Transport and Highways Committee
County Hall
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NG2 7QP

Re: Question Under procedure Number 32

A Council Spokesperson claimed in November 2014 that, "We will however carry out a feasibility study to establish what options are available to us for future action" on the A38 in Kirkby. Could the Chairman tell us whether this has been carried out and what the results were?

Dear Councillor Jason Zadrozny,

Thank you for your question. The study showed that the A38 single carriageway section between Orchard Way and the A617 Kings Mill Hospital junction had a persistently high level of reported injury accidents. Between 2010 and 2013 there were 73 reported injury accidents, 15 of which resulted in people being killed or seriously injured.

Drivers showed little regard for the speed limits along this section of the A38 and drivers were travelling too fast to react to changing traffic conditions ahead.

Following consultation for a lower speed limit, which would be enforced using by time over distance average speed safety cameras, the scheme was implemented earlier this year. This approach will ensure that consistently lower vehicle speeds are achieved along this length of the A38. Since the scheme has been installed there has been an 88% reduction in the number of vehicles exceeding the speed limit.

On average in Nottinghamshire we have seen an 80% reduction in people killed and seriously injured at sites where this type of camera is in operation, and a similar reduction is expected on the A38.

If you wish to discuss this further or would like any further information then please feel free to contact me using the contact details above.

Yours sincerely

Councillor Kevin Greaves
Chair of Transport and Highways Committee
Member for Worksop West
Nottinghamshire County Council