Nottinghamshire County Council

County Hall West Bridgford Nottingham NG2 7QP

SUMMONS TO COUNCIL

date Thursday, 13 July 2017
commencing at 10:30

venue County Hall, West Bridgford, 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 25 May 2017	5 - 18
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	Appointment of Committees	19 - 20
8	Your Nottinghamshire Your Future - The New Council Plan 2017-2021	21 - 38

9	Members Allowances Scheme - Report of the Independent Remuneration panel	39 - 84
10	Management Accounts 2016-17	85 - 114
11	Fire Safety and Response to the Grenfell Tower Tragedy	115 - 118

12 Questions

a) Questions to Nottinghamshire and City of Nottingham Fire Authority

b) Questions to Committee Chairmen

13 NOTICE OF MOTION

In light of the terrible incidents of terrorism affecting our communities in recent times and the shocking incident at Grenfell Tower in the Royal Borough of Kensington and Chelsea in London, Nottinghamshire County Council:-

1. opposes any further reductions to the Police, Fire and Ambulance services and calls for all blue light services to be properly funded and resourced, in order to respond to such incidents and in order to keep our communities in Nottinghamshire and elsewhere across the country safe.

2. calls upon the Leader of this Council to write a letter to the Prime Minister opposing any further reductions to our blue light services in Nottinghamshire and to ask that Nottinghamshire's blue light services are protected from any further funding cuts.

Councillor Alan Rhodes **Councillor Michael Payne**

14 ADJOURNMENT DEBATE
(if any)

15 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, 25th May 2017 (10.30 am – 2.32 pm)

Membership
Persons absent are marked with 'A'

COUNCILLORS

Yvonne Woodhead (Chairman)
Mike Pringle (Vice-Chairman)

Reg Adair
Pauline Allan
Chris Barnfather
Joyce Bosnjak
Ben Bradley
Nicki Brooks
Andrew Brown
Richard Butler
Steve Carr
John Clarke
Neil Clarke MBE
John Cottee
Jim Creamer
Mrs Kay Cutts MBE
Samantha Deakin
Maureen Dobson
Dr John Doddy
Boyd Elliott
Sybil Fielding
Kate Foale
Stephen Garner
Glynn Gilfoyle
Keith Girling
Kevin Greaves
John Handley
Tony Harper
Errol Henry JP
Paul Henshaw
Tom Hollis
Vaughan Hopewell
Richard Jackson
Roger Jackson
Eric Kerry
John Knight
Bruce Laughton
John Longdon
Rachel Madden
David Martin
Diana Meale
John Ogle
Philip Owen
Michael Payne
John Peck JP
Sheila Place
Liz Plant
Francis Purdue-Horan
Mike Quigley MBE
Alan Rhodes
Kevin Rostance
Phil Rostance
Mrs Sue Saddington
Andy Sissons
Helen-Ann Smith
Tracey Taylor
Parry Tsimbiridis
Steve Vickers
Keith Walker
Stuart Wallace
Muriel Weisz
Andy Wetton
Gordon Wheeler
Jonathan Wheeler
Martin Wright
Jason Zadrozny

HONORARY ALDERMEN

Terence Butler
John Carter

OFFICERS IN ATTENDANCE

Anthony May	(Chief Executive)
David Pearson	(Adult Social Care & Health)
Colin Pettigrew	(Children, Families and Cultural Service)
Adrian Smith	(Place)
Barbara Brady	(Public Health)
Sara Allmond	(Resources)
Carl Bilbey	(Resources)
Heather Dickinson	(Resources)
Martin Done	(Resources)
Sally Gill	(Resources)
Catherine Munro	(Resources)
Nigel Stevenson	(Resources)
Michelle Welsh	(Resources)

OPENING PRAYER

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

MINUTE SILENCE

A minute silence was held in memory of former County Councillor Reverend Tom Irvine.

OUTGOING CHAIRMAN'S ADDRESS TO THE COUNCIL

Yvonne Woodhead, outgoing Chairman of the County Council, made a short address, during which she referred to the highlights of her year in office, including the celebrations for the Queen's 90th birthday, the 100 year commemoration of the Battle of the Sommme, Nottingham Roosevelt, the pilgrimage to Crich, the Lord Mayor's Family Fun Day, the Major Oak Woodland Festival and Merchant Navy Day amongst many others. The Chairman's Charity was Portland College for whom £4,321.91 had been raised towards a new minibus during her time in office.

1. ELECTION OF CHAIRMAN

It was moved by Councillor Richard Jackson and seconded by Councillor Kate Foale and:-

RESOLVED: 2017/014

That Councillor John Handley be elected Chairman of Nottinghamshire County Council, until the Annual Meeting 2018.

Arising from the above resolution, Councillor Handley made the prescribed Declaration of Acceptance of Office, was invested with the Chairman's Chain of Office and assumed the chair. Thereafter, Councillor John Handley's portrait was unveiled by the Chief Executive.

INCOMING CHAIRMAN'S ADDRESS TO THE COUNCIL

Councillor John Handley addressed the Council, thanking members for the opportunity to perform the civic role for the County Council. He indicated that his chosen charity was Nottinghamshire Hospice.

RETIRING CHAIRMAN VOTE OF THANKS

At the invitation of the newly elected Chairman, Councillor Keith Walker paid tribute to Yvonne Woodhead's contribution to Nottinghamshire Civic life, and moved a motion thanking her for her work as Chairman.

The motion was seconded by Councillor John Peck JP who articulated Member's appreciation and congratulations for her year of office.

Councillors Steve Carr, Gordon Wheeler, Alan Rhodes and Francis Purdue-Horan also spoke in thanks of the work undertaken by Councillor Yvonne Woodhead as Chairman of the County Council for the municipal year 2016/17.

RESOLVED: 2017/015

That the County Council's thanks for Councillor Woodhead's work as its Chairman during 2016-17 be recorded.

PAST CHAIRMAN'S BADGE OF OFFICE

Further to the above resolution, the Chairman of the County Council presented to Councillor Woodhead her Past Chairman's Badge of Office and acknowledged her work during the year.

MINUTE SILENCE

The national minute silence for the victims of the Manchester terrorist attack was observed.

2. ELECTION OF VICE-CHAIRMAN

The appointment of Councillor Mrs Sue Saddington as Vice-Chairman was moved by Councillor Bruce Laughton and seconded by Councillor Stephen Garner.

RESOLVED: 2017/016

That Councillor Mrs Sue Saddington be appointed Vice-Chairman of the Nottinghamshire County Council until the Annual Meeting 2018.

Arising from the above Resolution, Councillor Saddington made the prescribed Declaration of Acceptance of Office, was invested with the Vice-Chairman's chain and took her new place alongside the Chairman.

Councillor Saddington gave a short address to Council and thanked Members for appointing her as Vice-Chairman.

3. COUNTY COUNCIL ELECTIONS

Councillor Mrs Kay Cutts introduced the report and moved a motion in terms of resolution 2017/017 below.

The motion was seconded by Councillor Reg Adair.

RESOLVED: 2017/017

That the outcome of the election be noted.

4. RECOGNITION OF MEMBERS AND OFFICERS OF GROUPS

Councillor Mrs Kay Cutts introduced the report and moved a motion in terms of resolution 2017/018 below.

The motion was seconded by Councillor Reg Adair.

RESOLVED: 2017/018

1) That the membership of the political groups be noted.

2) That, in accordance with the Procedure Rules, the Officers of the Groups be recognised.

5. MINUTES

RESOLVED: 2017/019

That the minutes of the last meeting of the County Council held on 23rd March 2017 be agreed as a true record and signed by the Chairman.

6. APOLOGIES FOR ABSENCE

None

7. DECLARATIONS OF INTEREST

None

8. CHAIRMAN'S BUSINESS

TERRORIST ATTACK IN MANCHESTER

The Chairman addressed the Council regarding the recent terrorist attack in Manchester and advised that books of condolence had been opened in Council premises across the county.

FORMER COUNTY COUNCILLOR REV. TOM IRVINE

The Chairman, Councillor Mrs Kay Cutts MBE, Councillor Kevin Rostance, Councillor Jason Zadrozny, Councillor Alan Rhodes, Councillor Philip Owen, Councillor Parry Tsimbiridis and Councillor Richard Butler spoke in memory of former County Councillor Rev. Irvine.

9. PRESENTATION OF PETITIONS

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

(1) Councillor Bruce Laughton regarding public concerns about the A614 and A617 junctions in and out of Bilsthorpe

(2) Councillor Muriel Weisz regarding residents parking scheme on West Street, Arnold

(3) Councillor Tony Harper regarding potholes in Eastwood

(4) Councillor Gordon Wheeler requesting resurfacing of part of Cropston Close and the introduction of yellow lines to prevent parking from school traffic

RESOLVED: 2017/020

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.

7. CLARIFICATION OF MINUTES

The report provided Members with the opportunity to raise matters of clarification in the minutes of committee meetings published since the last meeting.

8. REVISED COMMITTEE SYSTEM AND OTHER AMENDMENTS TO THE CONSTITUTION

Councillor Richard Butler introduced the report and moved a motion in terms of resolution 2017/021 below.

The motion was seconded by Councillor Mrs Kay Cutts MBE.

RESOLVED: 2017/021

1) That the revised Committee System be approved and the structure established for the 2017-2018 Municipal Year.

2) That the Constitution be amended is described in paragraphs 2 and 5 of the report and detailed in appendix 2 of the report.

3) That authority be delegated to the Council's Monitoring Officer to make any necessary consequential amendments to the Constitution.

4) That the Committees listed in paragraph 4 of the report be re-designated as Band A Committees.

11. APPOINTMENT OF COMMITTEES

Councillor Richard Butler introduced the report and moved a motion in terms of resolution 2017/022 below.

The motion was seconded by Councillor Mrs Kay Cutts MBE.

RESOLVED: 2017/022

1) That the Council confirm the composition of the Committees and Sub-Committees and its continued participation in the Joint Committees set out in Appendix A of the report.

2) That the Council confirm the composition and appointments of the committees and bodies and its continued participation in the Joint Committees set out in Appendix B of the report.

3) That the Council make the following appointments of Chairmen and Vice-Chairmen until the Annual Meeting of the Council in May 2018, it being noted that the appointment of a Chairman and Vice-Chairman of the Mental Health Guardianship Panel or Senior Staffing Sub-Committee will be a matter for that Sub-Committee:-

Committee	Chairman	Vice-Chairmen
Adult Social Care and Public Health	Stuart Wallace	Steve Vickers, Ben Bradley
Children and Young People	Philip Owen	Tracey Taylor, Boyd Elliott
Communities and Place	John Cottee	Kevin Rostance, Gordon Wheeler
Finance and Major Contracts Management	Richard Jackson	John Ogle, Roger Jackson
Governance and Ethics	Bruce Laughton	Andy Sissons
Health and Wellbeing Board	Dr John Doddy	Appointed by the Board
Health Scrutiny for Nottinghamshire	Keith Girling	Martin Wright

Committee	Chairman	Vice-Chairmen
Improvement and Change Sub	Reg Adair	None
Joint Strategic Planning and Transport	City Councillor	Gordon Wheeler
Nottinghamshire Pension Fund	Eric Kerry	Stephen Garner
Personnel	Neil Clarke MBE	Keith Walker
Planning and Licensing	Chris Barnfather	Jim Creamer
Policy	Mrs Kay Cutts MBE	Reg Adair

4) That the other representatives on the following committees / sub-committees be appointed as follows:-

   (1) Children and Young People's Committee: One representative of the Church of England Diocese, one representative of the Roman Catholic Diocese, and two Parent Governors

   (2) Health and Wellbeing Board: Seven District / Boroughs Councillors, six NHS Clinical Commissioning Group representatives, one Healthwatch, one NHS England, the Police and Crime Commissioner, three officers – Corporate Director, Adult Social Care, Health and Public Protection, Corporate Director, Children, Families and Cultural Services, Director of Public Health

   (3) Nottinghamshire Pensions Fund Committee: Three City Councillors, two Nottinghamshire District / Borough Council representatives, two Trade Union Representatives, one Scheduled Body representative plus two pensioner representatives.

13. NOTTINGHAMSHIRE MINERALS LOCAL PLAN

Councillor John Cottee introduced the report and moved a motion in terms of resolution 2017/023 below.

The motion was seconded by Councillor Kevin Rostance

RESOLVED: 2017/023

1) That the County Council withdraws the draft Minerals Plan from Examination; and

2) That officers be instructed to carry out an immediate review of the methodology used to assess need for aggregates in the draft Minerals Local Plan taking into account the most up to date data available.

3) That officers be instructed to prepare for the submission of a revised draft Minerals Local Plan.

Council adjourned from 1.13pm to 2.15pm.

14. QUESTIONS

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

None

(b) QUESTIONS TO COMMITTEE CHAIRMAN

Four questions had been received as follows:-

1) from Councillor Jason Zadrozny concerning a child with an extremely rare form of cancer (Councillor Mrs Kay Cutts MBE replied)

2) from Councillor Samantha Deakin regarding highways improvements in Sutton Ashfield Central and East (Councillor John Cottee replied)

3) from Councillor Helen-Ann Smith about speeding traffic on various roads in Sutton North (Councillor John Cottee replied)

4) from Councillor Tom Hollis concerning superfast broadband (Councillor Mrs Kay Cutts MBE)

The full responses to these questions are set out in set out in Appendix A to these minutes.

15. ADJOURNMENT DEBATE

None

The Chairman declared the meeting closed at 2.32 pm.

CHAIRMAN

APPENDIX A

COUNTY COUNCIL MEETING HELD ON 25TH MAY 2017
QUESTIONS TO COMMITTEE CHAIRMEN

Question to the Leader of the Council, from Councillor Jason Zadrozny

The Leader may have seen in the local and national press the plight of my constituents and their son, Dawson Willcock who has a form of cancer so rare that he has been named the 'One in a Million' boy.

The local community in Ashfield have been amazing and are fundraising with vigour to help raise part of the £500,000 needed to get Dawson to America for specialist treatment. As of this morning they have raised £70,000 this week.

Would the Leader please agree to meet with me and representatives of the family to explore what the County Council may be able to do to help raise the profile of this case and hopefully help raise the vital funds needed to save this little boy's life?

Response from Councillor Mrs Kay Cutts MBE, Leader of the Council

It is a very sad case and I think that all of us feel very strongly that a child like this needs the treatment.

I would like to thank you for your question. I have seen the media coverage about Dawson Willcock, who has been diagnosed with Hepatoblastoma, an extremely rare form of liver cancer which has also spread to his lungs.

I know I speak for the whole Council in saying I have huge sympathy for Dawson and for his parents, for whom this must be an increasingly stressful time. It is always distressing to cope with illness affecting a family member, but it is especially sad when it affects a young child.

As well as the shock of the diagnosis of such a rare condition, Dawson's parents have suffered the further blow of discovering that conventional chemotherapy has not been successful. However, Dawson's consultant in Nottingham has been in contact with a specialist at Cincinnati Children's Hospital regarding further treatment.

To raise the money for both travel and treatment, a 'Just Giving' campaign called 'A Dollar for Dawson' has been established, and the fundraising total had already passed £66,000 the last time I looked, which is 13% of the £500,000 required. It is touching to see the support offered by the Ashfield community, and the charitable spirit in evidence from donors further afield.

I have spoken to the Chief Executive of Nottinghamshire County Council and we both feel that the family will glean the most practical benefit from meeting with the Corporate Director for Children, Families and Cultural Services.

I have asked Colin Pettigrew to arrange a meeting as soon as possible in order to explore all options and ways in which the Council can support Dawson and his family at this most difficult of times.

I also hope that by recognising Dawson's plight in the Council Chamber today, we are all helping to raise the profile of the 'Dollar for Dawson' campaign.

I am sure everyone will join with me in sending our best wishes to Dawson and his family, and also we have an opportunity now to promote the Just Giving site, to help raise the profile of the campaign even further.

Can I thank you for bringing this to the Council Chamber today.

Question to the Chairman of the Communities and Place Committee, from Councillor Samantha Deakin

I represent the new Central Sutton in Ashfield Central and East Division. An area that has had its highways neglected by the previous administration for decades.

I would like to welcome the new chairman with responsibility for Highways to their post and ask them to look favourably on highways improvements for my area, which has been virtually forgotten. Not least white markings, which have all but vanished from many roads and junctions, leading to dangerous hotspots, particularly around local schools.

In the Conservatives alternative budget this year they promised £1 million more for highways.

Would the chairman take this opportunity to reassure residents that highways will again be a priority under the new administration, and that future funding for improvements will be fairly distributed and not spent by political bias as it was by the Labour Party?

Response from Councillor John Cottee, Chairman of the Communities and Place Committee

May I thank Councillor Deakin for welcoming me to my new position. I am sure I am going to have fun, in return I would like to welcome her to Nottinghamshire County Council. I look forward to working with her constructively and with all Members to help them with the issues they have in their patches.

Councillor Deakin defeated Labour councillor Steve Carroll in the Sutton Central and East division election, and I hope she will not mind me taking this opportunity to acknowledge and thank Steve for his many years of hard work for his community. Irrespective of our political differences, he was always well-liked and well respected within this authority.

Councillor Deakin is correct that highways maintenance and improvements will be a priority for this administration. You do not need to have served as a County Councillor for very long before you realise that the correspondence in your mail bag and emails

each week is largely to do with highways matters. This is clearly a priority for the public, so it follows that this should be a priority for us. Much of the correspondence is not about major or expensive projects, but about routine issues such as the white line problem that you have raised with me.

All highways improvement schemes are prioritised based on evidence of need, and the current 2017/18 highway capital programme includes allocation funding to schemes in Ashfield district, and specifically 25 schemes in Sutton in Ashfield. Whilst 11% of the county's road network is in Ashfield district, 12% of the 2017/18 capital maintenance funding will be spent in Ashfield and 17% of the integrated transport funding will also be spent in Ashfield.

With regard to road markings, white lining is relatively cheap to maintain if delivered as part of a coordinated programme. The annual lining programme runs from April until September on a seven week cycle, so each district has a week where it is done. I will ask the highways district manager for Ashfield to spend some time with you to work through the specific areas of your concern in your division, including the white lining elements.

The County Council will continue to invest significant funds in maintaining its highway assets countywide, whilst ensuring that the county's residents receive efficient, value for money services. As Councillor Deakin points out in her question, we are also looking to increase the amount of funding available for maintenance to improve the condition of our highways assets across the county. The additional £1 million promised will be included in our financial programme, to be released in the near future. Ashfield will certainly get its fair share.

Question to the Chairman of the Communities and Place Committee, from Councillor Helen-Ann Smith

There have been a number of serious accidents in my Sutton North division recently due to speeding traffic, on particular roads on the High Street in Stanton Hill, Mansfield Road in Skegby and on Dalestorth Road in Sutton.

Would you please take the time to consider the accident reports and look to finding a resolution to these problem areas before there are further fatalities in the area?

Response from Councillor John Cottee, Chairman of the Communities and Place Committee

Currently there is a target to reduce the number of people killed or seriously injured in Nottinghamshire on our roads by 40% by 2020, when compared to the 2005-2009 average, a target we are on course to meet.

Working on behalf of the Council, the Accident Investigation Team within VIA East Midlands Ltd maintains a database of reported road accidents which result in injury to somebody. In 2016 there were 1,692 such incidents across the county – of these 2,289 people were injured, including 303 who were killed or seriously injured.

A team of specialist road accident investigators study this accident data, identifying patterns or clusters of similar accidents, and prepare appropriate education, enforcement and engineering programmes to reduce them. The improvements target the specific problems revealed by in-depth analysis of the accidents and the site. The number and severity of accidents which can be prevented by a proposed scheme is measured against the cost of the works.

These casualty reduction schemes are prioritised on the basis of the number and severity of accidents which can be prevented. This work is a major contribution to the County Council's efforts to reduce the number of people killed or seriously injured on the roads.

I have asked the Accident Investigation Team to investigate the accident record at the locations referred to in your question, and I have asked them to contact you to discuss the findings and we can take it on from there.

Question to the Chairman of Policy Committee, from Councillor Tom Hollis

Under the last administration the promised roll out of superfast broadband was withdrawn in some areas of my division, particularly the Mill Lane area of Huthwaite, without explanation.

With broadband essential for small and home based businesses, and for the wider economic regeneration of Ashfield District, would you please review this situation urgently to help find a resolution for my residents?

Response from Councillor Mrs Kay Cutts MBE, Chairman of the Policy Committee

I recognise that there are still issues we must address with broadband coverage, especially in rural areas. This is important, because business generation is not an issue that is limited only to built-up areas and towns, but is also relevant to the wider countryside.

I have consulted officers regarding your specific question and I am advised that the majority of properties in the Mill lane area have access to superfast broadband provided by BT, Virgin Media or both. When the programme commenced it was identified that around 77 properties in the Mill lane area do not have access to superfast broadband. A solution for these properties has been identified and will be delivered through 'Contract Two' of the Better Broadband for Nottinghamshire Programme. This particular solution is a 'fibre to the premise' solution offering speeds of up to 330 Megabits per Second (Mbps). Work is underway and this solution is expected to be delivered by October 2017.

The Better Broadband for Nottinghamshire Programme has already vastly increased coverage across Nottinghamshire. Currently, 96% of premises across the county have access to superfast broadband and the programme is continuing to increase this to 98% by summer 2018.

Work is underway for a third contract to increase coverage even further, but of course, Members are welcome to raise with me any concerns they have about coverage in specific areas. Working with our officers, we shall examine very carefully any such issues.

Nottinghamshire County Council

Report to Full Council

13th July 2017

Agenda Item: 7

REPORT OF THE CHIEF EXECUTIVE

APPOINTMENT OF COMMITTEES

Purpose of the Report

1. To make an appointment of Vice-Chairman to the Adult Social Care and Public Health Committee.

Information and Advice

2. A report establishing the Council's Committee structure came to Full Council on 25th May. This report also established the Chairmen and Vice-Chairmen for each Committee as required by the Council's Constitution.

3. This report amends the appointment of one of the Vice-Chairmen of Adult Social Care and Public Health Committee:-

   - Councillor Tony Harper is to replace Councillor Ben Bradley

Reason for Recommendations

4. Under the terms of reference for Full Council responsibility for appointing and removing Committee Chairmen and Vice-Chairmen lies with Full Council.

Statutory and Policy Implications

5. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, 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.

RECOMMENDATIONS

1) That, Councillor Tony Harper be appointed as a Vice-Chairman for Adult Social Care and Public Health Committee in place of Councillor Ben Bradley until the Annual Meeting of the Council in May 2018.

Anthony May
Chief Executive

For any enquiries about this report please contact:
Sara Allmond
Tel: 0115 9773794
Email: sara.allmond@nottscc.gov.uk

Constitutional Comments (SLB 28/06/2017)

6. Full Council is the appropriate body to consider the content of this report

Financial Comments (SES 28/06/2017)

7. 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.

- None

Electoral Division(s) and Member(s) Affected

All

Nottinghamshire County Council

Report to Full Council

13 July 2017

Agenda Item: 8

REPORT OF THE LEADER OF THE COUNCIL

YOUR NOTTINGHAMSHIRE, YOUR FUTURE: THE NEW COUNCIL PLAN FOR 2017 - 2021

Purpose of the Report

1. The purpose of this report is to seek County Council approval for "Your Nottinghamshire, Your Future" - the County Council's strategic plan for 2017 – 2021.

Background

2. Your Nottinghamshire, Your Future is a new plan for the County Council, which sets out the strategic ambition for the future of Nottinghamshire and the Council.

3. This plan is part of the Council's Planning and Performance Framework, which was approved by Policy Committee on 21 June 2017. Your Nottinghamshire, Your Future is a four-year plan, to be reviewed annually to ensure it is up to date in a changing world.

4. The purpose of Your Nottinghamshire, Your Future is to set out the Council's vision, commitments and approach, and communicate this to the public.

5. Your Nottinghamshire, Your Future is an ambitious plan which aims to raise the profile of the County. It is focused on the future of Nottinghamshire as a prosperous place where people want to live, work, visit and invest.

6. The plan sets out the new administration's priorities and is focused on economic growth, providing a broad range of high quality services and targeting support where it is most needed.

Development of Your Nottinghamshire, Your Future

7. This plan takes account of current drivers, including:

   - The priorities of the new administration
   - Key national policy initiatives and developments such as the Industrial Strategy, the Midlands Engine, the integration of health and social care and the Department for Education(DfE) Strategy (2015-2010): world class education and care
   - Demographic trends which are driving increased demand for Council services.

8. Your Nottinghamshire, Your Future is structured around four vision statements:

- A great place to bring up your **family**
- A great place to fulfil your **ambition**
- A great place to enjoy your **later life**
- A great place to start and grow your **business**

9. These four vision statements are supported by 12 commitments each of which is underpinned by success factors. Progress against these success factors will be measured by a number of performance indicators.

10. The plan also outlines the administration's key principles:

- Put local people at the heart of everything we do
- Spend money wisely
- Be creative and work in new ways
- Stand up for local people
- Empower people and support independence

11. As set out in the Planning and Performance Framework, Your Nottinghamshire, Your Future will be supported by four departmental strategies. From these strategies, the Council will develop a core suite of measures, against which our progress will be scrutinised.

Other Options Considered

12. None

Reason for Recommendation

13. Your Nottinghamshire, Your Future is a key component of the Council's new Planning and Performance Framework.

Statutory and Policy Implications

14. 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.

15. Any future plans, policies and strategies of the Council should have regard to Your Nottinghamshire, Your Future.

RECOMMENDATION

1) That County Council approves Your Nottinghamshire, Your Future - the County Council's strategic plan for 2017-2021.

2) That progress against the aims and ambitions set out in the plan are monitored in accordance with the agreed Planning and Performance Framework.

Councillor Mrs Kay Cutts MBE
Leader of the Council

For any enquiries about this report please contact:

Anthony May, Chief Executive

Constitutional Comments [HD 29/6/2017]

16. Full Council has the authority to determine the resolution set out within the report.

Financial Comments [NS 29/06/2017]

17. 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.

- Nottinghamshire County Council Planning and Performance Framework
- Nottinghamshire County Council Strategic Plan 2014-2017
- Redefining Your Council

Electoral Division(s) and Member(s) Affected

- All

Nottinghamshire County Council

Your Nottinghamshire
Your Future

2017-2021

Nottinghamshire

a place of legend

Hodsock Priory, Nottinghamshire

Foreword by the Leader of the Council

It is a privilege for me to be the Leader of Nottinghamshire County Council. I was born in Nottinghamshire, I have lived here all my life and have brought my family up here. My fellow Councillors and I have been elected to serve all of our residents and our aim is to make Nottinghamshire a great place to live, work and visit.

We have called this plan "Your Nottinghamshire, Your Future", because we want everyone to be part of what we are trying to achieve. This bold, ambitious plan sets out 12 commitments covering all aspects of this Council's role in our county.

These will be backed by more detailed strategies, all designed to offer you the best possible services in these challenging times.

We know that councils across the country are under pressure from increasing demand on their most critical and expensive services. Inevitably, this means making difficult decisions about priorities, but it also brings opportunities. I want to work with everyone who lives in our county to make the right choices and ensure that Nottinghamshire is the best place it can be for all of us.

Councillor Mrs Kay Cutts MBE
Council Leader

About this plan

Your Nottinghamshire, Your Future

Nottinghamshire is a place people are proud to call home. A county renowned for its history and unique heritage. It is home to Sherwood Forest, the world-famous stomping ground of the legendary Robin Hood. It is a place of ambition, where people are industrious, pioneering and creative. It is a place where business thrives, creating opportunities and prosperity. It is a place for adventure lovers and explorers, and a destination for world class sport, culture and leisure.

Nottinghamshire's countryside, historic market towns and beautiful villages are precious to us, with strong and vibrant communities at the heart of everything we do. Together, we will protect all that makes us proud of our county, and create an even more exciting future.

The way we live our lives is changing at an unprecedented rate. We see this as a fantastic opportunity for Nottinghamshire to show vision and ambition and put itself at the forefront of modern Britain.

We want Nottinghamshire to stand out as:-

- A great place to bring up your family
- A great place to fulfil your ambition
- A great place to enjoy your later life
- A great place to start and grow your business

As a Council, our duty is to provide a diverse range of services, to protect and shape the environment in which we live, and to create the right conditions for a strong local economy. We must also make sure that all of these aims are delivered in a way that provides the best possible value for our taxpayers.

We must have a clear focus on the future of this wonderful county. This plan presents our **12 commitments for Nottinghamshire** – a blueprint for all of the work we will do over the next four years.

Shaping the Future: **Our Approach**

This plan sets out our commitments and explains how we will measure our success in delivering them. Of course what we do is important, but equally important is how we do it. The Council must provide the best possible services for local people, improve the place in which we live, and give good value for money. We aim to:-

Put local people at the heart of everything we do

Shaping services around the people who use them to reflect the way that they live their lives will be central to our approach. Relevant information will be shared so that residents can express their views and engage with decision-making.

Spend money wisely

Making your money go further will be essential in order to protect our many valuable services. We will make the best use of the authority's resources and encourage a more commercial approach across the Council, adopting creative and innovative ways of working that deliver value for your money.

Be creative and work in new ways

The digital age is rapidly transforming the way we live, do business and spend our leisure time. People expect to access information, pay bills, make bookings and buy things online. We will reflect this by continuing to introduce new technology and more online services.

Stand up for local people

We will make sure that our voice is heard by the Government. We will lobby for our fair share of resources, ensuring that the needs of Nottinghamshire people are heard in Westminster and Whitehall.

We want local people to feel more in control of the work taking place to improve their communities. All of our 66 County Councillors have been elected to be community leaders, working alongside residents, sharing information, listening to concerns and encouraging positive engagement.

Empower people and support their independence

We will always fulfil our responsibilities and support those who need our services the most. At the same time, we recognise that many people seek to remain as independent as they can for as long as they can, so we will invest in support services that help them to achieve this. Our aim is to provide people with the support they need, without unnecessarily intruding on their daily lives.

A great place to bring up your family

We want Nottinghamshire to be a great place to bring up a family so that children get the best possible start in life. Support will be provided to those who need it most, to ensure that children remain safe and healthy.

Working in partnership with early years providers, schools, colleges and our universities, we will make sure that people have the opportunity to acquire the skills and qualifications they need to build a rewarding life and career.

We will focus on encouraging those children who are high performers, whilst supporting those who are not yet achieving their full potential, for whatever reason. We want all children to have the same opportunities and life chances.

90% of Nottinghamshire's **school's** are graded **Good or** better by Ofsted

Commitment 1:

Families prosper and achieve their potential

We want all children to have the chance to realise their potential so they can enjoy a happy and prosperous life, where high aspirations are the norm.

Children and young people who are healthy are more able to enjoy life, achieve their ambitions and carry this success into adulthood. We will support families to make informed and healthy lifestyle choices for their children.

We want Nottinghamshire to be a thriving place where families have access to a wide range of jobs and good quality housing.

Success means:

- Young people will have improved physical and mental health
- More families will be in work
- More families will live in good quality housing
- More children will achieve a good level of development by the end of reception year.

Commitment 2:

Children are kept safe from harm

All children and young people need to be safe and secure so that they can achieve their full potential.

We know that sometimes parents need support to help them through problems, so our services will help vulnerable families to face these challenges and move on with their lives.

We will work with our partners to ensure that our most vulnerable children and young people get the support and protection they need to be secure and happy. We will ensure that the County's Looked After Children live in safe and stable homes and will support them to pursue their ambitions.

We will continue to provide accessible, good quality youth provision and recreational facilities across Nottinghamshire, giving young people opportunities to spend their free time in a positive way.

Success means:

- Children at risk are appropriately identified, supported and protected
- Improved outcomes for children, young people and families accessing our safeguarding and family services, as a result of high quality interventions
- Looked After Children and care leavers are well supported through improved placement provision, health services and learning opportunities
- Continued good quality, targeted youth services

Approximately **800** children and young people are in the care of the County Council

Commitment 3:

Children and young people go to good schools

We want all children to attend good schools, where they can enjoy their learning and achieve their potential, regardless of their background. We will work to ensure there are sufficient school places so that parents have choice. We believe all local schools should be able to achieve at least a "good" standard, as judged by Ofsted, and we will work with our schools and academies to achieve this. Where schools are not hitting this target, we will stand up for parents and children by challenging the schools to improve quickly, offering the necessary support for them to do so.

We will continue to support children and young people who have special educational needs and disabilities. We will help to break down barriers and encourage greater independence, by working closely with families, schools and partners in the health services.

When young people leave school, it is important that they move on to a destination which suits them and enables them to get a good job. We will work with our schools, colleges, universities and training providers to ensure that our young people have a range of education and employment options, so that they can choose the direction which best matches their particular talents and interests.

Success means:

- Children and young people are provided with sufficient early years provision and school places in their local communities
- Vulnerable children are less likely to miss education
- Educational outcomes for vulnerable children improve
- More than 90% of Nottinghamshire schools are classified as "good" or "outstanding" by Ofsted
- Fewer young people are not in education, employment or training (NEET)

Our Families

172,796 children and young people under 19

17% of children and young people live in a household with an income at least 60% below the UK average

Approximately **800** children and young people are in the care of the County Council

90% of Nottinghamshire's schools are graded "Good" or better by Ofsted

97% of 16-17 year olds are in education, employment or training

89% of children live in households where at least one adult is in work

A great place to to fulfil your ambition

We want Nottinghamshire to be seen as a great place for those starting out or progressing their careers. Attracting a new and talented generation who have grown up with modern technologies will be instrumental in generating a strong and vibrant economy in our county.

We know that a good choice of housing, excellent transport links, a healthy environment and a wide range of recreational facilities are all influential in persuading people to move into an area or stay there, so we will do everything possible to ensure Nottinghamshire leads the way on quality of life.

Our country parks attract 1.5m visitors each year

Commitment 4:

Nottinghamshire has a thriving jobs market

Access to good local jobs is essential to retain the talent coming out of our schools, colleges and universities and to attract talent from elsewhere. A thriving jobs market also helps boost the local economy because money earned locally is often spent locally.

We will promote vocational routes into employment such as apprenticeships, encourage home-grown entrepreneurs, and work with the universities to see how we can retain local talent.

In this digital era, we want to ensure the maximum possible access to superfast broadband so that we can attract more people to the county, generate new employment opportunities and encourage self-employment and "start-up" businesses.

Success means:

- People leave education with better qualifications and skills
- More people are in higher paid and skilled jobs
- More apprenticeships available for people of all ages
- More graduates choose to stay in Nottinghamshire for work or further study

Commitment 5:

Nottinghamshire is a great place to live, work, visit and relax

Many young people may be unable to afford their first home unless there is a good range of housing available in the county. We will work with the Government, developers, house-builders and our local partners to provide a supply of good quality, affordable housing in attractive areas, close to employment.

Good transport links are also an important factor in attracting people to live and stay in Nottinghamshire. We want to improve these links so that people can more easily access education, training, jobs and leisure.

We know there are parts of Nottinghamshire where transport links could be better, so we aim to use our influence and resources to improve the options for people living in these areas.

People value their leisure time and many are now taking steps to live in a more healthy and sustainable way. We will work to protect cultural and leisure facilities such as libraries, country parks and green spaces to support these new lifestyles.

We will promote Nottinghamshire's local heritage and excellent visitor attractions, many of which have global significance. Nottinghamshire is the home of Robin Hood, Sherwood Forest, the Pilgrim Fathers and Trent Bridge Cricket Ground, to name just a few examples. We want to share everything Nottinghamshire has to offer with as many people as possible, because our local heritage is a tremendous asset which has not always been championed sufficiently.

Success means:

- People live in communities supported by good housing and infrastructure
- People enjoy a wide range of leisure and cultural activities
- People can travel safely and quickly across urban and rural parts of the county
- People look after and enjoy the local environment

The **average** house price in **2016** was **£185,392**

Commitment 6:

People are healthier

The lifestyle choices we make and the environment in which we live and work both have a big effect on our health and independence in later life. Everyone should have the opportunity to make choices which allow them to live a long, healthy, productive and independent life, regardless of their background.

A lot of the Council's work has an impact on people's wellbeing. We will ensure that we consider health factors in all of our decisions, including monitoring air quality and protecting access to cultural and leisure activities.

Success means:

- Healthy life expectancy increases
- Life expectancy rises fastest in those areas where outcomes have previously been poor

Our Working Population

76.6% are in employment

£33,344 average **full-time** earnings in 2016

1 in **10** people earn less than **£15K**

90,000 people commute into Nottingham for work every day

94,510 people aged 25-34

A great place to enjoy your later life

Our ambition is to make Nottinghamshire a place where as many people as possible are healthy and happy as they grow older. As people live longer, many will find themselves working much later in life than previous generations. We will encourage a jobs market that values the skills and experience this older generation can offer.

This will help to develop strong communities with many more people remaining active and independent for as long as possible. Our focus will be on helping people to help themselves, and offering a variety of services which are accessible in middle and later life.

7,000 people with the highest needs helped to stay independent **at home** with **Home Care** or other support 2016/17

Commitment 7:

People live in vibrant and supportive communities

We want our towns and villages to be vibrant places where younger and older people appreciate, support and benefit from each other's knowledge and experience.

We will promote ways in which people can remain healthy as they grow older, including staying active, staying connected with the wider world and staying in work. The Council can help to support these activities by ensuring people have access to good local transport, broadband links and leisure facilities.

We will encourage volunteering and involvement in local organisations and charities.
We will also work in partnership with other organisations to protect communities from crime and anti-social behaviour so that people can be more confident about their safety.

We will continue to support public protection and trading standards work to reduce the threat of counterfeit goods, rogue traders and internet and telephone scams.

Success means:

- Older people are treated with dignity and their independence is respected
- Our most vulnerable residents will be protected and kept safe from harm
- Communities will support each other through volunteering and involvement in local organisations

Commitment 8:

People live independently for as long as possible

We want people to take good care of themselves and each other. Older people don't just receive help, they are often the people who provide care and support to loved ones. This is why we need to provide the necessary support and information for our many carers.

Where people do need our help, we will offer a wide range of support that enables people to grow older with dignity, without always having to be dependent on care services. Many people want to stay in their own home and we will help them to achieve this by making adjustments to their homes and introducing new technology.

We will continue to ensure people have access to free financial advice to help them prepare for their future, manage their finances and make well-informed decisions about their income and care needs.

Success means:

- Carers receive the support they need
- People will have the opportunity to live independently in their local community
- Better access to financial advice so that older people can make more informed decisions

Commitment 9:

People can access the right care and support, at the right time

As people grow older, we will promote independence and support 'age-friendly' communities to tackle loneliness and isolation.

There is a lot that can be done to keep people healthy and independent, but we recognise that some people will need extra help and support. We will ensure that our more intensive services are available to those who require them.

We will work with our local health services to respond to pressures on the health and care system, and deliver services in a more joined-up way.

Success means:

- People's needs are met in a quick and responsive way
- Services improve as a result of better integration of health and social care

Our Older People

26% rise in older people living alone by 2025 in Nottinghamshire

952 people helped to live independently at home with assistive technology, such as falls monitors

7,000 people with the highest needs helped to stay independent at home with home care or other support (2016/17)

Over 90,000 carers in Nottinghamshire and more than 21,000 carers providing care for 50 hours or more a week

A great place to start and grow your business

We want to build on Nottinghamshire's proud heritage of innovation and create a great place to start or grow a business. We want to accelerate this growth by attracting more trade, visitors and investment. Nottinghamshire is well placed to do this because of our position in the centre of the country, with motorways, mainline railways and international airports either in or near our county.

Our economy has already diversified and has strong foundations for the future. Our strengths include food and drink production, manufacturing, life sciences, construction and the visitor economy.

We will promote the conditions that will help businesses thrive and prosper – a skilled and highly productive workforce, great transport links and access to superfast broadband delivered through a network of high quality and innovative business parks.

Health, **manufacturing, retail** and education **are the largest sectors**

We will lobby Government for more devolution of powers and resources because we think we can make decisions better locally. We will start a conversation about how we could use the powers and resources which will come back to us after Brexit for the benefit of Nottinghamshire.

Commitment 10:

Nottinghamshire is a great place to invest and do business

Our ambition is to raise the profile of Nottinghamshire, doing all we can to create the best conditions for investment and growth.

We will maximise the impact of the Midlands Engine and Midlands Connect programmes and be an active and influential partner within the D2N2 Local Enterprise Partnership.

We will work to grow our links overseas, building on our links with China, because we know that local businesses trade in a global economy and we want to attract investment into our area.

Our market towns have an important role in the regeneration of the county. We will continue to improve our towns to promote local jobs and a dynamic economy.

Success means:

- An increased amount of inward investment in the county
- High quality business accommodation is available for businesses to start and grow
- Increased economic productivity across the county
- More visitors spending more money in our county
- Increased economic vibrancy and improved appearance of market towns

Commitment 11:

Nottinghamshire is a well-connected County

Excellent roads, transport and broadband infrastructure are essential to provide businesses with improved access to markets in order to achieve economic growth.

We will develop key sites for new employment and housing opportunities. We will improve our roads and rail travel, particularly to nearby cities and airports, and maximise the broader benefits of major infrastructure investment such as the arrival of High Speed 2. HS2 holds significance to the whole of the Midlands and is a once in a lifetime change to the economy of the county. We will shape the design and delivery of HS2 and the innovation village at Toton to ensure maximum benefit for local people as well as residents and businesses throughout Nottinghamshire.

We understand the importance of maintaining and improving Nottinghamshire's highway network to the highest possible standards. This is one of our major priorities, illustrated by the fact that we have already substantially increased investment in our roads.

We will continue to improve broadband services by completing the roll-out of superfast broadband and enabling the next generation of fixed and mobile digital connectivity.

Success means:

- Improved roads and transport infrastructure with better connectivity across the county and region
- Improved superfast broadband coverage
- Local people have the right skills to benefit from employment opportunities generated by HS2 and other major infrastructure developments

Commitment 12:

Nottinghamshire has a skilled workforce for a global economy

Nottinghamshire needs a skilled workforce that is able to compete in today's challenging local and global economy. This will attract good quality, better paid jobs to the area and ensure that our businesses have the resources they need to thrive.

We will work with our schools, colleges, universities and training providers to ensure that the skills being taught match the needs of local businesses and support the ambitions of our young people. We will also promote training and support creativity in key business sectors. We will lobby Government for more devolution of resources for skills, because local people know where these can be best invested.

Success means:

- People have a higher level of skills
- There is a flexible and varied workforce that is able to meet the needs of local businesses in the future

Artist Impression (HS2 Ltd)

Our Economy

83% of businesses employ fewer than **10** people

95 businesses employ more than **250** people

3,840 businesses created in **2015**

60% of businesses survive **3-years** after start-up

Health, manufacturing, retail and education are the **largest sectors**

Nottinghamshire has a **£13.9bn** gross value added economy

Summary

This is an ambitious plan because we want the best for Nottinghamshire. We have set out our vision and commitments in this way so that everyone can see what we want to achieve and what local people can expect from their Council.

We know that there are many challenges, but we do not want to hide behind these or use them as an excuse, because this would lose sight of so many opportunities.

This plan is about the place we live and the people who live here. This plan is about Your Nottinghamshire and Your Future.

Monitoring Our Progress

This plan is part of the Council's Planning and Performance Framework. This framework defines our method of setting priorities in an open and inclusive way.

Your Nottinghamshire, Your Future is a four-year plan, but we will review it annually to make sure it is kept up to date in a fast-changing world.

Your Nottinghamshire, Your Future will be supported by all of the Council's departments.

Progress towards achieving these commitments will be regularly assessed, to ensure that these are being delivered for the benefit of all of us.

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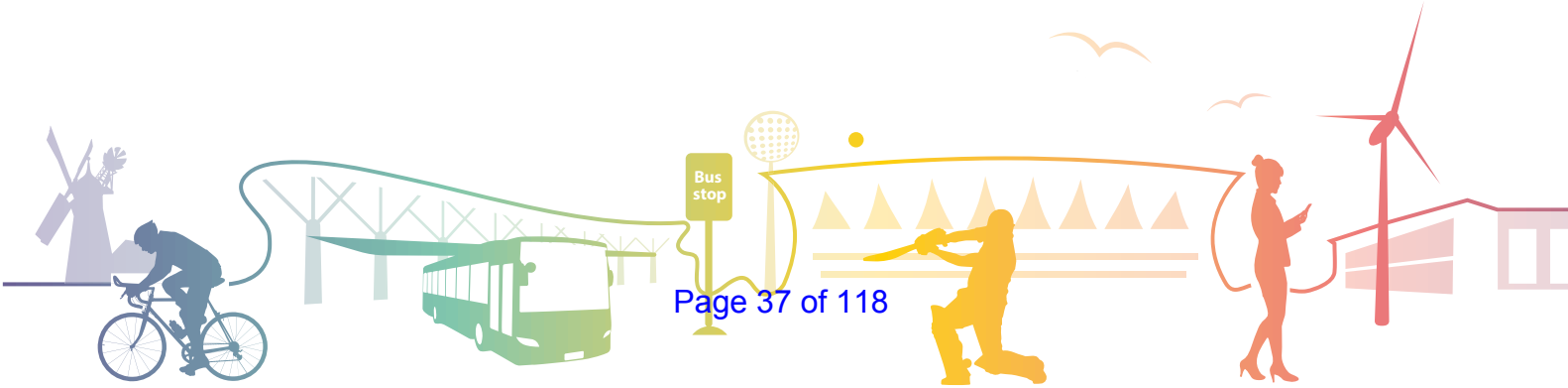

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Nottinghamshire County Council

Report to Full Council

13th July 2017

Agenda Item: 9

REPORT OF THE CHIEF EXECUTIVE

MEMBERS ALLOWANCES SCHEME – REPORT OF THE INDEPENDENT REMUNERATION PANEL

Purpose of the Report

1. To consider the report of the Independent Remuneration Panel on the Nottinghamshire Members' Allowances Scheme.

Information and Advice

2. Under the Local Authorities (Members' Allowances) (England) Regulations 2003 before a council makes or revises a members allowances scheme it is required to have regard to a report from an Independent Remuneration Panel (IRP).

3. At its meeting of 12 January 2017, the Council appointed Sir Rodney Brooke CBE DL as Chair of the IRP and Stephen Bray, Charles Daybell and Madi Sharma as the IRP members.

4. The IRP met on 26th and 27th June 2017 and considered representations made by Councillors in person and in writing. The IRP's report is attached as an Appendix.

5. In summary the report recommends the following:

- That the basic allowance remains unchanged and is automatically uprated linked to headline staff pay awards.
- That Special Responsibility Allowances (SRAs) continue to be based on a proportion of the Leader's allowance which should remain unchanged. SRAs will also be uprated automatically in line with headline staff pay awards.
- That all Committee Chairs and Vice Chairs receive allowances consistent with those previously agreed for Band A committees.
- That the threshold for Smaller Minority groups to qualify for an SRA be amended and set at 5 Members rather than 10% of the Council and that the Deputy Leader of such groups receives an allowance.
- That an allowance should be payable to the Chairman of the Police and Crime Panel (PCP) when the role is undertaken by a County Councillor. The Panel also suggested that the Council considers paying any independent Chairman as the Host Authority - see Paragraph 6.
- To bring the Maternity, Paternity and Adoption leave provisions for members more in line with Staff terms and conditions.
- To increase the maximum amount allowable for child care to £7.50 per hour on production of receipts.

- To increase the maximum amount payable for adult care dependents to £15.49 per hour on production of receipts.
- To agree a revised list of Approved Duties for travel claim purposes.
- That all other allowances including Main Opposition spokespersons, the Chairman and Vice Chairman of the Council, Business Managers, Leader of the Main opposition group remain unchanged.

6. With regard to the PCP, the current Chair is Christine Goldstraw OBE who is one of the Independent, non-Councillor members. The IRP's recommendation is that if the Chair is filled by a County Councillor an allowance should be payable. They further suggested that on the grounds of fairness and to ensure the continued smooth running of the PCP, the County Council should consider paying an SRA at the same rate (£3,952 for 2017/18) to any Independent member of the Panel when they held the position of Chairman .The Council is therefore asked to agree a recommendation to that effect.

Other Options Considered

7. Council is not obliged to agree the recommendations of the Independent Remuneration Panel.

Reason for Recommendations

8. To consider the recommendations of the IRP and agree a revised Member's Allowances Scheme for Nottinghamshire County Council.

Statutory and Policy Implications

9. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, 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

10. The cost of the previous scheme if all available allowances had been claimed at the full allowance payable for 2016-17 was £719,472. The equivalent total cost for 2017-18 is £571,576.

RECOMMENDATIONS

1) That the recommendations of the IRP be noted.

2) That the proposed revised Councillors' Allowances Scheme, as detailed in Appendix 2 to the IRP report, be approved.

3) That an SRA be paid to the Chair of the Nottinghamshire Police and Crime Panel when held by an Independent Member on the Panel at the same rate as that which a County Councillor undertaking the role would be paid.

Anthony May
Chief Executive

For any enquiries about this report please contact:
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Constitutional Comments (SLB 04/07/2017)

11. The function of adopting and revising the scheme of allowances for Members is reserved to Full Council by law. As stated in the report, Council is required to have regard to the report of the Independent Remuneration Panel.

Financial Comments (SES 04/07/17)

12. The financial implications are set out in the 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.

- 'Issues to Address' report to the IRP.

Electoral Division(s) and Member(s) Affected

All

Nottinghamshire County Council

REPORT OF THE INDEPENDENT REMUNERATION PANEL JUNE 2017

INTRODUCTION

1. This paper is the report of the Nottinghamshire County Council Independent Remuneration Panel (IRP) following our review of the County Council's existing Councillors' Allowances Scheme (attached at Appendix 1). This was last reviewed in April 2012 following the Council's adoption of a Committee system of governance.

BACKGROUND

2. The first Nottinghamshire allowances scheme was established following a report by an IRP in 2000. Subsequent reports from the IRPs between 2003 and 2012 built on their predecessors' work.

3. Under the Local Authorities (Members' Allowances) (England) Regulations 2003 before a council makes a Members' allowances scheme it is required to have regard to a report from the IRP covering:

   - the amount of basic allowance
   - the responsibilities or duties in respect of which special responsibility, travelling and subsistence, and Co-optees' allowances should be available and the amount of such allowances
   - whether dependants' carers' allowance should be payable and the amount of such an allowance
   - whether the level of allowances should be index-linked
   - which Members of an authority are to be entitled to pensions (N.B. following changes in Pension Regulations from May 2017 onwards, Councillors are no longer eligible to join the Local Government Pensions Scheme and therefore the Panel was unable to consider this issue).

4. The membership of the IRP is:

   - Sir Rodney Brooke, CBE DL (Chair) who has long experience of Local Government as a Chief Executive. He has chaired independent remuneration panels for various authorities. He chairs and is a member of various public sector bodies.
   - Stephen Bray who is a former Corporate Director of Gedling Borough Council. He has first-hand experience of the work of an IRP and a detailed understanding of its role and function.

- Charles Daybell who is a former Chief Executive at Braintree District Council. He previously chaired Nottinghamshire County Council's Standards Committee.

- Madi Sharma who is a proprietor of a Nottinghamshire business and is an Ambassador for Nottingham. She is also a member of several independent remuneration panels.

The Panel was assisted in its considerations by Keith Ford, Team Manager, Democratic Services, and Susan Bearman, Senior Solicitor. However the recommendations in this report are those of the IRP alone.

5. All County Councillors were given the opportunity to make representations in person or in writing. The Panel met with a number of Councillors as part of our information gathering including:-

- Councillor Mrs Kay Cutts MBE, the Leader of the Council;

- Councillor Gordon Wheeler, Vice-Chairman of Communities and Place Committee;

- Councillor Bruce Laughton, Chairman of Governance and Ethics Committee;

- Councillor Jason Zadrozny and Councillor Tom Hollis, Leader and Deputy Leader respectively of the Ashfield Independents Group;

- Councillor Alan Rhodes, Councillor Kate Foale and Councillor Nicki Brooks, the Leader, Deputy Leader and Group Business Manager of the Labour Group, the main Opposition Group;

6. The Panel also met with Jayne Francis-Ward the Corporate Director of Resources and Monitoring Officer.

7. The Panel considered written responses from Councillor John Peck, Councillor Alan Rhodes and Councillor Gordon Wheeler. Questionnaires were also sent to all County Councillors and considered the responses received from Councillors Reg Adair, Nicki Brooks, John Cottee, John Clarke, Mrs Kay Cutts MBE, Jim Creamer, Maureen Dobson, Kate Foale, Keith Girling, Alan Rhodes, Muriel Weisz, Jonathan Wheeler, Gordon Wheeler and four Councillors who opted to respond anonymously.

8. The Panel Members are grateful to all those Councillors they met for being open and responding to the Panel's vigorous challenge. They also appreciate Councillors taking the time to make written submissions, which offered additional helpful insights into their roles and workload.

CONTEXT

9. The Panel recognises that the County Council has a tradition of strong political leadership and an aim, which is shared across the political spectrum, of being inclusive and representative of the community it serves.

10. It is noted that the most recent external assessments demonstrate that the Council performs well, with a long-standing record of unqualified audit opinions. The Council has a budget of over £1 billion (including schools budgets). The Panel also noted the crucial role of Councillors in giving strong political direction around change and the work of the Council overall.

11. When the Panel reported in 2012 it acknowledged that it remained a challenging time for local government. Just over five years later the picture remains difficult, whilst evolving. The ongoing economic climate continues to put significant pressure on public spending whilst at the same time bringing additional pressures due to increased demand caused by related economic, social, and demographic factors. These twin pressures enhance the challenge on the political leadership of local authorities and on the role of Councillors in general.

12. Those social factors include the increased use of IT. The Panel recognises that this brings Councillors advantages in terms of offering more mobile and flexible working but the impact in terms of significantly increasing the public access to Councillors and consequently their workload should not be underestimated. The increased use of e-mail and the advent of social media forums focussed on specific areas of the Council's services (such as school admissions) and high profile issues (such as shale gas extraction) brings greater public scrutiny and accountability. It also heightens the need for Councillors to engage with social media themselves and respond to contact from constituents in a timely and considered manner.

13. The Panel is mindful of the findings of a Local Government Association Census of Local Authority Councillors 2013 which highlighted a national increase in hours spent on council and political business and those findings were borne out by the oral and written representations from Councillors. These representations show that the hours spent in an average week range from 29 hours (for a Councillor with no Chair or Vice-Chair position) to up to 60 hours, spread over the course of seven days. The Panel recognises that councillors generally are hard-working and conscientious and, with regards to Nottinghamshire County Councillors, the representations made have underlined that view, with many undertaking the equivalent of a full-time working week or more on Council duties.

14. A further area which has evolved since 2012 is the increasing expectation on Councils to input into large national projects (such as HS2) and work for the benefit of their constituents on a national and

international stage, with the County Council currently pursuing joint economic development in China and other areas. The potential for further devolution from Central Government has seen Councillors working increasingly in partnership with other Local Authorities and public service providers in the region.

15. The Panel believes that if democracy is to be served and for real equality of opportunity for involvement to exist, it is essential to provide a fair return to councillors to recognise the service they give. Discussions with Councillors highlighted a shared aim with the Panel of wanting to attract more women and younger people into the role of Councillor.

16. The Panel shares the view expressed by some witnesses that financial motivation is not, and should never be, a driver for people to enter local politics. It is a public service and the Panel recognises that it involves a sacrifice on many levels, including in terms of career, time and family life. The Members' Allowances Scheme is designed to go some way to mitigate such sacrifice and make it possible for more people to make a contribution to public life than would otherwise be possible.

17. Against this background the Panel took an in-depth look at the existing scheme, taking the opportunity to review the assumptions on which the scheme is based and the comparison with other similar councils. It should be noted that it has proven very difficult to pull together meaningful comparative data due to a lack of national datasets, differences in governance systems, areas of responsibility, and operating models.

LEVEL OF BASIC ALLOWANCE

18. The Panel which met in 2000 established the benchmark for the basic allowance as the median white collar wage for Nottinghamshire (then £23,483 pa). That Panel then identified that council work was approximately half-time, which would have meant an allowance of around £11,750, but then discounted it to represent the voluntary element of a councillor's work giving a benchmark of £10,000 pa.

19. Subsequent panels have maintained this benchmark with the figure being indexed to local government pay settlements. Consequently the basic allowance is currently £13,904.

20. The Panel heard that the average public sector wage is currently £30,888 but is aware that the pay awards in the last 5 years for the public sector, and local government in particular, have been minimal and therefore this has seen the existing basic allowance fall further behind in real terms.

21. With reference to paragraph 3 above, the Panel was also mindful of the fact that Councillors have been further impacted by the loss of entitlement to join the Local Government Pension Scheme.

22. The Council adopted a committee system of governance in 2012 and subsequently reviewed this in 2013 and in May 2017. As anticipated, under the committee system, more councillors have an involvement in the decision-making process and are therefore expected to keep themselves updated on their particular areas of responsibility. Councillors have to continue to balance their role in their local community with their responsibility to develop and scrutinise policy proposals and review performance of the Council's services through their membership of committees.

23. The Local Government Boundary Commission for England undertook a Boundary Review of Nottinghamshire County Council in 2015 which resulted in a reduction from 67 to 66 Councillors covering amended Divisions with broadly similar numbers of constituents (some of which are two Member divisions). The Panel recognises that electorate figures in general have increased in recent years which has also added to Councillors' workload.

24. The Boundary Review highlighted that some of the Divisions are very large geographically which in itself causes increased commitments for local Members as a result of travelling time. The Panel notes that the larger, rural areas are also often those with many parish councils, meetings of which the local County Councillor is expected to attend in order to act as a conduit. Conversely, the Panel also heard through Councillors' representations about the high levels of deprivation within many of the smaller, urban Divisions and the resulting impact upon workloads. The Panel recognises the different challenges which this variety of demographics present.

25. Building on the earlier point about social media and e-mail, there is an increasing expectation that Councillors make themselves available for their constituents in both formal and informal settings. Although the business of the Council primarily takes place during the day, being a County Councillor is not a 9-5, Monday to Friday job; in addition to their commitments at County Hall they frequently have evening and weekend commitments.

26. Although the Panel recognises the increasing workload, the present severe constraints on local authority spending and public sector pay make it difficult to recommend an increase to the current Basic Members' Allowance at present, but considers the best way forward is to link the allowance to any increase in the national agreed staff pay award.

Recommendations 1 & 2

1) **That the benchmark level set for basic allowance remains appropriate.**

2) **That the basic allowance should continue to be automatically index-linked to the headline pay award for local government**

staff (backdated to 25 May 2017). The Panel wishes to highlight that the Regulations clarify that increases as a result of index-linking do not equate to a change in the agreed scheme and therefore would not require approval by the Council on an annual basis.

SPECIAL RESPONSIBILITY ALLOWANCES

27. Previous IRPs established a schedule of positions eligible for Special Responsibility Allowances (SRAs). The 2006 IRP defined individual allowance bands as a proportion of the Leader's SRA. Having considered other models the Panel is satisfied that this approach remains sound. SRAs are set with reference to the SRA for the Leader of the Council. This provides a constraint for individual allowances.

Recommendation 3, 4 & 5

3) That the current overall rates of SRAs, ie based on a proportion of the rate for the Leader, should continue.

4) That all SRAs should continue to be index-linked to the local government headline pay settlement. The Panel underlines that any changes relating to index-linking do not equate to a change in the agreed scheme and therefore would not require approval by the Council on an annual basis.

5) That the existing arrangement whereby no Councillor shall be eligible for more than one SRA from the County Council should continue.

Committee Chairmen and Vice-Chairmen

28. In its most recent review of the committee system in May 2017, the Council has removed the former distinction between Band A, Band B and all other committees. All committees, as a result of the changes made, have substantially increased workloads and areas of responsibility. It was felt that it was inappropriate to suggest that one committee had a greater importance than another. The main changes which have occurred are explained below

- Planning & Licensing Committee – Nottinghamshire is an area rich in shale gas which has recently resulted in related planning applications. The complexity and public involvement involved in such applications has added to the workload of this committee, and in particular the demands on the Chair and Vice-Chair. Since the last IRP, this Committee has also subsumed the bulk of the work of the former Rights of Way Committee (itself a Band B Committee) as well as other matters. As such, the workload of this committee is unrecognisable from previous years.

- Audit Committee – the new Governance & Ethics Committee undertakes the work of the previous Audit Committee and the former Standards and Conduct Committees as well as picking up some issues previously dealt with by Policy Committee and Finance & Property Committee. Perhaps most importantly, this committee will be responsible for driving through improvements in the Information Governance agenda, an area in which the Council recognises it has underachieved and which can lead to fines of up to £17m.

- Health Scrutiny – the work of two committees has been amalgamated into one as the Joint Health Scrutiny Committee with the City Council has been disbanded. As such, the Health Scrutiny Committee's remit has doubled to cover all areas of the County, including the 'conurbation'. This committee will therefore have dealings with a wider range of providers and the Chair is expected to maintain a working relationship with Nottingham City colleagues to ensure that ad hoc committees can be established in relation to significant variations where appropriate.

- Nottinghamshire Pension Fund Committee - the Council previously had three committees to deal with the Nottinghamshire Pension Fund. These have been amalgamated into a single committee, with the revised remit to include investments by and management of pension funds and the administration of the Fund. With the advent of the Local Pension Board, the Chairman could be required to attend meetings of that body to explain the work of the Committee where required. In addition, a substantial amount of work is being undertaken in relation to the pooling of Pension Funds in line with statutory requirements. Whilst this may ultimately lead to a reduction in the work of this committee in the long term, this is currently having the effect of increasing its workload.

29. Although the Panel is not able to make recommendations as to how the Council chooses to structure its committee system, it accepts the rationale for the above changes and recognises the overall cost savings the new system offers, both in terms of potential SRA expenditure and Democratic Services resources.

30. We assume that the Leader and Deputy Leader will always be the Chairman and Vice-Chairman of the Policy Committee and therefore we are not recommending separate SRAs for the latter roles. Likewise, there is no expectation that the joint Local Economic Prosperity Committee or the Improvement and Change Sub-Committee will be chaired by a County Councillor other than the Leader or Deputy Leader respectively so no SRA is proposed for those roles either.

31. As part of the committee reorganisation, consideration was given to the workloads of committees and particularly Chairmen and Vice-Chairmen. It was acknowledged that the workload of all committees had increased significantly. It was also acknowledged that those

committees sometimes described as regulatory committees had as heavy a workload, if not heavier, than some service committees. In those committees where the workload may be higher than others this was mitigated by appointing two Vice-Chairmen so that the workload could be spread and in effect the workloads of all Chairmen and Vice-Chairmen should be relatively equivalent.

32. The revised structure will be reviewed after six months (January 2018) and any changes required will be made at that time. The Panel recognises that this review intends to address any areas of disparity between the workload of the various Committees. In light of experience the Council may decide to make minor adjustments at that point and the Panel looked at the possible cost implications of further changes (for example, if one of the existing larger committees with two Vice-Chairmen was divided into two committees as a result of workload, this would result in one further Chairman SRA but no further Vice-Chairman posts). Where the overall cost of the scheme is kept within broadly the same cost envelope, we would be content for the Council to apply the principles underlying these recommendations without reconvening the Panel.

Recommendation 6

6) That levels of responsibility associated with Chairmen of all committees are consistent with those of the previous Band A Committee Chairmen and that the SRA should be set at 66% of the Leader's SRA, with the Vice-Chairmen allowances set at 33% of the Leader's SRA.

Main Minority Spokespersons

33. The importance of the Main Minority opposition spokesperson roles was recognised by previous IRPs. These roles have expanded with the more collegiate approach of joint working between the political groups taken in recent years resulting in greater input from such opposition Members. This input has included attendance and input into pre-committee meetings, briefings and pre-budget challenge panels. The 2016/17 budget was developed as a joint budget between the ruling group and the opposition groups. Such joint working is expected to continue in light of that success and the continuing narrow majority of the new administration.

34. The Panel has long held the view that a disparity of political views is essential to ensuring that local government effectively reflects the area it serves, and consequently believes that the Opposition within the Council has an important role to play in challenging the controlling group and holding it to account. Where there is always the possibility of a change of control, as in Nottinghamshire, the main Opposition Group has a particular responsibility in ensuring that it is in position to be the controlling group if circumstances change following an election.

Members of the Main Opposition Group in their representations to the Panel confirmed that this is the approach it continues to take.

Recommendation 7

7) That an SRA be available for the role of Main Minority Group spokesmen on committees at a rate of 22% of the Leader's SRA, and for the allocation of these roles to be the responsibility of the Main Opposition Group.

Smaller Minority Opposition Groups

35. IRPs had previously recognised the importance of the political leadership of the opposition parties to the democratic process and to the effective management of the Council's business, resulting in SRAs for the Leader and Business Manager of minority groups containing more than 10% of the Council's Members (i.e. 6.6 Members). This figure is inconsistent with the decision of the Administration Committee on April 2013 which agreed that any group of 5 or more Members should qualify for at least a half-time administrative and research post. It is felt that this benchmark of 5 or more Members is a more appropriate and consistent threshold for qualification for SRAs for such minority groups.

36. Having looked at this issue nationally there appears to be no consistent figure in this respect, with some authorities offering SRAs for groups with as few as 2 Members. The Council currently has one minority opposition group (the Ashfield Independents Group) that would meet the revised threshold. The changing nature of democracy, both locally and nationally, in terms of an ongoing increase in independent Members is recognised by the Panel.

37. The Panel also noted that under the current scheme, the role of Deputy Leader of smaller minority opposition groups does not qualify for an SRA, whereas the role of Business Manager does. The Panel feels that it is appropriate to introduce an SRA for this position, at the same rate as the Business Manager post for such groups (4% of the Leader's SRA)

Recommendation 8 & 9

8) That the threshold for smaller Minority Groups to qualify for SRAs should be set at 5 or more Members.

9) That the Deputy Leader of smaller Minority Groups of 5 or more Members should receive an SRA set at 4% of the Leader's SRA.

Other New Committees

38. The Panel considered the work of the Local Pension Board and the Nottinghamshire Police and Crime Panel (PCP) which had been

established in line with statutory requirements since the Panel last sat in 2012.

39. After consideration of the core functions, terms and reference, frequency of meetings of the Local Pension Board (two meetings a year), and workload outside of meetings, we concluded that no SRA should be payable to the Chair of this Board.

40. The work of the Board, which was only established in March 2015, will be kept under review by officers so that future IRPs can revisit this decision should the workload significantly increase.

Recommendation 10

10) That there should be no SRA for the position of Chairman of the Local Pensions Board.

41. The Panel considered the PCP's Panel Arrangements, Rules of Procedure and frequency of meetings (five-six meetings per year, two budget workshops, senior appointment meetings and other tours and workshops).

42. The Panel recognises the special functions of the Panel and the potentially high profile of this area of work. We also heard about the increasing regional collaboration agenda (with 2-3 meetings a year with Chairs of other PCPs) and the Chair's role in dealing with complaints.

43. The County Council is the host authority to the PCP and receives a grant from the Home Office towards its running, although that grant cannot be used for the payment of Members' allowances.

44. The Panel's arrangements state:-

Each authority has discretion to pay its representatives an allowance including any special responsibility allowance if they are appointed Chairman or Vice Chairman.

45. The Panel therefore concentrated attention on whether an SRA should be payable for any County Councillor who Chairs the PCP (including those County Councillors co-opted to the Panel to achieve political balance).

46. However, the Panel is mindful that the existing Chairman is one of the PCP's four independent Members. Panel Members feel that recommending an allowance for an Independent co-optee who is not a County Councillor falls outside of the IRP's remit but would suggest that the Council, as the host authority, should consider paying an SRA to an Independent Co-optee who is Chair in such circumstances, on the grounds of fairness and to ensure the continued smooth running of the PCP.

Recommendation 11

11) That an SRA equivalent to 12% of the Leader's SRA should be payable to the Chairman of the Police and Crime Panel where that person is a County Councillor (including those co-opted to the Panel to achieve political balance). The Panel also suggests that the County Council, as the host authority, considers paying an SRA at the same rate to the Chairman where that person is one of the Panel's Independent Co-optees.

Other SRAs

47. The Panel proposes that the Schedule of SRAs be amended to remove any reference to defunct committees.

48. The Panel is satisfied that the remaining SRAs not covered in the above recommendations should remain unaltered.

49. The Panel noted that under the previous system there were potentially 44 SRAs available, although not all of these were claimed due to some Councillors undertaking more than one role. With the recommended changes, this number would reduce slightly to 43. With reference to paragraph 30 above, it is recognised that there are substantial savings in the new committee structure overall.

MATERNITY, SHARED PARENTAL AND ADOPTION LEAVE

50. The Panel noted that the existing scheme is not consistent with staff terms and conditions. The Panel agreed that the period of eligibility for an SRA to be paid should be increased to six months and that the provisions of the scheme be updated to recognise the entitlement to shared parental leave.

Recommendation 12

12) That the scheme be updated to make it more consistent with staff terms and conditions and that the period which SRAs can be paid during maternity, shared parental leave and adoption leave be increased to six months.

DEPENDANTS' CARERS' ALLOWANCES

51. Under the current scheme Councillors may claim up to £5.84 per hour per child for child care and up to £11.58 per hour for other dependants, in respect of expenses for the care of their children or other dependants when attending meetings of the Council or other approved duty as described in the Scheme. The Panel understands that few councillors claim these allowances but recognise it is potentially important help for those with caring responsibilities.

52. The Panel is keen to ensure that there is equality of opportunity for anybody wishing to be a Councillor and wants to support more women and young people into the roles. It is therefore vital that the scheme allows parents to be able to ensure safe child care for their children whilst undertaking their Councillor duties. The cost of child care varies across the County and is dependent upon the age of the child. The Panel therefore recommends that actual costs (subject to the provision of receipts) per hour per child is met up to a maximum of £7.50.

53. In terms of other dependants, it is acknowledged that there will be circumstances where Councillors are caring for relatives and that this should not be an obstacle to them undertaking their Councillor duties. The Council currently has a standard rate for home care of £15.49 per hour and the Panel feels that this is a reasonable amount for inclusion in the allowances scheme. It is suggested that the rate within the allowances scheme is linked to the Council's standard rate for home care and as and when this is changed, the rate within the scheme will automatically change accordingly.

54. There may be exceptional circumstances where the standard dependant carer allowances are insufficient to meet the specific needs of the dependant. In such circumstances, the Panel believes that the Monitoring Officer, in consultation with the Chair of the Governance and Ethics Committee should be authorised to agree higher hourly rates (subject to the provision of receipts).

Recommendations 13, 14 & 15

13) That the maximum amount claimable for child care be increased to £7.50 per hour per child.

14) That the maximum amount claimable for adult care dependants be increased to £15.49 per hour and that this rate be automatically uplifted in line with inflation and the County Council's own charges.

15) That the Monitoring Officer, in consultation with the Chair of the Governance and Ethics Committee, be authorised to agree higher hourly rates for exceptional circumstances where the standard dependant carer allowances are insufficient to meet the specific needs of the dependant.

ALLOWANCES FOR EDUCATION APPEAL PANEL MEMBERS

55. In line with the recommendations about elected Members' allowances, the Panel felt that the maximum amount available to cover actual loss of earnings of Education Appeal Panel Members should be index-linked to the local government headline pay settlement.

Recommendation 16

16) That the maximum amount available to cover actual loss of earnings of Education Appeal Panel Members be index-linked to the local government headline pay settlement.

APPROVED DUTIES (TRAVELLING AND SUBSISTENCE ALLOWANCES)

56. The Council's existing list of Approved Duties (Travelling and Subsistence Allowances) was agreed by the last IRP, with reference to Regulation 8 of the 2003 Regulations.

57. The existing arrangements have proven to be somewhat inflexible and over-prescriptive which results in a number of queries to Democratic Services and ultimately the Monitoring Officer.

58. For example 1. (l) limits visits and duties outside of the County area to committee Chairmen / Vice-Chairmen and Spokespersons of the main Minority Group / Group officers. This has meant that other Councillors who do not fall into the above categories are not able to undertake legitimate visits and duties outside of the County on behalf of their constituents – a recent example involved a Councillor who joined a delegation, which included the Chief Executive, speaking with MPs at the House of Commons around an issue which directly impacted upon their Division.

59. With that in mind the Panel considered a revised less prescriptive list designed to assist Councillors in better undertaking their roles and representing their constituents' needs. The Panel agreed that the implementation of this proposed new approach be monitored by the new Governance & Ethics Committee to ensure that it does meet these objectives and is not open to abuse.

60. The Panel were in agreement that the Existing Appendix to the list – 'Administrative Matters' should remain as currently, other than an amendment to paragraph 2 to make the deductions for late expenses claims by Councillors more consistent with those that apply to officers – namely:-

- Between 6-12 months' delay – 10% reduction
- More than 12 months' delay – 20% reduction
- More than 2 years' delay – referral to Governance & Ethics Committee for consideration.

Recommendation 17 & 18

17) That the revised list of Approved Duties and appendix be approved.

18) That the implementation of the revised list of Approved Duties, and related expenditure, be monitored by the Governance and Ethics Committee.

61. The proposed updated Councillors' Allowances Scheme, incorporating the various recommendations of the Panel, is attached at Appendix 2 for ease of reference.

Sir Rodney Brooke CBE, DL | Stephen Bray | Charles Daybell | Madi Sharma

APPENDIX 1

EXISTING COUNCILLORS' ALLOWANCES SCHEME

COUNCILLOR'S ALLOWANCES SCHEME

1. This scheme, which may be cited as the **Nottinghamshire County Council Members' Allowances Scheme**, was approved by Nottinghamshire County Council on 17 May 2012, in exercise of the powers conferred by the Local Authorities (Members' Allowances) (England) Regulations 2003 ("the Regulations").

2. This Scheme replaces all previous Members' Allowances Schemes.

3. The Allowances mentioned in this scheme:

   be implemented with effect from 17 May 2012;

   be uprated annually in line with the pay award for Local Authority staff. Each annual increase will be reported to the County Council for information at the earliest opportunity.

4. Any other amendments to the scheme will be determined solely by the County Council following receipt of recommendations from the Independent Remuneration Panel.

5. In this scheme:

   "councillor" means a Member of Nottinghamshire County Council who is a councillor;

   "Independent Person" means a person appointed by the Council to provide their views regarding complaints under the Code of Conduct for Councillors and Co-opted Members;

   "statutory Co-optee means a person (other than a councillor) who is statutorily appointed to membership of a Council committee (other than the Health and Wellbeing Board) or and independent member of the Nottinghamshire Police and Crime Panel;

   "year" means the 12 months ending with 31 March.

6. The amounts of Basic, Special Responsibility and Statutory Co-optees' Allowances specified in this Scheme will be rounded to the nearest £3.00 in accordance with normal Local Government practice.

7. A Nottinghamshire county councillor who is in receipt of a Basic Allowance and/or Special Responsibility Allowance under this Scheme and who is under 70 years of age is eligible to join the Local Government Pension Scheme.

PART A – ALLOWANCES FOR COUNCILLORS

BASIC ALLOWANCE

8. Subject to paragraphs 15, 16 and 21, for each year a Basic Allowance of £13,190.00 shall be paid to each councillor.

9. Basic Allowance shall be eligible for pensionable purposes

SPECIAL RESPONSIBILITY ALLOWANCES

10. Subject to paragraphs 15, 16 and 21, for each year a Special Responsibility Allowance shall be paid to those councillors who have been appointed or recognised by the Council or have been notified to the Chief Executive by their Group as holding the special responsibilities in relation to the authority that are specified in Schedule 1 to this scheme.

11. Subject to paragraphs 15, 16 and 21, the amount of each such allowance shall be the amount specified against that special responsibility in Schedule 1.

12. Special Responsibility Allowances shall be eligible for pensionable purposes.

13. No councillor may receive more than one Special Responsibility Allowance. In the event that a councillor holds more than one position for which a Special Responsibility Allowance is payable then s/he shall receive whichever of the applicable Allowances which s/he selects.

ATTENDANCE ALLOWANCE

14. No attendance allowance shall be payable under this scheme, either for Council duties per se, or in respect of appointments to outside bodies.

RENUNCIATION

15. A councillor may by notice in writing given to the Chief Executive elect to forego any part of his/her entitlement to an allowance under this scheme.

PART-YEAR ENTITLEMENTS

16. In accordance with the requirements of the Regulations, pro-rata payments of Basic Allowance or Special Responsibility Allowances shall be payable to eligible councillors in any of the following circumstances:

    a. if an amendment to this scheme changes the amount to which a councillor is entitled by way of a Basic Allowance or a Special Responsibility Allowance;

    b. where the term of office of a councillor or their appointment to a role eligible for Special Responsibility Allowance begins or ends otherwise than at the beginning or end of a year.

LONG-TERM SICKNESS

17. Nothing in this section overrides the provisions of the Local Government Act 1972 relating to vacation of office by failure to attend meetings throughout a period of six months.

18. In the event of long-term sickness absence full Special Responsibility Allowance shall be payable to eligible councillors, reducing to 50% after six months and ceasing after 12 months. The Council's Policy Committee may vary this in exceptional circumstances.

19. If a councillor is appointed to deputise for a councillor on long-term sickness the Policy Committee may create a deputising allowance payable after the first three months.

MATERNITY LEAVE AND ADOPTION LEAVE

20. In the event of absence for maternity or adoption full Special Responsibility Allowance shall be payable to eligible councillors for a period of up to three months.

PAYMENT

21. Payment of Basic and Special Responsibility Allowances shall be made in equal instalments. The frequency of those instalments shall be monthly in arrears.

TRAVEL AND SUBSISTENCE ALLOWANCES

22. Travel and in some circumstances subsistence allowances may be claimed by councillors. The arrangements for these allowances are included in Part D of this scheme.

DEPENDANTS' CARERS' ALLOWANCES

23. Councillors may claim up to £5.84 per hour per child for child care and up to £11.58 per hour per dependant for other dependants in respect of expenses for the care of their children or other dependants when attending

meetings of the Council, its subordinate bodies or other approved duty as described in Schedule 2 to this scheme.

24. Only one payment of Dependants' Carers' Allowance may be claimed in respect of the household of each councillor.

25. Payments, which will not be payable to a member of the claimant's own household, will be made only when supported by a receipt.

26. In circumstances of particular difficulty the Policy Committee is authorised to increase the allowance payable.

PART B – ALLOWANCES FOR STATUTORY CO-OPTEES

27. That any statutory co-optee receives an allowance of £594.

Attendance Allowance

28. No attendance allowance shall be payable under this scheme, either for Council duties per se, or in respect of appointments to outside bodies.

Renunciation

29. A Statutory Co-optee may by notice in writing given to the Chief Executive elect to forego any part of their entitlement to an allowance under this scheme.

Part-Year entitlements

30. Pro-rata payments of the Statutory Co-optees Allowance shall be paid in any of the following circumstances:

    a. if an amendment to this scheme changes the amount to which a Statutory Co-optee is entitled;

    b. where the term of office of a Statutory Co-optee begins or ends otherwise than at the beginning or end of a year.

Payment

31. Payment of the allowance described in paragraphs 28 to 30 shall be made in equal instalments. The frequency of those instalments shall be monthly in arrears.

Travel and subsistence allowances

32. Travel and in some circumstances subsistence allowances may be claimed by Statutory Co-optees. The arrangements for those allowances are included in Part D of this Scheme and a description of the duties for which they may be claimed is shown at Schedule 2 to this scheme.

PART C – ALLOWANCES FOR EDUCATION APPEAL PANEL MEMBERS

33. For the purposes of the payment of financial loss allowance under Section 173(4) of the Local Government Act 1972, members of Education Appeal Panels are to be treated as Members of the authority.

34. Subject to providing sufficient documentary evidence identifying actual financial loss, allowances up to a maximum of £226.00 per day may be claimed by Panel Members for attendance at Panel meetings.

35. Travel allowances may be claimed by Panel Members. The arrangements for those allowances are included at Part D of this scheme. Lunch will be provided by the Council at no charge for Panel meetings.

PART D – TRAVELLING AND SUBSISTENCE

36. This part is in accordance with Sections 174-175 and Regulations made under the Local Government Act 1972. It applies to councillors, Statutory Co-optees, members of Education Appeals Panels, Independent Persons and other Co-opted members.

37. The provisions contained in this part are aligned with the terms and conditions for County Council employees and any future changes to employee terms and conditions will also be reflected by changes to this part.

TRAVELLING ALLOWANCE

38. Travelling allowances may be claimed in respect of each occasion on which one of the persons described above carries out a duty as described in Schedule 2 to this Scheme.

39. All travel arrangements must be in accordance with the County Council's TRAVEL AND ACCOMMODATION POLICY, which is appended to this scheme.

40. If a claimant uses their own motor car or one belonging to a member of his/her family, or otherwise provided for their use and subject to the claimant having the appropriate insurance, the rate for travel, which is the same as for officers using their own vehicles on a casual basis, shall be as follows:

up to 10,000 miles	**over 10,000 miles**
45.0p	25.0p

Motor Cycles	24.0p
Cycles	20.0p
Public Transport Rate	22.6p

41. The distance claimed for mileage should be the shortest most reasonable journey by road from the point of departure to the point at which the duty is performed, and similarly from the duty point to the place of return.

42. If a claimant travels by taxi, the claim must not exceed:

    a. in cases of urgency or where no public transport is reasonably available, the amount of the actual fare and any reasonable gratuity actually paid;

    b. in any other case, the amount of the fare for travel by appropriate public transport.

    c. Any claims by members for travel costs where the Council has provided shared transport will only be payable in exceptional circumstance and subject to the agreement of the Team Manager (Democratic Services).

SUBSISTENCE ALLOWANCES

43. Subsistence allowances may be claimed only in exceptional circumstances such as overnight stays on occasions on which a person described in paragraph 50 above carries out a duty as specified in Schedule 2 to this scheme.

44. When carrying out approved duties within the UK and subsistence is payable due to exceptional circumstances, the amounts shown below may be claimed.

    a. Breakfast – where leave home before 7.00 am - £4.48

    b. Lunch – where away from base for whole of lunch period (12.00 and 2.00 pm) - £6.17

    c. Tea – if work continues after 6.30 pm - £2.43

    d. Evening meal – if work continues after 8.30 pm - £7.64

    e. Tea and evening meal allowances are not normally payable on same day.

    f. Out of pocket expenses – single night - £3.63

       – weekly rate - £14.55

45. Councillors, Statutory and other Co-optees may aggregate daily subsistence allowances.

46. Where a councillor, Statutory or other Co-optee attends a UK conference or other event which involves an overnight stay, hotel accommodation will be booked and paid for by Travel and Transport Services in accordance with the TRAVEL AND ACCOMMODATION POLICY. In exceptional circumstances where this has not been possible, the County Council will

reimburse reasonable expenses, provided they are supported by receipts and subject to a maximum overnight expenditure on accommodation of £115.00 (including VAT).

47. Where a claimant attends a conference or other event which is held outside the UK, s/he may claim the amounts shown in the Council's TRAVEL AND ACCOMMODATION POLICY.

SPECIAL PROVISIONS

48. In respect of full County Council meetings, councillors will have the choice of paying for the meals provided by the Council. The exercise of this option will be on an annual basis rather than for each individual County Council meeting.

SCHEDULE 1

SPECIAL RESPONSIBILITY ALLOWANCES

Band	% of Leader's SRA	Amount of Allowance (pa)	Current role
1	100	£32,608	• Leader of the Council
2	70	£22,822	• Deputy Leader of the Council
3	66	£21,739	• Chairmen of Band A Committees • Business Manager of Majority Group • Leader of the main Minority Group
4	50	£16,304	• Chairman of County Council*
5	40	£13,043	• Chairman of Joint Health Committee (when chaired by a county councillor) • Chairman of Pensions
6	33	£10,869	• Chairmen of Band B Committees: • Vice-Chairmen of Band A Committees • Leader of smaller Minority Groups on the Council (provided the group has more than 10% of the Members of the Council)
7	25	£8,151	• Vice-Chairman of Joint Health Committee (when this position is occupied by a county councillor)
8	24	£7,825	• Vice-Chairman of the County Council* • Business Manager of the main Minority Group
9	22	£7,176	• Deputy Leader of the main Minority Group • Vice-Chairmen of Band B Committees • Main Minority Group Spokesmen on Band A Committees
10	4	£1,304	• Business Manager of any Minority Group consisting of more than 10% of the Members of the Council • Ordinary Members of the Appeals Committee when undertaking work of exceptional frequency

Note

* These SRAs include an element for clothing. Sections 3(5) and 5(4) (as appropriate) of Part 1 of the Local Government Act 1972, enables the County Council to make a reasonable payment to the Chairman and Vice-Chairman to enable them to meet the expenses of their office.

BAND A COMMITTEES

Adult Social Care and Health
Children and Young People
Community Safety
Culture
Economic Development
Environment and Sustainability
Finance and Property
Personnel
Transport and Highways

The Health and Wellbeing Board is a Band A Committee but it is assumed that it will always be chaired by the holder of an existing SRA

BAND B COMMITTEES

Appeals Sub
Audit
Health Scrutiny
Planning and Licensing

Corporate Parenting Sub-Committee is a Band B committee but it is assumed that the Vice-Chairman of the Children and Young People Committee will chair it

Grant Aid Sub-Committee is a Band B committee but it is assumed that the Deputy Leader of the Council will chair the sub-committee

It is assumed that the Senior Staffing Committee and Local Joint Resolutions Committee will always be chaired either by named members or by councillors already in receipt of a special responsibility allowance.

SCHEDULE 2

APPROVED DUTIES (TRAVELLING AND SUBSISTENCE ALLOWANCES)

FOR COUNCILLORS

1. Approved duties for the payment of travelling and/or subsistence allowances (the latter in exceptional circumstances only such as overnight stays) will include:

   a. any attendance as a member or “observer” at meetings of the Council or its subordinate bodies (eg a committee, sub-committee, working party, panel, project steering group);

   b. pre-agenda meetings of committees and sub-committees of the County Council or of any joint committee of local authorities covering the attendance of its Chair and Vice-Chair (and Opposition Spokesperson if appropriate, by invitation);

   c. any attendance as a member of a joint committee of two or more local authorities or any sub-committee of that joint committee at a meeting of the joint committee or other body connected with the functions of that joint committee to which a Member is appointed by that joint committee;

   d. any attendance at conferences, seminars and similar events within the UK mainland, provided that either there is no fee payable or attendance is approved in advance by the relevant committee;

   e. rota visits to County Council establishments;

   f. annual tour of inspection for any County Council service;

   g. any attendance upon land or premises within the County area, for the purposes of, or in connection with, the discharge of any of the functions of the County Council, to include:

      - consultations with officers of the County Council;
      - visits to County Council premises to acquaint him/herself with conditions there;
      - visits to exhibitions relating to the functions of the County Council;
      - "surgeries" for constituents;
      - visits to sites and premises associated with actual or proposed projects of the Council;
      - visits to County Hall to deal with essential correspondence, paperwork, etc;

- attendance by invitation at a Parish Council or Parish Meeting to participate in the discussion of a County Council function.

h. subject to (i.) below any attendance at a meeting of any outside body, external or partnership organisation to which the Councillor has been appointed by, or on the nomination of the Council or the Policy Committee;

i. where an outside body has its own scheme for the payment of allowances, the Member should claim his/her travelling and subsistence allowances from the other body and not from the County Council.

j. any attendance at a meeting of a Group (under Standing Orders) which is called by the Chief Executive for the sole purpose of discussing County Council business;

k. Group Management meetings called for the sole purpose of discussing County Council business;

l. visits and duties outside the County area but within Great Britain for a period not exceeding 72 hours in connection with the discharge of any the Council's functions made by committee Chairmen/Vice-Chairmen and Spokespersons of the main Minority Group/Group officers;

m. attendance at seminars etc to address non-political bodies at national/regional level on subjects of which they have specialist knowledge by committee Chairmen/Spokespersons of the main Minority Group;

n. any single Member duty undertaken on behalf of the County Council:

    - in pursuance of any Standing Order requiring an Elected Member(s) to be present while tender documents are opened;

    - in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of any premises; or

    - in connection with arrangements made by the authority for the attendance of pupils at a school approved for the purposes of Section 188 (Special Schools) of the Education Act 1993;

o. attendance by formal invitation at a county hospitality function (eg Chairman’s reception, county dinner);

p. attendance as a representative of the County Council at a local function to present an award or cheque;

but shall not include:

- disciplinary matters within a Group;
- correspondence relating to a Group's policy:
- matters relating to the internal organisation of a Group;
- selection of candidates to stand at County Council elections;
- attendance at a Governing Body meeting of a school or college;
- taking up a constituent's grievance with anybody other than the County Council (eg following up a complaint against the services of a public body, private company or another council).

FOR STATUTORY CO-OPTEES AND OTHER CO-OPTED MEMBERS OF THE COUNCIL'S COMMITTEES AND SUB-COMMITTEES

2. Approved duties for the payment of travelling and/or subsistence allowances (the latter in exceptional circumstances only such as overnight stays) are as follows:

   a. any attendance at a meeting of committee or a sub-committee of which the claimant is a properly appointed member;

   b. any visit arranged and approved in advance under the TRAVEL AND ACCOMMODATION POLICY in connection with the business of the bodies shown in a above (including conferences, seminars, training events, tours or inspection, rota visits).

FOR MEMBERS OF EDUCATION APPEALS PANELS

3. Members of Education Appeals Panels may claim travelling in respect of meetings of Panels.

FOR INDEPENDENT PERSONS

4. Independent Persons may claim travelling in respect of their duties.

FOREIGN TRAVEL

5. Councillors and Statutory or other Co-opted Members of committees etc are normally allowed to travel abroad on County Council business only with express approval as required by the TRAVEL AND ACCOMMODATION POLICY.

6. All arrangements for travel and hotel accommodation will be made by Travel and Transport Services in accordance with the TRAVEL AND ACCOMMODATION POLICY.

7. Expenses will be reimbursed in accordance with the TRAVEL AND ACCOMMODATION POLICY.

8. Councillors and others are required to provide receipts of actual expenses and details of meals provided when they submit claims for reimbursement.

APPENDIX

ADMINISTRATIVE MATTERS

SUBMISSION OF CLAIMS

1. Claims are processed through Democratic Services and paid through the payroll system.

2. The following deductions will be applied to late claims:

   a. up to 3 months' delay - full payment

   b. 3 – 6 months' delay - 50% reduction

   c. after 6 months' delay - no payment made, except in exceptional circumstance where the matter would be referred to the Policy Committee for determination.

INCOME TAX

3. Tax will be deducted from payments of Basic Allowance and Special Responsibility Allowances. This will be at the standard rate of tax unless a Member makes arrangements with his Tax Inspector for a tax code to be allotted and notified to the County Council.

4. The County Council deals with:

   HM Inspector of Taxes
   (Nottingham 1)
   Castle Meadow
   Castle Meadow Road
   Nottingham
   NG2 1AB

5. A return of tax deducted from allowances is made to the Inland Revenue at the end of each financial year and a P60 is provided to each councillor.

6. Arrangements have been made with the Inspector of Taxes (Nottingham 1) whereby Councillors on application can obtain, where appropriate, tax relief on their expenses of office. Further guidance is available from the Chief Finance Officer.

SOCIAL SECURITY

7. Contributions

   a. National insurance contributions are payable on any payment of Basic Allowance and Special Responsibility Allowances provided the gross amount reaches a lower earnings limit in a certain period, unless a certificate of non-liability is produced (supplied by the Contributions

Agency). The Chief Finance Officer will advise on the detailed operation of the scheme.

8. Benefits

   a. The receipt of Basic and Special Responsibility Allowances affects benefits. Councillors should notify the Benefits Agency of amounts received.

   b. The contribution paid by Councillors counts toward the full range of contributory benefits.

APPENDIX 2

PROPOSED COUNCILLORS' ALLOWANCES SCHEME

COUNCILLORS' ALLOWANCES SCHEME

1. This scheme, which may be cited as the **Nottinghamshire County Council Members' Allowances Scheme**, was approved **TBC** by Nottinghamshire County Council on 13 July 2017, in exercise of the powers conferred by the Local Authorities (Members' Allowances) (England) Regulations 2003 ("the Regulations").

2. This Scheme replaces all previous Members' Allowances Schemes.

3. The Allowances mentioned in this scheme:

   be implemented with effect from 25 May 2017**;**

   be uprated in line with the headline pay award for Local Authority staff.

4. Any other amendments to the scheme will be determined solely by the County Council (following receipt of recommendations from the Independent Remuneration Panel unless the amendments are broadly within the spirit of the existing scheme).

5. In this scheme:

   "councillor" means a Member of Nottinghamshire County Council who is a councillor;

   "Independent Person" means a person appointed by the Council to provide their views regarding complaints under the Code of Conduct for Councillors and Co-opted Members;

   "statutory Co-optee means a person (other than a councillor) who is statutorily appointed to membership of a Council committee (other than the Health and Wellbeing Board) or an independent member of the Nottinghamshire Police and Crime Panel;

   "year" means the 12 months ending with 31 March.

6. The amounts of Basic, Special Responsibility and Statutory Co-optees' Allowances specified in this Scheme will be rounded to the nearest £3.00 in accordance with normal Local Government practice.

PART A – ALLOWANCES FOR COUNCILLORS

BASIC ALLOWANCE

7. Subject to paragraphs 12, 13 and 18, for each year a Basic Allowance of £14,043 shall be paid to each councillor.

SPECIAL RESPONSIBILITY ALLOWANCES

8. Subject to paragraphs 12, 13 and 18, for each year a Special Responsibility Allowance shall be paid to those councillors who have been appointed or recognised by the Council or have been notified to the Chief Executive by their Group as holding the special responsibilities in relation to the authority that are specified in Schedule 1 to this scheme.

9. Subject to paragraphs 12, 13 and 18, the amount of each such allowance shall be the amount specified against that special responsibility in Schedule 1.

10. No councillor may receive more than one Special Responsibility Allowance. In the event that a councillor holds more than one position for which a Special Responsibility Allowance is payable then s/he shall receive whichever of the applicable Allowances which s/he selects.

ATTENDANCE ALLOWANCE

11. No attendance allowance shall be payable under this scheme, either for Council duties per se, or in respect of appointments to outside bodies.

RENUNCIATION

12. A councillor may by notice in writing given to the Chief Executive elect to forego any part of his/her entitlement to an allowance under this scheme.

PART-YEAR ENTITLEMENTS

13. In accordance with the requirements of the Regulations, pro-rata payments of Basic Allowance or Special Responsibility Allowances shall be payable to eligible councillors in any of the following circumstances:

    a. if an amendment to this scheme changes the amount to which a councillor is entitled by way of a Basic Allowance or a Special Responsibility Allowance;

    b. where the term of office of a councillor or their appointment to a role eligible for Special Responsibility Allowance begins or ends otherwise than at the beginning or end of a year.

LONG-TERM SICKNESS

14. Nothing in this section overrides the provisions of the Local Government Act 1972 relating to vacation of office by failure to attend meetings throughout a period of six months.

15. In the event of long-term sickness absence full Special Responsibility Allowance shall be payable to eligible councillors, reducing to 50% after six months and ceasing after 12 months. The Council's Governance and Ethics Committee may vary this in exceptional circumstances.

16. If a councillor is appointed to deputise for a councillor on long-term sickness the Governance and Ethics Committee may create a deputising allowance payable after the first three months.

MATERNITY / SHARED PARENTAL LEAVE AND ADOPTION LEAVE

17. In the event of absence for maternity/shared parental leave or adoption full Special Responsibility Allowance shall be payable to eligible councillors for a period of up to six months.

PAYMENT

18. Payment of Basic and Special Responsibility Allowances shall be made in equal instalments. The frequency of those instalments shall be monthly in arrears.

TRAVEL AND SUBSISTENCE ALLOWANCES

19. Travel and in some circumstances subsistence allowances may be claimed by councillors. The arrangements for these allowances are included in Part D of this scheme.

DEPENDANTS' CARERS' ALLOWANCES

20. Councillors may claim up to £7.50 per hour per child for child care and up to £15.49 per hour per dependant (to be automatically index-linked annually) for other dependants in respect of expenses for the care of their children or other dependants when attending meetings of the Council, its subordinate bodies or other approved duty as described in Schedule 2 to this scheme.

21. Only one payment of Dependants' Carers' Allowance may be claimed in respect of the household of each councillor.

22. Payments, which will not be payable to a member of the claimant's own household, will be made only when supported by a receipt.

23. In circumstances of particular difficulty the Monitoring Officer, in consultation with the Chairman of Governance and Ethics Committee, is authorised to increase the allowance payable.

PART B – ALLOWANCES FOR STATUTORY CO-OPTEES

24. That any statutory co-optee receives an allowance of £594.

Attendance Allowance

25. No attendance allowance shall be payable under this scheme, either for Council duties per se, or in respect of appointments to outside bodies.

Renunciation

26. A Statutory Co-optee may by notice in writing given to the Chief Executive elect to forego any part of their entitlement to an allowance under this scheme.

Part-Year entitlements

27. Pro-rata payments of the Statutory Co-optees Allowance shall be paid in any of the following circumstances:

    a. if an amendment to this scheme changes the amount to which a Statutory Co-optee is entitled;

    b. where the term of office of a Statutory Co-optee begins or ends otherwise than at the beginning or end of a year.

Payment

28. Payment of the allowance described in paragraphs 28 to 30 shall be made in equal instalments. The frequency of those instalments shall be monthly in arrears.

Travel and subsistence allowances

29. Travel and in some circumstances subsistence allowances may be claimed by Statutory Co-optees. The arrangements for those allowances are included in Part D of this Scheme and a description of the duties for which they may be claimed is shown at Schedule 2 to this scheme.

PART C – ALLOWANCES FOR EDUCATION APPEAL PANEL MEMBERS

30. For the purposes of the payment of financial loss allowance under Section 173(4) of the Local Government Act 1972, Members of Education Appeal Panels are to be treated as Members of the authority.

31. Subject to providing sufficient documentary evidence identifying actual financial loss, allowances up to a maximum of £229.00 per day may be claimed by Panel Members for attendance at Panel meetings.

32. Travel allowances may be claimed by Panel Members. The arrangements for those allowances are included at Part D of this scheme. Lunch will be provided by the Council at no charge for Panel meetings.

PART D – TRAVELLING AND SUBSISTENCE

33. The provisions contained in this part are aligned with the terms and conditions for County Council employees and any future changes to employee terms and conditions will also be reflected by changes to this part.

TRAVELLING ALLOWANCE

34. This part is in accordance with Sections 174-175 and Regulations made under the Local Government Act 1972. It applies to Councillors, Statutory Co-optees, Members of Education Appeals Panels, Independent Persons and other Co-opted Members.

35. Travelling allowances may be claimed in respect of each occasion on which one of the persons described above carries out a duty as described in Schedule 2 to this Scheme.

36. All travel arrangements must be in accordance with the County Council's TRAVEL AND ACCOMMODATION POLICY, which is appended to this scheme.

37. If a claimant uses their own motor car or one belonging to a member of his/her family, or otherwise provided for their use and subject to the claimant having the appropriate insurance, the rate for travel, which is the same as for officers using their own vehicles on a casual basis, shall be as follows:

up to 10,000 miles	**over 10,000 miles**
45.0p	25.0p

Motor Cycles	24.0p
Cycles	20.0p
Public Transport Rate	22.6p

38. The distance claimed for mileage should be the shortest most reasonable journey by road from the point of departure to the point at which the duty is performed, and similarly from the duty point to the place of return.

39. If a claimant travels by taxi, the claim must not exceed:

    a. in cases of urgency or where no public transport is reasonably available, the amount of the actual fare and any reasonable gratuity actually paid;

    b. in any other case, the amount of the fare for travel by appropriate public transport.

    c. Any claims by Members for travel costs where the Council has provided shared transport will only be payable in exceptional circumstance and subject to the agreement of the Team Manager (Democratic Services).

SUBSISTENCE ALLOWANCES

40. This part is in accordance with Sections 174-175 and Regulations made under the Local Government Act 1972. It applies to Councillors, Statutory Co-optees and other Co-opted Members.

41. Subsistence allowances may be claimed only in exceptional circumstances such as overnight stays on occasions on which a person described above carries out a duty as specified in Schedule 2 to this scheme.

42. When carrying out approved duties within the UK and subsistence is payable due to exceptional circumstances, the amounts shown below may be claimed.

    a. Breakfast – where leave home before 7.00 am - £4.48

    b. Lunch – where away from base for whole of lunch period (12.00 and 2.00 pm) - £6.17

    c. Tea – if work continues after 6.30 pm - £2.43

    d. Evening meal – if work continues after 8.30 pm - £7.64

    e. Tea and evening meal allowances are not normally payable on same day.

    f. Out of pocket expenses – single night - £3.63

       – weekly rate - £14.55

43. Councillors, Statutory and other Co-optees may aggregate daily subsistence allowances.

44. Where a Councillor, Statutory or other Co-optee attends a UK conference or other event which involves an overnight stay, hotel accommodation will be booked and paid for by Travel and Transport Services in accordance with the TRAVEL AND ACCOMMODATION POLICY. In exceptional circumstances where this has not been possible, the County Council will reimburse reasonable expenses, provided they are supported by receipts and subject to a maximum overnight expenditure on accommodation of £115.00 (including VAT).

45. Where a claimant attends a conference or other event which is held outside the UK, s/he may claim the amounts shown in the Council's TRAVEL AND ACCOMMODATION POLICY.

SCHEDULE 1

SPECIAL RESPONSIBILITY ALLOWANCES

Band	% of Leader's SRA	Amount of Allowance (pa)	Current role
1	100	£32,935	• Leader of the Council
2	70	£23,055	• Deputy Leader of the Council
3	66	£21,957	• Chairmen of Committees • Business Manager of Majority Group • Leader of the main Minority Group
4	50	£16,467	• Chairman of County Council*
5	33	£10,978	• Vice-Chairmen of Committees • Leader of smaller Minority Groups on the Council (provided the group has 5 or more Members)
6	24	£7,904	• Vice-Chairman of the County Council* • Business Manager of the main Minority Group
7	22	£7,248	• Deputy Leader of the main Minority Group • Main Minority Group Spokesmen on Committees
8	12	£3,952	• Chairman of the Nottinghamshire Police and Crime Panel (where that person is a County Councillor)
9	4	£1,318	• Business Manager of smaller Minority Groups on the Council (provided the group has 5 or more Members) • Deputy Leader of smaller Minority Groups on the Council (provided the group has 5 or more Members)

Note

* These SRAs include an element for clothing. Sections 3(5) and 5(4) (as appropriate) of Part 1 of the Local Government Act 1972, enables the County Council to make a reasonable payment to the Chairman and Vice-Chairman to enable them to meet the expenses of their office.

SCHEDULE 2

APPROVED DUTIES (TRAVELLING AND SUBSISTENCE ALLOWANCES)

FOR COUNCILLORS

Approved Duties (Travelling and Subsistence Allowances) For Councillors

Travel Expenses will be paid to Members when they are undertaking their duties as a County Councillor.

Duties covered include:-

1. Attendance at Council meetings or Joint Committees and attendance at Council offices or establishments.

2. Attendance at conference, seminars or other training or learning events, in connection with the functions of the County Council and related to your role as an elected representative, where no fee is payable. (N.B. Travel Claim Form must clearly state the title of the event).

3. Anywhere within the County area, in connection with the functions of the County Council and related to your role as an elected representative (N.B. Travel Claim Form must clearly state the purpose of the visit).

4. Attendance at any meeting or events of Outside Bodies or organisation to which you have been appointed by the Council. If such a body has its own travel scheme, claims should be made to that body.

5. Meetings of Political Groups are not covered unless they have been arranged solely for the purpose of discussing County Council business or are requested by the Chief Executive to discuss a particular issue.

6. Travel outside of the County Council administrative boundaries is also claimable where it can be evidenced that this is essential for County Council related business or conference, seminar or training or learning event where no fee is payable.

7. Travel expenses may be payable for events not covered above but this will be with approval of the Monitoring Officer in consultation with the Chair of the Governance and Ethics Committee.

For Co-optees
Travel expenses will be paid to Co-optees when they are:-

1. Attending any meeting of the Council at which they are a properly appointed member

2. Attending an event in connection with their role as co-optee on the relevant Council meeting (approved in advance if required).

Members of Education Appeals
May claim travel allowance in respect of meetings and training events in connection with their role as Panel Members.

Independent Persons
May claim travel allowances in respect of their statutory role as an Independent Person.

Foreign Travel
No member, Co-optee or Independent Person can travel abroad on County Council business without prior approval in accordance with the Travel and Accommodation Policy.

Subsistence
Subsistence is only claimable in exceptional circumstances and will only be paid on receipt of actual expenses incurred and detail of meals provided. This will only apply to stays of under 72 hours. Subsistence will not be paid for any stay in excess of this without prior approval of the Monitoring Officer in consultation with the Chair of Governance and Ethics Committee.

APPENDIX

ADMINISTRATIVE MATTERS

SUBMISSION OF CLAIMS

1. Claims are processed through Democratic Services and paid through the payroll system.

2. The following deductions will be applied to late claims:

   a. 6-12 months' delay – 10% reduction

   b. more than 12 months' delay – 20% reduction

   c. more than 2 years' delay – referral to Governance & Ethics Committee for consideration.

INCOME TAX

3. Tax will be deducted from payments of Basic Allowance and Special Responsibility Allowances. This will be at the standard rate of tax unless a Member makes arrangements with his Tax Inspector for a tax code to be allotted and notified to the County Council.

4. The County Council deals with:

   HM Inspector of Taxes
   (Nottingham 1)
   Castle Meadow
   Castle Meadow Road
   Nottingham
   NG2 1AB

5. A return of tax deducted from allowances is made to the Inland Revenue at the end of each financial year and a P60 is provided to each councillor.

6. Arrangements have been made with the Inspector of Taxes (Nottingham 1) whereby Councillors on application can obtain, where appropriate, tax relief on their expenses of office. Further guidance is available from the Chief Finance Officer.

SOCIAL SECURITY

7. Contributions

   a. National insurance contributions are payable on any payment of Basic Allowance and Special Responsibility Allowances provided the gross amount reaches a lower earnings limit in a certain period, unless a certificate of non-liability is produced (supplied by the Contributions

Agency). The Chief Finance Officer will advise on the detailed operation of the scheme.

8. Benefits

   a. The receipt of Basic and Special Responsibility Allowances affects benefits. Councillors should notify the Benefits Agency of amounts received.

   b. The contribution paid by Councillors counts toward the full range of contributory benefits.

Nottinghamshire County Council

Report to Full Council

13 July 2017

Agenda Item: 10

REPORT OF THE CHAIRMAN OF FINANCE & MAJOR CONTRACTS MANAGEMENT COMMITTEE

MANAGEMENT ACCOUNTS 2016/17

Purpose of the Report

1.1 To inform Council of the year end position for the 2016/17 Management Accounts.

1.2 To request that Council approves the transfer to the General Fund Balances of £3.7m.

1.3 To inform Council of the position on other reserves of the Authority.

1.4 To inform Council of the year end position for the 2016/17 Capital Programme and it's financing.

1.5 To inform Council that capital expenditure and borrowing in 2016/17 were managed within the Council's Prudential Indicators.

1.6 To inform Council of Treasury Management activities during 2016/17.

1.7 To request approval for an amendment to the 2016/17 and 2017/18 MRP Policy.

Information and Advice

2. Background

2.1 The financial position of the County Council has been monitored throughout the financial year, with monthly reports to Corporate Leadership Team and Committee providing an update of progress, thus ensuring decision makers had access to financial information on a timely basis. Draft Management Accounts were reported to Finance and Major Contracts Management Committee on 19 June 2017, this report is the final out-turn for 2016/17, and this is in line with the forecast position.

3. Summary Financial Position

3.1 Through continued prudent financial management, Committee budgets have achieved a net underspend of £11.4m or 2.2% of net Committee budgets. This compares to a period 11 forecast of £6.6m.

3.2 The level of General Fund balances, subject to approval by County Council, will increase by £3.7m to £27.7m. This results in a closing balance that is £7.4m higher than originally planned.

3.3 Table 1 shows the summary revenue position of the County Council. Further detail, including the position on reserves, is provided in the appendices to this report.

Table 1 – Summary Financial Position

Committee	Final Budget £'000	Draft Out-turn £'000	Draft Variance £'000
Children & Young People	129,985	133,412	3,427
Adult Social Care & Health	214,095	206,423	(7,672)
Transport & Highways	59,495	58,916	(579)
Environment & Sustainability	32,547	32,283	(264)
Community Safety	3,096	3,196	100
Culture	13,204	12,947	(257)
Policy	23,219	22,202	(1,017)
Finance & Property	29,253	28,757	(496)
Personnel	11,150	10,614	(536)
Economic Development	1,545	1,443	(102)
Public Health	5,360	1,389	(3,971)
Net Committee (under)/overspend	**522,949**	**511,582**	**(11,367)**
Central items	(23,489)	(29,652)	(6,163)
Contribution to Schools Expenditure	621	621	-
Contribution to/(from) Traders	155	(31)	(186)
Forecast prior to use of reserves	**500,236**	**482,520**	**(17,716)**
Transfer to / (from) Corporate Reserves	(11,847)	(7,724)	4,123
Transfer to / (from) Departmental Reserves	(5,752)	412	6,164
Transfer to / (from) General Fund	(3,741)	3,688	7,429
Net County Council Budget Requirement	**478,896**	**478,896**	**-**

4. Net Committee Spend

The overall net underspend within the Committees is £11.4m and the principal reasons for the variations are detailed below.

4.1 Children & Young People (£3.4m overspend, 2.6% of Committee budget)

The Children's Social Care Division has overspent by £2.7m. This net position includes overspends of £2.6m on Provider Services (Looked after Children placements), £0.3m on staffing in social work and safeguarding teams, £0.1m on transport and £0.2m on various other budgets across the Division. These variances have been offset by a £0.3m underspend on non LAC placements and a £0.2m underspend on the Children with disabilities homes budget.

The final outturn for Education Standards and Inclusion Division is a net overspend of £1.7m. Within this, there is an overspend of £2.0m on Special Education Needs and Disability (SEND) home to school transport where demand has exceeded the budget. This has been partly offset by a £0.2m underspend on the Virtual School, with expenditure being charged to the Pupil Premium Looked after Children grant, together with a £0.1m over-achievement of sold service income.

A net underspend of £0.6m has been delivered in the Youth, Families and Culture Division. This is due to a £0.4m underspend across the Family Service and Youth Justice budgets,

arising primarily from savings within employee costs and activities and support budgets, together with a £0.2m underspend in the Integrated Children's Disability Service.

There is also an underspend of £0.4m in Business Support which relates to savings associated with holding vacancies in anticipation of future years' budget savings.

4.2 Adult Social Care and Health (£7.7m underspend, 3.6% of Committee budget)

The Strategic Commissioning, Access and Safeguarding Division has underspent by £0.8m which is mainly due to a £0.4m underspend due to the new Advocacy contract let in October, a £0.3m underspend on Learning Disability Commissioning and a £0.5m underspend on the ICELS pooled budget. This has been partially offset by a £0.4m overspend due to an investigation into an external provider and Direct Payment Support Service (DPSS) transfer fees.

A net underspend of £1.9m has been achieved in the North and Direct Services budgets. This is mainly due to a £0.7m underspend on Day Services and Employment Services, primarily on staffing, a £0.2m underspend on Care and Support Centres and a £0.3m underspend on the Short Breaks units, primarily on staffing. In addition there is a £0.7m underspend on Bassetlaw Care Packages due to an underspending on Younger Adults, partially offset by an overspend in Older Adults.

The Mid and South Nottinghamshire Divisions have underspent by £5.0m which is mainly due to an underspend of £3.1m on Older Adults Care Packages, together with an underspend of £1.7m on Younger Adults Care Packages. This underspend has increased by £1.4m since Period 11 as a result of further reductions to Older Adult commitments and increased Continuing Healthcare income.

4.3 Transport & Highways (£0.6m underspend, 1.0% of Committee budget)

The net underspend above is made up of a £0.6m underspend in the Transport Division due to the reduction of concessionary fare payments, through reduced patronage, beneficial contractor agreements and changes in eligibility criteria.

4.4 Environment and Sustainability (£0.3m underspend, 0.8% of Committee budget)

The net underspend is due to a £0.5m underspend on non-PFI contract costs, due to trade waste income and energy rebates, partially offset by a £0.1m shortfall in planning fee income and a £0.1m revenue contribution to capital expenditure on the Eastcroft Plant.

4.5 Community Safety (£0.1m overspend, 3.2% of Committee budget)

The Committee overspend is due to a small variance on the Coroners Service.

4.6 Culture (£0.3m underspend, 1.9% of Committee budget)

The net underspend of £0.3m is due mainly to commercial activity during the year in Country Parks, together with the vigilant use of the temporary transition budget during the first year of the Inspire contract.

4.7 Policy (£1.0m underspend, 4.4% of Committee budget)

This net underspend is due mainly to reduced insurance costs and increased income in Democratic Services, together with reduced external legal fees, vacancy savings in the Business Support Centre and a reduced use of agency staff in the Programmes and Projects Team. £0.3m relates to a payment which was anticipated in the 2015/16 accounts and which has now been confirmed as not outstanding. The above underspends are offset by some of the costs associated with the May 2017 local elections which would have previously been funded by contingency.

4.8 Finance and Property (£0.5m underspend, 1.7% of Committee budget)

The County Offices and Facilities Management Division underspent by £0.2m due mainly to reduced utility charges and reduced business rates payable on County Offices premises. A net underspend of £0.1m has been achieved in Property due to an underspend on planning consultancy and the Finance and Procurement Division has delivered further underspends of £0.2m due to staff vacancies.

4.9 Personnel (£0.5m underspend, 4.8% of Committee budget)

The underspend is due mainly to staff vacancies and a reduction in running costs, together with a reduction in training fees due to lower than expected in-year training requests.

4.10 Economic Development (£0.1m underspend, 6.6% of Committee budget)

The underspend of £0.1m has occurred due to the contract surplus for the Innovation Centre.

4.11 Public Health (£4.0m underspend, transferred in full to the Public Health Reserve)

Expenditure in this area is met in full by a government grant, with underspends transferred to an earmarked reserve for use in subsequent years. The underspend increased by £1.9m since Period 11 and is mainly due to slippage in activity against the Health Check Programme, together with an underspend against the Smoking and Tobacco Programme and the Public Health Directorate. In addition the service has been able to secure further section 256 funding towards a number of public health programmes.

5 Carry Forwards

In previous years the Council has considered requests to allow planned savings to be carried forward into the following financial year to support Committee priorities. This approach has been suspended since 2014/15 due to the financial pressures that the authority faces in forthcoming years.

6 Central Items (£6.2m underspend)

Central Items primarily consists of interest on cash balances and payments on borrowing, contingency, capital charges and various grants. Key variances are outlined below.

6.1 Contingency (£5.2m underspend) (for detail please refer to Appendix C)

The total 2016/17 contingency budget was originally set at £5.8m to cover both redundancy and general contingency requirements. Further adjustments increased this by £2.5m during 2016/17. Requests are received throughout the year from Committees and are approved through the budget monitoring reports presented to Finance and Property Committee or by the Section 151 Officer.

6.2 Government Grants (£3.6m underspend)

Several non-ring fenced grants sit centrally, but values are not normally confirmed until after the budget is set in the February of each year, which results in year end variances to budget. Overall these grants have resulted in a £1.6m underspend.

As previously reported the Council's membership of the Nottinghamshire Business Rates Pool results in a proportion of local growth being retained by the Council. In 2016/17 there is a £1.4m pool contribution to the N2 reserve as agreed and reported at Economic Prosperity Committee. There is also a £0.6m contribution which is the Authority's share of the 2016/17 pool surplus.

6.3 Statutory Provision for Debt Redemption (£3.1m overspend)

The Council is under a statutory duty "to determine for the current financial year an amount of MRP which it considers to be prudent". The Minimum Revenue Provision (MRP) charged to the General Fund in 2016/17 has been determined at £3.1m.

7 Movements on Balances and Reserves (for detail please refer to Appendix B)

7.1 General Fund Balances

The Council meeting on 25 February 2016 approved the use of £3.7m of General Fund Balances. Given the underspend that has been achieved, it is recommended that a contribution of £3.7m is made to the General Fund. Subject to Council approval, the closing balance of the Council's General Fund will increase from £24.0m to £27.7m.

7.2 Other Earmarked Reserves

At the end of 2016/17 other 'earmarked' reserves totalled £111.7m, a decrease of £10.0m since 31 March 2016. This consists of the following:

- **PFI Reserves**

£29.5m of reserves are held for PFI schemes and this equates to 26.4% of other earmarked reserves. The arrangements for calculating PFI grant result in more grant being received in the early years of a PFI scheme than is needed to meet the payments to providers of the service. These surpluses need to be kept in an earmarked reserve to cover the corresponding deficits in later years. The amounts set aside at the end of 2016/17 are shown in the table below.

Table 2 – PFI set aside as at 31/03/2017

PFI Scheme	£'000
East Leake Schools	3,241
Bassetlaw Schools	569
Waste	25,651
Total	**29,461**

- **Insurance Reserve**

The Authority operates a self-insurance scheme and covers risks up to an agreed amount. External insurers cover risks in excess of this figure. The Insurance Reserve is set aside to cover possible insurance claims losses that are not yet known. The closing balance of this reserve is £16.3m.

- **Capital Projects Reserve**

The Capital Projects Reserve supports the Medium Term Financial Strategy as well as current and future capital commitments. In 2016/17 there was a net contribution to the reserve of £1.5m. As at 31 March 2017, the balance on the Capital Projects Reserve is £13.6m.

- **Strategic Development Fund**

It was approved that the Strategic Development Fund (SDF) reserve would be brought together with the Improvement Programme reserve (Finance and Property Committee, June 2016) to fund on-going transformational costs. In 2016/17, £3.0m was drawn down to fund

costs associated with the Programmes and Projects team in addition to specific transformational projects. In 2017/18 and 2018/19, it has been agreed that costs associated with the Programme and Projects team are funded from the capital receipts flexibility directive.

- **Redundancy Reserve**

  The Redundancy Reserve was created in 2009/10 and, since then, a proportion of year end underspends, combined with the release of the former Corporate Pay Review Reserve have increased the reserve value resulting in an opening balance of £5.0m. As reported in the 20th March 2017 Finance and Property report any underspending on the amount set aside from contingency for redundancy in year would be transferred into this reserve. A contribution of £1.2m has therefore been made to this reserve.

- **Earmarked for Services Reserves**

  All departments have reserves for identified purposes. In addition, Financial Reporting Standards require grant income to be carried on the Balance Sheet as a reserve balance. This includes Public Health and Section 256 grants. During the year, these departmental balances decreased by a net £8.1m to £41.6m.

- **NDR Pool Reserve**

  The pool was established in April 2013 when a new funding mechanism was introduced with the seven District and Borough Councils. There was a net increase of £0.7m in 2016/17. Of the £6.0m year-end balance £1.7m is the County's share of the pool surplus, the remaining balance (£4.3m) is the money set aside for the pool.

- **Earmarked Reserve**

  Earmarked reserves contain balances of reserves previously held under services but have been deemed no longer required for their original purpose. As part of the reserves strategy a budget of £7.3m was set. One-off income and write-offs during the year has reduced the call on this budget so only £6.6m was used in 2016/17. Following an exercise in the summer additional earmarked for services reserves have transferred in to leave the balance at £9.6m.

8 Capital Expenditure

8.1 Capital Expenditure in 2016/17 totalled £74.931m. Table 3 shows the final 2016/17 Capital Programme broken down by Committee.

Table 3 – 2016/17 Capital Expenditure

Committee	Original Budget £'000	Revised Budget £'000	Total Outturn £'000	Variance £'000
Children & Young People	39,465	25,711	19,687	(6,024)
Adult Social Care & Health	7,060	4,011	2,732	(1,279)
Transport & Highways	36,030	39,496	35,200	(4,296)
Environment & Sustainability	2,745	2,724	2,934	210
Community Safety	100	100	-	(100)
Culture	4,912	975	309	(666)
Policy	244	255	240	(15)
Finance & Property	14,948	11,235	9,214	(2,021)
Personnel	70	252	225	(27)
Economic Development	4,731	4,425	4,390	(35)
Contingency	2,000	-	-	-
Total	**112,305**	**89,184**	**74,931**	**(14,253)**

Note: These figures exclude any expenditure incurred directly by schools.

The major areas of investment in 2016/17 are listed in Table 4 below.

Table 4 – Major investment areas 2016/17

Committee	Scheme	2016/17 Capital Expenditure £'000
Children & Young People	School Places Progamme	14,505
	School Capital Refurbishment Programme	2,977
	Clayfields House	1,429
Transport & Highways	Road Maintenance & Renewals	14,029
	Integrated Transport Measures	3,382
	Hucknall Town Centre Improvement Scheme	6,621
	Street Lighting	2,707
	Rolls Royce Development	3,245
	A57 Roundabout	2,244
Adult Social Care & Health	Living at Home	2,236
Finance & Property	Various IT Capital Projects	2,805
Economic Development	Superfast Broadband	3,529

Capital Programme Variations

8.2 The changes in the gross Capital Programme for 2016/17, since its approval at Council (25/02/16) are summarised in Table 5 below.

Table 5 2016/17 Capital Programme

	£'000
Approved per Council (Budget Report 2016/17)	112,305
Variations funded from County Council Allocations : Net slippage from 2015/16 and financing adjustments	(23,574)
Variations funded from other sources : Net slippage from 2015/16 and financing adjustments	453
Revised Gross Capital Programme	**89,184**

8.3 Maximising the use of grants in 2016/17

Sometimes when there is slippage on a scheme funded by grant, rather than slipping the grant funding for use in the next year, it is possible to use the grant to finance the expenditure on a different scheme in the current year. This does not affect the total expenditure on individual schemes, nor their phasing, but delays the use of prudential borrowing and the consequent impact on the revenue budget of having to set aside a minimum revenue provision (MRP).

Grant funding unapplied totalling £14.8m has been used to fund capital expenditure on projects in 2016/17 that would otherwise have been funded from borrowing.

8.4 Slippage/re-phasing of Capital Schemes

In addition to the slippage and re-phasing of schemes incorporated into the Budget Report 2016/17 there has been £14.3m further slippage.

Main Areas of Slippage

- Schools Capital Refurbishment Programme (£1.8m)
- School Places Programme (£3.5m)
- Integrated Transport Measures (£1.4m)
- Harworth Access Link (£0.8m)

The main reasons for slippage on the Schools Capital Programme are:-

- Schools are increasingly at capacity with no decant space resulting in works being re-scheduled to minimise disruption.
- Maintenance of a strong position on standardised specifications and design solutions to generate funds to support the future School Places programme.

The main reasons for slippage on the Transport and Highways Capital Programme are:-

- External funding used to fund the Harworth Access Link capital project has been re-profiled into 2017/18.
- Unforeseen railway works have delayed a capital project funded from within the Roads Maintenance and renewals programme which will now be delivered in 2017/18..
- The nature of consultation involved in a number of projects within the Integrated Transport Measured Programme has resulted in funding being re-profiled into 2017/18.

Despite slippage on both the Schools Capital Programme and the Transport and Highways Capital Programme it is still expected that the programmes will be delivered as agreed and within approved budgets.

Capital Financing

8.5 Table 6 below outlines how the 2016/17 capital expenditure has been financed.

Table 6 - 2016/17 Capital Financing

	Original Budget £'000	Revised Budget £'000	Total Outturn £'000	Variance £'000
Funding Source:				
Prudential Borrowing	54,723	31,149	8,964	(22,185)
Capital Grants	56,877	55,560	62,575	7,015
Revenue / Reserves	705	2,475	3,392	917
Gross Capital	**112,305**	**89,184**	**74,931**	**(14,253)**

8.6 Capital receipts for 2016/17 totalled £4.3m, which is £10.8m less than anticipated in the 2016/17 budget report. This is mainly as a result of a small number of high value capital receipts that were not completed in 2016/17. The capital receipts have been set against the principal of borrowing in previous years. Analysis has determined that this application of funding sources is optimum in terms of reducing the impact of the Capital Programme on the revenue account.

8.7 Total borrowing for the year is £9.0m, which is £22.1m less than the revised borrowing for 2016/17 of £31.1m. This is primarily as a result of the slippage/re-phasing of capital expenditure to be funded from prudential borrowing. The corresponding funding (capital allocations) will be carried forward and incorporated into the Capital Programme for 2016/17.

8.8 The Capital Programme for 2017/18 will be monitored to ensure that borrowing for 2017/18 is managed within the prudential limits for the year. Funding by borrowing in 2017/18 is now projected to be £80.1m. Although this is £23.2m more than the budgeted borrowing

figure in the Budget Report 2017/18, any new capital expenditure slippage in 2017/18 will offset this and the Council's overall level of indebtedness is not expected to exceed previous forecasts. The size of the revised Capital Programme for 2017/18 is £123.1m.

9 Treasury Management Activities

9.1 All treasury management activities during 2016/17 were carried out within approved limits and adhered to approved policies and practices. Appendix E provides a full report on these activities.

10 Minimum Revenue Provision

10.1 Approval for an amendment to the Council's Minimum Revenue Provision (MRP) Statement is sought. Appendix F provides details of the proposed change to the MRP policy.

11 Statement of Accounts

The pre-audited Statement of Accounts will be certified by the S151 Officer before 30th June to meet the statutory requirements, and be published on the Council's website. The external audit will take place over the summer months and therefore figures will be provisional, pending the completion of the audit.

Statutory and Policy Implications

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.

RECOMMENDATIONS

1. To note the provisional 2016/17 year end revenue position.
2. To approve the level of County Fund Balances as set out in section 7.1 and Appendix A.
3. To note the movements in reserves as detailed in section 7 and Appendix B.
4. To note the Capital Programme and it's financing.
5. To note that the Council's Prudential Indicators were not breached in 2016/17 as detailed in Appendix D.
6. To note the Treasury Management outturn report in Appendix E.
7. To approve the revised MRP Policy for 2016/17 and 2017/18 as set out in Appendix F.

Councillor Richard Jackson
Chairman of Finance and Major Contracts Management Committee

For any enquiries about this report please contact:
Keith Palframan – Group Manager, Financial Strategy & Compliance

Constitutional Comments (KK 03/07/2017)
The proposals in this report are within the remit of Full Council

Financial Comments (GB 03/07/2017)
The financial implications are set out in the report.

Background Papers
None

Electoral Division(s) and Member(s) Affected
All

MANAGEMENT ACCOUNTS SUMMARY 2016/17

Committee	2016/17 Final Budget £'000	2016/17 Draft Out-turn £'000	Variance £'000
Children & Young People	129,985	133,412	3,427
Adult Social Care & Health	214,095	206,423	(7,672)
Transport & Highways	59,495	58,916	(579)
Environment & Sustainability	32,547	32,283	(264)
Community Safety	3,096	3,196	100
Culture	13,204	12,947	(257)
Policy	23,219	22,202	(1,017)
Finance & Property	29,253	28,757	(496)
Personnel	11,150	10,614	(536)
Economic Development	1,545	1,443	(102)
Public Health	5,360	1,389	(3,971)
Net Committee Total	**522,949**	**511,582**	**(11,367)**
Schools Budget (after Dedicated Schools Grant)	621	621	-
Net Schools total	**621**	**621**	**-**
Trading Services	155	(31)	(186)
Central Items Managed through Finance & Property Committee			
Capital Charges included in Committees	(40,835)	(40,835)	-
Statutory Provision for Debt Redemption	-	3,100	3,100
Interest	18,865	19,031	166
Contingency	5,235	-	(5,235)
Flood Defence Levies	276	276	-
Pension Enhancements	2,205	2,220	15
Write Offs	-	(318)	(318)
New Homes Bonus	(3,544)	(3,774)	(230)
Education Services Grant	(6,480)	(6,301)	179
Transition Grant	(1,980)	(1,980)	-
Other Government Grants	-	(1,590)	(1,590)
Trading Organisations	1,500	1,219	(281)
Business Rate returned growth to Partners	1,269	1,269	-
Additional Business Rate Growth Due to Pooling	-	(2,059)	(2,059)
Single Status Costs	-	279	279
Miscellaneous	-	(189)	(189)
Central Items	**(23,489)**	**(29,652)**	**(6,163)**
Expenditure before Use of Reserves	**500,236**	**482,520**	**(17,716)**

Reserves and Balances

Transfer to /(from) Corporate Reserves

PFI Reserves:			
East Leake PFI	4	10	6
Bassetlaw PFI	53	1	(52)
Waste PFI	110	87	(23)
Strategic Development Fund	(3,487)	(3,160)	327
Pay Review	-	(250)	(250)
Earmarked Underspendings	(7,258)	(6,607)	651
Historic Abuse Enquiry	-	341	341
Corporate Redundancy	-	1,182	1,182
Additional Business Rate Growth Due to Pooling	-	2,059	2,059
Business Rate returned growth to Partners	(1,269)	(1,269)	-
Pensions (Surplus) / Deficit Contribution	-	(118)	(118)
Net transfer to /(from) Corporate Reserves	**(11,847)**	**(7,724)**	**4,123**
Transfer to /(from) Departmental Reserves			
Children & Young People	(52)	(52)	-
Adult Social Care & Health	(136)	842	978
Transport & Highways	143	355	212
Environment & Sustainability	(1,221)	(1,318)	(97)
Community Safety	(49)	(35)	14
Culture	(239)	(191)	48
Policy	154	304	150
Finance & Property	1,595	1,948	353
Personnel	-	-	-
Economic Development	(432)	(208)	224
Public Health	(5,360)	(1,389)	3,971
Traders Reserves	(155)	156	311
Net transfer to /(from) Departmental Reserves	**(5,752)**	**412**	**6,164**
Transfer to/(from) General Fund	**(3,741)**	**3,688**	**7,429**
Funding Required	**478,896**	**478,896**	**-**
Funding			
Council Tax/Surplus on Collection	314,700	314,700	-
Revenue Support Grant/Business Rates	164,196	164,196	-
Total Funding	**478,896**	**478,896**	**-**

SUMMARY OF REVENUE RESERVES

	Brought Forward 01/04/2016	Use (-) in 2016/17	Contribution (+) 2016/17	Transfers 2016/17	Carry Forward 31/03/2017
	£'000	£'000	£'000	£'000	£'000
General Fund Balances	**24,017**	**-**	**3,688**	**-**	**27,705**
Schools Reserves	**34,380**	**(8,559)**	**215**	**-**	**26,036**
Insurance Reserves	**11,884**	**-**	**4,401**	**-**	**16,285**
Other Earmarked Reserves					
Corporate Reserves					
Earmarked Reserves	9,665	(6,608)	-	6,559	9,616
Capital Projects	12,088	(1,385)	2,445	460	13,608
NDR Pool Reserve	5,312	(1,368)	2,059	-	6,003
East Leake PFI	3,213	-	28	-	3,241
Bassetlaw Schools PFI	304	-	265	-	569
Waste PFI	27,773	(2,209)	87	-	25,651
Corporate Pay Review	710	(250)	-	(460)	-
Surplus Pension Contributions Reserve	302	(118)	-	-	184
Corporate Redundancy Reserve	5,053	-	1,182	-	6,235
Historic Abuse Enquiry Reserve	-	-	341	-	341
Strategic Development Fund	7,652	(3,160)	-	200	4,692
Earmarked for Services Reserves					
Trading Activities	3,631	(1,880)	1,310	(475)	2,586
Earmarked for Services Reserves	14,525	(1,965)	1,612	(6,284)	7,888
Revenue Grants	14,664	(4,174)	5,462	(8)	15,944
Section 256 Grants	16,824	(2,240)	552	8	15,144
Subtotal Other Earmarked Reserves	**121,716**	**(25,357)**	**15,343**	**-**	**111,702**
Total Usable Revenue Reserves	**191,997**	**(33,916)**	**23,647**	**-**	**181,728**

EARMARKED FOR SERVICES RESERVES DETAIL

	Brought Forward 01/04/2016	Use (-) in 2016/17	Contribution (+) 2016/17	Transfers 2016/17	Carry Forward 31/03/2017
	£'000	£'000	£'000	£'000	£'000
Adult Social Care and Health & Public Protection					
Trading Activities	-	-	-	-	-
Earmarked for Services Reserves	10,502	(408)	-	(5,795)	4,299
Revenue Grants	2,685	(85)	2,292	-	4,892
Section 256 Grants	13,849	(1,467)	459	-	12,841
Children, Families & Cultural Services					
Trading Activities	644	(330)	56	(102)	268
Earmarked for Services Reserves	125	(199)	-	274	200
Revenue Grants	4,494	(1,700)	496	-	3,290
Section 256 Grants	550	-	-	-	550
Place					
Trading Activities	2,841	(1,462)	1,254	(315)	2,318
Earmarked for Services Reserves	3,479	(1,338)	986	(645)	2,482
Revenue Grants	1,467	(133)	493	-	1,827
Section 256 Grants	-	-	-	-	-
Resources					
Trading Activities	146	(88)	-	(58)	-
Earmarked for Services Reserves	419	(20)	626	(118)	907
Revenue Grants	6	(6)	-	-	-
Section 256 Grants	-	-	-	-	-
Public Health					
Trading Activities	-	-	-	-	-
Earmarked for Services Reserves	-	-	-	-	-
Revenue Grants	6,012	(2,250)	2,181	(8)	5,935
Section 256 Grants	2,425	(773)	93	8	1,753
Total Earmarked For Services Reserves	**49,644**	**(10,259)**	**8,936**	**(6,759)**	**41,562**

ALLOCATIONS FROM CONTINGENCY

	2016/17	
	£000	£000
Opening Contingency Budget		5,820
Add on departmental transfers:		
ASCH Ctte- Base Budget	2,050	
Finance & Property & Policy Ctte - inc recharge to Pension Fund	477	2,527
Revised contingency Total		**8,347**
Approved contingency requests		
Healthwatch	(50)	
Social Work Support Officer	(300)	
Historic Abuse Claims team	(415)	
Sexual Abuse Groups	(50)	
Tree Diseases	(500)	
Highways Pay Award	(40)	
D2N2	(63)	
Insurance costs related to Historic Abuse	(400)	
Redundancy / Strain Costs - Various Cttes	(1,295)	
Total Approved contingency requests		**(3,113)**
Reported under/ (over) spend on contingency		**5,235**

REPORT OF THE SERVICE DIRECTOR – FINANCE, PROCUREMENT & IMPROVEMENT

MONITORING OF 2016/17 PRUDENTIAL INDICATORS

To provide an update the County Council's current position in terms of capital expenditure, external debt, financing costs as a percentage of net revenue stream and the capital financing requirement relative to the Prudential Code indicators identified in the 2016/17 budget report.

Background

The Prudential Code for Capital Finance in Local Authorities was developed by CIPFA as a professional code of practice to support local authorities in determining their programmes for capital investment. Local authorities are required by regulation to have regard to the Prudential Code under Part 1 of the Local Government Act 2003. Individual local authorities are responsible for deciding the level of their affordable borrowing, having regard to the Prudential Code. The Executive Summary of the Code states that "The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice."

In particular, the Prudential Code requires the Council to be aware of the impact of financing capital expenditure on its overall revenue expenditure position. The costs of financing additional capital expenditure are the interest payable to external lenders and the amounts set aside to reduce the level of borrowing. In deciding whether or not borrowing is affordable, prudent and sustainable, the most important consideration is whether, over the term of the borrowing, these costs can be met from the revenue budget without unacceptable consequences.

Prudential Indicators

Monitoring Requirements

Under the Prudential Code, an authority is required to establish indicators that are sufficiently robust and credible for it to be able to use them to form a judgement as to whether its proposed capital investment is affordable, prudent and sustainable. The Prudential Code requires that the prudential indicators are monitored regularly throughout the year and that the actual values of some of them are reported at year end.

This report is concerned only with prudential indicators relating to capital investment. indicators.

Overview of Prudential Indicators

The following prudential indicators, whose actual values must be reported at year end, relate to affordability and prudence.

Estimate of capital expenditure
In any year, the level of capital expenditure is likely to deviate from the estimate in the budget report as a result of new additions to the Capital Programme, cancellations of schemes, and slippage, acceleration and changing specifications of projects. The Capital Programme is monitored on a monthly basis and variations to the Capital Programme are reported to Finance and Property Committee on a regular basis.

Estimate of the capital financing requirement (CFR)
The capital financing requirement is a measure of the Authority's underlying need to borrow for capital purposes. This relates to capital expenditure which has not yet been financed by capital receipts, capital grants or contributions from revenue income. This is not the same as external debt since the Authority manages its position in terms of borrowings and investments in accordance with its integrated treasury management strategy and practices. For example, rather than borrowing from an external body, the Authority may judge it prudent to make use of cash that it has already invested for long-term purposes, such as reserves, for 'internal borrowing'. This means that there is no immediate link between the need to borrow to pay for capital spending and the level of external borrowing.

In order to ensure that, over the medium term, net borrowing will only be for a capital purpose, the local authority should ensure that net debt does not, except in the short term, exceed the total of the capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

External debt
External debt includes gross borrowing and other long-term liabilities.

Operational boundary for external debt
The operational boundary is the estimated maximum level of external debt in the most likely (i.e. prudent, but not worst-case) scenario. The operational boundary is a key management tool for in-year monitoring. It will probably not be significant if the external debt temporarily breaches the operational boundary on occasions due to variations in cash flow. However, a sustained or regular trend above the operational boundary would be significant and would require investigation and possible action (e.g. to ensure that borrowing, other than temporary borrowing, is not undertaken for purposes other than funding approved capital expenditure).

Authorised limit for external debt
The authorised limit is the intended absolute limit for external debt and exceeds the operational boundary by an amount that provides sufficient headroom for events such as unusual cash movements. If it appears that the authorised limit might be breached, the Service Director – Finance and Procurement has a duty to report this to the County Council for appropriate action to be taken.

Financing costs as a percentage of net revenue stream
The Prudential Code requires the Council to be aware of the impact of financing capital expenditure on its overall revenue expenditure position. The relevant indicator is the financing costs of capital expenditure expressed as a percentage of the net revenue stream, where:

- the costs of financing capital expenditure are interest payable to external lenders less interest earned on investments plus amounts set aside to reduce the level of borrowing; and
- the net revenue stream is the amount of the revenue budget to be met from government grants and local taxpayers.

Prudential Indicators: Monitoring against 2016/17 Budget

The following table shows monitoring against those indicators that were approved for 2016/17 in the Budget Report to Council in February 2016.

<table>
<tr><th>Indicator</th><th>Comments</th></tr>
<tr><td>Estimated capital expenditure
(excluding Schools Devolved Formula Capital and schools' capital expenditure funded from their own revenue budget)

2016/17 Budget: £112.305m
2016/17 Actual: £74.931m</td><td>Current capital programme is £37.374m less than anticipated, as explained in the table:

<table><tr><th>Reason</th><th>£m</th></tr><tr><td>Slippage from 2015/16 to 2016/17</td><td>20.838</td></tr><tr><td>Re-phasing/slippage approved in-year</td><td>(43,959)</td></tr><tr><td>Other net variations</td><td>(14,253)</td></tr><tr><td>TOTAL</td><td>(37.374)</td></tr></table></td></tr>
<tr><td>Estimated capital financing requirement
(taking into account PFI Finance Lease Liabilities)

2016/17 Budget: £778m

2016/17 Actual: £717m</td><td>The actual level of the capital financing requirement was £61m less than the indicator, as explained in the table:

<table><tr><th>Reason</th><th>£m</th></tr><tr><td>Borrowing below budgeted level in 2015/16 (primarily due to slippage of expenditure funded by borrowing)</td><td>(23)</td></tr><tr><td>MRP repayments and voluntary contributions in 2016/17 (from capital receipts, revenue and reserves) lower than forecast</td><td>8</td></tr><tr><td>Borrowing below budgeted level in 2016/17 (primarily due to slippage of expenditure funded by borrowing)</td><td>(46)</td></tr><tr><td>TOTAL</td><td>(61)</td></tr></table></td></tr>
<tr><td>External debt
(incl. PFI Finance Lease Liabilities)

Authorised limit for borrowing: £527m
Authorised limit for other long-term liabilities: £125m
Authorised limit for external debt: £652m

Operational boundary for borrowing: £502m
Operational boundary for other long-term liabilities: £125m
Operational boundary for external debt: £627m

Actual borrowing: £447m
Actual other long-term liabilities: £125m
Total actual debt at 31/03/17: £572m</td><td>The actual level of external debt was below both the authorised limit of £612m and the operational boundary of £587m throughout 2016/17.</td></tr>
</table>

Indicator	Comments
Financing costs as a percentage of net revenue stream (incl. impact of PFI Finance Lease Liabilities) 2016/17 Budget: 9.3% 2016/17 Actual: 8.0%	The total of actual financing costs as a percentage of net revenue stream was below the budgeted figure as a result of lower than expected capital receipts income in 2016/17. Also, the net revenue stream was higher than forecast mainly because capital grants and contributions were above estimates.

Summary

The Prudential Code indicators will continue to be monitored and reported against budgeted figures.

REPORT OF THE SERVICE DIRECTOR – FINANCE, PROCUREMENT AND IMPROVEMENT

TREASURY MANAGEMENT OUTTURN REPORT 2016/17

1. Purpose

To provide a review of the Council's treasury management activities for the year to 31 March 2017.

Information and Advice

2. Background

2.1 Treasury management is defined as "the management of the council's investments and cashflows; its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks".

2.2 The Council's Treasury Management Strategy is approved annually by Full Council and there is also a mid-year report which goes to Full Council. Responsibility for the implementation, scrutiny and monitoring of treasury management policies and practices is delegated to the *Treasury Management Group*, comprising the Service Director (Finance, Procurement &Improvement), the Group Manager (Financial Strategy & Compliance), the Senior Accountant (Pensions & Treasury Management) and the Senior Accountant (Financial Strategy & Accounting).

2.3 In 2016/17, borrowing and investment activities have been in accordance with the approved limits as set out in the Council's Treasury Management Policy and Strategy. The main points from this report are:

- All treasury management activities were effected by authorised officers within the limits agreed by the Council.
- All investments were made to counterparties on the Council's approved lending list.
- The Council's net borrowing position decreased by £1m in 2016/17.
- Over the course of the financial year the Council earned 0.57% on its cash investments, compared with the average 7-day London Interbank BID (LIBID) rate for 2016/17 which was 0.20%.
- Reports have been submitted to Council and the Finance & Property Committee as required.

3. Outturn Treasury Position

3.1 The Council's treasury management strategy and associated policies and practices for 2016/17 were approved in February 2016 by Full Council. The Service Director (Finance, Procurement & Improvement) complied with the strategy throughout the financial year. The Council's treasury portfolio position at 31 March 2017 is shown in Table 1 below.

Table 1. Treasury Position as at 31 March 2017		£m	£m	Average Interest Rate
EXTERNAL BORROWING				
Long-term				
Fixed Rate	PWLB	331.2		4.79%
	LOBOs	70.0		3.87%
	Other	35.0	436.2	3.55%
Short-term				
Fixed Rate	Other	0.0	0.0	
Total			**436.2**	4.54%
Other Long-Term Liabilities			**125.1**	
Total Gross Debt			**561.3**	
Less: Investments			(81.0)	0.45%
Total Net Debt			**480.3**	

Notes: PWLB = Public Works Loans Board
LOBOs = Lenders' Option, Borrowers' Option loans
Other = market loans taken directly from banks or via brokers

4. Treasury Management Activities 2016/17

4.1 The Council actively manages its cash flows through borrowing and lending activities on the wholesale money markets. The Council has an approved list of counterparties for investment and aims to achieve the optimum return on investments commensurate with the proper levels of security and liquidity. Temporary borrowing may be utilized to cover short-term cash shortfalls, but no such borrowing was undertaken during 2016/17. All new borrowing was sourced from the PWLB.

4.2 The Council's temporary (for periods less than 365 days) borrowing and lending activity over the year is summarised in Table 2 below. In addition, there is a total of £4.5m invested for periods of up to 5 years as part of the Council's commitment to the Local Authority Mortgage Scheme (LAMS).

Table 2 Temporary Borrowing and Lending	Borrowing £m	Lending £m	Net Position £m
Outstanding 31 March 2016	0.0	(97.7)	(97.7)
Raised/ (lent) during period	0.0	(872.7)	(872.7)
Repayments during period	0.0	893.9	893.9
Outstanding 31 March 2017	0.0	(76.5)	(76.5)

4.3 The Council's average investment level over 2016/17 was £109.2m (this figure includes the LAMS investments). The return achieved on this balance over the course of the year was 0.57% against a benchmark of 0.20% (7-day LIBID).

Investment rates available in the market remain at historic lows as a result of central bank policies.

4.4 Table 3 shows the returns achieved by type of deposit. The table shows that the use of fixed term investments does allow a higher return (21 basis points) to be achieved but this must always be weighed against the key concerns of security and liquidity. Cash tied up for longer periods is more exposed to credit risk but this is managed through a robust policy for approved counterparties.

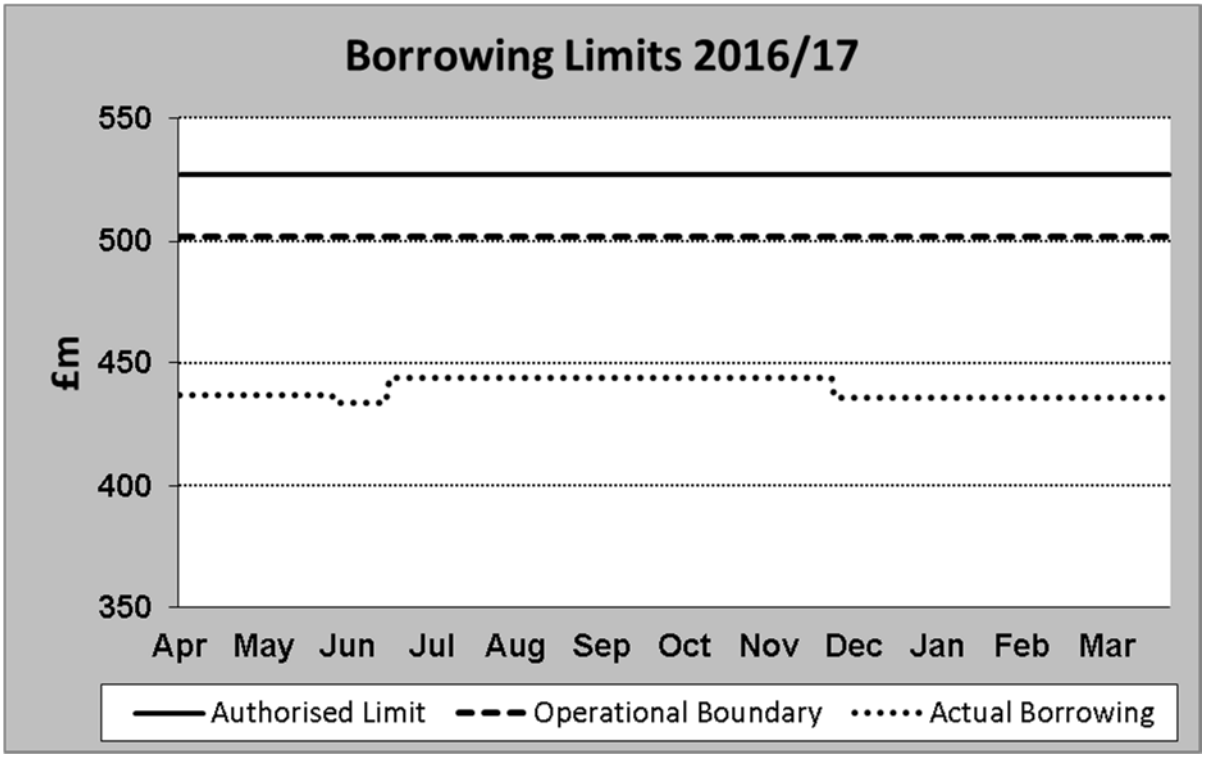
Table 3 **Returns on Investments**	**Average Balance £m**	**Interest Earned £k**	**Average Return %**
Fixed Term Investments < 366 days	46.2	278	0.60
Fixed Term Investments > 365 days	4.5	116	2.59
Call Accounts / Money Market Funds	58.5	226	0.39
Total	**109.2**	**620**	**0.57**

5. Long Term Borrowing

5.1 The Treasury Management Strategy for 2016/17 presented to Council in February 2016 outlined the Council's long term borrowing strategy for the year. Long-term borrowing is sourced from either the market (including other local authorities) or from the PWLB.

5.2 The Council's treasury management strategy for 2016/17 assumed £52m of new long-term borrowing. Due to favourable cashflow circumstances (either capital slippage or lower than forecast use of reserves) actual new long-term borrowing was only £10m, taken at a rate of 2.80%, and a length of just over 33 years.

5.3 Total external borrowing stood at £436.2m on the 31 March 2017 which is within the operational boundary of £502m agreed by the Council. Chart 3 below shows that the level of external debt throughout the year was below the key treasury indicators of the authorised limit and the operational boundary, demonstrating that borrowing was within plan during the year. Further details on these treasury prudential indicators are provided in Appendix D.

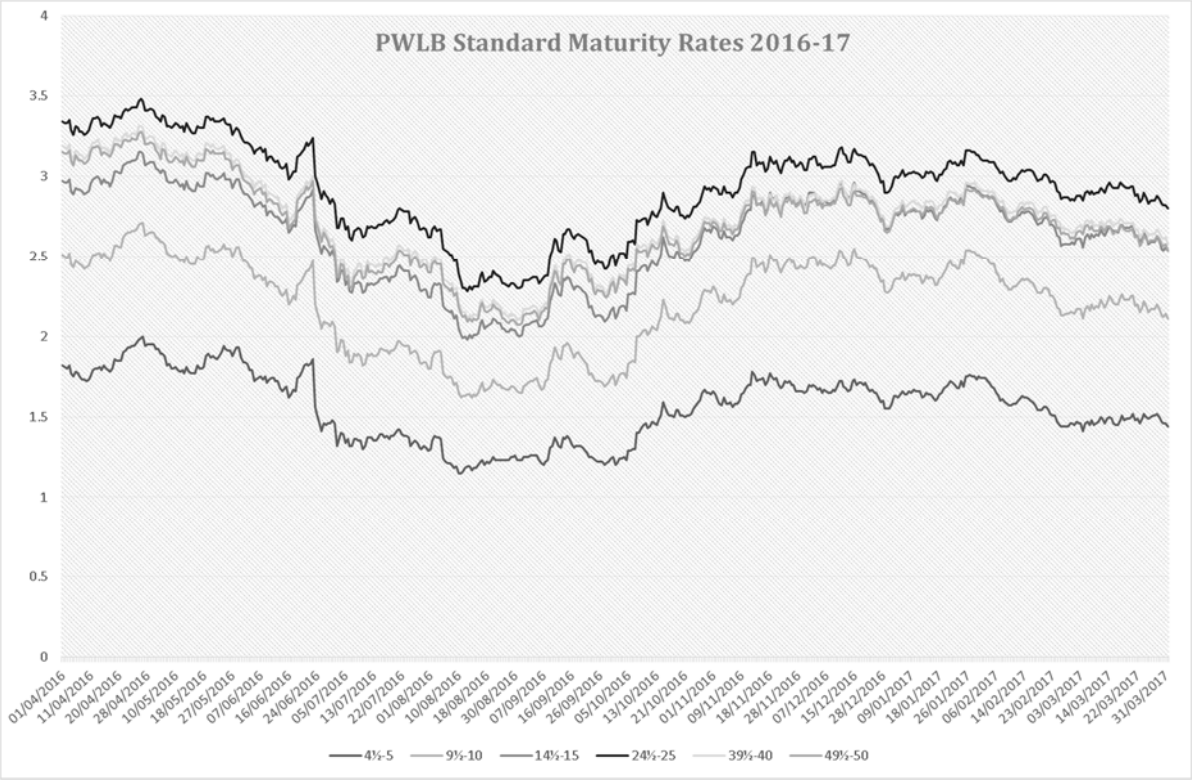


5.4 Table 4 shows the movement in long-term borrowing during 2016/17. The loan portfolio included 10 LOBOs of £10m each at the start of the financial year. These are loans whereby the lender can opt, at specified dates, to increase the interest rate payable and the borrower can either accept the increased rate or repay the loan in full. However, during the year Barclays Bank converted £30m of its LOBOs to fixed-term loans (in other words, declining all future lender options), so these are now classed as 'Other'. Future call options on the remaining £70m of LOBOs constitute a level of interest rate risk for the Council and these will be monitored carefully to ensure the Council is not adversely affected.

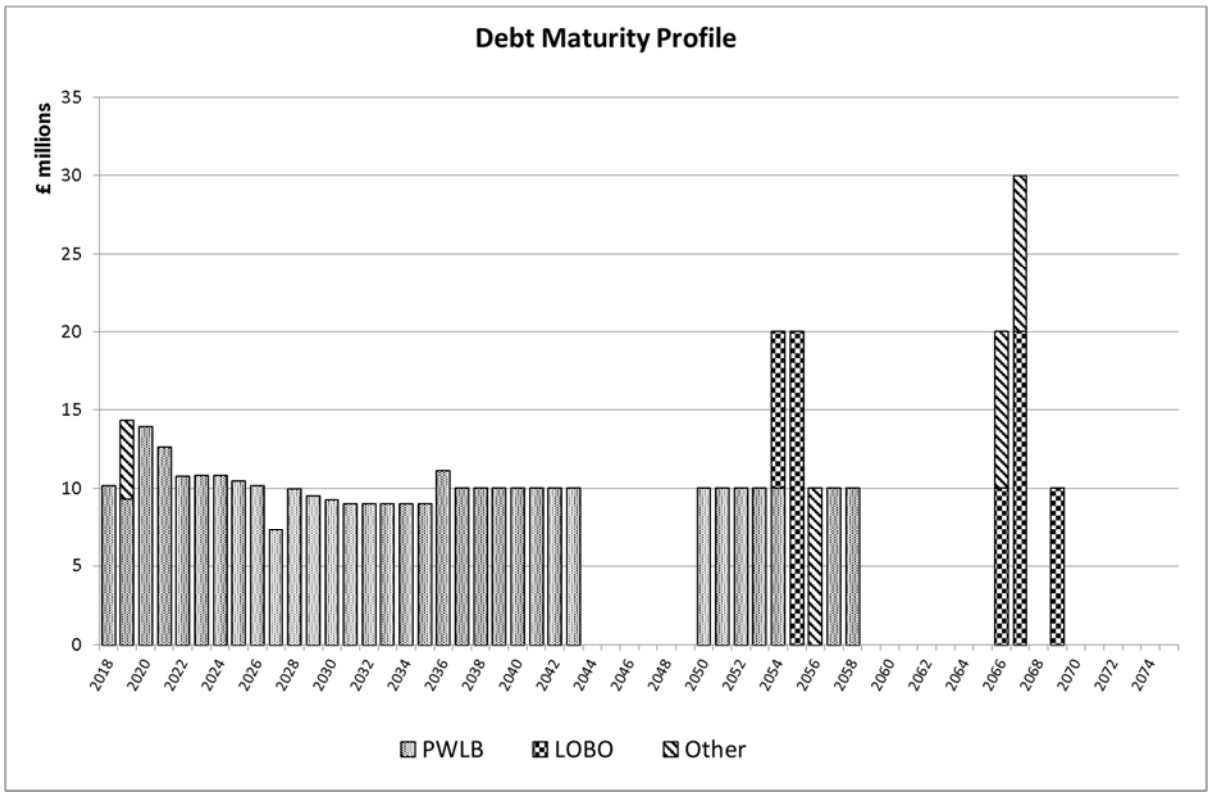
Table 4 Movements in Long-term Borrowing 2016/17

Lender	B/fwd 01/04/16 £m	Advances 2016/17 £m	Normal Repayments 2016/17 £m	Premature Repayments 2016/17 £m	C/fwd 31/03/17 £m
PWLB	332.1	10.0	(10.9)	0.0	331.2
LOBO	100.0	(30.0)	0.0	0.0	70.0
Other	5.0	30.0	0.0	0.0	35.0
Total	437.1	10.0	(10.9)	0.0	436.2

5.5 Over the course of 2016/17 PWLB rates (which vary with gilt yields) declined, and this was particularly marked after the EU referendum result as investors sought to panic-buy gilts in the immediate aftermath. Yields recovered somewhat over the following months but PWLB rates still remained relatively low by the year-end. The movement in PWLB standard maturity rates over 2016/17 is shown in the chart below.



5.6 The chart below shows the debt maturity profile as at 31 March 2017. This is fairly evenly spread until 2043, thereby minimising refinancing risk. In this chart it is assumed that the remaining LOBO loans will run to maturity, and not be called at an earlier date. The average rate on external debt was 4.56% compared to 4.71% in the previous year, reflecting both the lower rates now available to the Council and the higher rates of the Council's maturing debt.



5.7 The Council always has the option of rescheduling its existing PWLB debt should market conditions indicate opportunities for savings. This is achieved by redeeming fixed rate debt and raising new debt at a lower rate of interest, although current PWLB redemption rates invariably result in a prohibitive premium being charged. No financially attractive opportunities for debt rescheduling arose over the reporting period.

6. Prudential Indicators for Treasury Management

6.1 Table 6 below shows how the treasury management indicators compare with the outturn position. The objective of these indicators is to manage treasury management risks effectively. No indicators were breached during the year.

Table 6 **TREASURY MANAGEMENT INDICATORS 2016/17**	**Approved limits**	**Outturn**
Authorised Limit for external debt	£527m	£436m
Operational Boundary for external debt	£502m	£436m
Upper limit for Rate Exposure – Fixed **Upper limit for Rate Exposure - Variable**	100% 75%	100% 0%
Upper limit for principal sums invested for over 364 days	Higher of £20m and 15%	£4.5m

Maturity structure of fixed rate borrowing	**Approved Lower limit**	**Approved Upper limit**	**Outturn**
under 12 months	0%	25%	3.8%
12 months and within 24 months	0%	25%	3.2%
24 months and within 5 years	0%	75%	8.4%
5 years and within 10 years	0%	100%	11.2%
10 years and above	0%	100%	73.4%
Adoption of CIPFA's Treasury Management in the Public Services Code of Practice and Cross Sectoral Guidance Notes			Adopted

ANNUAL MINIMUM REVENUE PROVISION (MRP) STATEMENT

Local authorities are required by law to make provision through their revenue account for the repayment of long term external borrowing and credit arrangements. This provision is made in the form of the Minimum Revenue Provision charge to the Council's General Fund.

The Council is under a statutory duty "to determine for the current financial year an amount of MRP which it considers to be prudent". Local authorities are asked by the Secretary of State "to prepare an annual statement of their policy on making MRP for submission to their Full Council".

For 2016/17 and 2017/18, Full Council approved the revised MRP policy statement as set out below:

- That MRP for capital expenditure financed by borrowing prior to 1 April 2007 is based on a fixed, straight line method over a period of 50 years commencing in 2016/17;
- That MRP for capital expenditure financed by borrowing after 1 April 2007 is based on the annuity method over the estimated life of assets;
- That, for "on Balance Sheet" PFI contracts and finance leases, the MRP requirement is based on the annuity method over the estimated life of the assets.

It has since been identified that for "on-Balance Sheet" PFI contracts and finance leases it is preferable to retain the previous methodology whereby the MRP requirement is regarded as being met by a charge equal to the element of the rent that goes to write down the Balance Sheet liability. This is in line with guidance set out in the Code of Practice on Local Authority Accounting and also does not impact on the level of reserves held by the Council.

It is therefore proposed that, for 2016/17 and 2017/18, Full Council approves the revised MRP policy statement as set out below:-

- That MRP for capital expenditure financed by borrowing prior to 1 April 2007 is based on a fixed, straight line method over a period of 50 years commencing in 2016/17;
- That MRP for capital expenditure financed by borrowing after 1 April 2007 is based on the annuity method over the estimated life of assets;
- That for "on Balance Sheet" PFI contracts and finance leases, the MRP requirement is regarded as being met by a charge equal to the element of the rent that goes to write down the Balance Sheet liability.

The critical consideration of the MRP Policy is prudence. The proposed policy detailed above ensures responsible economic foresight and is consistent with the methods prescribed by statutory guidance.

NIGEL STEVENSON CPFA

SERVICE DIRECTOR –FINANCE, PROCUREMENT AND IMPROVEMENT

Nottinghamshire County Council

Report to County Council

13 July 2017

Agenda Item: 11

REPORT OF THE LEADER OF THE COUNCIL

FIRE SAFETY AND RESPONSE TO THE GRENFELL TOWER TRAGEDY

Purpose of the Report

1. To provide the County Council with an initial update on actions taken to assess and provide assurance of fire safety in County Council owned properties. It is proposed that a further comprehensive report is brought to the Council in the future.

Background and context

2. Nottinghamshire County Council has always taken fire safety very seriously, with a rigorous process of risk assessment embedded throughout our property estate. In view of the tragedy at Grenfell Tower the County Council, like all public bodies, has undertaken a review to assess and provide assurance of fire safety in Council owned properties. The Council has also engaged proactively in the national investigations and requests for information, including from Government.

3. To ensure our review and assessment work is coordinated and embedded across the Council, the Service Director for South Nottinghamshire and Public Protection chairs a specially convened weekly 'Risk, Safety and Emergency Management Board'. This Board produce regular briefings for both the Leader of the Council and Corporate Leadership Team as well as preparing our responses to requests for information.

4. On the 20 June 2017, the Department of Local Government and Communities issued a letter requesting that Local Authorities check all residential buildings higher than six stories or 18 metres high with aluminium composite material cladding. Nottinghamshire County Council has no buildings that fall into this category. Nevertheless, a fire risk assessment review of the Council's property portfolio took place at this time, which has provided significant reassurance that NCC assets represent a low risk.

5. A further request was received from the Department of Education asking all authorities to complete a survey on school buildings which are four or more stories high. The survey was completed and submitted on the 30 June. Nottinghamshire County Council has two establishments which fall into this category, Fountaindale and Clayfields (although Clayfields is a secure establishment it is being treated as a school as learning takes place there).

6. There are other buildings within the Councils' portfolio that we have classified as representing a higher risk due to the fact that they involve residential occupancy. These include Care Homes for example, of which there are around 20 establishments in the County. For buildings that present a higher risk, a more detail site review has been commissioned. This will be completed over the coming weeks.

7. All properties managed and controlled by the County Council, and that fall within the scope of the statutory fire regulations order, have a fire risk assessment in place. Our more detailed and in depth review will involve the compliance team visiting each site to review these assessments and any necessary actions required to make our buildings safe for those who use them. The review will also assess any external work or refurbishment that may have taken place including panelling. The resulting information will be formulated into a risk rated report and action plan.

Additional activities

8. Renewed consideration has been given to fire safety at Trent Bridge House. The design, fire alarm systems and evacuation procedures of the building are significantly different from those that existed for Grenfell Tower. Trent Bridge House is a nine storey building and operates a phased evacuation procedure. Naturally, there have been some concerns regarding the planned time delay to evacuate individual floors. This is operated on a message prompt system with approximately ninety seconds between floors being prompted to evacuate. The fire protection design of the building ensures that fire spread would be contained to allow adequate time for all to evacuate. Refresher training will be provided in the form of briefing sessions to staff to raise awareness of the process on how to respond to a fire alarm.

9. As a precautionary measure, the Property Group has put on hold any works that involve cladding to our buildings with an instruction issued that no installation of cladding to properties can be made without authorisation from Property Group.

10. The County Council also owns a range of other properties outside our direct use and under management or occupation by third parties. We are taking steps to ensure that these properties are also safe with appropriate risk assessments. Similarly, appropriate enquiries are being made with the providers of commissioned services in children's and adult's care. The County Council has also been in contact with the major sporting venues in the County to ensure that they are all following guidance issued by the Sports Grounds Safety Authority.

11. In case of any emergency affecting Nottinghamshire communities, the County Council has developed and maintains a comprehensive set of emergency management arrangements. These include emergency response plans and control facilities, plus staff training and exercises to rehearse the County Council's response. The plans include an Elected Members Emergency Plan which has been revised very recently and approved by the Communities and Place Committee on 22 June. Training to accompany this plan will follow later in the year.

12. The incident in London has raised a number of other issues for consideration. In particular, the Council will investigate implications for our governance and any other area of the Council's work as part of the wider review we will conduct across the summer.

Other Options Considered

13. No other options.

Reasons for Recommendations

14. To provide an update about work underway to assure County Council of safety and fire risk in Council owned properties.

Statutory and Policy Implications

15. 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.

RECOMMENDATIONS:

It is recommended that:

1) County Council note the steps taken so far to assess and review fire risk safety.

2) County Council agree to receive a further report in future when review work is complete.

For any enquiries about this report please contact:
Adrian Smith
Corporate Director - Place

Constitutional Comments (SLB 04/07/2017)

16. County Council is the appropriate body to consider the content of this report.

Financial Comments (SES 04/07/17)

17. There are no specific financial implications arising directly from this report.

Human Resources Comments (GME 04/07/2017)

18. The HR implications are contained in the body of the report and are in line with our requirements in terms of risk assessment and fire safety including personal emergency evacuation plans for employees with access issues.

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.

Electoral Division(s) and Member(s) Affected

- All