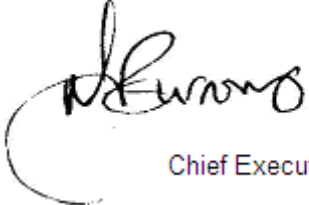




SUMMONS TO COUNCIL

date Thursday, 27 February 2014 venue County Hall, West Bridgford,
commencing at 10:30 Nottingham

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



Chief Executive

- | | | |
|----------|---|---------|
| 1 | Minutes of the last meeting held on 16 January 2014 | 5 - 24 |
| 2 | Apologies for Absence | |
| 3 | Declarations of Interests by Members and Officers:- (see note below) | |
| | (a) Disclosable Pecuniary Interests | |
| | (b) Private Interests (pecuniary and non-pecuniary) | |
| 4 | Chairman's Business | |
| | (a) Presentation of Awards/Certificates (if any) | |
| 5 | Presentation of Petitions (if any) (see note 5 below) | |
| 6 | Petitions Responses Report - Transport & Highways Committee | 25 - 30 |
| 7 | Clarification of Committee Meeting Minutes published since the last meeting | 31 - 32 |
| 8 | Conduct Issues | 33 - 44 |

(A) For Councillors

- (1) Members will be informed of the date and time 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 the Team Manager, Democratic Services to record accurate information.
- (4) Members are reminded that these papers may be recycled. Appropriate containers are located in the respective secretariats.
- (5) Members are reminded that petitions can be presented from their seat with a 1 minute time limit set on introducing the petition.

(B) For Members of the Public

- (1) Members of the public wishing to inspect "Background Papers" referred to in the reports on the agenda or Schedule 12A of the Local Government Act should contact:

Customer Services Centre 0300 500 80 80.

- (2) The papers enclosed with this agenda are available in large print if required. Copies can be requested by contacting the Customer Services Centre on 0300 500 80 80. Certain documents (for example appendices and plans to reports) may not be available electronically. Hard copies can be requested from the above contact.



Nottinghamshire County Council

Meeting COUNTY COUNCIL

Date Thursday, 16th January 2014 (10.30 am – 5.15 pm)

Membership

Persons absent are marked with 'A'

COUNCILLORS

John Allin (Chairman)

Pauline Allan (Vice-Chairman)

Reg Adair
Roy Allan
Chris Barnfather
Alan Bell
Joyce Bosnjak
Nicki Brooks
Andrew Brown
Richard Butler
Steve Calvert
Ian Campbell
Steve Carr
Steve Carroll
John Clarke
John Cottee
Jim Creamer
Mrs Kay Cutts MBE
Maureen Dobson
Dr John Doddy
Boyd Elliott
Sybil Fielding
Kate Foale
Stephen Garner
Glynn Gilfoyle
Kevin Greaves
Alice Grice
John Handley
Colleen Harwood
Stan Heptinstall MBE
Tom Hollis
Richard Jackson
Roger Jackson
David Kirkham
John Knight

Darren Langton
Bruce Laughton
Keith Longdon
Rachel Madden
Diana Meale
John Ogle
Philip Owen
Michael Payne
John Peck JP
Sheila Place
Liz Plant
Darrell Pulk
Alan Rhodes
Ken Rigby
Tony Roberts MBE
Mrs Sue Saddington
Andy Sissons
Pam Skelding
Stella Smedley MBE JP
Martin Suthers OBE
Parry Tsimbirdis
Gail Turner
Keith Walker
Stuart Wallace
Muriel Weisz
Gordon Wheeler
John Wilkinson
Jacky Williams
John Willmott
Yvonne Woodhead
Liz Yates
Jason Zadrozny

A

HONORARY ALDERMEN

Martin Brandon-Bravo OBE

OFFICERS IN ATTENDANCE

Mick Burrows	(Chief Executive)
Jayne Francis–Ward	(Policy, Planning and Corporate Services)
Tim Gregory	(Environment and Resources)
Derek Higton	(Children, Families and Cultural Services)
Jon Wilson	(Adult Social Care, Health & Public Protection)
Linda Smith	(Policy, Planning & Corporate Services)
Martin Done	(Policy, Planning and Corporate Services)
Chris Holmes	(Policy, Planning and Corporate Services)
Karen Townrow	(Policy, Planning and Corporate Services)
Anna Vincent	(Policy, Planning and Corporate Services)
Michelle Welsh	(Policy, Planning and Corporate Services)

OPENING PRAYER

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

1. MINUTES

RESOLVED: 2014/001

That the Minutes of the last meeting of the County Council held on 21st November 2013 be agreed as a true record and signed by the Chairman.

2. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor Gail Turner (Personal)

3. DECLARATIONS OF INTEREST

There were no declarations of interest

4. CHAIRMAN'S BUSINESS

Councillor Mrs K Cutts MBE

The Chairman, Councillor Alan Rhodes, Councillor Martin Suthers, Councillor Ken Rigby, Councillor Reg Adair, and Councillor Yvonne Woodhead congratulated Councillor Mrs K. Cutts MBE on receiving her award in the Queen's New Year's Honours.

5. CONSTITUENCY ISSUES

Set out in Appendix A to these minutes is a full note of the issues discussed by Councillors as follows:-

Councillor Reg Adair - regarding the Youth Centre in Ruddington

Councillor Bruce Laughton – regarding the closure of Youth Centres in his division

Councillor Liz Yates- regarding the proposed reduction in the number of youth buses for the county

Councillor Roger Jackson – regarding parking outside schools

Councillor Richard Jackson – regarding Kingsbridge Way Centre

Councillor Martin Suthers – regarding the closure of recycling centres

Councillor Stephen Garner – regarding ward issues

6. PRESENTATION OF PETITIONS

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

- (1) Councillor Steve Carr regarding the possible closure of Kingsbridge Way Respite Centre
- (2) Councillor Reg Adair regarding the Youth Centre in Ruddington
- (3) Councillor Bruce Laughton regarding Fiskerton Recycling Centre
- (4) Councillor Liz Yates regarding the proposed reduction in the number of youth buses in the county
- (5) Councillor Richard Butler regarding the household waste recycling centre in Langar
- (6) Councillor Chris Barnfather regarding the retention of Youth Bus facility in Ravenshead
- (7) Councillor Sue Saddington regarding the proposed closure of Fiskerton Household Waste Re-cycling Centre
- (8) Councillor Pam Skelding regarding the closure of Day Centres in Retford
- (9) Councillor Philip Owen regarding parking in Strelley

- (10) Councillor Martin Suthers regarding Langar Recycling Centre
- (11) Councillor Richard Jackson regarding Toton Bus Service
- (12) Councillor Richard Jackson regarding Kingsbridge Way Respite Centre
- (13) Councillor Stuart Wallace regarding the change in parking restrictions on Barnby Gate, Newark
- (14) Councillor Stuart Wallace regarding parking restrictions on Lime Grove and Jubilee Street
- (15) Councillor Stuart Wallace regarding the cuts to the Nottingham Play Service
- (16) Councillor Andy Sissons regarding Open Play for children
- (17) Councillor Stephen Garner regarding Claymoor Close parking issues
- (18) Councillor Tom Hollis regarding cuts to the Framework service
- (19) Councillor Martin Suthers regarding Bingham Youth Centre
- (20) Councillor Steve Carr regarding the replacement of art in The Square, Beeston with a clock
- (21) Councillor John Wilkinson regarding a Fair Deal for Nottinghamshire

RESOLVED: 2014/002

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. QUESTIONS

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

No questions were received

(b) QUESTIONS TO COMMITTEE CHAIRMEN

Four questions had been received as follows:-

- (1) from Councillor Richard Butler regarding why Local Improvement Scheme projects previously approved by committee have been cancelled (Councillor Jim Creamer replied)
- (2) from Councillor Stephen Garner asking why a Local Improvement Scheme within his division had been cancelled (Councillor Jim Creamer replied)
- (3) from Councillor Sue Saddington regarding the provision of bus services from Retford to Newark on Sundays (Councillor Kevin Greaves replied)
- (4) from Councillor Stephen Garner regarding the use of school premises as polling stations (Councillor John Peck replied)

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

Questions (1) and (2) were taken together.

8. CLARIFICATION OF MINUTES

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

9. ESTABLISHMENT OF THE CITY OF NOTTINGHAM AND NOTTINGHAMSHIRE ECONOMIC PROSPERITY COMMITTEE

Councillor Alan Rhodes introduced the report and moved a motion in terms of resolution 2014/003 below.

The motion was seconded by Councillor Diana Meale.

RESOLVED: 2014/003

- (1) That the establishment of the Economic Prosperity Committee be agreed as a joint committee of the following local authorities: Ashfield District Council, Bassetlaw District Council, Broxtowe Borough Council, Gedling Borough Council, Mansfield District Council, Newark and Sherwood District Council, Nottingham City Council, Nottinghamshire County Council and Rushcliffe Borough Council (“the constituent authorities”);
- (2) That the Constitution (Terms of Reference, Membership and procedures) of the Economic Prosperity Committee be agreed as set out at Appendix A to the report.
- (3) That it be noted that any relevant powers previously delegated by the Leader/Executive to individuals or bodies are not expressly withdrawn and will be held concurrently;

- (4) That the Leader of the Council be appointed as the Council's representative on the Economic Prosperity Committee and the Chair of the Economic Development Committee to act as substitute;
- (5) That it be agreed to Nottingham City Council hosting the Committee and providing all necessary secretarial, legal and financial support services, (including S151 and Monitoring Officer roles) and the annual costs involved (estimated to be around £30,000), to be met in equal share by the constituent authorities, until such time as that this can be recovered in part or in whole from external funding streams;
- (6) That this Council's annual contribution to the cost of servicing the Committee in the estimated sum of around £3,300 be met from the Economic Development Committee budget and that any expenses for subsistence or travel in relation to the attendance of Councillors at meetings on Economic Prosperity Committee business be met by the individual authorities from existing budget provision for Members' allowances;
- (7) That an annual report on the Economic Prosperity Committee be brought back to the Council's Policy Committee commencing April 2015;
- (8) That, for the reasons set out in the report, the Committee will have no powers to co-opt.

10. STRATEGIC PLAN

Councillor Alan Rhodes introduced the report and moved a motion in terms of resolution 2014/004 below.

The motion was seconded by Councillor Joyce Bosnjak.

RESOLVED: 2014/004

That the Strategic Plan for 2014-18 be agreed.

11. CONDUCT ISSUES

Councillor Alan Rhodes introduced the report and moved a motion in terms of resolution 2014/005 below.

The motion was seconded by Councillor Joyce Bosnjak.

RESOLVED: 2014/005

- (1) That the Department for Communities and Local Government's guidance regarding openness and transparency on personal interests be noted.

- (2) That the establishment of a Conduct/Standards Committee be agreed and a further report be brought to the February Council meeting setting out the terms of reference and detailed working arrangements for the Committee.

12. NOTICE OF MOTIONS

MOTION ONE

A motion in terms of resolution 2014/006 below was moved by Councillor Colleen Harwood and seconded by Councillor Joyce Bosnjak.

The motion was put to the meeting and after a show of hands the Chairman declared it was carried.

RESOLVED 2014/006

Families trying to escape during the school holidays continue to face price increases of more than 50 per cent on term-time breaks results in families missing out on valuable family time.

Some travel companies are putting up breaks by more than £1,000 during the February half-term. And the price gap can be as high as 269 per cent. Some travel firms are holding parents to ransom. The average price of a family holiday for four during the February break is 53 per cent more than the same trip two weeks later.

The financial penalty for taking a holiday in the school break means many families will stay at home. There is also likely to be a rise in the number of families breaking the rules and facing a fine, by taking their children out of school in term time.

This motion calls on Nottinghamshire County Council to ask Nottinghamshire Members of Parliament to bring a debate to Parliament and to call representatives from the Holiday Industry together to discuss the over inflated prices the industry places on holidays and travel during the school holidays, and for the Government to push for a fairer pricing policy for families who wish to take their children on holiday.

MOTION TWO

A motion in terms of resolution 2014/007 below was moved by Councillor Kevin Greaves and seconded by Councillor Steve Calvert

The motion was put to the meeting and after a show of hands the Chairman declared it was carried.

The requisite number of Members requested a recorded vote and it was ascertained that the following 34 Members voted '**FOR**' the motion:-

Pauline Allan	Stan Heptinstall MBE
Roy Allan	David Kirkham
John Allin	John Knight
Alan Bell	Darren Langton
Joyce Bosnjak	Diana Meale
Nicki Brooks	Michael Payne
Steve Calvert	John Peck JP
Ian Campbell	Sheila Place
Steve Carroll	Liz Plant
John Clarke	Darrell Pulk
Jim Creamer	Alan Rhodes
Sybil Fielding	Parry Tsimbiridis
Kate Foale	Muriel Weisz
Glynn Gilfoyle	John Wilkinson
Kevin Greaves	Jacky Williams
Alice Grice	John Wilmott
Colleen Harwood	Yvonne Woodhead

The following 16 Members voted '**AGAINST**' the motion:-

Reg Adair	Richard Jackson
Chris Barnfather	Roger Jackson
Andrew Brown	Bruce Laughton
Richard Butler	Philip Owen
John Cottee	Sue Saddington
Kay Cutts MBE	Martin Suthers OBE
Boyd Elliott	Keith Walker
John Handley	Liz Yates

Councillor Maureen Dobson abstained.

The Chairman declared the motion carried and it was:-

RESOLVED: 2014/007

Nottinghamshire County Council recognises the huge social, economic and environmental benefits the Tram brings to the City of Nottingham and the areas of Nottinghamshire it serves.

Nottinghamshire County Council will, in principle, support the future development of the tram by working in partnership with the District and Borough Councils and Nottingham City Council.

13. ADJOURNMENT DEBATE

None

The Chairman declared the meeting closed at 5.15 pm.

CHAIRMAN

APPENDIX A

COUNTY COUNCIL MEETING HELD ON 16th September 2013

3 MINUTE SPEECHES

Councillor Reg Adair

Chairman it is with a heavy heart that I on behalf of the young people and old in my Ruddington division make this speech in this chamber today. I shall shortly be handing in a petition to this Council on behalf of 1,379 residents who signed this to save Ruddington Youth Centre.

Ruddington Youth Centre serves as much more than just a youth centre. It also provides Ruddington with an invaluable community venue and is used by young people, new parents, senior citizens and church groups alike. These groups allow people not just to connect, but to learn and develop themselves, to keep fit and healthy, to teach children and young people how to successfully interact together and critically enable networks to form across our community.

Ruddington is a growing village and the closure of this centre will have a serious impact not just on our community today but increasingly in the future. Ruddington young people and wider have as much right to investment and resources as all other communities in the county and I would like to understand why we are picked out for closure of this vital resource.

The Ruddington youth centre is the only place for young people of Ruddington to go. If this Council closes it, you're turning the young people onto the streets. They will then hang around the street corners, village doorways, bus shelters for places to communicate with each other. If history repeats itself, they will then end up with the police and the courts.

Ruddington youth workers have in the last few years taken young people off the streets and given them direction for the future. This work will be lost if this proposal is carried out. The cost of looking after them will then move from one service to another.

Following the consultation period, it is very clear that residents i.e. the 1300+ who signed the petition are not in favour of the closure of Ruddington Youth Centre and wish it to remain open for services to the community.

Councillor Bruce Laughton

On Friday night I had the pleasure of going out with the street pastors in my area in Southwell run by the local Methodists and we went around for 3 or 4 hours around Southwell looking at all the areas and we visited many groups of youngsters who were congregating around the area. We handed out water and rhubarb and custard lollipops

and they were most appreciated and I'd like to pass my thanks on for all the hard work that they do.

But our last calling was to go to the Caunton Youth Centre and we spoke to the staff there and I was extremely impressed because their jobs are at risk and they are still carrying out a very professional job for the youngsters in my patch. It is extremely busy and I spoke to one 16 year old girl who had been going to the Youth Centre since she was 12 and she openly admitted that it was down to the youth workers within the core that had kept her head straight as she put it very explicitly.

Another lad who was pointed out by the Youth Centre was sat in the corner with his mates around him and he was the main leader for any anti-social behaviour that goes on in my patch. And there he was under control at the youth club and being supervised. If you close my core completely you will push this lad straight back out onto the street and he will continue to do what he did previously before he visited the centre.

This is not based on deprivation; this is based on a leaderless, directionless policy which will effectively cause considerably problems in my patch. Your policy is wrong, particularly on the back of your strategic plan which states quite clearly one of your main policies is 'treating people fairly'; this is not treating people fairly, this is treating people unfairly. We are quite prepared to accept service change but obliteration is wrong and we should not continue down this route while protecting services in your own area. My residents recognise this and if you don't do something about it and I give you a warning Stella Smedley gave us 4 years ago over a particular issue – the electorate will get rid of you at the next election.

Councillor Liz Yates

Later I will be handing in a petition of 283 signatures from young people, parents and residents of some villages within the Misterton division regarding the proposed reduction in the number of Youth buses.

The youth buses has been a regular visitor to some villages for the past 3 to 4 years giving opportunities to young people they would not have experienced without this service. The youth workers who provide the facility do an excellent job building relationships and providing information, activities and social inclusion.

This is something the Conservatives recognised and acted on early in our administration. In the current budget proposals, it is proposed to reduce the number of buses from 10 down to 4 in the county. This would inevitably lead to the loss of the service for some if not all users, leaving them with no youth service provision.

You only have to visit Teenfest – an event that is held annually in Kings Park, Retford, to see the enthusiasm of the young people who engage with the youth centres and the mobile units and their rapport with the youth service staff. For the last few years it has worked well; it's highly valued by the Parishes residents and the Police.

Please do think very carefully about the reduction of this excellent service. Rural areas and their young people do not deserve these drastic cuts.

Councillor Roger Jackson

I rise to talk about an issue that I think affects a lot of people in this chamber. That is the parking outside schools and the danger it causes to the children who go there. It comes as a topic that most of my parishes where they have a school in their area and they also get a lot of lobbying by local headmasters and school governors all the time about the dangers to the children and the irresponsible parking of some of the parents dropping their children off outside the school gates.

They have tried many ways of trying to get the parents to be more responsible with safety campaigns and getting the children involved in projects to try and educate them to the risks and the dangers that they cause but when you look into this a bit further you find out that most schools have no provision for parking, even for the teachers and the auxiliary staff that work there so that automatically creates 8, 10, 12 cars parked outside schools all day and provide no extra parking for people dropping off their children.

So Chairman can we be a little bit more proactive please and create some parking spaces outside schools for the people who work there. If any other ones are being built or especially if any refurbishment is carried out in the near future.

We're about to spend £750,000 in temporary advisory signs for 20 miles an hour speed limits outside schools while an assessment is done to go on the full spending millions on putting a full advisory measure of 20 mph outside schools. I look around members, and I say yes, a 20 mph speed limit is very desirable here but put your hands on your heart; is that the best way to spend the public purse at this time of spending cuts? Especially when we can do a little bit more proactiveness and try and eliminate the dangers outside our schools by adding a small amount of parking for the teachers and auxiliary staff so we provide spaces for parents to drop their children off and do more to educate the children and the parents on the dangers of parking outside the schools and irresponsible parking that goes on.

I'm of an age Chairman like a few more around here where I used to walk to school. I used to enjoy walking to school and I used to enjoy the company of my schoolmates as I went to school. In this age of convenience, people now are getting a little bit lazy and everybody has to drive their children to school and this is something we have to cater for and the dangers that it poses.

Councillor Richard Jackson

I am speaking today to draw member's attention to the closure of Kingsbridge Way respite centre which is in my Chilwell division and in spite of the fact that the Council's consultation on the budget says that it's in Beeston, it has a Bramcote postal address and is actually in Chilwell.

Members who have not studied the detail of the Council's budget cuts may not be aware of the planned closure of Kingsbridge Way, others may not fully understand the vital service that Kingsbridge Way provides to service users, their carers and their families.

I don't believe that the impacts of planned closure of Kingsbridge Way have been fully thought through and I am calling on the Labour Group to look again at this vital service.

Mr Chairman I had written a three minute speech but quite frankly having looked through the comments made by some of the signatories to the petition which I'm going to present in a few minutes I thought it would be far more powerful to share some of these comments with Council today rather than say this in my own words. There are hundreds of these, literally and I'll make these available to all groups so that members have a chance to look at these before making a decision at February's meeting.

Just to pick a few out but in no particular order, one is

"I know how vital respite care is to my friends with children who require round the clock care"

"My friend's brother with special needs goes daily here, it's very important for adults with learning difficulties to be independent and to be looked after"

"It is vitally important that respite facilities especially ones that are valued within the community are supported and well used. They provide a much needed respite for families, independence for users and integrate people who are different and yet make up the wealth of variety of our population, within a local community"

Another works with parents of children and young people with learning disabilities who says that she's also the sister of a brother with autism and knows first-hand of the enormous stress that this can put on a family;

"Respite care provides a valuable lifeline to not only parents but siblings too as they also are affected by the impact on family life that having a person with special needs brings. Respite care is vital to allow families to recharge their batteries and have some semblance of 'normal' family life for short periods of time - (this is) not much to ask, surely?"

I'll pick a few more out;

"Kingsbridge Way is well known to provide a high quality service. It is trusted by family carers and actually loved by many of the people it cares for. It provides true respite, because carers can have peace of mind when they are away from those they love. That is a very rare thing. It has taken years for this level of respect to be earned, and it cannot be replaced at the stroke of a pen. Many of the family carers who use the service have very stressful lives. Some are multiple carers. Some are elderly, with health problems of their own. They all know what it is to be thoroughly exhausted! Some will struggle on alone rather than see their loved ones passed around like a sack of

potatoes. When they fail, the emotional cost will be devastating, and guess what? The financial cost of picking up the pieces will go to Nottinghamshire County Council”.

Chairman I'd call upon all members to be very careful before making this decision.

Councillor Martin Suthers OBE

Under the next item on the agenda I shall be presenting an electronic petition that's attached some 1500 signatures objecting to the proposed closure of the Langar waste recycling centre. The petition's been sponsored by my colleague Councillor Butler who represents Langar but I'm presenting it because the greatest number of signatures are from my division.

My purpose in making this 3 minute speech though is not to rehearse the usual arguments against tip closures about increased fly tipping and inconvenience of residents going to other sites elsewhere in the County but to draw attention to the fact that less than 4 miles from Langar tip as the crow flies there is another waste recycling centre.

The problem is however of course that it located at Bottesford which is in Leicestershire and of course traditionally and historically waste disposal authorities have quite understandably because their council taxpayers are funding the facility discouraged those from other areas from using those facilities. We have done so, those from Derbyshire, Leicestershire & Lincolnshire, they have returned the compliment.

But it is a fact that for quite a number of my constituents Bottesford is the nearest waste recycling centre and I have asked them what their experience of going there has been and they have said well they've never had a problem and others have said that they have been turned away.

Now Mr Chairman I would suggest that at a time when by common consent of all of us, frontline services are under unprecedented strain and we are encouraged to think in terms of sharing services and lateral thinking on these things it is quite unacceptable that we allow ourselves to be hogtied by County boundaries that were fixed in rather different conditions about a 1,000 years ago.

So what I'm asking is that before this decision to close this is taken, there should be serious discussion with Leicestershire County Council because dismayed as my constituents may be at the possibility of closure of Langar tip, that dismay would turn to outrage if Leicestershire for similar reasons of underuse also closed Bottesford tip leaving a very wide section of 2 Counties extending into a third without a facility that as a matter of public policy we are all urged to promote. So that is my request cause I think it may well be the closure of one of other of those facilities is realistic but the savings that could be made could help to sustain the other and continue to provide a service that is greatly need.

Councillor Stephen Garner

I would like to have this 3 minute speech with a couple of issues I've got in the ward.

I would like to make members aware of the issues within my division of South Mansfield and put on record. A few days ago a local improvement scheme I had approved in March 2013 has been pulled, or cancelled. This has been blamed on the unprecedented cuts totalling £154 million the communiqué says with the demand to help support more vulnerable older people. Well, this scheme was to help one of my very old vulnerable residents; a lady over ninety years of age who cannot get by her gateway onto the pedestrian highway with her three wheeled trike for walking due to the girth of the mature tree. This mobility issue was a reason for this LIS scheme and I would like you to have a look at it again please.

I have a long-term issue and I have brought it up on the Transport Committee; 7.5 tonne weight restriction. Well, we are clambering to get these put on roads. I can't fault that, I welcome them absolutely, great, fantastic! However in my division this is not working, nobody or very few lorry drivers take any notice. The B6030 section from Forest Road to Sherwood Hall has had a weight restriction for well over a year now. My concerns are we have Asquith Primary School on Carter Lane with 380 children. The road being narrow, narrow pavements with parking on one side, against 40 odd tonne articulated lorries constantly passing by.

Yes Trading Standards teams have been out and they have taken action but I believe more is needed. I would like to have (I know a camera's expensive) but a bit more monitoring, probably a chain across the road maybe. Obviously I stand here for half an hour here, half an hour there but I catch two or three which is my main concern. So I'd just like to bring that to the Council's attention.

APPENDIX B

COUNTY COUNCIL MEETING HELD ON 16th JANUARY 2014 QUESTIONS TO COMMITTEE CHAIRMEN

Question to the Chairman of the Environment and Sustainability Committee, from Councillor Richard Butler

"I have recently been made aware by applicants for Local Improvement Scheme (LIS) projects that had been previously approved by committee, that their projects had been cancelled due to "Government budget cuts forcing changes to LIS in 2013-14".

Could the Committee Chairman please explain:

1. When and how were these projects chosen?
2. When was the committee informed and when was it able to discuss previously agreed decisions being cancelled?
3. How were the cancelled projects chosen and prioritised?
4. Why are budget savings planned for 2014/15 affecting projects that were costed and agreed for the 2013/14 financial year?
5. Could you confirm that funding for LIS projects is capital expenditure and not revenue budget?"

Question to the Chairman of the Environment and Sustainability Committee, from Councillor Stephen Garner

"Just recently in the last couple of days I have had confirmation that a Local Improvement Scheme (LIS) within my division granted in the 2013/14 budget has been cancelled.

1. Can you tell this Council how many other LIS projects have been cancelled.
2. Can you tell this Council the net savings you have made by doing so."

Responses for both questions from Councillor Jim Creamer, Chairman of the Environment and Sustainability Committee

"A programme was brought to the Environment and Sustainability Committee in October which set out the plans that would reprioritise capital investment that has supported the running of the Local Improvement Scheme. It was agreed that the Council would establish:

A capital fund focused on economic development and growth and the establishment of a 'Supporting Local Communities Fund' to support infrastructure projects with community benefits.

The previous LIS scheme did not have a specific focus on economic growth and job creation as this has never been the primary focus of the scheme.

However due to the priority given by the Council towards economic growth, and the commitment to deliver jobs, skills and training for Nottinghamshire, the priority of the programme changed.

It was found that the Council's discretionary capital investment could deliver greater economic impact and job creation, generate impact and create a substantial numbers of jobs and growth opportunities if the priorities of the scheme were realigned.

Capital investment would therefore be targeted at fewer but larger schemes involving partners from the Borough and District Councils and the business community. Schemes that would play a part in the regeneration of areas. This approach would offer the Council opportunities to seek substantial match funding from the D2N2 Single Local Growth Fund for some of the schemes.

The conclusion was reached that in order to achieve the Council's objectives in terms of economic growth and job creation; the discretionary capital allocation should be split.

- A. £0.5m retained for community-based environmental improvement Schemes and
- B. £1m redirected to a new scheme focused on growth and job creation

This process and the need to re-assess current year schemes that unfortunately can no longer be supported, for delivery in the following financial year was reported to, and approved by the Environment and Sustainability Committee in December. Projects were chosen on the basis of schemes that have not actually started on the ground so as to avoid abortive costs. Due to the size of the budget issues and in order to minimize the number of applicants affected. Please note that schemes under £10,000 were excluded from this process.

The Environment and Sustainability Committee was informed and approved the need to re-assess schemes in December. The new programme for 2014/15 and the list of schemes that cannot be delivered this year will be reported to Committee in March.

I have been informed that there has always been an element of over-programming and this was true for the 2013/14 programme. I am sure that Councillor Richard Butler would be aware of this as he was the Chair of Environment and Sustainability Committee during the last administration. Any schemes that are not able to be delivered this year (to manage the programme within its £3m allocation) will be assessed alongside all new applications for funding in 2014/15.

I can confirm that to date no projects have been cancelled, but that 23 projects in total have been informed that their applications will be re-assessed alongside all new applications for funding in 2014/15 but will not be given any additional priority compared with the new applications.

The Council only ever had £3m to spend this year and has a committed budget of £0.5m for next year. The Council will spend these budgets in full."

Question to the Chairman of the Transport and Highways Committee, from Councillor Sue Saddington

“Would the Chairman agree with me that the removal of Sunday bus services from rural areas will have a huge impact on the lives of residents who for one reason or another are unable to drive?”

In some cases if residents work on a Sunday they would be unable (to) travel to work, or perhaps visit relatives in hospital or access other activities within the town leading to a sense of isolation or loneliness.

Would the Chairman consider the possibility of providing, for example in my case in the Farndon and Muskham division, one or two buses into Newark from the villages on the Retford to Newark service on a Sunday morning and one or two buses back from Newark to Retford in the early and late afternoon. This would provide a retention of part of the existing service to residents.”

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

“The supported bus service budget is circa £6m per annum which, since 2003 has reduced from £10m per annum. This budget supports journeys that are not covered by commercial operators and which have been deemed necessary for people to access key services. The current proposals will reduce funding by £1.8m over the next two years through service efficiencies (£1.1m) and service reductions / withdrawals (£700k). These include early morning, evening and Sunday services which are high cost and with low usage by the public.

The budget reduction proposals include 16 contracts for Sunday & bank holiday services. These cover partial financial support for 13 routes which are commercially operated and 3 routes which are fully supported by the County Council. Usage on these services is low with an average of 3 passengers per trip on the fully supported services.

At the present time it is unlikely that any continued or new financial support for limited Sunday services in the Farndon, Muskham area can be found from the proposed 2014/15 local bus budget”.

Question to the Chairman of the Children & Young People’s Committee, from Councillor Stephen Garner

“Chairman, with the European elections this year, isn’t it time we stopped using school premises as a polling station and thought about our children’s education.

There are many alternative venues in Nottinghamshire we could use rather than disrupting not only the children’s education but the parents with work commitments.

I would like to request that this Council encourages Districts and Boroughs to find an alternative venue for future elections. To stop schools being closed. To stop parents having to find alternative arrangements. To minimise disruption to our children.”

Response from Councillor John Peck, Chairman Children & Young People’s Committee

“My thanks to Councillor Garner for raising this matter.

However whilst the question makes reference to the use of school premises as polling stations, this is actually a matter over which District Councils have responsibility, that is to say, for the organisation of elections and ensuring there are appropriate and accessible premises within each electoral ward, to be used as polling stations.

In an ideal world, it might be best if the use of schools as polling stations is limited, where suitable alternative and easily accessible alternative premises are available.

But the fact is that elections in this country are invariably held during the school term and always on a Thursday. Personally, we wouldn’t be having this discussion if elections were on a Sunday.

It is just a fact, that in some communities the only building of a suitable size and accessibility is the local school. This situation has been exacerbated over the years as Councils and other organisations have closed community centres and leisure centres and in Nottinghamshire many of the Miners Welfares have been closed and demolished. As we speak, the Miners Welfare in my village is being demolished and that has been a polling station in Edwinstowe for as long as anyone can remember.

By no means is every school in the County used as a polling station and I know that the Local Authority has offered advice to schools in the past. It is possible, as schools know the dates of elections well in advance to plan to hold one of the five INSET days on the same as an election day, so the staff work in a separate part of the school to the polling station area and the children do not lose one of their 190 statutory days of schooling.

However in these days of school autonomy, that decision rests with the Head Teacher and Governors and not with me.”

**REPORT OF CHAIRMAN OF THE TRANSPORT AND HIGHWAYS
COMMITTEE****RESPONSE TO PETITIONS PRESENTED TO THE CHAIRMAN OF THE
COUNTY COUNCIL AT PREVIOUS COUNCIL MEETINGS****Purpose of the Report**

The purpose of this report is to inform Committee of responses to the issues raised in petitions presented to the Chairman of the County Council at previous Council meetings:

- A. Petition requesting the reinstatement of the original termination point of the Coddington bus service (Ref 2013/034)
- B. Petition Requesting Gritting On Various Named Roads in Sutton in Ashfield (Ref 2013/040)
- C. Petition – Removal of Planters – Gladstone Street, Mansfield (Ref 2013/041)
- D. Petition requesting the registering of a pathway as a right of way in Mansfield (Ref 2013/042)
- E. Petition regarding traffic issues (linked to taxi rank) outside Asda store on Front Street in Arnold (Ref 2013/043)
- F. Petition requesting reinstatement of direct bus service to Doncaster via Misterton (Ref 2013/044)
- G. Petition concerning No. 22 bus service to Langar-cum Barnstone (Ref 2013/045)
- H. Petition Requesting Traffic Calming on Warwick Avenue, Beeston (Ref 2013/047)
- I. Petition Requesting Introduction of a 20mph speed limit on Cow Lane Bramcote (Ref 2013/048)
- J. Petition Requesting Traffic Calming on Forest Avenue, Mansfield (Ref 2013/049)
- K. Petition Requesting Extension of Speed Limit in Collingham (Ref 2013/050)
- L. Petition for a zebra crossing outside St Peters C of E primary and nursery school (Ref:2013/051)

A. Petition requesting the reinstatement of the original termination point of the Coddington bus service (Ref 2013/034)

1. The County Council will raise this issue with the service operator at the next regular liaison meeting. Previous talks have taken place regarding the punctuality of the service and these will be reviewed as part of the discussion. The County Council currently makes a limited financial contribution to the service which is currently being reviewed as part of the Transport & Travel Service Outline Business Case B17.

B. Petition Requesting Gritting On Various Named Roads in Sutton in Ashfield (Ref 2013/040)

2. A 139 signature petition from residents of various Ashfield estates was presented to the 21st November County Council meeting by Councillor Tom Hollis. The petitioners request that their roads are added to the 'formal' gritting routes this winter and they express concerns of neglect and no longer feeling safe during adverse weather conditions.
3. The aim of the Winter Maintenance Service is to permit the safe movement of essential vehicular and pedestrian traffic on the highway network whilst minimising delays and accidents directly attributable to adverse weather conditions.
4. The County Council salts as a matter of routine (i.e. on every occasion when ice is predicted to form on road surfaces) approximately 34% of the County Road network.
5. The remaining 66% of roads therefore have ice present on occasion. The approach, shared by the Police, Motoring Organisations and Local Authorities is that it is the duty of the road user to be aware of the prevailing conditions and to drive accordingly.
6. Many of the roads mentioned in the petition are minor estate roads and culs-de-sac. They carry very low volumes of traffic and have no strategic importance. However, Woodland Way, Redbarn Way and Castlewood Grove are secondary distributor roads and form part of a severe weather route that provides a link to the B6023 Alfreton Road and Kirkby Road. These roads would therefore be gritted on occasions when severe and prolonged ice or snow is forecast.

C. Petition – Removal of Planters – Gladstone Street, Mansfield (Ref 2013/041)

7. A 30 signature petition was presented to the 21 November 2013 meeting of the County Council by Councillor Joyce Bosnjak. The petition is from residents of Gladstone Street, Mansfield and surrounding streets.
8. There have been several complaints and enquires from residents requesting the overgrown planters to be cut back/maintained or removed to create additional parking spaces since 2008.
9. A bid has been submitted to LIS by Councillor Bosnjak to have the planters removed but in the meantime the new Mansfield Woodhouse Community Lengthsman scheme will be asked to cut back and maintain the planting.

D. Petition requesting the registering of a pathway as a right of way in Mansfield (Ref 2013/042)

10. A petition of 77 signatures was presented to the County Council meeting on 21st November 2013 by County Councillor Joyce Bosnjak. The petition requested that;

“We, the undersigned, are in support of a request for the pathway between Balmoral Drive and Chesterfield Road North to become a registered ‘right of way’. The actions of the ‘cost cutter (Post Office) owner have denied access for wheelchair users – also baby buggies, by installing knee high barriers and reducing the width of the footpath by erecting fencing and extending his property. We consider this action to be unreasonable”.

11. The petition refers to an unregistered footpath in Mansfield. The Countryside Access Team has received an application from North Sherwood Tenants and Residents Association to record this path on Nottinghamshire’s legal record of public rights of way, the Definitive Map and Statement. The application will be considered along with all the available evidence regarding the existence (or not) of the path. Petitioners and the landowner(s) will be kept advised of progress and recommendations will be made to the Rights of Way Committee in due course.

E. Petition regarding traffic issues (linked to taxi rank) outside Asda store on Front Street in Arnold (Ref 2013/043)

12. A petition of 172 signatures from taxi drivers and shoppers along Front Street was presented to the Chairman at the meeting of the County Council on 21st November 2013 by Councillor Michael Payne. The petition is linked to the taxi rank situated outside the Asda store on Front Street, Arnold and concerns raised regarding traffic congestion caused by the rank and safety issues to the general public.

13. A scheme is included in the 2013/14 Highways Integrated Transport Measures programme to deal with the conflicts between vehicles (including taxis) and pedestrians on Front Street following complaints. Proposals have been consulted and publicly advertised during December with a closing date of 6th January 2014, details of the scheme changes include:

Remove the existing zebra crossing outside ASDA, along with its associated road hump, and reconstruct the hump and zebra near the stepped access to the car park. This is a safer and more appropriate location on main pedestrian desire lines and well away from busy parking areas.

Extend the taxi rank to accommodate another 4-5 vehicles, and the disabled bay to accommodate another 1-2 vehicles.

Relocate bus stand 4 further along Front Street to avoid conflicts between buses and pedestrians using the new crossing.

14. The consultation includes street notices, plans on deposit in Arnold Library and County Hall, letters to all the frontages on Front Street plus statutory consultees. To further ensure consultation with a wide range of stakeholders a plan and feedback forms were made available within the Asda store. The lead petitioner was included in the consultation and therefore had an opportunity to comment or object on the proposals advertised.

F. Petition requesting reinstatement of direct bus service to Doncaster via Misterton (Ref 2013/044)

15. A petition of 333 signatures regarding the above was presented to the County Council meeting on 21st November by County Councillor Liz Yates. As part of the current bus service review Transport & Travel Services are currently discussing bus services in the Bassetlaw area including a proposed service from Gainsborough to Doncaster via Misterton. This could be achieved as part of a wider review of services in the Retford and Gainsborough area and a report will be made to Transport & Highways Committee during 2014 with any proposed service changes. Consultation on all bus service proposals was open until 17th January 2014 as part of the County Council budget consultation process and the issues raised in the petition will be considered.

G. Petition concerning No. 22 bus service to Langar-cum Barnstone (Ref 2013/045)

16. A petition of 372 signatures regarding the above was presented to the County Council meeting on 21st November by County Councillor Richard Butler. As part of the current bus service review a number of proposals have been made to revise services in the Rushcliffe area. A number of consultation events and meetings with the Parishes involved have resulted in the current proposals. These ensure the continued access for employment, health and essential shopping in a revised network of services which will connect with the high frequency commercial networks operating close by. Consultation on all bus service proposals was open until 17th January 2014 as part of the County Council budget consultation process and the issues raised in the petition will be considered.

H. Petition Requesting Traffic Calming on Warwick Avenue, Beeston (Ref 2013/047)

17. A 23 signature petition was presented to the 21st November meeting of the County Council by Councillor Steve Carr. The petitioners requested the introduction of traffic calming on Warwick Avenue Beeston.
18. Increasingly the development and public consultation on proposed physical traffic calming schemes (road humps etc.) has led to significant concerns from local residents about the impact these have on their daily travel. These schemes are also an expensive investment for the County Council.
19. Where there are personal injury accidents already taking place the need to introduce such measures more quickly may be unavoidable. However, this is not the case for Warwick Avenue and therefore the suggested initial approach is for a local speed watch to be established. This is led by the local community and supported by the Police and can bring immediate benefits.

I. Petition Requesting Introduction of a 20mph speed limit on Cow Lane Bramcote (Ref 2013/048)

20. A 168 signature petition was presented to the 21st November meeting of the County Council by Councillor Stan Heptinstall. The petitioners requested the introduction of a 20mph limit on Cow Lane Bramcote.

21. It is proposed to introduce advisory 20mph speed limits outside all schools between September 2013 and March 2016. These will be 24 hour speed limits outside schools on residential roads such as Cow Lane.
22. The 20mph speed limit on Cow Lane is likely to be programmed for 2014/15.
23. Surveys to determine speeds outside the remaining schools are currently being undertaken to support the implementation of the programme of 20mph speed limits. The results of the survey for Cow Lane planned for January 2014 will also inform the most effective and appropriate length of the 20mph speed limit.

J. Petition Requesting Traffic Calming on Forest Avenue, Mansfield (Ref 2013/049)

24. A 16 signature petition was presented to the 21st November meeting of the County Council by Councillor Andy Sissons. The petitioners request the introduction of traffic calming on Forest Avenue, Mansfield.
25. Increasingly the development and public consultation on proposed physical traffic calming schemes (road humps etc.) has led to significant concerns from local residents about the impact these have on their daily travel. These schemes are also an expensive investment for the County Council.
26. Where there are personal injury accidents already taking place the need to introduce such measures more quickly may be unavoidable. However, this is not the case for Forest Avenue and therefore the suggested initial approach is for a local speed watch to be established. This is led by the local community and supported by the Police and can bring immediate benefits.
27. The Police will also be asked to investigate the allegations made by the petitioners of inappropriate speeds by drivers from the new housing development at the end of Forest Avenue.

K. Petition Requesting Extension of Speed Limit in Collingham (Ref 2013/050)

28. At the County Council meeting on 21st November 2013 a petition with 239 signatures was presented by County Councillor Maureen Dobson. The petition from residents of Collingham requests that the 30mph limits at all the entrances and exits be extended to help slow down the speeds within the village.
29. An assessment will be carried out on each entrance to the village including a visual survey, speed surveys and an investigation of the speed related injury accidents to determine whether there is justification for extending the 30mph speed limits in line with Department for Transport guidelines for setting speed limits.
30. If appropriate and funding is available any alterations can be included in a future programme.

L. Petition for a zebra crossing outside St Peter's C of E primary and nursery school (Ref:2013/051)

31. A 90 signature petition requesting a zebra crossing outside St Peter's school was presented to the County Council by Councillor Colleen Harwood. A survey to determine the volume of traffic and numbers of pedestrians crossing throughout the day will be undertaken at this location during January 2014 and the petitioner advised accordingly. The results of the survey will be used to determine if a zebra crossing is suitable at this location and whether it should be considered for a future safer route to school scheme. A 20mph speed limit outside the school is, however, planned to be introduced on Bellamy Road before the end of March 2014 which should help improve road safety in the vicinity of the school entrance.

Reason for Recommendation

32. To inform Committee of responses to issues raised in petitions presented to previous County Council meetings.

Statutory and Policy Implications

33. 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.

RECOMMENDATION

It is RECOMMENDED that the contents and actions be noted.

For any enquiries about this report please contact: Peter Barker

Background Papers

None

Electoral Division(s)

Collingham, Sutton in Ashfield West, Worksop West, Misterton, Cotgrave, Beeston South & Attenborough, Bramcote & Stapleford, Mansfield South, Mansfield East.

REPORT OF THE CHIEF EXECUTIVE

Clarification of Minutes of Committee Meetings published since the last meeting on 16th January 2014

Purpose of the Report

1. To provide Members the opportunity to raise any matters of clarification on the minutes of Committee meetings published since the last meeting of Full Council on 16th January 2014.

Information and Advice

2. The following minutes of Committees have been published since the last meeting of Full Council on 16th January 2014 and are accessible via the Council website:-
<http://www.nottinghamshire.gov.uk/dms/Meetings.aspx>

Committee meeting	Minutes of meeting
Adult Social Care and Health Committee	6 th January 2014, 3 rd February 2014*
Appeals Sub-Committee	None
Audit Committee	None
Children & Young People's Committee	13 th January 2014
Community Safety Committee	5 th November 2013
Corporate Parenting Sub-Committee	None
Culture Committee	3 rd December 2013
Economic Development Committee	14 th January 2014
Environment and Sustainability Committee	12 th December 2013, 30 th January 2014*
Finance and Property Committee	16 th December 2013, 20 th January 2014, 10 th February 2014
Grant Aid Sub-Committee	3 rd December 2013*
Health Scrutiny Committee	6 th January 2014
Health & Well Being Board	8 th January 2014
Joint City/County Health Scrutiny Committee	14 th January 2014
Joint Committee on Strategic Planning and Transport	None
Nottinghamshire Pensions Fund Committee	None
Pensions Investment Sub-Committee	None
Pensions Sub-Committee	7 th November 2013
Personnel Committee	6 th November 2013
Planning & Licensing Committee	6 th December 2013, 10 th December 2013, 21 st January 2014

Committee meeting	Minutes of meeting
Police & Crime Panel	16 th December 2013
Policy Committee	8 th January 2014
Public Health Committee	9 th January 2014*
Rights of Way Committee	None
Transport and Highways Committee	9 th January 2014

* Minutes expected to be published before 27th February 2014, but not yet approved by the relevant Committee.

Mick Burrows
Chief Executive

REPORT OF THE LEADER OF THE COUNCIL

CONDUCT ISSUES

Purpose of the Report

1. To seek approval of terms of reference and working arrangements for a Conduct Committee and a revised procedure for dealing with complaints in relation to the Code of Conduct for Councillors and Co-opted Members.

Information and Advice

2. Council approved the establishment of a Conduct Committee on 16 January 2014.
3. The proposed terms of reference for the Committee are set out at **Appendix A**. Policy Committee will remain responsible for any revisions to policy and procedure.
4. The Conduct Committee will meet on an ad-hoc basis when a decision is required on how a complaint should be dealt with, and to determine complaints that are subject to full investigation.
5. The proposal is to establish a Committee with a membership of five. The Committee is required by law to be politically balanced and in light of this membership will be 3 Labour Group, 1 Conservative Group and 1 Liberal Democrat Group Councillor.
6. The Council is required by law to appoint at least one Independent Person, whose views must be taken into account before a decision is made on a complaint that is subject to full investigation. The Councillor or Co-optee who is the subject of a complaint may also seek their views. Council has appointed two Independent Persons and the intention is that they will have an open invitation to attend all meetings of this Committee, but will not be Committee members or have a vote.
7. The Committee will not have a fixed membership and appointments will be made on an ad hoc basis when a meeting is required. A Chair will therefore be elected at each meeting. The Chair will not receive a special responsibility allowance.
8. The proposed amendments to the Procedure Rules for Committee and Sub-Committee meetings are set out at **Appendix B**. The quorum for a meeting will be 3 in accordance with the usual rules.
9. The provisions in the County Council's Constitution regarding access to information and meetings will apply to the Conduct Committee. There is a presumption that meetings will be

open to the public, but in some circumstances members of the public may be excluded where exempt information is being discussed.

10. The procedure for dealing with complaints has been reviewed and revised. The proposed procedure is attached in **Appendix C**.
11. Council is asked to authorise the Monitoring Officer to make any consequential amendments to the Council's Constitution.

Other Options Considered

12. Councillors may wish to consider establishing a larger Committee to ensure all political groups are represented; this would require membership of 11. It is considered that a committee of that size would be too large to work effectively and for this reason a committee of 5 is proposed.

Reasons for Recommendations

13. To ensure arrangements are in place to deal with complaints under the Code of Conduct for Councillors and Co-opted Members fairly and efficiently.

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 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 approve the terms of reference for the Conduct Committee as set out in Appendix A
- 2) To approve the amendments to the Procedure Rules for Committee and Sub-Committee meetings as set out in Appendix B
- 3) To approve the Procedure for Dealing with Conduct Allegations as set out in Appendix C
- 4) That the Monitoring Officer be authorised to make consequential amendments to the Constitution

Councillor Alan Rhodes
Leader of the Council

For any enquiries about this report please contact:

Jayne Francis-Ward
Corporate Director Policy Planning and Corporate Services and Monitoring Officer

Constitutional Comments (SG 13/02/2014)

15. The Council is the appropriate body to decide the issues set out in this report. In particular, Council has responsibility for changing the Constitution and establishing committees and deciding their terms of reference and size.

Financial Comments (SEM 13/02/14)

16. 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.

- County Council report dated 16 January 2014 (published)

Electoral Division(s) and Member(s) Affected

- All

APPENDIX A

TERMS OF REFERENCE FOR CONDUCT COMMITTEE

The exercise of the powers and functions set out below are delegated by the Full Council in relation to the Code of Conduct for Councillors and Co-opted Members:

Table
Responsibility for considering complaints relating to alleged breaches of the Code of Conduct for Councillors and Co-Opted Members

APPENDIX B

PROCEDURE RULES FOR COMMITTEE AND SUB-COMMITTEE MEETINGS

CONDUCT COMMITTEE

1. Committee will elect a Chair at each meeting.
2. The Council's Procedure for Dealing with Conduct Allegations sets out who is entitled to speak at meetings of Conduct Committee.

APPENDIX C

PROCEDURE FOR DEALING WITH CONDUCT ALLEGATIONS

Introduction

1. The Council is committed to promoting and maintaining high standards of conduct by all Councillors and Co-opted Members and has adopted a Code of Conduct which all of its members must adhere to.
2. This procedure covers complaints made against Councillors and Co-optees who are alleged to have breached the Code.

Responsibilities

3. Any complaints should be addressed to the Monitoring Officer who will consider the matter.
4. An Independent Person appointed by Council will be consulted on any matter that is referred to the Conduct Committee. The Conduct Committee must take the Independent Person views into account before making a decision on an allegation that is subject to investigation and formal hearing.
5. The member who is the subject of a complaint may consult the Independent Person in respect of the complaint.

Receiving the complaint

6. Any complaint must be made in writing. The complaint should include details of:
 - a. the complainant's name, address and other contact details;
 - b. the complainant's status, for example, member of the public, fellow member or officer;
 - c. who the complaint is about; and
 - d. the alleged misconduct including, where possible, dates, witness details and other supporting information;
 - e. whether the complainant is willing for their name to be disclosed to the person who the complaint is about.

Initial considerations

7. The Monitoring Officer will check that the complaint relates to a serving member of the Council or a Co-optee and could amount to a breach of the Code and is therefore valid.

8. If the complaint is not valid the complainant will be informed that no further action will be taken.
9. Where the complaint falls under the scope of one of the Council's other complaints procedures, the Monitoring Officer may refer the complaint on to the Complaints and Information Team for investigation.

Consideration of the complaint

10. The Monitoring Officer can decide to:
 - a. Take no further action;
 - b. Refer the complaint to the Councillor's political Group in order for it to be dealt with under the Group's discipline rules or agreed process;
 - c. Seek to resolve the issue through mediation, explanation, or by the Councillor or Co-optee agreeing to make an apology;
 - d. Fully investigate the complaint and refer to the Conduct Committee for formal decision;
 - e. Refer the complaint to the Conduct Committee for a decision on which of the above courses of action to take.
11. The Monitoring Officer will inform the relevant Councillor or Co-optee that the complaint has been received and, unless the complainant objects, the identity of the complainant.
12. All complaints will be dealt with within a reasonable time period.
13. The Monitoring Officer will keep the relevant Councillor or Co-optee and the complainant up to date with the progress and outcome of the complaint.
14. Where the complaint is fully investigated and referred to the Conduct Committee for a formal hearing, the relevant Councillor or Co-optee and the complainant will be given reasonable notice.
15. There is a presumption that Conduct Committee meetings will be open to the public, but in some circumstances members of the public may be excluded where exempt information is being discussed.
16. The Council's appointed Independent Persons will be entitled to attend all Conduct Committee meetings and to speak if they wish, but not vote.
17. At any Conduct Committee meeting where an investigation report is to be considered and a complaint determined the complainant and the Councillor or Co-optee who is the subject of the complaint will be entitled to speak if they wish. The order of speaking will be as follows:
 - a. Presentation of the investigation report

- b. The complainant
- c. The Councillor or Co-optee who is the subject of the complaint
- d. The Independent Person/s
- e. Members of the Committee may ask questions of speakers when they finish speaking and/or after all speakers have finished
- f. At the Chair's discretion the complainant and the Councillor or Co-optee who is the subject of the complaint may speak again to clarify issues arising during the meeting

Powers of Conduct Committee

- 18. The Committee has authority to decide whether there has been a breach of the Code of Conduct.
- 19. In the event the Committee concludes that there has been a breach of the Code of Conduct, it may impose any of the following sanctions:
 - a. censure the Councillor or Co-optee
 - b. recommend that Council censures the Councillor or Co-optee
 - c. recommend that the Councillor be removed from a position of responsibility
 - d. in relation to Co-optees appointed on behalf of an external organisation, recommend that the organisation removes them from that position
 - e. recommend that the Councillor or Co-optee makes a formal apology
 - f. recommend relevant training

Appeal

- 20. There is no right of appeal under this procedure.

REPORT OF THE LEADER, AND THE CHAIRMAN OF THE FINANCE & PROPERTY COMMITTEE**ANNUAL BUDGET 2014/15****MEDIUM TERM FINANCIAL STRATEGY 2014/15 to 2017/18****COUNCIL TAX PRECEPT 2014/15****CAPITAL PROGRAMME 2014/15 to 2017/18****Purposes of the Report**

1. The purpose of this report is to seek approval for:
 - the annual budget for 2014/15
 - the Medium Term Financial Strategy for 2014/15 to 2017/18
 - the implementation of Category B and C savings proposals
 - the development of a new operating model
 - the establishment of a Strategic Development Fund
 - the amount of Council Tax to be levied for County Council purposes for 2014/15 and the arrangements for collecting this from district and borough councils
 - the Capital Programme for 2014/15 to 2017/18
 - the borrowing limits that the Council is required to make by statute
 - the Treasury Management Strategy and Policy for 2014/15

Introduction

2. The budget for 2014/15 has been prepared in the context of the Government's overarching priority to continue to reduce the national structural deficit. Funding reductions from the Government continue to have extensive implications for local authorities, in addition to increased demand for services as well as cost pressures including pay inflation. The magnitude of the financial challenges facing the Council was reported to Policy Committee at its meeting on 13 November 2013. At that time, a budget shortfall of £154m was anticipated over the three years to 2016/17.
3. Over £100m of savings have already been delivered since 2011/12 and the November Policy Committee meeting, approved the launch of the Budget Challenge consultation on £83m of savings proposals which concluded on the 17 January 2014.

4. Since November, the Council has fully reviewed the scale of budget pressures it is facing, and has received further information on the funding it can expect to receive in 2014/15 and 2015/16. Detailed budget proposals have been developed that take all of these factors into account, and this report outlines the recommendations that were agreed by Finance & Property Committee on 10th February 2014 to be formally considered and approved.
5. As part of the Budget Challenge consultation, the Council presented a number of options to increase the Council Tax (ranging from 1.99% to 5%) for 2014/15. The option which most respondents favoured was a 1.99% increase (45%). This increase would secure permanent funding in the base budget and the report to Finance and Property Committee recommended that the level of Council Tax for 2014/15 be increased by 1.99%, which in turn is incorporated within this report. This increase does not breach the limit that would trigger a referendum.
6. More than 38,000 responses were received to the budget consultation, which has been one of the largest in the country. Members have listened carefully to the views expressed in the consultation and have sought to ensure that, wherever possible, resources are aligned to the Strategic Priorities with a number of proposals being amended as a result.
7. The Council has also developed proposals to deliver a balanced capital programme in the medium term, and is proposing a prudent use of its reserves (both General Fund and earmarked) to reduce the need to borrow. The report seeks approval for the statutory borrowing limits that the Council is required to set in addition to its Treasury Management Strategy and Policy for 2014/15.
8. The Medium Term Financial Strategy has been refreshed to account for a number of changes, including adjustments to the tax base, grant funding, pressures and the deliverability of savings.
9. The report also sets out proposals to redefine the way the Council will operate within the resources available in the future.

Alignment of Resources to the Council's Strategic Priorities

10. The Council approved its new Strategic Plan in January 2014. The priorities in the Strategic Plan are:
 - Supporting safe and thriving communities
 - Protecting the environment
 - Supporting economic growth and employment
 - Providing care and promoting health
 - Investing in our future
11. These priorities represent what the Council plans to do, with each service making a contribution to achieving planned outcomes and through the Council's work with partners.
12. These priorities have also been a key driver in the allocation of financial resources and, in conjunction with the responses to the budget consultation, have helped shape Members' financial decisions on the savings proposals contained within this report.

13. Members are particularly mindful of the need to protect the most vulnerable in our communities, whilst at the same time recognising that supporting economic growth will be critical for local business and getting people back to work, and reducing the reliance on local public services.
14. The Council is ensuring that it continues to invest, through its capital programme, in vital infrastructure developments such as the highway network and broadband. The Council is also working with other major local authorities in the area through the Local Enterprise Partnership (D2N2) to promote investment in jobs and support for major infrastructure projects including High Speed 2.

Redefining the Council

15. The Council will continue to face further reductions in government grant funding coupled with rising demands for services, driven by an ageing population and the focus on the safeguarding children agenda. Other significant factors include changes to national policy such as the Care Bill, which comes into effect in 2015/16, changes to the regulatory framework demanding even tougher inspection regimes and the potential for joint working with other public sector organisations.
16. In light of these ongoing demands and reductions, detailed plans are being prepared to redefine the way the Council will operate within the resources available in the future. The scale of all of these changes will mean that the Council can no longer deliver services in the same way or at the same level as in the past. It will need to revise its operating model and create a framework that will enable decisions to be made, about what services the Council delivers, how they will be provided and at what level. These decisions will be underpinned by the principles and values of the Council as detailed in the Strategic Plan.
17. This process will require the Council to radically review all of its operations – both support and frontline services – rethinking what will be delivered, how it will be delivered and at what level.
18. The revised operating model will provide a blueprint for the future of the Council and a catalyst for the next wave of transformation and change. It will also initiate and be dependent on greater collaboration with the wider public sector across Nottinghamshire.
19. It is anticipated that a report on the revised operating model will be presented to Policy Committee on 7 May 2014.

Budget Consultation

20. Each year the Council undertakes a budget consultation exercise with residents and stakeholder groups to help guide and inform the annual budget setting process.
21. The total number of responses received across the whole campaign (38,412 as outlined in paragraph 32 below), reflects the prominence of this consultation, which is one of the largest ever undertaken by the authority.
22. On 2 September 2013, the Council formally launched a consultation exercise called the Budget Challenge to help inform and guide the budget setting process. The Budget Challenge consultation lasted for 20 weeks and took place on-line, via social media, by holding face to face meetings, workshops and events, and in libraries and county information points across Nottinghamshire. The campaign was undertaken in three distinct stages:

- Stage 1 - designed to give the context, raise awareness of the financial constraints facing the Council, to inform the public about the budget challenges ahead and to seek public opinion on how these challenges should be met
 - Stage 2 - designed to seek people's views on the values and strategic priorities detailed in the new draft Strategic Plan
 - Stage 3 - designed to seek public opinion on specific budget proposals
23. The Council has been keen to consult with community groups and has taken a proactive approach through its community engagement officers. The whole of the county has been covered and a wide range of respondents from all age groups and backgrounds have been engaged either by completing questionnaires, comment cards, writing individual letters/emails or via meetings, often 'piggybacking' other community events that have taken place. Also, articles have been placed in local newsletters and on-line bulletins such as Networking Action for Voluntary Organisations (NAVO), Neighbourhood Watch, Poets Corner etc and promotion has taken place via Community and Voluntary Service (CVS) partners, highlighting the opportunity for residents to get involved in this year's budget challenge campaign.
24. Since the publication of the draft budget proposals in November 2013, there has been extensive consultation with the public, service users and stakeholders on the 50 draft proposals and the proposed council tax increase. Methods for consulting have included:
- An on-line questionnaire on the County Council's public website which was accompanied by more detail on each of the individual proposals, as well as associated Equality Impact Assessments
 - Making paper copies of the above questionnaire available in reception points at libraries, county information points and in community centres etc.
 - Links to the budget proposals available on the Council's intranet for all employees
 - Numerous face to face meetings between officers and service users regarding specific proposals
 - Publicising the Customer Service Centre telephone number so that members of the public can get advice and assistance over the telephone and the completion of the on-line questionnaire by an advisor if required.
25. Particular attention has been given to accessibility and engagement to ensure the budget consultation process is participatory and no one is precluded from taking part by:
- Making available an on-line form on the County Council's website
 - Enabling residents to join the campaign via discussion forums
 - Making comment cards and paper questionnaires available in reception points in libraries and county information points etc, where members of the public could obtain assistance
 - Holding face to face discussion groups and workshops with specific service users
 - Publicising a freepost address for residents to send in their own handwritten letters/comments
 - Emails to stakeholder groups providing a link to the budget consultation information and proposals on the Council's website
 - Emailing information leaflets out to communities and groups including – Luncheon Clubs, Over 50's forums, Asian Elders Group, Friendship clubs, Royal British Legion, WI's, University of 3rd Age, Age UK, Children's Centres explaining how they can get involved.

- Publicising the Customer Service Centre telephone number so that members of the public can get advice and assistance over the telephone and the completion of the on-line questionnaire by an advisor if required.
 - Engaging the voluntary sector via Networking Action for Voluntary Organisations (NAVO) via meetings/newsletters.
 - Displaying posters on notice boards across the county
 - Reaching community based organisations, groups considered hard to reach and other agencies via email and face to face meetings.
 - Extensive media coverage in the local press, on local radio and on regional TV, and explaining how residents can get involved (a total of 678 media mentions)
 - Letters and emails to town/parish councils highlighting the proposals and how comments can be submitted
 - Letters to service users and stakeholder groups directly affected by the proposals
 - Letters to voluntary sector providers
 - Giving residents the opportunity to set their own budget by using the on-line budget simulator; a total of 48 individuals have completed the online budget simulator
 - Making available a toolkit for residents/organisations to use if they want to run a community event to discuss the budget. This was available to download from the public website or completing on-line; a total of 478 copies of the community engagement toolkit have been downloaded.
26. This year, the Council has also published an information booklet setting out the Budget Challenge, explaining the funding shortfall, detailing where the Council's budget currently comes from, what it is spent on, how much Council service's cost, services currently provided, and explaining how people can get involved. In addition, the Leader of the Council released a video on YouTube setting out the Council's Budget Challenge; this video has received 81 views.
27. The vast majority of the promotional material informed residents of the different ways they could get involved. A total of 27,704 visits were made to the Budget Challenge pages on the Council's website.
28. The overall budget position and overview of Outline Business Cases (OBCs) have been discussed through the formal Joint Consultative and Negotiating Panel (JCNP) process, at a corporate and departmental level, and other local meetings with the Trade Unions. A formal response has been received from UNISON.
29. The County Council has a statutory duty to consult with the business community under the Local Government Finance Act 1992 (section 65) regarding the authority's plans for expenditure in the financial year. This year, consultation with members of the business community took place via the Council's existing links. In order to ensure as many small and medium sized businesses across the county were involved, the Nottinghamshire Business Engagement Group (NBEG) were consulted. NBEG comprises representatives of business clubs across the County including the Chamber of Commerce and the Federation of Small Business, as well as more local Clubs such as Mansfield 2020 and the Newark Business Club. Together, NBEG representation offers access to some 12,000 Nottinghamshire businesses. A full response to the Council's budget has been received from the Derbyshire and Nottinghamshire Chamber of Commerce.
30. Procedures have been established to ensure that all consultation responses are captured and recorded on a central database and taken into account in the decision making process.

31. Responses have been received from a number of diverse organisations including – District/Borough/Town/Parish Councils, Framework, Nottinghamshire MP's, Mansfield and Sherwood Ramblers Association, Mersey Care NHS Trust, Nottinghamshire Advice Network, Newark & Sherwood CCG, Nottingham Playhouse, Department for Work and Pensions, Nottingham Pensioners Action Group, Carers Federation, Diocesan Board of Education, Age UK, Members of Youth Parliament, Rushcliffe Community & Voluntary Service, Rural Community Action Nottinghamshire, The National Autistic Society, Bassetlaw Learning Disability Association, 1st Daybrook Rainbows and 1st Daybrook Brownies. In response to the consultation, a total of 32 petitions have also been received.
32. The County Council's 2014/15 budget challenge campaign closed on 17 January 2014. In total 38,412 responses have been received via all channels.

Listening

33. Members have listened carefully to the messages from the consultation which echoed the theme of protecting the most vulnerable in our society. As a result, some of the proposals have been amended to reflect these concerns although the changes have been necessarily constrained by the financial position. In addition, although some of the proposals are still going ahead, a number of measures have been proposed to mitigate the impact by either proposing a longer transition period or establishing a transition fund.

Responding – changes to the original proposals

34. As a result of the extensive consultation, it is proposed that the following changes are made to the original proposals to reflect the views of respondents:

35. **Aspergers and Autism**

It is proposed that the Autism team is retained which would reduce the budget saving in younger adults staffing by £0.2m. This would allow the continued provision of specialist staffing to meet the needs of people with Autistic Spectrum Disorders.

36. **Kingsbridge Way**

The original proposal recommended the closure of the Kingsbridge Way short breaks service between 2014/15 and 2015/16. The Chillwell centre, which is the smallest of four short break centres across the county, provides nine beds for carers/adults with moderate to severe learning difficulties. It provides support for 63 people in total. The changed proposal recommends that the closure is re-phased to allow more time and care in helping the sensitive transition of vulnerable clients. As a result the closure will be deferred by 12 months to allow for a supported transition to alternative provision for the affected group of service users. This £0.5m saving will now be delivered over two years starting in 2015/16.

37. **Newlands NHS Short Breaks Unit**

The Council commissions the Newlands NHS short breaks unit which is currently caring for 18 individuals with learning disabilities on a short term basis in order to provide breaks for carers. In order to allow for a sensitive and supported transition to an alternative service provider, it is now proposed that the commencement is deferred until 2015/16. This is in recognition of the

difficulty in helping people with complex needs and the sensitivity of transferring to a new service provider.

38. I-Works

The i-Works team places adults with learning difficulties within paid employment. The original proposal recommended the closure of two projects: The Strawberry Fayre café and the Phoenix Unit. These supported employment schemes provided employment opportunities for 13 and 17 individuals respectively. It is now proposed that the Strawberry Fayre café will remain open subject to a review of contractual arrangements and alternative services. The reduction in the development team staff will continue in line with the original proposal and the Phoenix Unit will still be closed but all the individuals will be offered alternative day care or placements at Linby Farm.

39. Supporting people

The Government has removed the ring-fencing of the Supporting People grant. The costs of the services previously funded by grant, are now funded through the Council's main formula grant (i.e. Revenue Support Grant and Business Rates Baseline). Given the substantial reductions in overall funding coupled with the Council's statutory responsibilities the Council must now develop a revised approach to the services tackling drug and alcohol abuse, domestic violence and homelessness.

This revised approach will be developed by working with key stakeholders to fully analyse, determine and coordinate the support and services available from the district and borough councils, health partners, the voluntary sector and local providers in light of the inevitable reductions to finances available for this work.

The Council will commence further detailed work with all parties to define a revised but sustainable response and service offer that meets the needs of those most at risk within the restricted financial envelope for non-statutory services.

As part of this development and changed approach the Council will realign £1.0m from the Public Health budget to support shared outcomes that reflect public health priorities. In addition, to help with the transition over the next three years the Council will also provide a £0.75m transition fund to support and enable a phased and managed plan to be developed with all key stakeholders. To assist in local area planning and responding to individual users needs the Council will also retain the welfare benefit advisor team at a cost of £90,000 to work with stakeholders and assist in providing advice and support to the revised approach. These three measures will be used to help mitigate the £4.2m reduction in the Supporting People grant.

40. Social Care Transport

The Council spends more than £3.5m on providing transport for 1,500 individuals to enable them to access social care services. The Council consulted on a range of options around this transport and 1,798 responses were received with 52% agreeing with the overall aim of reducing the cost of transport services (27% disagreed and 21% neither agreed nor disagreed). In addition, 227 people attended the 17 special consultation meetings to hear about the proposals and 252 questionnaires were returned.

After taking into account the responses, the following options are proposed:

- Withdraw the transport to lunch clubs except where the attendees are eligible to receive support and transport following a Community Care Assessment (saving £80,000)
- Increase the cost of social care transport from £5 to £7 a day bringing in an additional £0.2m;
- Improve the fleet efficiency (saving £0.2m)
- Withdraw transport assistance to and from short breaks services other than in exceptional circumstances.

The proposal to cease the provision of transport to people who are in receipt of the Disability Living Allowance mobility component has been withdrawn.

In total, the Social Care Transport proposals will deliver an additional £0.48m of savings to contribute towards the Council's overall budget position.

Saving Proposals Approval

41. As part of the consultation process, the savings proposals were classified into three categories:
 - Category A could be moved forward into implementation subject to normal internal consultation processes – these have progressed accordingly and are included at appendix A for noting.
 - Category B could be approved in principle, subject to discretionary consultation with stakeholders and partners. Appropriate consultation has been completed and, subject to the amendments to schemes referred to above, approval is now sought to proceed. A list of these schemes is included in appendix B.
 - Category C required formal statutory consultation before being implemented. Appropriate consultation has been completed and, subject to the amendments to schemes referred to above, approval is now sought to proceed. A list of these schemes is included in appendix C.
42. It is now proposed that Members agree the Category B and C proposals as set out in appendix B and C with the revisions set out at paragraphs 34-40.

Movements in the Medium Term Financial Strategy (MTFS)

43. The Budget Report to February Council 2013 forecast a budget gap of £133m for the three years to 2016/17. In July 2013, the Government released several consultation proposals which indicated further reductions in funding for local authorities, adding an additional £21m to the budget shortfall. The report to Policy Committee in November 2013 therefore highlighted the need to make savings of £154m, and offered savings proposals of £83m for consultation. Since the November report a rigorous review of the Council's MTFS has taken place, and the resultant revisions are set out in the paragraphs below.

Revised Pressures and Running Cost Inflation

44. When the budget for 2013/14 was approved in February, the forward look to 2016/17 identified specific budget pressures in respect of children's social care, care for older people and those with physical or mental disabilities, waste disposal, highway maintenance and transport. In total, the scale of budget pressures identified at that time amounted to £72.6m, of which £35.8m related to 2013/14 with the balance of £36.8m for the three remaining years of the MTFS term.

This was a net figure reflecting temporary and one off pressures that were planned to phase out in subsequent years, for example the costs of the 2013 local election. A further expectation of £20.5m for general running costs inflation was included.

45. Since that time, the MTFS has rolled forward a year to reflect the four years to 2017/18. Further pressures have been identified, most notably in Adult Social Care and Health. Given the severity of the financial situation, both existing and new pressures have been through a re-evaluation process. The Chief Executive and S151 Officer have met with each Service Director, along with their Management teams, in a series of "Budget Pressure Challenge" meetings. These meetings critically evaluated the pressures, identified areas where reduction was possible, giving particular emphasis to adopting a "higher risk" approach than has previously been the case, and taking into consideration the Council's cost / performance profile against comparator authorities.
46. In terms of inflation on non-pay items, no inflationary uplift was provided for in the current year, other than where there was a specific business need incorporated as individual bids. This practice has been in place for a number of years and, given the financial position of the authority, it is proposed to continue this for the foreseeable future. Managers will therefore be expected to control expenditure within their cash limited budgets. Furthermore, given the tight spending controls the Council has implemented, each department has an additional savings target to reduce non-essential expenditure wherever possible.
47. The Budget Pressure Challenge exercise and cash limiting of budgets has ensured that resources have been effectively reprioritised, and overall, the additional service demands can be accommodated within the original resource allocated. The table below tracks the movement in pressures and inflation that has occurred from February 2013, details of the revised figures are set out in appendix F.

Table 1 – Movement in Pressures and Inflation

Committee	Original Pressures 2014/15-2016/17 £'m	Original non-pay inflation 2014/15-2016/17 £'m	Net movement £'m	Current Total Requirement 2014/15-2017/18 £'m
Children & Young People	2.4	3.8	(1.7)	4.5
Adult Social Care & Health	29.7	11.0	(1.4)	39.3
Transport & Highways	4.6	2.2	0.6	7.4
Environment & Sustainability	2.3	1.3	1.9	5.5
Community Safety	-	0.1	(0.1)	-
Culture	-	0.4	(0.4)	-
Policy	(2.2)	0.7	1.8	0.3
Finance & Property	-	1.0	(1.0)	-
Personnel	-	-	0.3	0.3
Total	36.8	20.5	0.0	57.3

Pay Award Inflation

48. For 2013/14 a pay award of 1% has been implemented across Local Government. Previous MTFS expectations assumed that this offer would be repeated in 2014/15 moving to a 3%

increase from 2015/16 onwards. In light of Central Government indications of continuing austerity, this assumption has been revised down to 1% for all years in the MTFS timeframe.

Income Inflation

49. The MTFS contained an assumption that fees and charges would be inflated in line with the increase in costs incurred in providing those services. An estimated rise of 2.5% was anticipated each year from 2014/15 to 2016/17, which would have generated £3.7m per year. However, actual income received has been lower than budgeted levels and therefore it would be inappropriate to apply an inflationary increase. In line with the policy to cash limit expenditure budgets, this blanket assumption has been removed from the MTFS, and services have been reviewed on an individual basis. Where income increases for a service are appropriate, this has been included as a Savings Proposal Business Case.

MTFS Assumptions and Projections

50. In addition to the reduction in budget pressures and inflation, a detailed review was undertaken of the assumptions that underpin the preparation of the MTFS. A similar review was undertaken in previous years that resulted in a reduced level of corporate contingencies, along with a range of other adjustments, to help deliver a balanced budget. However, this has diminished the level of flexibility previously available and reflects that the Council has adopted a higher level of financial risk than it has in previous years.
51. This approach has mitigated against what otherwise would have been deeper reductions in services in 2014/15. By also drawing on County Fund balances and other reserves, the Council is able deliver a balanced budget for 2014/15. Nonetheless, whilst the Council can set a balanced budget for the next financial year, from 2015/16 onwards, the Council is currently projecting a budget gap of a further £77m.
52. Further proposals as to how the budget will be balanced for the following three years, will be made following a critical evaluation of current service delivery, and how this fits with the revised Strategic Priorities and the establishment of a new operating model for the Council as previously described. Consideration will also need to be given to changes in how local authority services are supported, particularly given the government's commitment to protect social care services, as one of the major components of the recently announced Better Care Fund allocation for 2015/16.

Interest & borrowing

53. The level of borrowing undertaken by the Council is heavily influenced by the capital programme and the associated expenditure profile of approved schemes. Slippage can therefore result in reduced borrowing in the year, although this will still be incurred at a later date when the scheme completes. Interest payments are based on an estimated interest rate which can also fluctuate depending on the market rates at the time the borrowing is undertaken. The Council's position is monitored regularly in relation to these two variables and the latest budget monitoring report forecasts an underspend of £2m for the current year. The 2014/15 budget has therefore been reduced by £2m to reflect this saving. This will continue to be closely monitored to ensure interest payments are adequately provided for in future years, should interest rates rise.

Public Health

54. Over the last few months, the Council has also reviewed the role and function of the Public Health ring fenced grant, since its transfer from the NHS in April 2013. It was inevitable that a period of time would be necessary, in order to evaluate the range of Public Health responsibilities, and in particular to identify areas of potential duplication with existing County Council services. This process took place between April and October, and the Council is now able to propose a series of changes that will deliver £5m of operational efficiencies. These are described in appendix D.
55. Most of these proposals involve routine review of contracts, identification of internal efficiencies and small changes to service specifications, therefore these were not included in the County Councils budget public consultation. One exception is the re-tendering of substance misuse services, which was subject to a dedicated three month public consultation during June-September 2013. Service user consultation has also been undertaken to explore the impact of the tobacco control proposal.
56. As a consequence of finding these efficiencies, a further process has been undertaken to identify where this £5m could be re-invested within the County Council to meet additional Public Health outcomes, whilst maintaining an overall level of expenditure in Public Health provision of £36.1m in 2014/15. The detailed proposals which make up this realignment of the Public Health grant are set out in appendix E.
57. The realignment of the Public Health grant will facilitate the ongoing integration of Public Health within the Council. Plans have identified opportunities to avoid duplication and provide Public Health leadership to complex areas. These include domestic violence and services to support people who are homeless or vulnerable. Due regard has been taken during the realignment process to emerging health and wellbeing priorities as identified in the Joint Strategic Needs Assessment.
58. Further discussions involving partners regarding efficiencies and realignment will need to take place for 2015/16 onwards.

Better Care Fund (BCF)

59. As set out in the Finance & Property Committee report (10th February 2014), the Government has established a Better Care Fund (nationally £3.8bn), to support the integration of health and social care. This is not new money, but is funding that is already allocated to health and local government. The purpose of the Better Care Fund is to encourage health and local government to change the way that services are delivered, particularly joining up services to provide care at home rather than hospital or residential settings.
60. The Council, along with local health providers, Clinical Commissioning Groups and district council partners have recently prepared joint plans as to how the £16.1m of Better Care Fund (BCF) will be allocated in 2014/15. More significantly, the plans cover how the £49.7m of BCF money announced in the December 2013 settlement, will be allocated in 2015/16 (albeit the 2015/16 plans are subject to change prior to sign-off).
61. Any proposals for use of the BCF have to be formally endorsed and agreed by the local Health and Wellbeing Board, but one of a number of national priorities of the fund is for the protection of Adult Social Care Services.

62. As such, plans are expected to propose ways in which the existing cost pressures in Adult Social Care, as well as other priority areas, can be alleviated and reduced. It is not however envisaged that the fund will be sufficient to protect social services from the levels of need and costs that arise from increasing numbers of people requiring care. The fund is also expected to fund the costs of implementing the Care Bill from 2015/16.

Council Tax

Council Tax Base

63. As new houses are built each year the council tax base increases. Over the last 5 years the increase had been around 0.7% but then dropped to 0.5% in 2011/12 and 2012/13. Given the challenging economic climate, the particular pressures being experienced in the housing market, and the unknown impact of Localised Council Tax Benefit (LCTB) schemes from April 2013, the assumption for growth in the tax base was revised downwards to 0.3% for the duration of the MTFS.
64. The District Councils have provided tax base estimates for 2014/15 which equate to growth of 1.19%. In part this may be due to the modest recovery in the housing market and wider economy, initiatives such as the Local Authority Mortgage Scheme, as well as the concerns relating to LCTB not materialising in full. This latter impact will be a one off gain on the tax base. Future years growth assumptions have been revised upwards from the 0.3% to 0.65% for the remainder of the MTFS.

Table 2 – Forecast Council Tax base 2014/15

	Tax base 2013/14	Assumed growth of 0.3% 2014/15	Band D Precept £1,193.18	Confirmed % Change	Confirmed Tax base 2014/15	Band D Precept £1,193.18
Ashfield	29,870.30	29,959.91	£35,747,565	1.29%	30,256.20	£36,101,093
Bassetlaw	31,409.55	31,503.78	£37,589,680	1.54%	31,893.84	£38,055,092
Broxtowe	31,907.95	32,003.67	£38,186,139	0.88%	32,188.65	£38,406,853
Gedling	34,396.13	34,499.32	£41,163,899	1.50%	34,912.38	£41,656,754
Mansfield	26,524.26	26,603.83	£31,743,158	1.58%	26,943.82	£32,148,827
Newark	36,015.10	36,123.15	£43,101,420	0.61%	36,233.47	£43,233,052
Rushcliffe	38,948.00	39,064.84	£46,611,386	1.09%	39,373.00	£46,979,076
Total	229,071.29	229,758.50	£274,143,247	1.19%	231,801.36	£276,580,747
Additional funding in MTFS from confirmed figures						£2,437,500

Council Tax Surplus/Deficit

65. Each year an adjustment is made by the District Councils to reflect the actual collection rate of Council Tax in the previous year. Sometimes this gives rise to a surplus, payable to the County Council; or a deficit which is offset against future year's Council tax receipts. A weighted average is factored into the MTFS of £971,000. However, figures confirmed from the district Councils equate to a surplus of £2,125,959 for 2014/15, resulting in an increase of £1.2m for 2014/15. This has been factored into the MTFS as a one off resource.

Council Tax increase

66. As part of the Budget Challenge consultation, the Council presented a number of options to increase the Council Tax (ranging from 1.99% to 5%) for 2014/15. The option which most respondents favoured was a 1.99% increase (45%). This increase would secure permanent funding in the base budget and does not breach the limit that would trigger a referendum. The report to Finance and Property Committee (10th February 2014) recommended that the level of Council Tax for 2014/15 be increased by 1.99% and this is incorporated within the calculation of the Council Tax requirement as shown in the table below:

Table 3 – Council Tax Requirement

2014/15	Amount £'m	% Funding
Initial Budget Requirement	504.261	100
Settlement Funding Assessment	(220.051)	43.6
Net Budget requirement	284.210	
Less Estimated Collection Fund Surplus	(2.126)	0.4
Council Tax Requirement	282.084	56.0

67. The Council Tax requirement is then divided by the taxbase to arrive at the Band D figure. This figure then forms the basis of the calculation of the liability for all Council Tax bands. Full details of the County Council's Tax Rates are shown below.

Table 4 - Recommended Levels of Council Tax (County Council Element) 2014/15

Band	Value as at 1.4.91	No. of Properties	% no. of properties	Ratio	County Council 2013/14 £	County Council 2014/15 £	Increase £
A	Up to £40,000	140,730	40.0	6/9	795.45	811.28	15.83
B	£40,001- £52,000	72,580	20.6	7/9	928.03	946.49	18.46
C	£52,001- £68,000	60,340	17.1	8/9	1,060.60	1,081.71	21.11
D	£68,001- £88,000	39,900	11.3	1	1,193.18	1,216.92	23.74
E	£88,001- £120,000	21,990	6.2	11/9	1,458.33	1,487.35	29.02
F	£120,001- £160,000	10,540	3.0	13/9	1,723.48	1,757.77	34.29
G	£160,001 - £320,000	5,910	1.7	15/9	1,988.63	2,028.20	39.57
H	Over £320,000	460	0.1	18/9	2,386.36	2,433.84	47.48

68. As the table above shows, almost 78% of properties are in bands A-C i.e. the vast majority of Nottinghamshire residents will pay less than the standard Band D rate.
69. It is proposed that Members approve a Council Tax increase of 1.99%. The actual amounts payable by householders will also depend on:
- The district council tax
 - The Police Authority and the Combined Fire Authority Council Tax
 - Any parish precepts or special levies
 - The eligibility for discounts and rebates

County Precept

70. District and borough councils collect the Council Tax for the County Council, which is recovered from the districts by setting a county precept. The total precept is split according to the Council Taxbase for each district as set out in the table below.

Table 5 – Amount of County Precept by District - 2014/15

District Council	Council Taxbase	County Precept £
Ashfield	30,256.20	36,819,375
Bassetlaw	31,893.84	38,812,252
Broxtowe	32,188.65	39,171,012
Gedling	34,912.38	42,485,573
Mansfield	26,943.82	32,788,473
Newark & Sherwood	36,233.47	44,093,234
Rushcliffe	39,373.00	47,913,791
Total	231,801.36	282,083,710

71. Discussions have been held with district councils and the following dates have been agreed for the collection of the precept:

Table 6 – Proposed County Precept Dates - 2014/15

2014	2014	2015
17 April 28 May 2 July 6 August	11 September 16 October 20 November 29 December	3 February 10 March

72. The dates shown are those by which the County Council's bank account must receive the credit, otherwise interest is charged. Adjustments for net variations in amounts being collected in 2013/14 will be paid or refunded on the same dates.

Council Tax Information 2014/15

73. In 2012, the Government revised the Regulations that required councils to include information about efficiency performance on the face of the Council Tax demand, enabling councils to publish such information electronically. From 2014/15 the Council will publish this information on its website. Printed copies will be available to residents and stakeholders on request and will be distributed to all households in April in the Council's County Life publication.

Annual Budget 2014/15

74. The Council's total revenue budget for 2014/15 is £504.261m. A summary is shown in the table below with a more detailed breakdown shown in appendix G.

Table 7 - Proposed County Council Budget 2014/15

Committee Analysis	Net Budget 2013/14 £'m	Reinvestment £'m	Savings * £'m	Pay Inflation £'m	Budget Changes £'m	Net Budget 2014/15 £'m
Children & Young People	171.447	2.955	(9.042)	0.650	(13.115)	152.895
Adult Social Care & Health	216.823	17.204	(17.708)	0.561	(5.068)	211.812
Transport & Highways	63.367	1.745	(5.265)	0.146	(0.649)	59.344
Environment & Sustainability	29.027	2.800	(1.402)	0.014	0.260	30.699
Community Safety	4.231	-	(1.085)	0.040	(0.248)	2.938
Culture	14.390	-	(0.830)	0.101	(0.273)	13.388
Economic Development	1.145	-	(0.110)	0.004	(0.030)	1.009
Policy	23.432	0.300	(2.616)	0.186	5.256	26.558
Finance & Property	29.517	-	(1.952)	0.206	(0.358)	27.413
Personnel	2.385	0.300	(1.680)	0.038	0.398	1.441
Public Health	35.103	-	-	-	(35.103)	--
Net Committee Requirement	590.867	25.304	(41.690)	1.946	(48.930)	527.497
Corporate Budgets	(53.720)	-	-	-	44.996	(8.724)
Use of Earmarked Reserves	(9.872)	-	-	-	0.544	(9.328)
Use of General Fund Balances	(15.137)	-	-	-	9.953	(5.184)
BUDGET REQUIREMENT	512.138	25.304	(41.690)	1.946	6.563	504.261

* The savings column in the table above includes the agreed savings from the November 2013 consultation, as well as savings that had been agreed in previous budget rounds.

75. The table above shows the changes between the original budget for 2013/14 and the proposed budget for 2014/15 including budget pressures, savings, pay inflation and other budget changes including:

- Budget transfers between Committees, including services that have been realigned to Public Health
- The transfer of permanent use of contingency approved in 2013/14
- In line with expectations, an additional draw down of the Improvement Programme reserve of £1.162m to support the continuation of projects such as the Ways of Working Programme
- The transfer of Public Health grant from Corporate to Public Health – in the 2013/14 budget report Public Health was presented as a gross budget of £35.103m with the grant reporting under Corporate budgets. As this is a ring fenced grant it is more appropriate for the income to show alongside the expenditure as a net nil budget. This has been reflected in the budget monitoring throughout the year and in the table above. The variance in grant between years is an additional £1.016m.

Corporate Budgets

76. There are a number of centrally-held budgets that do not report into a specific Committee. These budgets are explained below, with the budget analysis shown in table 8.

- **Flood Defence Levy:** The Environment Agency issues an annual local levy based on the Band D equivalent houses within each Flood and Coastal Committee area. This helps to fund local flood defence priority works.
- **Trading Organisations:** This sum is required to cover the difference between the basic employer's pension contributions used in the trading accounts and the amounts actually charged, as required by the actuarial valuation.
- **Pension Enhancements:** The cost of additional years' service awards, approved in previous years. This practice is no longer permitted following changes to the pension rules. This budget requires realignment as attrition rates have not kept pace with pension increases.
- **Employers Pension Contribution:** The Council's actuary has estimated the Council will need to increase its contribution to the pension fund, the increase is held centrally - pending final confirmation, and will be allocated to individual budgets once final figures are known.
- **Contingency:** This is provided to cover redundancy costs, delays in efficiency savings, changes in legislation and other eventualities. Finance & Property Committee approval is required for the release of contingency funds.
- **Depreciation:** This represents the notional costs of utilising the Council's fixed assets. As such, budget provision is made within the service accounts, and adjustments here relate to corresponding movements in the service accounts. However, statute requires that this amount is not a cost to the Council Tax payer, hence this is reversed out within corporate budgets and replaced with the actual cost that impacts on the Council's revenue budget, being the costs of borrowing, i.e. interest, and the Minimum Revenue Provision (MRP).
- **Revenue Grants** – This represents unringfenced grants, namely New Homes Bonus and Education Services grant. As explained above, the Public Health grant is now reported within the departmental budgets.

Table 8 - Proposed Corporate Budgets 2014/15

	Net Budget 2013/14 £'m	Budget Changes £'m	Net Budget 2014/15 £'m
Flood Defence	0.273	-	0.273
Trading Organisations	0.801	-	0.801
Pension Enhancements (centralised)	1.842	0.363	2.205
Increase in employers pension contribution	-	0.842	0.842
Contingency	5.040	(0.434)	4.606
Depreciation	(45.748)	4.635	(41.113)
Net interest	17.919	(1.331)	16.588
MRP	18.708	0.551	19.259
Revenue Grants	(52.555)	40.370	(12.185)
Corporate Budgets	(53.720)	44.996	(8.724)

Costs of Redundancies arising from the Budget Proposals

77. It is recognised that significant reductions in staffing numbers results in substantial redundancy costs. The Council seeks to maximise the use of voluntary redundancies to minimise the impact of having to make compulsory redundancies, although it is inevitable that there will be some compulsory redundancies, and the costs of either voluntary or compulsory redundancy are the same. Other employment provisions such as vacancy control, retraining and redeployment will be used.
78. The costs of lump sum payments and the on-going pension costs are met from the Pension Fund and are not a cost to the County Council budget. Redundancy payments and the cost of Pension Strain are met by the Authority. The Council will factor these costs into its Medium Term Financial Strategy.

Establishment of a Strategic Development Fund

79. As previously stated, the Council has already commenced a major internal review of its services, structures and ways of working, the intention of which is to devise a new operating model that will clearly define future service delivery aspirations and the ways in which these services will be commissioned and delivered.
80. Alongside this critical piece of work, the Council will need to continue to transform current services to align with the business cases that have been consulted upon, which will deliver the initial round of budget reductions. The scale of change necessary to deliver these reductions is unlikely to be possible without appropriate project management and change management support and capacity (which has largely been met to date by the Council's Improvement Programme team). The Council will also need support from its internal "support services" i.e. legal, communications, HR, ICT, property, finance and procurement.
81. In addition to these resources, there are still significant opportunities to reshape the way that services are both delivered to and accessed by service users, particularly through mobile and internet technology, the use of different customer access channels and more effective use of Council and partner buildings. This in turn will necessitate further investment, to fund the necessary change management capacity, as well as investment in hardware, software, physical assets and skills development.
82. These resource requirements can broadly be grouped under the following categories:
- Implementing the new operating model
 - Funding the transformation of services and the delivery of the OBC's
 - Investing in ICT
 - Resourcing change management, programme management and support service capacity, including the support to new projects and new initiatives e.g. the Care Bill.
83. Recognising the need to fund these various commitments, the Council is recommending the establishment of a Strategic Development Fund that will facilitate their delivery. This will be funded by a combination of the remainder of the existing Improvement Programme Reserve (£4m) and the re-designation of the Lifecycle Maintenance Reserve (£4m).

84. That said, given the financial commitments that are to be met from this fund, notably the cost of implementing the OBC's (particularly in Adult Social Care) and the cost of supporting the change process, it is unlikely that the amount identified to date will be sufficient to meet the overall requirement, or indeed support other initiatives and policy aspirations. It will therefore be imperative that wherever possible, additional temporary resources can be identified to enable the Council to fully implement the changes outlined above.

Post Consultation Medium Term Financial Strategy (MTFS)

85. The following table summarises the Council's overall Medium Term Financial Strategy for the four years to 2017/18, taking all of the factors highlighted in this report into consideration. It shows that whilst the Council can deliver a balanced budget in 2014/15, further significant savings will need to be identified in each of the following three years to 2017/18.

Table 9 – Medium Term Financial Strategy 2014/15 – 2017/18

	2014/15 £'m	2015/16 £'m	2016/17 £'m	2017/18 £'m	TOTAL £'m
Year on year savings requirement (November 2013 Policy report)	62.9	51.5	39.7	-	154.1
Roll forward of MTFS	-	-	-	41.5	41.5
Pay Award inflation	-	(4.0)	(4.2)	(4.4)	(12.6)
Removal of income inflation	3.7	3.7	3.8	-	11.2
Original Savings Proposals	(37.3)	(29.3)	(16.1)	-	(82.7)
Consultation response to savings proposals	1.7	0.5	(1.0)	-	1.2
Public Health	(5.0)	(4.0)	(3.0)	-	(12.0)
Corporate Adjustments	7.5	(6.0)	(7.6)	(1.6)	(7.7)
Interest and borrowing	(2.0)	-	-	-	(2.0)
Change in Council Taxbase	(2.5)	(0.9)	(1.0)	(1.0)	(5.4)
Collection Fund surplus / deficit	(1.2)	1.2	-	-	-
Increase in Council Tax 1.99%	(5.5)	-	-	-	(5.5)
Changes in Government grant	(11.4)	5.0	6.2	(2.1)	(2.3)
Changes in use of reserves	(10.9)	8.2	2.2	-	(0.5)
Subtotal changes	(62.9)	(25.6)	(20.7)	32.4	(76.8)
Revised year on year shortfall	-	25.9	19.0	32.4	77.3

Note: Already included in the November report was an assumption of cuts to Revenue Support Grant of 18%, 25% and 28% over the three years to 2016/17.

Financial Risks, Balances & Contingency

86. The County Council is legally obliged to set a balanced budget for each financial year. It has also prepared a four-year medium term financial strategy. As previously reported, there are significant risks and uncertainties associated with the current operational environment that local authorities are operating within, both short and medium term. It is therefore of paramount importance that the County Council takes appropriate measures to mitigate against these risks, whilst acknowledging that, given the level of uncertainty, overall contingency plans may not be sufficient.

87. The main financial risks associated with the initial budget proposals are as follows:

- The Council will potentially need to fund a significant level of redundancy costs, if it is to deliver the savings that have been consulted upon. The Council may not have the available resources to meet these costs
- Given the scale and extent of the savings proposals, and the degree of complexity and change required to deliver them, it is highly likely that there could be a degree of non-delivery and slippage of proposals. That said the Council does not have the levels of contingency previously available, and as such a more rigorous approach to savings delivery and overall financial accountability will be required.
- The cost pressures that have been factored into the budget may not be sufficient to meet the underlying cost and demand pressures that may arise, notably in Adult Social Care.
- The Council and Health partners are currently developing plans for the use and allocation of the Better Care Fund. This process requires agreement on how the funding will be used to protect Social Care Services, in addition to other health priorities. There is a risk that there will be insufficient resources from the fund.

88. This is why the County Council must maintain an adequate level of balances and contingency in order to provide short term flexibility to manage unforeseen events, and to allow for the necessary longer term changes to be implemented in a managed and sustainable fashion. However, this policy must be balanced with that of Central Government, which has been to encourage Local Authorities to utilise reserves during this period of austerity to support their transformation agenda. The current level of balances is shown in the table below.

Table 10 – Forecast Level of Reserves and Balances 2014/15

Current Forecast level of Balances & Reserves	£'m	£'m
Balance as at 1 April 2013:		
General Fund Balance	42.1	
Earmarked Reserves	148.2	190.3
Approved use in current year:		
General Fund Balances	(15.1)	
Earmarked Reserves	(49.4)	(64.5)
Expected Balance 31 March 2014:		
General Fund Balances	27.0	
Earmarked Reserves	98.8	125.8

89. The County Fund Balances are the Council's "general reserves", which do not have any specific criteria attached in terms of how they are applied. Earmarked reserves have to be applied to specific schemes or programmes, and a large proportion of this balance relates to the reserves that support the County Council's PFI schemes in Waste and Schools. It is also important to stress that given reserves are "one-off" funds; their use should really be limited to supporting one-off expenditure, and not to fund on-going costs.

90. The budget proposals as currently set out propose a reduced use of balances although it is important to stress that the 2014/15 budget is being balanced through the use of one off resources and corresponding savings will need to be made in future years.
91. The forecast level of reserves still compares relatively favourably with other County Councils but will have been significantly reduced from the level at the beginning of the 2013/14 financial year. As set out in paragraphs 79-84, the Council will require significant one off investment in order to successfully implement the necessary level of transformational change.
92. The continuing financial uncertainty is also a key driver behind the need for the County Council to maintain the tight spending controls that it has implemented in recent years. This is further highlighted in the Section 151 Officer's report at appendix H.

Capital Programme and Financing

93. Local authorities are able to determine their overall levels of borrowing, provided they have regard to "The Prudential Code for Capital Finance in Local Authorities" published by CIPFA. It is, therefore, possible to increase the capital programme and finance this increase by additional borrowing provided that this is "affordable, prudent and sustainable". This is in addition to capital expenditure funded from other sources such as external grants and contributions, revenue and reserves. The revenue implications of the capital programme are provided for and integrated with the revenue budget.
94. The County Council's capital programme has been reviewed as part of the 2014/15 budget setting process. Savings totalling £16.9m have been identified as part of this exercise. These savings, along with capital reserves and contingencies will be used to fund new inclusions into the programme. The capital programme continues to be monitored closely in order that variations to capital expenditure and capital receipts can be identified in a timely manner. Any subsequent impact on the revenue budget and associated prudential borrowing indicators will be reported appropriately to the Finance & Property Committee.
95. During the course of 2013/14, some variations to the capital programme have been approved by Policy Committee, Finance & Property Committee and by the Section 151 Officer in accordance with the Council's Financial Regulations. Following a review of the capital programme and its financing, some proposals have been made regarding both new schemes and extensions to existing schemes in the capital programme. These proposals are identified in paragraphs 96 to 149. Schemes will be subject to Latest Estimated Cost (LEC) reports in accordance with the Council's Financial Regulations.

Children and Young People (CYP)

96. **School Basic Need Programme** - The School Basic Need Programme totalling £31.7m over the period 2012/13 to 2015/16 is already approved within the CYP capital programme. The Department for Education has recognised that demographic pressures continue to put a strain on schools in many parts of the country. As such, 2013/14 and 2014/15 school place capital grant allocations have been confirmed. Further school place capital grant allocations have been announced up to 2017.
97. **It is proposed that the CYP capital programme is amended to reflect confirmed / newly announced school place capital grant allocations as follows:-**

2013/14	£2.6m
2014/15	£4.0m (incl. £1.4m Targeted Basic Need)
2015/16	£16.7m
2016/17	£17.5m

98. **School Capital Refurbishment Programme (SCR)** – The School Capital Refurbishment Programme totalling £60.9m over the period 2012/13 to 2015/16 is already approved as part of the CYP capital programme. The 2013/14 and 2014/15 School Capital Maintenance Grant allocations have been confirmed by the Department for Education as follows:

2013/14	£8.4m
2014/15	£7.8m

99. **It is proposed that the CYP capital programme is varied to reflect the confirmed School Capital Maintenance Grant allocations.**

100. The cost of SCR works already completed is significantly higher than originally forecast. There are two main reasons for the increase in costs:

- Additional essential works necessary to alleviate health and safety risks in schools and / or to avoid school closures over the next 3-5 years.
- Costs associated with the discovery of asbestos.

101. A review of the SCR programme undertaken at the end of the second year has concluded that the programme can be concluded over a four year period to March 2015. The additional funding required to complete the programme is £15.2m.

102. **It is proposed that an additional £15.2m allocation funded from the Capital Projects Reserve (£7.6m) and capital contingency (£7.6m) is incorporated into the CYP capital programme as follows:**

2014/15	£9.2m
2015/16	£6.0m

103. A £0.17m Environmental Improvement capital grant has been received from the Department for Education to part fund refurbishment works carried out at the Newark Academy.

104. **It is proposed that the £0.17m Environmental Improvement Capital Grant is added to the Schools Capital Refurbishment Programme budget.**

105. **CYP Capital Programme Review** – A review of the CYP capital programme has identified savings totalling £1.5m due to underspends on the following schemes:

Table 11 – CYP Capital Programme

Programme	£'m
Other Primary Projects	0.255
Primary Amalgamation Programme	0.367
Bramcote Hills Comprehensive	0.190
School Condition Initiative Phase 1	0.021
School Modernisation Programme	0.609
Other Youth Projects	0.058
CYP Capital Savings	1.500

106. **It is proposed that the £1.5m savings identified above are incorporated into the School Capital Refurbishment Programme capital budget.**
107. **Children's Residential Homes** – A review of children's homes across the County has identified a need for a programme of work to continually refresh and make improvements to their fixtures and fittings, equipment and ICT facilities.
108. **It is proposed that a £0.2m allocation funded from contingency is incorporated into the CYP capital programme in both 2014/15 and 2015/16.**
109. **Early Education Places for Eligible Two Year Olds** – A £1.1m allocation is already approved as part of the CYP capital programme to provide childcare places for disadvantaged children across the County where there is a sufficiency issue. The Local Authority has been given approval by the Department for Education to use £1.0m Early Years Trajectory funding to further this programme.
110. **It is proposed to incorporate the £1.0m Trajectory Grant into the CYP capital programme.**

Transport and Highways

111. **Gedling Access Road** – This major transport scheme will enable the realisation of a key strategic development site in Gedling. It will also fulfil the long term proposal to provide a bypass around Gedling village. The project is to be delivered by key public sector partners working jointly towards achieving common objectives for the future redevelopment of the former Gedling Colliery site. The latest estimated cost of the scheme is £32.4m.
112. Match funding has been secured from the Local Transport Body, Gedling Borough Council and the Homes and Communities Agency. The County Council is required to contribute £5.4m to the scheme. An additional opportunity to bid in for further external funding will become available through the Single Local Growth Fund mechanism.
113. **It is proposed that funding of £5.4m in 2017/18 is incorporated into the capital programme, funded from capital contingency, to support the Gedling Access Road project.**

115. **A57 Roundabout** – It is proposed that improvement works are undertaken at the A60 / A57 / B6024 roundabout. This junction is a key traffic hotspot on the County Council's Strategic Road Network. The works will remove peak period congestion, improve journey times and support economic growth objectives in the area. The latest estimated cost of the scheme is £3.24m. Match funding has been secured from the Local Transport Body and other external funding opportunities are being explored. The County Council is required to make a £1.0m contribution to the scheme.
116. **It is proposed that funding of £1.0m in 2017/18 is incorporated into the capital programme, funded from capital contingency, to support the A57 Roundabout project.**
117. **Road Maintenance and Renewals and Local Transport Plan** – These two programmes of work provide support for local highway maintenance across the County. Funding for 2014/15 is already approved within the capital programme. Estimates used for 2015/16 onwards reflect a revised funding methodology whereby an element of funding is re-directed to the Local Enterprise Partnership.
118. **It is proposed that the estimated grant reflected against the Local Transport Plan budget is reduced by £2.9m per annum from 2015/16 onwards.**
119. **Development Site in Hucknall** – The Muse Development Project at the Rolls Royce site in Hucknall was incorporated into the capital programme following the Council meeting in April 2014. The funding was predicated upon a £2.2m capital grant bid through Pinchpoint. As the bid was unsuccessful there is a requirement for the Council to bridge the funding gap.
120. **It is proposed that funding of £2.2m, funded from capital contingency, is incorporated into the 2014/15 Transport and Highways capital programme.**
121. **Worksop Bus Station** – The Worksop Bus Station project totalling £2.5m is already approved as part of the Transport and Highways capital programme. Increased land acquisition costs and an unsuccessful bid for external funding has resulted in a requirement for additional funding.
122. **It is proposed that funding of £0.860m, funded from capital contingency, is incorporated into the Transport and Highways capital programme.**
123. **Vehicle and Plant** – It is proposed that a Spend to Save programme is undertaken to replace 52 vehicles which are currently leased to the County Council. This programme of work will enable the County Council to benefit from significant revenue savings associated with the current hire of vehicles.
124. **It is proposed that a £0.495m allocation, funded from capital contingency, is incorporated into the capital programme in both 2014/15 and 2015/16.**
125. **Salix Funded Street Lighting** – It is proposed that a Spend to Save initiative is undertaken to replace lanterns in street lights for lower energy options to realise an energy saving. This will be funded by a Salix loan and repaid from revenue savings over a four year period.
126. **It is proposed that a £1.8m allocation, funded from borrowing, is incorporated into the Transport and Highways capital programme.**

Personnel

127. **Universal Infant Free School Meals** – The County Council has received a £1.715m capital grant from the Department for Education to support universal free school meals for children in reception, Year 1 and Year 2 in state funded schools. It is envisaged that this funding will be used to improve school kitchens and dining facilities in schools.
128. **It is proposed that a £1.715m allocation, funded from external funding, is incorporated into the Personnel capital programme.**

Adult Social Care and Health

129. **Supported Living** – It is proposed that a programme of work is undertaken to develop good quality, secure accommodation for people with challenging needs. This work will enable people with high level needs to move out of inappropriate, expensive accommodation and will, over time, bring down the cost of care.
130. **It is proposed that a £3.0m allocation, funded from capital contingency, is incorporated into the Adult Social Care and Health capital programme.**

Policy

131. **Ways of Working** – The Ways of Working programme is already approved within the Policy Committee capital programme. The discovery of asbestos at County Hall has resulted in a requirement for additional funding.
132. **It is proposed that additional funding of £1.5m allocation, funded from reserves, is added to the Ways of Working Programme.**

Economic Development

133. **Nottinghamshire Local Broadband Plan** – The County Council's £2.15m contribution to the Superfast Broadband Project is already approved within the Finance and Property capital programme. The capital programme needs to be varied, however, to incorporate external funding from BDUK (£4.50m), ERDF (£2.76m) and other districts and boroughs (£1.15m)
134. **It is proposed that the Superfast Broadband budget is increased to reflect the £8.41m external funding that has been levered into the County Council.**

Finance and Property

135. **Lindhurst Scheme** – The County Council is one of three parties in a Developers Collaboration Agreement to the south of Mansfield. The terms of the agreement state that the Council is liable to make a contribution to the scheme which is capped at £1.0m. The Council also has a £0.75m contractual overage liability attached to its land holding within the scheme.
136. **It is proposed that £1.0m, funded from capital contingency, is included in the 2014/15 capital programme to fund the rolling cap. It is also proposed that £0.75m, funded from capital contingency is added to the 2016/17 capital programme to fund the overage liability.**

138. **Water Monitoring System** – It is proposed that a Spend to Save initiative is undertaken to install a water temperature monitoring and flushing system in all of the County Council's main corporate properties. This initiative would enable the County Council to benefit from significant revenue savings.
139. **It is proposed that £0.88m, funded from reserves, is included in the Finance and Property capital programme to fund the water monitoring system installation.**
140. **Rokerfield** – It is proposed that a Spend to Save initiative is undertaken to upgrade Rokerfield Day Centre. These works will enable three alternative sites to be vacated with both staff and equipment being consolidated on one site. This initiative would enable the County Council to benefit from significant future revenue savings.
141. **It is proposed that £0.21m, funded from reserves, is included in the Finance and Property capital programme to fund the improvements to Rokerfield Day Centre.**
142. **Stapleford Boundary Wall** – It has been identified that urgent remediation work is required to a ground retaining boundary wall in Stapleford. The wall supports a number of buildings and any collapse could result in serious structural implications.
143. **It is proposed that £1.0m, funded from capital contingency, is included in the capital programme to fund the Stapleford boundary wall works.**
144. **Microsoft Enterprise Agreement** – The County Council's Enterprise Agreement with Microsoft comes to an end in 2014. It is proposed that this efficient method of procuring Microsoft licences is continued into future years.
145. **It is proposed that £1.0m, funded from capital contingency, is incorporated into the Finance and Property capital programme in each of the three years commencing 2014/15.**

Capital Programme Contingency

146. The capital programme requires an element of contingency funding for a variety of purposes, including urgent capital works, schemes which are not sufficiently developed for their immediate inclusion in the capital programme, possible match-funding of grants and possible replacement of reduced grant funding.
147. A number of capital bids described above are proposed to be funded from uncommitted contingency across the period to 2017/18. The levels of contingency funding remaining in the capital programme are as follows:-

2014/15	£1.9m
2015/16	£1.9m
2016/17	£1.9m
2017/18	£1.9m

Revised Capital Programme

148. Taking into account schemes already committed from previous years (some of which have incurred slippage and are now re-phased) and the additional proposals above, the summary capital programme and proposed sources of financing for the years to 2017/18 are set out in the table below.

Table 12 – Summary Capital Programme

	Revised 2013/14 £'m	2014/15 £'m	2015/16 £'m	2016/17 £'m	2017/18 £'m	TOTAL £'m
Committee:						
Children & Young People*	61.227	35.025	27.867	17.501	2.000	143.620
Adult Social Care & Health	0.373	5.760	8.790	7.100	1.350	23.373
Transport & Highways	40.956	42.486	33.824	22.300	29.350	168.916
Environment & Sustainability	4.473	2.242	2.033	1.984	1.700	12.432
Community Safety	0.289	-	-	-	-	0.289
Culture	4.000	5.362	0.450	1.210	1.200	12.222
Policy	5.785	2.748	0.115	0.110	-	8.758
Finance & Property	12.221	9.508	4.650	5.400	3.400	35.179
Personnel	0.145	1.785	0.070	0.070	0.070	2.140
Economic Development	-	5.793	5.708	2.055	1.000	14.556
Contingency	-	1.884	1.883	1.884	1.883	7.534
Capital Expenditure	129.469	112.593	85.390	59.614	41.953	429.019
Financed By:						
Borrowing	65.533	43.429	37.597	22.404	21.583	190.546
Capital Grants †	47.247	48.421	46.623	36.040	19.200	197.531
Revenue/Reserves	16.689	20.743	1.170	1.170	1.170	40.942
Total Funding	129.469	112.593	85.390	59.614	41.953	429.019

* These figures exclude Devolved Formula Capital allocations to schools.

† Indicative Government funding for Transport and Schools is included in 2015/16 to 2017/18.

149. The capital programme for 2013/14 includes £12m of re-phased or slipped expenditure previously included in the capital programme for 2012/13.

Capital Receipts

150. In preparing the capital programme, a full review has been carried out of potential capital receipts. The programme still anticipates significant capital receipts over the period 2013/14 to 2017/18. Any shortfall in capital receipts is likely to result in an increase in prudential borrowing. Forecasts of capital receipts incorporate anticipated slippage between years and are shown in the following table.

Table 13 – Forecast Capital Receipts

	2013/14 £'m	2014/15 £'m	2015/16 £'m	2016/17 £'m	2017/18 £'m	TOTAL £'m
Forecast Capital Receipts	2.0	7.9	9.6	20.5	11.8	51.8

151. The County Council is required to set aside a Minimum Revenue Provision (MRP) in respect of capital expenditure previously financed by borrowing. In recent years, the Council has sought to minimise the revenue consequences of borrowing by optimising the use of capital receipts to reduce the levels of MRP in the short to medium term. As such, the Council's strategy is to apply capital receipts to borrowing undertaken in earlier years, rather than using them to fund in-year expenditure. Although this will be presented as a higher level of in-year borrowing, the overall level of external debt will be unaffected. This policy will be reviewed on an annual basis.
152. One of the requirements of the Local Government Act 2003 is that the Council must set an "Authorised Limit" for its external borrowings. Any potential breach of this limit would require authorisation from the Council. There are a number of other prudential indicators that are required by The Prudential Code to ensure that the proposed levels of borrowing are affordable, prudent and sustainable. The values of the Prudential Indicators are proposed in Appendix J.
153. In accordance with the "CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes", it is proposed that the Council approves a Treasury Management Strategy and Policy for 2014/15. The Strategy is in Appendix K and the Policy is in Appendix L.
154. It is proposed that the Service Director – Finance and Procurement be allowed to raise loans within the authorised limit for external borrowing, subject to the limits in the Treasury Management Strategy for 2014/15.

Equality Impact Assessments

155. Public authorities are required by law to have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation
 - advance equality of opportunity between people who share protected characteristics and those who do not
 - foster good relations between people who share protected characteristics and those who do not.
156. Decision makers must understand the effect of policies and practices on people with protected characteristics. Equality impact assessments are the mechanism by which the authority considers these effects.
157. Equality implications have been considered during the development of the budget proposals and equality impact assessments were undertaken on each proposal approved as part of the 2014/15 MTFS. In addition the Employment Policies that will be applied to any staffing reductions have been the subject of equality impact assessments undertaken by Human Resources staff. This includes assessments which are available as background papers on the following relevant Employment Policies:

- Enabling process
- Redundancy process
- Redundancy selection criteria
- Selection and recruitment process
- Re-deployment process

158. It is essential that Members give due regard to the implications for protected groups in the context of their equality duty in relation to this decision. Members must therefore ensure they have read and fully understand the equality implications of all the proposals before making their decisions.

Statutory and Policy Implications

159. 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

Paragraph
Ref

It is recommended that:

1. The Annual Revenue Budget for Nottinghamshire County Council is set at £504.261m for 2014/15. 74
2. The Finance & Property Committee be authorised to make allocations from the General Contingency for 2014/15. 76
3. The County Council element of the Council Tax is increased by 1.99%, that is, set at a standard Band D tax rate of £1,216.92, with the various bands of property being: 66-69

Band	Value as at 1.4.91	No. of Properties	% no. of properties	Ratio	County Council 2013/14 £	County Council 2014/15 £	Increase £
A	Up to £40,000	140,730	40.0	6/9	795.45	811.28	15.83
B	£40,001- £52,000	72,580	20.6	7/9	928.03	946.49	18.46
C	£52,001- £68,000	60,340	17.1	8/9	1,060.60	1,081.71	21.11
D	£68,001- £88,000	39,900	11.3	1	1,193.18	1,216.92	23.74
E	£88,001- £120,000	21,990	6.2	11/9	1,458.33	1,487.35	29.02
F	£120,001- £160,000	10,540	3.0	13/9	1,723.48	1,757.77	34.29
G	£160,001 - £320,000	5,910	1.7	15/9	1,988.63	2,028.20	39.57
H	Over £320,000	460	0.1	18/9	2,386.36	2,433.84	47.48

4. The County Precept for the year ending 31 March 2015 shall be £282,083,710 and shall be applicable to the whole of the district council areas as General Expenses. 70

5. The County Precept for 2014/15 shall be collected from the district and borough councils in the proportions set out in paragraph 71 with the payment of equal instalments on the following dates: 71-72

2014	2014	2015
17 April 28 May 2 July 6 August	11 September 16 October 20 November 29 December	3 February 10 March

6. The Capital Programme for 2014/15 to 2017/18 be approved at total amounts of: Table 12

£112.593m 2014/15
£ 85.390m 2015/16
£ 59.614m 2016/17
£ 41.953m 2017/18

and be financed as set out in the report.

7. The variations to the Capital Programme be approved. 96-149
8. The Minimum Revenue Provision policy for 2014/15 be approved. Appendix I
9. The Prudential Indicators be approved. Appendix J
10. The Service Director – Finance & Procurement be authorised to raise loans in 2014/15 within the limits of total external borrowings. 154
11. The Treasury Management Strategy for 2014/15 be approved. Appendix K
12. The Treasury Management Policy for 2014/15 be approved. Appendix L
13. The development of a revised operating model be noted. 15-19
14. That the Category A proposals be noted and the Category B and C proposals be approved and implemented. 41-42 Appx A-C
15. The creation of a Strategic Development Fund be approved 79-84
16. The principles underlying the Medium Term Financial Strategy be approved. 43-62
17. The report on the Annual Budget for 2014/15, and the Capital Programme 2014/15 – 2017/18 be approved and adopted

CLLR ALAN RHODES
LEADER OF THE COUNCIL

CLLR DAVID KIRKHAM
CHAIRMAN OF FINANCE AND PROPERTY COMMITTEE

Background Papers Available for Inspection

- Savings Proposals 2014/15 – 2016/17 – Policy Committee – 13th November 2013
- Budget Report – Finance & Property Committee – 10th February 2014
- Risk Register

All Equality Impact Assessments are published on the Council's website at:

<http://www.nottinghamshire.gov.uk/thecouncil/democracy/equalities/eqia/budgetproposalseqia2014/>

Constitutional Comments (GR 18/02/2013)

The proposals set out within this report fall within the remit of the Council to adopt pursuant to Part A of the County Council's Constitution.

Human Resources Implications (MT 14/02/14)

1. The proposals set out within the Outline Business Cases agreed by Policy Committee in November 2013 and reflected in the Medium Term Financial Strategy; resulted in 759 fte posts being identified as at risk of redundancy. These were reflected in a Section 188 notice published on 6th November which led to a period of statutory consultation with the recognised trade unions and employees. The revised vacancy control measures approved by elected members in June 2013 resulted in 268 fte of the posts identified being vacant. This provides opportunities to make the savings identified in the Medium Term Financial Strategy by deleting the posts or for the redeployment of employees at risk of redundancy.
2. All reasonable steps will be taken to mitigate the need for compulsory redundancies including robust vacancy control; redeployment; effective workforce planning (including retraining and reskilling where appropriate) and giving priority consideration to volunteers for redundancy wherever possible. Any staffing reductions will be implemented in accordance with the Council's agreed employment policies and procedures.
3. The Council has developed a comprehensive support package, using feedback from employees and trade union colleagues, for employees potentially at risk of redundancy. This includes providing skills based training and retraining opportunities to maximise employees' potential for redeployment into alternative posts. Individual skills analysis' are undertaken for each employee at risk and a dedicated intranet site provides access to a range of support and guidance including career planning; CV writing; interview skills; dealing with change; financial planning and planning for retirement. The programme is delivered in partnership with organisations such as the Department for Work and Pensions; Job Centre Plus; Futures; local colleges; independent providers such as Barclays Bank and the recognised trades unions.

Financial Comments of the Service Director, Finance & Procurement (PDS 12/02/2014)

4. The budget proposed has been prepared taking into account the major strategic objectives of the Council as set out in the Strategic Plan 2014 to 2018 (Council, 16 January 2014) and reflects all significant cost variations that can be anticipated.
5. The budget has been prepared in conjunction with the Corporate Leadership Team and other senior officers, and through significant member engagement via Policy Committee and Finance

& Property Committee. There has been robust examination and challenge of all the additional spending pressures and savings proposals.

6. Strict budgetary control will be maintained throughout the 2014/15 financial year, and the Council will also implement a new Accountability Framework to further enhance its financial management and accountability arrangements. As in previous years, Departments will be required to utilise any departmental underspends to offset unexpected cost increases that exceed the resources that have been provided to meet known cost pressures and inflation. To the extent that that this may be insufficient or that other unexpected events arise, the Council could potentially call on its General Fund balances.
7. The levels of reserves and balances have been reviewed and are considered to be adequate. However, in comparison to recent years the level of General Fund balances in particular, is expected to be substantially reduced.
8. The forecast reduction in General Fund balances has been the result of using reserves to balance both the previous year's budget and the 2014/15 budget. Whilst this has been in accordance with guidance from the DCLG and will result in the Council still being above the level that is considered prudent (currently c£20m), further reductions in General Fund balances would need to be taken only after careful assessment and consideration of the overall level of financial risk.
9. Given the severity of the financial challenges facing the Council, the budget has been prepared on the basis of accepting a higher level of financial risk than has previously been the case. A comprehensive risk analysis is available as a background paper to this report. A contingency, although again much reduced from that of previous years, has been provided in recognition of the risk of underachievement of some of the savings proposals. The risks and assumptions have been communicated to, and understood by, elected Members and the Corporate Leadership Team.
10. The budget is, in my opinion, robust and meets the requirements of the Local Government Finance Act 1992, the Local Government Act 2003 and the CIPFA Prudential Code. The proposals for 2014/15 fulfil the requirement to set a balanced budget.

Consultation Ref.	Committee	Title	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
A01	ASCH	Living at Home Phase II	0	555	397	952
A02	ASCH	Dementia Quality Mark	500	0	0	500
A03	ASCH	Use of Public Health funding	200	0	0	200
A04	ASCH	Development of reablement in Physical Disability services	150	150	0	300
A05	ASCH	Reduction in staff posts in the Joint Commissioning Unit	34	0	149	183
A06	ASCH	Reduction in staff posts in the Performance Improvement Team	92	0	0	92
A07	ASCH	Major redesign and restructure of business support function	411	400	0	811
A08	ASCH	Reduction in staffing in the Framework Development Team	79	0	0	79
A09	ASCH	Restructure of Adult Care Financial Services (ACFS) and a reduction in posts	93	121	0	214
A12	ASCH	Group Manager Restructure	0	200	0	200
A10	Community Safety	Reduction in Emergency Planning staffing	35	0	0	35
A11	Community Safety	Registration Service Income Generation	47	0	0	47
A60	Culture	Restructuring - staff reductions	50	0	0	50
A13	CYP	Support to Schools	1,000	370	0	1,370
A14	CYP	SEND Hub	492	0	0	492
A15	CYP	Business Support Service	500	1,330	600	2,430
A16	CYP	School Access	0	50	50	100
A17	CYP	Targeted Support and Youth Justice	800	100	100	1,000
A18	CYP	Children's Social Care Management Review	120	80	0	200
A19	CYP	Planning, Performance and Quality Assurance Group	1,350	150	0	1,500
A20	CYP	CFCS Management Structure Review	80	110	185	375
A30	F&P	Reduction in County Offices Maintenance	300	200	100	600
A31	F&P	Reduction in Property Staffing	167	100	0	267
A32	F&P	Rationalisation and staffing reductions	0	50	200	250
A33	F&P	Reduction in Planned Maintenance Budget	0	0	519	519
A49	F&P	Finance & Procurement Staffing Reductions	700	250	250	1,200

Consultation Ref.	Committee	Title	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
A50	F&P	Contract Savings	0	0	350	350
A51	F&P	Savings in provision of online @home service	250	0	0	250
A52	F&P	Termination of licence agreement	80	0	0	80
A53	F&P	Reduction in provision of ICT equipment replacement	0	100	0	100
A54	F&P	Staffing reductions in the Business Support and Development team	60	0	0	60
A22	Personnel	Review Human Resources activity & support - increased self service	500	0	47	547
A23	Personnel	Review Health & Safety service income generation and sharing of services	80	0	0	80
A24	Personnel	Deletion of Senior Analyst post - Job Evaluation	41	0	0	41
A25	Personnel	Cease counselling service and signpost employees to alternative providers	49	0	0	49
A26	Personnel	Review of integrated Learning & Development activity - to further streamline structures; commission more training externally and with others	1,000	0	0	1,000
A21	Policy	Restructure, efficiencies and cost reductions in the Business Support Centre	1,000	500	200	1,700
A27	Policy	Customer Service Centre - efficiencies and shift to more cost effective access channels	45	200	120	365
A28	Policy	Customer Service Centre - generation of additional income and sharing of services with other public sector providers	50	50	0	100
A29	Policy	Review of face to face customer service provision across the county	100	0	0	100
A61	Policy	Redesign staffing structure	246	408	12	666
A62	Policy	Cease holding of Member Forum meetings.	27	0	0	27
A63	Policy	Reorganise Civic Office support staff and reconfigure support activities.	87	0	0	87
A64	Policy	To provide governance & democratic support service to the PCP and PCC.	81	0	0	81

Consultation Ref.	Committee	Title	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
A65	Policy	To move to partial electronic only provision of committee papers.	43	0	0	43
A66	Policy	Streamline corporate complaints	113	0	0	113
A67	Policy	Redesign staffing structure	51	0	0	51
A68	Policy	Redesign staffing structure	246	0	0	246
A69	Policy	Refocus communications and marketing activity	178	0	0	178
A70	Policy	Alternative delivery of translation and interpretation services.	55	0	0	55
A71	Policy	Income generation	24	24	24	72
A72	Policy	Review PPCS management structure	50	0	0	50
A34	T&H	Highways Contract savings	1,170	0	0	1,170
A35	T&H	Increased efficiency by Highways Operations Group	900	0	100	1,000
A36	T&H	Efficiencies through more effective pothole repair & patching service	0	100	100	200
A37	T&H	Reduce contribution to Highways Safety Shared Service	200	100	100	400
A38	T&H	Shared Service for Central Processing Unit	0	25	0	25
A39	T&H	Renegotiation of contribution to the Urban Traffic Control Shared Service	50	0	0	50
A40	T&H	Removal of Robin Hood Line subsidy	0	80	0	80
A41	T&H	Reduce Street Lighting Energy Costs	300	500	700	1,500
A42	T&H	Increased Highways Income from additional housing development activity	10	10	13	33
A43	T&H	Increased income from various service areas	20	30	30	80
A44	T&H	Increased income from providing services to neighbouring local authorities	13	0	0	13
A45	T&H	Restructuring - staff reductions	133	217	0	350
A46	T&H	Restructuring - staff reductions	0	0	0	0
A47	T&H	Restructuring - staff reductions	175	284	0	459
A48	T&H	Restructuring - staff reductions	192	311	0	503

Consultation Ref.	Committee	Title	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
A55	T&H	Staffing Reductions in Transport & Travel Services	150	150	0	300
A56	T&H	Establishment of fund for replacing worn out integrated transport measures	200	200	200	600
A57	T&H	Reduction of discretionary spend	100	100	100	300
A58	T&H	Use of financial contributions (Commutated Sums) from developers	250	0	0	250
A59	T&H	Gully cleaning	50	0	0	50
	Grand total		15,569	7,605	4,646	27,820

Consultation Ref.	Committee	Title	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
B01	ASCH	Assessment and Care Management - Older Adults	165	494	0	659
B02	ASCH	Use of NHS social care funding to offset budget pressures	1,912	0	0	1,912
B03	ASCH	Reduce no. of social care staff in hospital settings by 15%	49	147	0	196
B04	ASCH	Reduction in supplier costs - older person's care homes	0	2,335	0	2,335
B05	ASCH	Reduction in supplier costs - Younger Adults	1,184	761	592	2,537
B06	ASCH	Use of NHS social care funding to offset pressures	1,912	0	0	1,912
B07	ASCH	Younger Adults Assessment & Care Management (A&CM) and Structural Changes	50	700	250	1,000
B08	ASCH	Changes to the delivery structure of the Safeguarding Adults Team	172	0	0	172
B09	ASCH	Reduction in Benefits Advice staff- withdrawn	0	0	0	0
B30	Community Safety	Service Restructuring	367	0	0	367
B33	Community Safety	Redesign focus of service.	245	0	0	245
B13	Culture	Libraries, Archives, Information and Learning	250	375	375	1,000
B14	Culture	Cultural and Enrichment Services	50	130	0	180
B15	Culture	Country Parks and Green Estates	150	160	190	500
B10	CYP	Independent Travel Training	0	200	300	500
B11	CYP	Young People's Service	675	675	0	1,350
B12	CYP	Early Years and Early Intervention	1,000	0	3,000	4,000
B14	CYP	Cultural and Enrichment Services	150	420	50	620
B16	CYP	Looked After Children Placements	2,320	2,570	1,700	6,590
B18	E&S	Renegotiation of Waste Management Contracts	800	200	0	1,000
B19	E&S	Introduce a range of measures associated with HWRC's	205	505	0	710
B20	E&S	Provide financial support to Waste Collection Authorities to introduce kerbside Green Waste Collections	0	200	0	200
B21	E&S	Increase Energy Contract Rebate Income	200	0	0	200

Consultation Ref.	Committee	Title	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
B26	E&S	Restructuring - staff reductions. Income generation.	73	0	0	73
B28	Economic Development	Development of a shared service delivery model with Borough & District Councils.	0	250	0	250
B29	Economic Development	Reducing the NCC contribution to Experience Nottinghamshire	100	0	0	100
B34	F&P	Reduce Councillors' Divisional Fund	335	0	0	335
B25	Personnel	Schools meal price changes	0	0	0	0
B27	Policy	Restructuring - staff reductions. Income generation.	64	0	3	67
B31	Policy	Reduce the financial contribution to Health Watch Nottinghamshire	95	50	0	145
B32	Policy	To cease awarding grant aid to Nottingham Playhouse in 2014/15	95	0	0	95
B17	T&H	Efficiencies & Local Bus Service reductions	800	1,000	0	1,800
B22	T&H	Reduction in Rights of Way Service	100	50	0	150
B23	T&H	Increase charges for Blue Badges	40	40	56	136
B24	T&H	Re-commission Road Safety Education	0	79	0	79
	Grand total		13,558	11,341	6,516	31,415

Consultation Ref.	Committee	Title	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
C01	ASCH	Reducing Community Care Spend - Older Adults	754	1,762	0	2,516
C02	ASCH	Reducing the average community care personal budget - Younger Adults	925	1,178	701	2,804
C03	ASCH	Reduction in long term care placements	550	550	423	1,523
C04	ASCH	Reduction in cost of transport services	0	0	0	0
C05	ASCH	Managing Demand in Younger Adults	175	200	0	375
C06	ASCH	Residential Short Breaks Services	0	250	250	500
C07	ASCH	Day Services	350	220	490	1,060
C08	ASCH	Employment Services	160	0	0	160
C09	ASCH	Various contract changes by the Joint Commissioning Unit	131	179	190	500
C10	ASCH	Savings from the Supporting People budget	0	1,250	1,950	3,200
C11	ASCH	Cease NHS short breaks service (Newlands)	0	460	0	460
C13	ASCH	Targeting Reablement Support	0	755	755	1,510
C14	ASCH	Various options to reduce the cost of the intermediate care service	540	540	0	1,080
C15	ASCH	Notts Welfare Assistance Fund (NWAF)	2,130	0	0	2,130
C12	Community Safety	Reduction in Trading Standards staffing and increased income generation	292	195	0	487
C16	CYP	Children's Disability Service	0	1,180	1,180	2,360
	Grand total		6,007	8,719	5,939	20,665

Appendix D
Summary of Public Health Budget Savings

Public Health Budget Savings - Programme Area	Budget Savings for 2014/15 £000	
Re-commissioning of Substance Misuse services		450
Review of Health Check Programme		182
Review of Tobacco control service		166
Release of uncommitted Public Health funding		
Dental Public Health and Fluoridation	20	
General Prevention (Older People, LTNC and Stroke).	30	
Public Health Staffing	157	
Public Health Corporate Misc. (– including Staffing-non-pay, Health & Wellbeing Board, overheads, NHS property costs.)	50	
Contingency/development	3,945	
		4,202
Total Efficiencies		5,000

Appendix E
Summary of Public Health Realignment Plans

Proposal Name	Description	Value £000
Domestic Violence	Centralisation & coordination of domestic violence services across council.	1,025
Youth violence reduction	Service to deliver preventative case management and psycho-social interventions through Youth Offending Teams with children aged 8-17.	380
Supporting People	Adult Homelessness Services, including homelessness prevention.	1,000
Young people's supported accommodation	Young people's service to support homelessness, learning disability, offenders, substance users, those with poor mental/emotional health.	460
Substance Misuse including Young Peoples Substance Misuse	Residential rehabilitation and supporting people accommodation, early intervention and diversion programmes, including services for young offenders (aged below 18)	468
Illicit Tobacco Prevention & Enforcement	Funding of Trading Standards Officer (TSO) dedicated to reducing the supply of illicit tobacco across the County.	91
Mental Health co-production service	Services to support people who have low/ moderate mental ill health needs and low mental wellbeing.	206
Handy Persons Adaptation Scheme	Service to provide small adaptations to retain older people in their own homes.	95
Building community resources to support people	Services to support people to retain independence and reduce loneliness.	200
Community Outreach Advisors	Service to provide community outreach to support people to stay independent in their own homes	164
Information Prescriptions	Service to provide information on request on a number of areas of health and social care.	28
Stroke	Service to people at risk of stroke or who have experienced stroke.	13
Young Carers	Services to support young carers of a disabled parent, and services to promote educational, psychological social and emotional development of young carers, that are complementary to delivery of ASC Personal Budgets.	340
Young People's Sexual Health.	Dedicated out of hours sexual health services and staff training directed to young people aged 13-19.	80
Family Nurse Partnerships	Intensive home visiting programme for first time teenage mothers.	100
Speech and Language Therapy	Services/support to early childhood services, including Health Visitor teams, to improve screening and promote communication and language development.	350
Total		5,000

Appendix F

Summary of Departmental Cost Pressures

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	TOTAL £000
<u>Children & Young People's Services</u>					
Children's Social Care	2,814	1,064	-	-	3,878
Subtotal Children & Young People's Services Pressures	2,814	1,064	-	-	3,878
<u>Adult Social Care & Health</u>					
Mental Health & Learning Disability	4,680	4,680	4,680	4,680	18,720
Physical Disability	924	924	924	924	3,696
Older Adults Demand	5,000	-	-	-	5,000
Shortfall in Client Contributions	3,000	-	-	-	3,000
Shortfall on Continuing Health Care Income	500	-	-	-	500
Younger Adults Demand	1,500	-	-	-	1,500
Subtotal Adult Social Care & Health Pressures	15,604	5,604	5,604	5,604	32,416
<u>Transport & Highways</u>					
Bus Stations	100	-	-	-	100
Road Lighting CRC Tax	396	20	20	20	456
Subtotal Transport & Highways Pressures	496	20	20	20	556
<u>Environment & Sustainability</u>					
Waste PFI pressure	1,000	-	-	-	1,000
Subtotal Environment & Sustainability Pressures	1,000	-	-	-	1,000
<u>Policy</u>					
Legal Services	300	-	-	-	300
Subtotal Policy Pressures	300	-	-	-	300
Total Pressures	20,214	6,688	5,624	5,624	38,150
<u>Children & Young People's Services</u>					
Bassetlaw PFI Inflation	141	148	153	159	601
Subtotal Children & Young People's Services Inflation	141	148	153	159	601
<u>Adult Social Care & Health</u>					
Fair Price for Care	1,600	1,700	1,800	1,800	6,900
Subtotal Adult Social Care & Health Inflation	1,600	1,700	1,800	1,800	6,900
<u>Transport & Highways</u>					
Concessionary Travel	-	229	579	579	1,387
Local Bus & Schools inflation	490	505	505	505	2,005
Road Lighting Energy	759	893	920	920	3,492
Subtotal Transport & Highways Inflation	1,249	1,627	2,004	2,004	6,884
<u>Environment & Sustainability</u>					
Waste Disposal Landfill tax Escalator	1,300	394	406	418	2,518
Waste Inflation	500	500	500	500	2,000
Subtotal Environment & Sustainability Inflation	1,800	894	906	918	4,518
<u>Personnel</u>					
Living wage	300	-	-	-	300
Subtotal Personnel Inflation	300	-	-	-	300
Total Inflation	5,090	4,369	4,863	4,881	19,203
Total Pressures & Inflation	25,304	11,057	10,487	10,505	57,353

Revenue Budget Summary 2014/15

	2013/14 Original Budget £'000	2014/15 Annual Budget £'000
Committee		
Children & Young People	171,447	152,895
Adult Social Care & Health	216,823	211,812
Transport & Highways	63,367	59,344
Environment & Sustainability	29,027	30,699
Community Safety	4,231	2,938
Culture	14,390	13,388
Economic Development	1,145	1,009
Policy	23,432	26,558
Finance & Property	29,517	27,413
Personnel	2,385	1,441
Public Health	35,103	-
Net Committee Requirements	590,867	527,497
Items Outside Committee:		
Flood Defence Levies	273	273
Trading Organisations	801	801
Pension enhancements (centralised)	1,842	2,205
Employers Pension Contributions	-	842
Contingency	5,040	4,606
Capital Charges (included in Committees above)	(45,748)	(41,113)
Interest	17,919	16,588
Minimum Loan Repayments	18,708	19,259
Council Tax Freeze Grant	(3,107)	-
New Homes Bonus Grant	(2,438)	(2,640)
Public Health Transfer	(35,103)	-
Education Services Grant	(10,907)	(9,545)
Adoption Funding	(1,000)	-
Total before use of Reserves	537,147	518,773
Use of Reserves:		
Net Transfer (From)/To Other Earmarked Reserves	(9,872)	(9,328)
Transfer (From)/To Balances	(15,137)	(5,184)
BUDGET REQUIREMENT	512,138	504,261
Funding Of Budget Requirement:		
Surplus on Council Tax collection for previous years	686	2,126
National Non-Domestic Rates	95,132	98,015
Revenue Support Grant	142,997	122,036
Council Tax	273,323	282,084
TOTAL FUNDING	512,138	504,261

Children & Young People Committee

Variation Summary 2013/14 to 2014/15

	£'000	£'000
1 Original Budget 2013/14		171,447
2 Budgets Transferred between Committees		(2,642)
3 Additional allocations/reductions 2013/14		(1,721)
4 Capital Financing Budget Transfers		(6,665)
5 2014/15 Service Changes:		
Budget Pressures		
Children's Social Care	2,814	
Bassetlaw PFI	141	
		2,955
Pay Award		650
Public Health Realignment		(2,087)
Budget Savings		
Young People's Service	(675)	
Targeted Support & Youth Justice Service	(800)	
Cultural & Enrichment Services	(150)	
Early Years & Early Intervention Service	(1,000)	
Executive Support	(1,350)	
Support to Schools Service	(1,000)	
SEND Policy & Provision	(492)	
Business Support	(500)	
Looked After Children	(2,320)	
Children's Social Care Management Review	(120)	
CFCS Management Structure Review	(80)	
Home to School Transport	(177)	
4th Year of Prior Savings	(178)	
Additional Savings Target	(200)	
		(9,042)
6 Annual Budget 2014/15		152,895

Children & Young People Committee - Revenue Budget 2014/15

Original Budget 2013/14 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Original Budget 2014/15 £'000
	Schools Budget							
251,741	Schools Block - Distributed	-	-	-	243,983	-	-	243,983
17,775	High Needs Block - Distributed	-	-	-	17,784	-	-	17,784
12,852	Early Years Block - Distributed	-	-	-	12,852	-	-	12,852
59,926	Schools Budget - Centrally Retained	-	-	-	56,764	-	-	56,764
342,294	Total Schools Expenditure Budget	-	-	-	331,383	-	-	331,383
(342,294)	Dedicated Schools Grant (DSG)	-	-	-	-	-	(331,383)	(331,383)
21,930	School Assets	-	-	15,118	15,118	-	-	15,118
	Children's Social Care							
3,178	Divisional Overheads	892	560	-	1,452	-	-	1,452
1,602	Safeguarding & Independent Review	1,531	358	-	1,889	(135)	(1)	1,753
42,159	Access to Resources	10,630	32,220	79	42,929	-	(4,951)	37,978
6,700	Social Work Services Assessment	4,195	575	-	4,770	-	-	4,770
14,438	Social Work Services Throughcare	6,366	8,286	-	14,652	-	(8)	14,644
13,637	Children's Disability Service	10,795	5,588	-	16,383	(186)	(31)	16,166
81,714	Total Children's Social Care	34,409	47,587	79	82,075	(321)	(4,991)	76,763
	Education Standards & Inclusion							
9,061	Support to Schools Service	7,771	1,520	-	9,291	-	(1,482)	7,809
13,467	Business Development & Support (inc Home to Sch Trans)	7,353	7,687	-	15,040	(220)	(1,877)	12,943
6,770	SEND Policy & Provision	943	6,659	-	7,602	(116)	(1,782)	5,704
29,298	Total Education Standards & Inclusion	16,067	15,866	-	31,933	(336)	(5,141)	26,456

Children & Young People Committee - Revenue Budget 2014/15

Original Budget 2013/14 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Original Budget 2014/15 £'000
5,965	Capital Projects Team	431	22,288	-	22,719	(12,337)	(5,450)	4,932
	Youth, Families & Culture							
5,065	Young People's Service	3,556	1,758	-	5,314	(1,354)	(88)	3,872
6,367	Targeted Support & Youth Justice Service	3,851	6,869	-	10,720	(3,633)	-	7,087
1,839	Cultural & Enrichment Services	3,938	1,809	-	5,747	(831)	(3,239)	1,677
16,780	Early Years & Early Intervention Service	1,124	15,934	-	17,058	-	(93)	16,965
1,778	Executive Support	1,172	331	-	1,503	-	(48)	1,455
31,829	Total Youth Families & Culture	13,641	26,701	-	40,342	(5,818)	(3,468)	31,056
711	Capital Charges	-	-	857	857	-	-	857
-	Public Health Realignment	-	(2,087)	-	(2,087)	-	-	(2,087)
-	Additional Savings Target	-	(200)	-	(200)	-	-	(200)
171,447	TOTAL CHILDREN & YOUNG PEOPLE COMMITTEE	64,548	110,155	16,054	190,757	(18,812)	(19,050)	152,895

Children and Young People Committee Capital Programme

Total Project Cost £000	Actual to 31.03.13 £000		Revised 2013/14 £000	Budget Year 2014/15 £000	Indicative Figures		
					2015/16 £000	2016/17 £000	2017/18 £000
		PRIMARY SCHOOLS					
5,523	114	Beardall Street Primary	1,801	3,608	-	-	-
1,647	486	Section 106 Projects	1,161	-	-	-	-
339	-	Joseph Whitaker School	339	-	-	-	-
239	-	St Peter's East Bridgford	239	-	-	-	-
11,069	10,925	Primary Capital Programme	144	-	-	-	-
1,311	1,282	Chuter Ede Primary	29	-	-	-	-
3,158	3,155	Greasley Beauvale Infants and Junior	3	-	-	-	-
371	351	Hawthorne Primary	20	-	-	-	-
		SPECIAL SCHOOLS					
8,200	8,146	Special Schools Programme	54	-	-	-	-

Children and Young People Committee Capital Programme

Total Project Cost £000	Actual to 31.03.13 £000		Revised 2013/14 £000	Budget Year 2014/15 £000	Indicative Figures		
					2015/16 £000	2016/17 £000	2017/18 £000
		OTHER EDUCATION PROGRAMMES					
1,303	1,281	Rushcliffe Section 106 Contributions	22	-	-	-	-
993	830	School Kitchens	163	-	-	-	-
-	-	School Modernisation Programme	577	-	-	-	-
-	-	School Places Programme †	18,285	12,217	16,667	17,501	2,000
-	-	School Capital Refurbishment Programme ^	32,302	17,000	11,000	-	-
-	-	School Access Initiative	935	-	-	-	-
6,190	6,129	Children's Centre Programme Phase 3	61	-	-	-	-
		YOUNG PEOPLE					
34	20	Other Youth Projects	14	-	-	-	-
856	784	Eastwood Young People's Centre	72	-	-	-	-
750	692	Eastbourne Centre	58	-	-	-	-
2,100	-	Early Years Education Places	1,100	1,000	-	-	-
90	-	Balderton YPC	-	90	-	-	-
224	-	Rushcliffe Children's Centre	224	-	-	-	-
75	-	Bingham YPC	-	75	-	-	-

Children and Young People Committee Capital Programme

Total Project Cost £000	Actual to 31.03.13 £000		Revised 2013/14 £000	Budget Year 2014/15 £000	Indicative Figures		
					2015/16 £000	2016/17 £000	2017/18 £000
-	-	CHILDREN'S SOCIAL CARE					
2,600	207	Short Break Capital Grant	1,266	-	-	-	-
400	-	Edwinstowe Respite Centre	1,558	835	-	-	-
800	-	Children's Homes	-	200	200	-	-
	-	Clayfields House	800	-	-	-	-
		Gross Capital Programme	61,227	35,025	27,867	17,501	2,000
		Funded from:					
		Approved County Council Allocations	37,158	10,061	6,200	-	-
		External Grants & Contributions	22,694	11,176	21,667	17,501	2,000
		Revenue	-	1,000	-	-	-
		Reserves	1,375	12,788	-	-	-
		Total Funding	61,227	35,025	27,867	17,501	2,000

NOTES:

* Figures for Total Project Cost and Actual to 31.03.13 are for information only in respect of schemes running over several financial years. They are not applicable to annual programmes.

† Indicative grant funding of £2.0 million is shown against the School Places Programme in 2017/18

^ Indicative grant funding of £5.0 million is included in the 2015/16 School Capital Refurbishment Programme allocation. In addition to the gross capital programme outlined above, there are Devolved Formula Capital allocations to schools of £1.7 million in 2013/14.

Adult Social Care & Health Committee Variation Summary 2013/14 to 2014/15

	£000	£000
1 Original Budget 2013/14		216,823
2 Budgets Transferred between Committees		(1,998)
3 Additional allocations/reductions 2013/14		(1,679)
4 Capital Financing Budget Transfers		231
5 2014/15 Service Changes:		
Budget Pressures		
Demand led - Mental Health & Learning Disability	4,680	
Demand led - Older People Demographics	5,000	
Demand led - Physical Disability	924	
Shortfall in Client Contributions	3,000	
Shortfall on Continuing Health Care Income	500	
Demand led - Younger Adults	1,500	
Fair Price for Care	1,600	
		17,204
Pay Award		561
Public Health Realignment		(1,622)
Budget Savings (including £1.2m Public Health realignment)		
Joint Commissioning & Business Change	(4,042)	
Promoting Independence & Public Protection	(2,670)	
Younger Adults	(5,656)	
Older Adults	(4,830)	
Additional Savings Target	(510)	
		(17,708)
6 Annual Budget 2014/15		211,812

Adult Social Care & Health Committee - Revenue Budget 2014/15

Original Budget 2013/14 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Annual Budget 2014/15 £'000
	ASCH Support							
712	Corporate Director & Departmental Costs	152	826	-	978	-	-	978
111	Promoting Independence & Public Protection	185	2	-	187	-	(81)	106
9,148	Reablement	5,230	3,628	-	8,858	-	(236)	8,622
735	Customer Access	827	236	14	1,077	(2,213)	(248)	(1,384)
126	Joint Commissioning, Business Change & Quality	107	3	14	124	(21)	-	103
4,304	Business Change & Support	3,766	412	14	4,192	(21)	(349)	3,822
(38,431)	Operational Policy & Performance	4,058	2,004	269	6,331	(178)	(41,085)	(34,932)
552	Safeguarding Adults	218	205	-	423	(71)	(118)	234
21,730	Joint Commissioning	1,786	25,589	-	27,375	(345)	(11,517)	15,513
(1,012)	Total ASCH Support	16,329	32,905	311	49,545	(2,849)	(53,634)	(6,938)
	Personal Care & Support Younger Adults							
(11,930)	Personal Care & Support Younger Adults	120	33	-	153	-	(14,512)	(14,359)
9,126	Mental Health	3,238	9,775	-	13,013	-	-	13,013
39,940	Younger Adults Disability North	2,433	40,378	-	42,811	-	(3,695)	39,116
36,052	Younger Adults Disability South	2,636	34,802	-	37,438	-	(540)	36,898
20,542	Ashfield & Mansfield CLDT	566	24,359	-	24,925	-	(2)	24,923
3,875	LD Residential	3,476	422	40	3,938	-	(55)	3,883
11,746	Day Services	7,960	3,417	673	12,050	-	(687)	11,363
109,350	Total Personal Care & Support Younger Adults	20,429	113,186	713	134,328	-	(19,491)	114,837

Adult Social Care & Health Committee - Revenue Budget 2014/15

Original Budget 2013/14 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Annual Budget 2014/15 £'000
	Personal Care & Support Older Adults							
(5,050)	Older People	107	7,191	-	7,298	-	(18,182)	(10,884)
30,822	Older People Ashfield & Mansfield	2,303	31,778	-	34,081	-	-	34,081
41,608	Older People Bassetlaw & Newark	2,727	35,175	325	38,227	-	(28)	38,199
26,718	Older People Broxtowe & Rushcliffe	2,393	26,484	-	28,877	-	(42)	28,835
14,387	Older People Gedling	1,227	14,587	-	15,814	-	-	15,814
108,484	Total Personal Care & Support Older Adults	8,757	115,215	325	124,297	-	(18,252)	106,045
	- Public Health Realignment	-	(1,622)	-	(1,622)	-	-	(1,622)
	- Additional Savings Target	-	(510)	-	(510)	-	-	(510)
216,823	TOTAL ADULT SOCIAL CARE & HEALTH COMMITTEE	45,515	259,174	1,349	306,038	(2,849)	(91,377)	211,812

Adult Social Care and Health Committee Capital Programme

Total Project Cost £000	Actual to 31.03.13 £000		Revised 2013/14 £000	Budget Year 2014/15 £000	Indicative Figures		
					2015/16 £000	2016/17 £000	2017/18 £000
		OLDER PERSONS					
12,650	-	- Living at Home	-	2,760	5,790	4,100	-
3,000	-	- Supported Living	-	3,000	-	-	-
12,350	-	- Modernising Services for Older People †	-	-	3,000	3,000	1,350
		LEARNING DISABILITY					
3,051	2,704	Day Services Modernisation	347	-	-	-	-
1,785	1,759	Bassetlaw Specialist Day Centre	26	-	-	-	-
		Gross Capital Programme	373	5,760	8,790	7,100	1,350
		Funded from:					
		Approved County Council Allocations	236	3,869	8,790	7,100	1,350
		External Grants & Contributions	-	1,891	-	-	-
		Revenue	45	-	-	-	-
		Reserves	92	-	-	-	-
		Total Funding	373	5,760	8,790	7,100	1,350

Transport & Highways Committee

Variation Summary 2013/14 to 2014/15

	£'000	£'000
1 Original Budget 2013/14		63,367
2 Budgets Transferred between Committees		(668)
3 Additional allocations/reductions 2013/14		(1,096)
4 Capital Financing Budget Transfers		1,115
5 2014/15 Service Changes etc		
Budget Pressures		
Bus Stations	100	
Road Lighting CRC Tax	396	
Local Bus & Schools Transport Inflation	490	
Highway Street Lighting Energy	759	
	<hr/>	1,745
Pay Award		146
Budget Savings		
Local Bus Service Efficiencies	(800)	
Travel & Transport Services Staffing	(225)	
Contract Savings & Carriageway Patching	(2,070)	
Highway Service Redesign	(649)	
Reduced contribution / provision of Services	(921)	
Street Lighting efficiencies	(300)	
Capital Utilisation Programme	(200)	
Additional Savings Target	(100)	
	<hr/>	(5,265)
6 Annual Budget 2014/15		<u><u>59,344</u></u>

Transport & Highways Committee - Revenue Budget 2014/15

Original Budget 2013/14 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Annual Budget 2014/15 £'000
	Highways Maintenance							
2,856	Carriageway Patching	-	1,674	-	1,674	-	-	1,674
1,559	Footway Patching	-	1,164	-	1,164	-	-	1,164
265	Road Studs, Markings & Signs	-	265	-	265	-	-	265
1,599	Traffic Signals	-	7,151	-	7,151	-	-	7,151
6,637	Road Lighting	-	1,461	-	1,461	-	-	1,461
1,407	Drain Cleaning	-	1,297	-	1,297	-	-	1,297
431	Environmental Maintenance	-	431	-	431	-	-	431
1,236	Verges, Trees & Hedges	-	1,536	-	1,536	-	-	1,536
543	Repairs following accidents & vandalism	-	443	-	443	-	-	443
110	Bridges, Culverts & Boundaries	-	110	-	110	-	-	110
75	Technical Surveys	-	75	-	75	-	-	75
2,040	Other Highways Repairs	-	1,008	-	1,008	-	(14)	994
2,466	Gritting & Snow Clearance	-	2,113	-	2,113	-	-	2,113
21,224	Total Highways Maintenance	-	18,728	-	18,728	-	(14)	18,714
	Highways Salaries							
120	Directorate	114	-	-	114	-	-	114
2,176	Highways Management	2,185	366	-	2,551	-	(1,394)	1,157
1,795	Policies & Programmes	2,174	576	-	2,750	(403)	(1,189)	1,158
184	Planning & Design	2,909	83	-	2,992	-	(2,878)	114
2,421	Highways Safety	1,759	1,167	-	2,926	-	(1,032)	1,894
6,696	Total Highways Salaries	9,141	2,192	-	11,333	(403)	(6,493)	4,437
	- Highway Operations Trading	8,982	15,208	303	24,493	-	(24,753)	(260)

Transport & Highways Committee - Revenue Budget 2014/15

Original Budget 2013/14 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Annual Budget 2014/15 £'000
	Travel & Transport Services							
10,806	Concessionary Fares	-	10,571	-	10,571	-	(20)	10,551
6,093	Local Bus Services	-	5,760	-	5,760	-	(20)	5,740
1,385	NTS Salary Related Costs	1,023	5	-	1,028	-	-	1,028
274	Bus Stations	274	640	-	914	-	(535)	379
172	Passenger Information Facilities	93	805	-	898	-	(676)	222
250	I T Maintenance Contracts	-	250	-	250	-	-	250
232	Service Development	-	94	182	276	-	-	276
82	Fleet Management / Maintenance & Operations	2,731	2,615	-	5,346	-	(5,256)	90
(160)	Recharges to Capital	-	-	-	-	-	(120)	(120)
(325)	Grey Fleet Recharges	-	-	-	-	-	-	-
18,809	Total Travel & Transport Services	4,121	20,740	182	25,043	-	(6,627)	18,416
	Traffic Management & Road Safety							
190	Traffic Control Centre	-	140	-	140	-	-	140
530	Traffic & Parking Schemes/Surveys	-	397	-	397	-	-	397
204	Road Safety Education	-	153	-	153	-	-	153
265	School Crossing Patrols	-	265	-	265	-	-	265
1,189	Total Traffic Management & Road Safety	-	955	-	955	-	-	955
	Strategic & Environmental Services							
121	Directorate	120	2	-	122	-	-	122
(79)	Business Change & Operations Support	393	2	-	395	-	(505)	(110)
42	Total Strategic & Environmental Services	513	4	-	517	-	(505)	12

Transport & Highways Committee - Revenue Budget 2014/15

Original Budget 2013/14 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Annual Budget 2014/15 £'000
	Professional, Technical & Advisory							
1,976	Internal Services (County Council)	-	1,976	-	1,976	-	-	1,976
2,091	Insurance Costs	-	2,177	-	2,177	-	-	2,177
(2,873)	Internal Recharges	-	-	-	-	-	(2,193)	(2,193)
1,194	Total Professional, Technical, Advisory	-	4,153	-	4,153	-	(2,193)	1,960
14,213	Capital charges	-	-	15,210	15,210	-	-	15,210
-	- Additional Savings Target	-	(100)	-	(100)	-	-	(100)
63,367	TOTAL TRANSPORT & HIGHWAYS COMMITTEE	22,757	61,880	15,695	100,332	(403)	(40,585)	59,344

Transport & Highways Committee Capital Programme

Total Project Cost £000*	Actual to 31.03.13 £000*		Revised 2013/14 £000	Budget Year 2014/15 £000	Indicative Figures		
					2015/16 £000	2016/17 £000	2017/18 £000
		MAJOR SCHEMES					
20,000	-	A453 Improvement	10,000	5,000	5,000	-	-
15,579	15,150	A612 Gedling Transport Improvement	429	-	-	-	-
3,154	-	Hucknall Rolls Royce Roundabout	-	3,154	-	-	-
9,955	8,975	Mansfield Public Transport Interchange	980	-	-	-	-
3,608	-	Worksop Bus Station	448	2,460	700	-	-
11,048	1,531	Hucknall IRR	528	3,480	4,859	-	650
-	-	Advance Design Fees	112	-	-	-	-
-	-	Residual Land Compensation Claims	468	-	-	-	-
-	-	Other Major Schemes	36	-	-	-	-
-	-	Gedling Access Road	-	-	-	-	5,400
-	-	A57 Roundabout	-	-	-	-	1,000
		HIGHWAYS & ROADS					
-	-	Roads Maintenance & Renewals ‡	13,245	14,069	12,500	12,500	12,500
-	-	Street Lighting Renewal ‡	2,059	1,502	1,000	1,000	1,000
-	-	Salix Funded Street Lighting	266	1,070	464	-	-
-	-	Flood Alleviation & Drainage ‡	514	600	600	600	600
1,282	1,124	Terminate Manage & Operate Partnerships	158	-	-	-	-
-	-	Road Safety ‡	382	350	350	350	350
2,833	-	Highways Trading - Vehicles & Plant	1,033	450	450	450	450
260	-	Green Network	260	-	-	-	-
		INTEGRATED TRANSPORT MEASURES (ITM)					
-	-	Local Transport Plan	7,134	6,956	4,506	4,500	4,500
		LAND RECLAMATION					
-	-	Land Reclamation	421	-	-	-	-

Transport & Highways Committee Capital Programme

Total Project Cost £000*	Actual to 31.03.13 £000*		Revised 2013/14 £000	Budget Year 2014/15 £000	Indicative Figures		
					2015/16 £000	2016/17 £000	2017/18 £000
		MISCELLANEOUS SCHEMES					
-	-	Vehicle Purchases	-	495	495	-	-
-	-	Civil Parking Enforcement	88	-	-	-	-
-	-	Vehicle Purchase - Gritters	542	150	150	150	150
-	-	Transport & Travel Services ‡	1,046	750	750	750	750
-	-	Transport & Highways External Funding Δ	807	2,000	2,000	2,000	2,000
		Gross Capital Programme	40,956	42,486	33,824	22,300	29,350
		Funded from:					
		Approved County Council Allocations	6,715	11,811	10,895	4,700	11,750
		External Grants & Contributions	22,106	27,775	22,329	17,000	17,000
		Revenue	-	-	-	-	-
		Reserves	12,135	2,900	600	600	600
		Total Funding	40,956	42,486	33,824	22,300	29,350

NOTES:

* Figures for Total Project Cost and Actual to 31.03.13 are for information only in respect of schemes running over several financial years. They are not applicable to annual programmes.

‡ These schemes have rolling budgets with annual allocations incorporated into the Capital Programme, at the 2015/16 level, until 2019/20.

Δ Transport & Highways External Funding is provision for anticipated external contributions (excluding Growth Point) to capital schemes and will be transferred to other budget blocks as the year progresses.

Environment & Sustainability Committee Variation Summary 2013/14 to 2014/15

	£'000	£'000
1 Original Budget 2013/14		29,027
2 Budgets Transferred between Committees		(102)
3 Additional allocations/reductions 2013/14		-
4 Capital Financing Budget Transfers		362
5 2014/15 Service Changes:		
Budget Pressures		
Waste PFI Pressure	1,000	
Waste Disposal Landfill tax Escalator	1,300	
Waste Inflation	<u>500</u>	
		2,800
 Pay Award		 14
 Budget Savings		
Eastcroft Lines 1 & 2 Utilisation	(800)	
Closure of Fiskerton HWRC	(205)	
Energy Contract Rebate	(200)	
Planning - Staffing & Income generation	(137)	
Additional Savings Target	<u>(60)</u>	
		(1,402)
 6 Annual Budget 2014/15		 <u><u>30,699</u></u>

Environment & Sustainability Committee - Revenue Budget 2014/15

Original Budget 2013/14 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Annual Budget 2014/15 £'000
	Waste Management / Energy							
3,348	PFI Contract - WRC Delivery to Landfill	-	3,763	-	3,763	-	-	3,763
11,840	PFI Contract - Landfill Tax	-	12,660	-	12,660	-	-	12,660
4,509	MRF / HWRC Availability Payments	-	3,727	-	3,727	-	-	3,727
3,271	Other PFI Costs / PFI Credits	-	6,522	-	6,522	(1,417)	-	5,105
(1,456)	Strategy & Performance	-	64	-	64	-	(1,576)	(1,512)
747	Re-Cycling Credits	-	721	-	721	-	-	721
2,003	Waste & Energy Salary Related Costs	583	16	1,045	1,644	-	-	1,644
3,198	Eastcroft Incinerator / Gate Fee	-	3,293	-	3,293	-	-	3,293
350	Maintenance of Old Landfill Sites	-	350	-	350	-	-	350
427	HWRC Rents & Rates	-	525	-	525	-	-	525
255	Carbon Reduction Commitment	-	280	-	280	-	-	280
(64)	Energy Section	-	40	-	40	-	(305)	(265)
28,428	Total Waste Management / Energy	583	31,961	1,045	33,589	(1,417)	(1,881)	30,291
	Planning							
413	Planning Policy	273	70	-	343	-	-	343
186	Development Management	352	102	-	454	-	(329)	125
599	Total Planning	625	172	-	797	-	(329)	468
-	Additional Savings Target	-	(60)	-	(60)	-	-	(60)
29,027	TOTAL ENVIRONMENT & SUSTAINABILITY COMMITTEE	1,208	32,073	1,045	34,326	(1,417)	(2,210)	30,699

Environment & Sustainability Committee Capital Programme

Total Project Cost £000*	Actual to 31.03.13 £000*		Revised 2013/14 £000	Budget Year 2014/15 £000	Indicative Figures		
					2015/16 £000	2016/17 £000	2017/18 £000
		LOCAL IMPROVEMENT SCHEMES (LIS)					
-	-	Local Improvement Schemes	2,923	-	-	-	-
-	-	Supporting Local Communities Fund #	-	500	500	500	500
-	-	Environ & Sustainability External Funding †	200	200	200	200	200
		CARBON MANAGEMENT					
-	-	Carbon Management (LAEF) ‡	300	333	333	284	-
		WASTE MANAGEMENT					
-	-	Waste Management	1,050	1,209	1,000	1,000	1,000
		Gross Capital Programme	4,473	2,242	2,033	1,984	1,700
		Funded from:					
		Approved County Council Allocations	3,473	1,209	1,000	1,000	1,000
		External Grants & Contributions	500	533	533	484	200
		Revenue	500	500	500	500	500
		Reserves	-	-	-	-	-
		Total Funding	4,473	2,242	2,033	1,984	1,700

NOTES:

* Figures for Total Project Cost and Actual to 31.03.13 are for information only in respect of schemes running over several financial years. They are not applicable to annual programmes.

A rolling budget of £0.5 million per annum for Supporting Local Communities is included in the Capital Programme until 2019/20.

† Environment & Sustainability External Funding is provision for anticipated external contributions to capital schemes and will be transferred to other budget blocks as the year progresses.

‡ Under the Carbon Management scheme, expenditure is refunded to the scheme from savings resulting from energy efficiencies. Such recycled contributions are used for further schemes and the budget incorporates the anticipated resulting expenditure.

Community Safety Committee Variation Summary 2013/14 to 2014/15

	£'000	£'000
1 Original Budget 2013/14		4,231
2 Budgets Transferred between Committees		(158)
3 Additional allocations/reductions 2013/14		-
4 Capital Financing Budget Transfers		1
5 2014/15 Service Changes:		
Pay Award		40
Public Health Realignment		(91)
Budget Savings		
Voluntary & Community Sector Liason Service Re	(245)	
Community Safety Service Restructure	(367)	
Registration Service	(146)	
Trading Standards	(292)	
Emergency Planning	(35)	
		(1,085)
6 Annual Budget 2014/15		<u>2,938</u>

Community Safety Committee - Revenue Budget 2014/15

Original Budget 2013/14 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Annual Budget 2014/15 £'000
1,511	Trading Standards	1,875	366	1	2,242	-	(982)	1,260
	Emergency Management & Registration							
186	Registration of Births, Deaths & Marriages	1,147	383	1	1,531	-	(1,530)	1
259	Emergency Planning	247	44	-	291	-	(64)	227
666	Coroners	-	671	-	671	-	-	671
1,111	Total Emergency Management & Registration	1,394	1,098	1	2,493	-	(1,594)	899
1,609	Community Safety & Partnerships	375	495	-	870	-	-	870
-	Public Health Realignment	-	(91)	-	(91)	-	-	(91)
4,231	TOTAL COMMUNITY SAFETY COMMITTEE	3,644	1,868	2	5,514	-	(2,576)	2,938

Community Safety Committee Capital Programme

Total Project Cost £000	Actual to 31.03.13 £000		Revised 2013/14 £000	Budget Year 2014/15 £000	Indicative Figures		
					2015/16 £000	2016/17 £000	2017/18 £000
300	11	REGISTRATION SERVICES Newark Register Office	289	-	-	-	-
		Gross Capital Programme	289	-	-	-	-
		Funded from:					
		Approved County Council Allocations	289	-	-	-	-
		External Grants & Contributions	-	-	-	-	-
		Revenue	-	-	-	-	-
		Reserves	-	-	-	-	-
		Total Funding	289	-	-	-	-

Culture Committee Variation Summary 2013/14 to 2014/15

	£'000	£'000
1 Original Budget 2013/14		14,390
2 Budgets Transferred between Committees		172
3 Additional allocations/reductions 2013/14		(418)
4 Capital Financing Budget Transfers		(27)
5 2014/15 Service Changes:		
Pay Award		101
Budget Savings		
Libraries & Archives	(250)	
Cultural and Enrichment Services	(50)	
Country Parks	(150)	
National Watersports Centre	(310)	
Conservation restructuring	(50)	
Additional Savings Target	(20)	
		(830)
6 Annual Budget 2014/15		<u>13,388</u>

Culture Committee - Revenue Budget 2014/15

Original Budget 2013/14 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Original Budget 2014/15 £'000
8,891	Libraries Archives & Information	6,871	6,167	-	13,038	(2,791)	(1,305)	8,942
1,597	Country Parks	2,125	2,117	-	4,242	(72)	(2,741)	1,429
445	Conservation	369	85	9	463	-	-	463
2,206	Cultural & Enrichment Services	629	1,396	-	2,025	(392)	(313)	1,320
1,251	Capital Charges	-	-	1,254	1,254	-	-	1,254
-	Additional Savings Target	-	(20)	-	(20)	-	-	(20)
14,390	TOTAL CULTURE COMMITTEE	9,994	9,745	1,263	21,002	(3,255)	(4,359)	13,388

Culture Committee Capital Programme

Total Project Cost £000	Actual to 31.03.13 £000		Revised 2013/14 £000	Budget Year 2014/15 £000	Indicative Figures		
					2015/16 £000	2016/17 £000	2017/18 £000
		LIBRARIES					
2,568	77	Nottinghamshire Archives Extension	200	2,291	-	-	-
5,235	4,698	West Bridgford Library	537	-	-	-	-
250	-	Stapleford Library	250	-	-	-	-
841	706	Mansfield Library	35	100	-	-	-
135	-	Annesley Woodhouse Library	35	100	-	-	-
35	-	Tuxford Library †	35	-	-	-	-
-	-	Libraries Refurbishment Phase 2	26	940	450	1,210	1,200
		COUNTRY PARKS					
3,240	1,399	Sherwood Forest Visitors Centre	10	1,831	-	-	-
86	-	Bestwood Country Park Toilet	86	-	-	-	-
		SPORTS					
3,202	816	National Water Sports Centre	2,286	100	-	-	-
		OTHER SCHEMES					
500	-	Economic & Tourism Initiatives	500	-	-	-	-
		Gross Capital Programme	4,000	5,362	450	1,210	1,200

Culture Committee Capital Programme

Total Project Cost £000	Actual to 31.03.13 £000		Revised 2013/14 £000	Budget Year 2014/15 £000	Indicative Figures		
					2015/16 £000	2016/17 £000	2017/18 £000
		Funded from:					
		Approved County Council Allocations	236	3,184	450	1,210	1,200
		External Grants & Contributions	2,218	35	-	-	-
		Revenue	-	-	-	-	-
		Reserves	1,546	2,143	-	-	-
		Total Funding	4,000	5,362	450	1,210	1,200

NOTES:

Figures for Total Project Cost and Actual to 31.03.13 are for information only in respect of schemes running over several financial years. They are not applicable to annual programmes.

Economic Development Committee Variation Summary 2013/14 to 2014/15

	£'000	£'000
1 Original Budget 2013/14		1,145
2 Budgets Transferred between Committees		459
3 Additional allocations/reductions 2013/14		(489)
4 Capital Financing Budget Transfers		-
5 2014/15 Service Changes:		
Pay Award		4
Budget Savings		
Experience Nottinghamshire	(100)	
Additional Savings Target	(10)	
		(110)
6 Annual Budget 2014/15		<u>1,009</u>

Economic Development Committee - Revenue Budget 2014/15

Original Budget 2013/14 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Annual Budget 2014/15 £'000
1,145	Economic Development	415	2,657	35	3,107	-	(2,088)	1,019
-	Additional Savings Target	-	(10)	-	(10)	-	-	(10)
1,145	TOTAL ECONOMIC DEVELOPMENT COMMITTEE	415	2,647	35	3,097	-	(2,088)	1,009

Economic Development Committee Capital Programme

Total Project Cost £000*	Actual to 31.03.13 £000*		Revised 2013/14 £000	Budget Year 2014/15 £000	Indicative Figures		
					2015/16 £000	2016/17 £000	2017/18 £000
-	-	ECONOMIC DEVELOPMENT CAPITAL FUND	-	1,000	1,000	1,000	1,000
10,556	-	Economic Development Capital Fund # Superfast Broadband	-	4,793	4,708	1,055	-
		Gross Capital Programme	-	5,793	5,708	2,055	1,000
		Funded from:					
		Approved County Council Allocations	-	1,000	3,150	1,000	1,000
		External Grants & Contributions	-	4,793	2,558	1,055	-
		Revenue	-	-	-	-	-
		Reserves	-	-	-	-	-
		Total Funding	-	5,793	5,708	2,055	1,000

NOTES:

A rolling budget of £1.0 million per annum for Economic Development Capital Fund is included in the Capital Programme until 2019/20.

Policy Committee Variation Summary 2013/14 to 2014/15

	£'000	£'000
1 Original Budget 2013/14		23,432
2 Budgets Transferred between Committees		4,707
3 Additional allocations/reductions 2013/14		228
4 Capital Financing Budget Transfers		321
5 2014/15 Service Changes:		
Budget Pressures		
Legal Services	300	300
Pay Award		186
Budget Savings		
Legal Services staffing restructure	(246)	
Members & Democratic Services redesign	(238)	
Streamline Corporate Complaints	(113)	
Office of Chief Executive - staffing restructure	(51)	
Policy Performance & Research restructure	(246)	
Healthwatch Nottinghamshire	(95)	
Playhouse grant aid	(95)	
Refocus Communications & Marketing Activity	(178)	
Translation & Interpretation Service	(55)	
Communications & Marketing Income generation	(24)	
Policy Planning & Corporate Services staffing review	(50)	
Business Support Centre Restructure	(1,000)	
CSC Channel shift & income generation	(95)	
CSC Review of face to face communication	(100)	
Additional Savings Target	(30)	
		(2,616)
6 Annual Budget 2014/15		26,558

Policy Committee - Revenue Budget 2014/15

Original Budget 2013/14 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Annual Budget 2014/15 £'000
1,024	Democratic Services	667	219	2	888	-	(83)	805
1,824	Members Allowances	35	1,858	-	1,893	-	(5)	1,888
1,200	County Council Elections	-	-	-	-	-	-	-
625	Directorate / Business Support	573	17	-	590	-	-	590
1,475	Policy, Performance, Research & Equalities	945	400	-	1,345	-	-	1,345
300	Apprentices	-	-	-	-	-	-	-
2,366	Corporate Communications	2,061	2,266	31	4,358	-	(1,721)	2,637
4,478	Business Support Centre	5,265	1,360	898	7,523	-	(3,875)	3,648
	Improvement Programme							
3,697	Improvement Programme	2,427	390	1,106	3,923	-	-	3,923
523	Ways of Working	660	351	-	1,011	-	-	1,011
4,220	Total Improvement Programme	3,087	741	1,106	4,934	-	-	4,934
3,700	Customer Services Centre	2,918	600	220	3,738	-	(313)	3,425
2,220	Grants to Organisations	65	2,370	-	2,435	-	(10)	2,425
-	- Legal Services (formerly a trading service)	2,047	2,962	-	5,009	-	(118)	4,891
-	- Additional Savings Target	-	(30)	-	(30)	-	-	(30)
23,432	TOTAL POLICY COMMITTEE	17,663	12,763	2,257	32,683	-	(6,125)	26,558

Policy Committee Capital Programme

Total Project Cost £000	Actual to 31.03.13 £000		Revised 2013/14 £000	Budget Year 2014/15 £000	Indicative Figures		
					2015/16 £000	2016/17 £000	2017/18 £000
		POLICY PLANNING & CORPORATE SERVICES					
448	-	Customer Services Centre	65	158	115	110	-
750	645	Strategic Communications Initiatives	105	-	-	-	-
		IMPROVEMENT PROGRAMME					
397	-	EDRMS	170	-	-	-	-
8,181	146	Ways of Working	5,445	2,590	-	-	-
		Gross Capital Programme	5,785	2,748	115	110	-
		Funded from:					
		Approved County Council Allocations	5,785	1,248	115	110	-
		External Grants & Contributions	-	-	-	-	-
		Revenue	-	-	-	-	-
		Reserves	-	1,500	-	-	-
		Total Funding	5,785	2,748	115	110	-

Finance & Property Committee Variation Summary 2013/14 to 2014/15

	£'000	£'000
1 Original Budget 2013/14		29,517
2 Budgets Transferred between Committees		(138)
3 Additional allocations/reductions 2013/14		(247)
4 Capital Financing Budget Transfers		27
5 2014/15 Service Changes:		
Pay Award		206
Budget Savings		
Councillors Divisional Fund	(335)	
Business Support Staffing	(60)	
Termination of ICT Licence Agreement	(80)	
Remote Access to ICT Systems	(250)	
Property Restructuring	(167)	
County Offices	(300)	
Finance & Procurement Staffing	(700)	
Additional Savings Target	(60)	
	<u> </u>	(1,952)
6 Annual Budget 2014/15		<u>27,413</u>

Finance & Property Committee - Revenue Budget 2014/15

Original Budget 2013/14 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Annual Budget 2014/15 £'000
4,315	Finance and Procurement	4,859	645	50	5,554	-	(1,961)	3,593
1,893	E&R Business Support	604	149	901	1,654	-	-	1,654
670	Councillors Divisional Fund	-	335	-	335	-	-	335
11,356	ICT Services	7,696	9,544	1,299	18,539	-	(7,308)	11,231
6,188	Property Services	4,435	5,092	663	10,190	-	(4,443)	5,747
5,187	Building Maintenance Works	-	5,037	-	5,037	-	-	5,037
	Contribution from Trading Services:							
(72)	County Supplies	949	495	11	1,455	-	(1,515)	(60)
(20)	Property Operations	1,387	4,849	-	6,236	-	(6,300)	(64)
-	Additional Savings Target	-	(60)	-	(60)	-	-	(60)
29,517	TOTAL FINANCE & PROPERTY COMMITTEE	19,930	26,086	2,924	48,940	-	(21,527)	27,413

Finance & Property Committee Capital Programme

Total Project Cost £000*	Actual to 31.03.13 £000*		Revised 2013/14 £000	Budget Year 2014/15 £000	Indicative Figures		
					2015/16 £000	2016/17 £000	2017/18 £000
-	-	BUILDING WORKS					
-	-	Building Works †	6,528	2,400	2,400	2,400	2,400
-	-	ICT SCHEMES					
-	-	ICT Infrastructure ^	901	1,220	1,000	1,000	1,000
4,020	-	Microsoft Enterprise Agreement	691	1,329	1,000	1,000	-
486	-	IT Transition	486	-	-	-	-
164	-	ICT Disaster Recovery	164	-	-	-	-
129	-	Lotus Domino Migration	129	-	-	-	-
193	190	Fixed Mobile / Convergence	3	-	-	-	-
-	-	OTHER SCHEMES					
-	-	Risk Management - Security	326	-	-	-	-
10,022	9,990	Gresham Park	32	-	-	-	-
686	212	County Supplies	474	-	-	-	-
2,050	819	Sun Volt Programme	481	250	250	250	-
7,690	6,465	Business Management System	1,225	-	-	-	-
210	-	Rokerfield	-	210	-	-	-
1,962	212	Lindhurst Project	-	1,000	-	750	-
1,092	212	Water Monitoring System	-	880	-	-	-
1,212	212	Stapleford Boundary Wall	-	1,000	-	-	-
2,000	-	Renewable Heat Boiler Programme	781	1,219	-	-	-
		Gross Capital Programme	12,221	9,508	4,650	5,400	3,400

Finance & Property Committee Capital Programme

Total Project Cost £000*	Actual to 31.03.13 £000*		Revised 2013/14 £000	Budget Year 2014/15 £000	Indicative Figures		
					2015/16 £000	2016/17 £000	2017/18 £000
		Funded from:					
		Approved County Council Allocations	11,568	8,418	4,650	5,400	3,400
		External Grants & Contributions	50	-	-	-	-
		Revenue	-	-	-	-	-
		Reserves	603	1,090	-	-	-
		Total Funding	12,221	9,508	4,650	5,400	3,400

NOTES:

* Figures for Total Project Cost and Actual to 31.03.13 are for information only in respect of schemes running over several financial years. They are not applicable to annual programmes.

† Building Works includes annual funding for Health and Safety in 2013/14 and has an ongoing budget of £2.4 million per year until 2019/20.

^ The allocation for ICT Infrastructure is £1 million per year from 2013/14 to 2019/20.

Personnel Committee **Variation Summary 2013/14 to 2014/15**

	£'000	£'000
1 Original Budget 2013/14		2,385
2 Budgets Transferred between Committees		392
3 Additional allocations/reductions 2013/14		6
4 Capital Financing Budget Transfers		-
5 2014/15 Service Changes:		
Budget Pressures		
Living Wage		300
 Pay Award		 38
 Budget Savings		
Review of Integrated Learning	(1,000)	
Occupational Health Counselling Service	(49)	
Health and Safety Review	(80)	
Job Evaluation Staffing	(41)	
Review of Operational and Strategic HR Support	(500)	
Additional Savings Target	(10)	
		(1,680)
 6 Annual Budget 2014/15		 1,441

Personnel Committee - Revenue Budget 2014/15

Original Budget 2013/14 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Annual Budget 2014/15 £'000
2,531	Corporate Human Resources	3,055	4,122	-	7,177	-	(5,646)	1,531
(675)	Environment & Resources Department Trading Units	22,086	11,247	107	33,440	-	(33,520)	(80)
529	Facilities Management Trading Unit	-	-	-	-	-	-	-
-	Additional Savings Target	-	(10)	-	(10)	-	-	(10)
2,385	TOTAL PERSONNEL COMMITTEE	25,141	15,359	107	40,607	-	(39,166)	1,441

Personnel Committee Capital Programme

Total Project Cost £000*	Actual to 31.03.13 £000*		Revised 2013/14 £000	Budget Year 2014/15 £000	Indicative Figures		
					2015/16 £000	2016/17 £000	2017/18 £000
1,715	-	ENVIRONMENT & RESOURCES TRADING UNITS	-	1,715	-	-	-
-	-	Universal infant free school meals capital	145	70	70	70	70
		Landscape Services					
		Gross Capital Programme	145	1,785	70	70	70
		Funded from:					
		Approved County Council Allocations	-	-	-	-	-
		External Grants & Contributions	-	1,715	-	-	-
		Revenue	-	-	-	-	-
		Reserves	145	70	70	70	70
		Total Funding	145	1,785	70	70	70

NOTES:

* Figures for Total Project Cost and Actual to 31.03.13 are for information only in respect of schemes running over several financial years. They are not applicable to annual programmes.

Public Health Summary 2014/15

	£'000	£'000
1 Original Budget 2013/14		35,103
2 Budgets Transferred between Committees		-
3 Additional allocations/reductions 2013/14		(35,103)
4 Capital Financing Budget Transfers		-
5 2014/15 Service Changes:		
Pay Award		-
6 Annual Budget 2014/15		-

Public Health - Revenue Budget 2014/15

Original Budget 2013/14 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Annual Budget 2014/15 £'000
6,782	Sexual Health	-	6,975	-	6,975	-	-	6,975
1,349	NHS Health Check Programme	-	1,387	-	1,387	-	-	1,387
3	Health Protection	-	3	-	3	-	-	3
69	National Childhood Measurement Programme	-	71	-	71	-	-	71
1,324	Obesity	-	1,362	-	1,362	-	-	1,362
107	Physical Activity	-	110	-	110	-	-	110
11,466	Substance Misuse *	-	12,442	-	12,442	-	(632)	11,810
3,274	Smoking & Tobacco	-	3,367	-	3,367	-	-	3,367
4,174	Children 5-19 Public Health Programmes	-	4,293	-	4,293	-	-	4,293
1,347	Miscellaneous Public Health Services	-	1,385	-	1,385	-	-	1,385
3,038	Public Health Directorate Pay & Associated Costs	3,042	82	-	3,124	-	-	3,124
1,200	Public Health Innovation fund	-	1,234	-	1,234	-	-	1,234
970	Public Health Corporate	-	998	-	998	-	(1,402)	(404)
-	- Substance Misuse in Prisons **	-	1,402	-	1,402	-	-	1,402
-	- Public Health Grant ***	-	-	-	-	(36,119)	-	(36,119)
35,103	TOTAL PUBLIC HEALTH	3,042	35,111	-	38,153	(36,119)	(2,034)	-

* NCC are the lead commissioner for Substance Misuse

** Substance Misuse in Prisons will be a section 75 agreement with Nottinghamshire & Derbyshire Area Team for National Commissioning Board

*** Public Health is wholly funded by government grant - this was held corporately in 2013/14 and was displayed separately in the 'Items outside Committee' summary section

**REPORT OF THE SERVICE DIRECTOR – FINANCE & PROCUREMENT
(S151 Officer)**

BUDGET 2014/15

Robustness of Budget Estimates and the Adequacy of the County Council's Reserves

1. The County Council has always taken a prudent approach regarding its reserves, which are specifically set aside to meet future, or potential future, expenditure. The Council's current position is therefore relatively robust.
2. There are four main types of reserve held by the County Council:
 - The General Fund Balance is a non-earmarked reserve, consisting of the accumulated surpluses. A balance on the General Fund is maintained to cushion the impact of uneven cash flows and as a contingency to reduce the impact of unexpected events or emergencies
 - Earmarked Reserves are held to meet specific planned expenditure, for example, that relating to PFI schemes.
 - Schools Statutory Reserve represents monies held on behalf of Schools under the Financial Management of Schools scheme.
 - Capital Grants have been received in advance but have not yet been applied.

Forecast Level of Reserves

3. In light of the significant changes to the economic environment, central government have encouraged councils to be innovative regarding the deployment of existing reserves to meet one-off costs now, and where possible to realise future benefits, for example reductions in borrowing costs, and to contain the impact of funding reductions.
4. As in previous years the County Council has undertaken a review of all of its reserves; forecasts based on latest estimates for the current and following year are shown in Table H1 below.

Table H1 – County Council Reserves Forecast to 31st March 2015

Reserve	Actual Balance as at 31/03/2013 £'m	Projected Balance as at 31/03/2014 £'m	Forecast Balance as at 31/03/15 £'m
General Fund Balances	42.1	27.0	21.8
Earmarked Reserves:			
Capital Projects Reserve	30.1	15.2	8.4
Corporate Redundancy	5.9	3.4	-
Bassetlaw PFI	0.9	1.3	1.3
East Leake PFI	3.0	3.3	3.3
Waste PFI	28.3	28.5	28.5
Earmarked for Services	38.7	15.7	4.6
Earmarked Reserve	5.0	1.9	-
Strategic Development Fund	-	-	7.1
Improvement Programme	11.4	6.7	-
Lifecycle Maintenance	4.2	4.2	-
Pay Review Reserve	6.7	5.7	3.5
Trading Organisations	3.5	4.0	4.0
Insurance Reserve	10.4	10.4	10.4
Subtotal Earmarked Reserves	148.1	100.3	71.1
Schools Statutory Reserve	33.0	33.0	33.0
Capital Grants Unapplied	7.6	7.6	7.6
Total Usable Reserves	230.8	167.9	133.5

5. Certain assumptions have been made in predicting closing balances and the timing of when movements on balances will occur. These are outlined below, with specific changes included in the Recommendations section within this report.
- A comparison exercise with other Shire Counties was conducted in 2012 and concluded that on average, a General Fund Balance equating to 3.96% of net revenue expenditure was considered prudent. Since then the exercise has been repeated and figures suggest that authorities have tended to hold higher balances, which is likely to be a reaction to the changing funding regime and associated increase in risk and to support the required level of transformation of service delivery. Current predictions range from 2.5% to 10.7% as authorities are at differing stages of their transformation. The budget proposal in this report will take balances to 4.3% by the end of 2014/15 (5.3% for the current financial year).
 - The latest budget monitoring report, which covers the first three quarters of the current financial year, predicts an underspend in the region of £3.6m although there may still be fluctuations in the forecast before year end. In previous years underspends have been transferred to the Capital Projects Reserve, the Corporate Redundancy Reserve as well as General Fund Balances. This has allowed capital schemes to be undertaken with limited impact on the Council's borrowing position, and therefore prevented increased future debt repayments, in addition to funding upfront the costs of staff redundancies. It is likely that a similar strategy will be recommended to Members once final outturn is known, which will also need to consider the need for additional resources to support ongoing change and transformation.

- PFI Reserves are built up using funding surpluses which are held for use in later years of the contract, when the planned withdrawal of government funding will leave a funding shortfall.
- A full review of services reserves has also been undertaken and where funds have been identified as no longer required, transfers to General Fund Balances are being actioned. A further review will be undertaken to assess planned use against the need to support County Council priorities, particularly in light of the reduced level of General Fund Balances. The Earmarked for Services reserves also include revenue grants that are received in advance, these will be spent in accordance with the grant conditions.
- In recognition of the need to fund the resource that will be required to deliver the Councils revised operating model, investment in IT and realise the savings agreed in the Outline Business Cases, the establishment of a Strategic Development Fund was recommended in the report to Finance & Property Committee earlier this month. This will be met by a combination of the remainder of the existing Improvement Programme Reserve and the re-designation of the Lifecycle Maintenance Reserve. However, it is unlikely that the amount identified to date will be sufficient to meet the overall requirement, and it is therefore imperative that wherever possible, additional resources can be identified to enable the Council to fully implement the changes required.
- The Trading Organisations Reserve is money set aside by the Trading Units e.g. Catering, Cleaning, Landscape and County Supplies to fund future replacement equipment.
- The Schools Statutory Reserve comprises money that schools have set aside from their Dedicated Schools Grant and these funds are not available for general authority use. As such it is not possible to accurately predict future balances although they are likely to reduce as schools transfer to Academy status.

Adequacy of Proposed Reserves

6. Neither CIPFA nor the Audit Commission offer a prescriptive assessment of authorities' reserve needs, guidance instead suggests that 'local authorities, on the advice of their finance directors, should make their own judgement on such matters taking into account all the relevant local circumstances'.
7. CIPFA do not advocate the introduction of a statutory minimum level of reserves as 'there is a broad range within which authorities might reasonably operate depending on their particular circumstances'. Imposing a statutory minimum would also be against the promotion of local autonomy and would conflict with the increased financial freedoms that are being introduced in local authorities.
8. However, in a recent response to media coverage of Council reserve balances, CIPFA have supported the flexible management of reserves 'If local councils are trying to manage their reserves to protect the public from future financial problems this is good financial management and should be applauded. In fact it is encouraging that the majority of councils are exercising prudence in their reserves management, providing crucial

capacity to invest in service transformation and protect against future unexpected shortfalls.'

9. Ultimately it is the responsibility of the County Council's Section 151 Officer to recommend a strategy for the management of reserves based on his professional opinion.

Risk Management Measures

10. The Council has developed a strategic approach to risk management that seeks to identify potential risks at an early stage so that remedial action can be taken. A comprehensive analysis of the main financial risks facing the County Council is shown at Appendix D.
11. This analysis supports the general arrangements the authority has in place for managing risk, and is underpinned by:
 - The External Auditors annual review of the Councils financial arrangements and assessment of the Council's financial health, which are then formally reported in their Annual Audit Letter.
 - The Council's positive track record in sound and effective financial management.

Professional Opinion of the County Council's Section 151 Officer

12. The 2003 Local Government Act stipulates that the County Council's Section 151 Officer should report to Members on the robustness of budget estimates and the adequacy of proposed reserves. A summary of the total usable reserves available to the County Council is shown in Table H1 above. The table includes estimates of future reserve levels based on latest estimates of plans and commitments.
13. The strategy proposed in this report is to utilise up to £28m of General Fund and earmarked reserves. Of this total, £7m relates to the capital programme and it has always been planned to spend against the projects reserve in this way. Similarly, the utilisation of £11m earmarked for services reserves is in line with the original plans at the time the reserves were created. The £5m use of General Fund Balances is being used to deliver a balanced budget for 2014/15.
14. Aside from the Capital Projects Reserve, the total reduction in reserves balances planned for 2014/15 represents 14% of the County Council's total reserves. My conclusion is that the budget as set out in this report is legal, robust and sustainable. However, given the on-going financial uncertainties and challenges, the need for robust financial management, strict budgetary control and the on-going monitoring of savings delivery plans, will be of paramount importance.

Recommendations

15. The level of proposed General Fund balances in 2014/15 be regarded as acceptable cover for any reasonable level of unforeseen events.
16. The report be noted.

PAUL SIMPSON CPFA, SERVICE DIRECTOR, FINANCE & PROCUREMENT

Annual Minimum Revenue Provision (MRP) Statement

Local authorities are required each year to set aside a minimum amount as a provision in respect of capital expenditure previously financed by borrowing. Statutory Regulations governing this stipulate that authorities should prepare an annual statement on their policy on making MRP for submission to full Council. It is proposed that the following policy, approved by County Council (28 February 2012) for 2013/14, is continued for 2014/15:

- That MRP for capital expenditure financed by borrowing prior to 1 April 2007 continues to be based on the previous regulatory method;
- That MRP for capital expenditure financed by borrowing after 1 April 2007 be made on the basis of equal annual instalments over the estimated life of assets;
- That, for “on Balance Sheet” PFI contracts, the MRP requirement is regarded as met by a charge equal to the element of the unitary charge applied to write down the liability.
- That, for finance leases, the MRP requirement is regarded as met by a charge equal to the element of the rent that goes to write down the Balance Sheet liability.
- That, where a lease (or part of a lease) or PFI contract is brought onto the Balance Sheet, having previously been accounted for off-Balance Sheet, it is brought on at its written down value so that the MRP requirement is regarded as met by the inclusion in the charge, for the year in which the restatement occurs, of an amount equal to the write-down for that year only (i.e. there is no requirement to include in the charge any retrospective writing down of the Balance Sheet liability that arises from the restatement).

The policy on making MRP is to be reviewed, although any change will not be retrospective.

Report of the Service Director – Finance & Procurement

Prudential Indicators for Capital Finance

Purpose

1. To outline the prudential indicators and to suggest how expenditure will be financed by borrowing in an affordable, prudent and sustainable way.

Information and Advice

2. The Local Government Act 2003 enables local authorities to determine their programmes for capital investment and associated borrowing requirements, provided they have regard to the Prudential Code for Capital Finance in Local Authorities developed by CIPFA and also take advice from the Section 151 Officer.
3. The Executive Summary of the Code states that “The framework established by the Prudential Code should support local strategic planning, local asset management planning and proper option appraisal. 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 exceptional cases, the Prudential Code should provide a framework which will demonstrate that there is a danger of not ensuring this, so that the local authority concerned can take timely remedial action.”
4. The Code sets out a number of prudential indicators designed to support and record local decision making and it is the duty of the Service Director – Finance and Procurement (the Council’s Section 151 Officer) to ensure that this information is available to Members when they take decisions on the County Council’s capital expenditure plans and annual budget. Key issues to be considered are:
 - Affordability (e.g. implications for Council Tax)
 - Prudence and sustainability (e.g. implications for external borrowing and whole life costing)
 - Value for money (e.g. option appraisal)
 - Stewardship of assets (e.g. asset management planning)
 - Service objectives (e.g. alignment with the Council’s Strategic Plan)
 - Practicality (e.g. whether the capital plans are achievable).

Prudential Indicators

Affordability

5. The Code requires the Council to be aware of the impact of financing capital expenditure on its overall revenue expenditure position and on its Council Tax requirements.
6. The costs of financing capital expenditure are:
 - Interest payable to external lenders less interest earned on investments; and
 - Amounts set aside for repayments of amounts borrowed (including repayments of amounts relating to PFI schemes and other finance lease liabilities).

The relevant figures from the 2012/13 Accounts are as follows.

Table J1 – 2012/13 Capital Financing Costs and Net Revenue Stream

Capital Financing Costs	£'m
Interest Payable (incl. PFI/Finance Leases)	31.283
Interest and Investment Income	(0.561)
Repayment of Previous Years' Borrowing	2.818
Repayment of PFI/Finance Lease Liabilities	4.443
Other Amounts Set Aside for Repaying Debt	18.761
Total Capital Financing Costs	56.744

Net Revenue Stream	597.284
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7. The Capital Financing Costs as a proportion of Net Revenue Stream are not directly comparable with the equivalent figures reported in previous years because Net Revenue Stream now incorporates Recognised Capital Grants and Contributions due to a new accounting treatment which requires that these are recognised as income when they become receivable. Previously they were recognised as income over the lives of the assets which they were used to fund. The actual proportion for 2012/13 and the estimates for 2013/14 to 2016/17 are shown in the following table.

**Table J2 – Capital Financing Costs as a Proportion
of Net Revenue Stream**

Capital Financing Costs as a proportion of Net Revenue Stream		
Actual	2012/13	9.6%
Estimates	2013/14	10.2%
	2014/15	11.0%
	2015/16	12.4%
	2016/17	15.5%
	2017/18	14.0%

8. Much of the variation over time in the above estimated proportions is related to the variation in the levels of capital receipts available to set against the principal of amounts previously borrowed. A further factor is the reducing forecast of Net Revenue Stream. The proportion of capital financing costs to net revenue stream will be kept under review.
9. The Prudential Code requires local authorities to make reasonable estimates of the total of capital expenditure that it plans to incur in the forthcoming financial year and at least the following two financial years. These indicators, together with anticipated sources of finance, are as follows.

Table J3 – Estimates of Capital Expenditure

	2014/15	2015/16	2016/17	2017/18
	£'m	£'m	£'m	£'m
Capital Expenditure	112.593	85.390	59.614	41.953
Funded From:				
Borrowing	43.429	37.597	22.404	21.583
Grants and Contributions	48.421	46.623	36.040	19.200
Revenue / Reserves	20.743	1.170	1.170	1.170
Total	112.593	85.390	59.614	41.953

10. The proposed level of borrowing under the Prudential Code for 2014/15 is £43.4m, which is more than previously envisaged because of re-phasing and slippage of expenditure from prior years. This re-phasing does not result in a higher overall level of debt.
11. The Prudential Code requires the impact of financing new borrowing on Council Tax levels to be assessed. The estimated levels of cumulative financing costs of total new borrowing (for both the continuing Capital Programme and the proposed changes to the Capital Programme) in the next four years are shown in the following table.

Table J4 – Estimates of the Incremental Impact on Council Tax of Borrowing for the 2014/15 to 2017/18 Capital Programme

	2014/15 £'m	2015/16 £'m	2016/17 £'m	2017/18 £'m
Cumulative Borrowing	43.4	81.0	103.4	125.0
Estimated Financing Costs	0.65	2.72	4.02	5.08
Cumulative Band D Council Tax impact (£/p)	£2.82	£11.86	£17.56	£22.19

12. The Band D Council Tax for 2013/14 was £1,193.18. The forecast theoretical impact of capital financing on Council Tax is an increase of £2.82 or 0.2% in 2014/15.
13. Under the Prudential Code, the County Council is also required to forecast the total budgetary requirements arising specifically from the changes proposed to the Capital Programme in the Budget Report (paragraphs 103 to 154) and to calculate the resulting impact of these capital investment decisions on Council Tax levels.
14. The figures shown below include the impact of proposed capital investments to be made over the period 2014/15 to 2017/18, but exclude the impact of any unquantified ongoing revenue savings that may arise from capital investments and exclude the impact of any scheme re-phasing or changes to the Capital Programme which were approved prior to the date of this report.

Table J5 – Estimates of the Incremental Impact on Council Tax of the new Capital Proposals

	2013/14 £'m	2014/15 £'m	2015/16 £'m	2016/17 £'m	2017/18 £'m
Cumulative Net Impact of Proposals on Borrowing	0.27	1.34	1.80	1.80	1.80
Estimated Financing Costs of Proposals	0.00	0.04	0.11	0.13	0.14
*Cumulative Band D Council Tax impact (£/p)	-	£0.15	£0.47	£0.58	£0.61

15. The proposed changes to the Capital Programme, if considered in isolation, would increase Council Tax by up to £0.15 in 2014/15. The cumulative increases for the subsequent three years are also shown in the above table.

Prudence and Sustainability

16. One of the features of the Prudential Code arrangements is the need to calculate the Capital Financing Requirement. This figure covers capital expenditure which has not yet been permanently financed through the revenue account. It is derived by consolidating a number of Balance Sheet items as follows.

Table J6 – Capital Financing Requirement 2012/13

	£'m
Fixed Assets	1,209
Short-term Assets Held For Sale	6
Capital Adjustment Account	(411)
Revaluation Reserve	(109)
Capital Financing Requirement as at 31/3/13	695

17. The Code states that “In order to ensure that over the medium term net debt 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 in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.” This is a key indicator of prudence.
18. The Capital Financing Requirement needs to be rolled forward to the estimated position at the end of 2013/14:

Table J7 – Estimated Capital Financing Requirement 2013/14

	£'m
Capital Financing Requirement 2012/13	695
Borrowing in 2013/14	66
Additional PFI/Finance Lease Liabilities in 2013/14	1
Repayment of PFI/Finance Lease Liabilities in 2013/14	(5)
Capital Receipts set against previous borrowing in 2013/14	(2)
Other amounts set aside for Repayment of Debt in 2013/14	(20)
Estimated Capital Financing Requirement 2013/14	735

19. The additional Capital Financing Requirements for the next 3 years are:

Table J8 – Estimated Capital Financing Requirements 2014/15 - 2016/17

	2014/15 £'m	2015/16 £'m	2016/17 £'m
New Borrowing	43	38	22
Additional PFI/Finance Lease Liabilities	5	4	3
Repayment of PFI/Finance Lease Liabilities	(4)	(4)	(5)
Capital Receipts set against previous borrowing	(8)	(10)	(20)
Other amounts set aside for Repayment of Debt	(20)	(20)	(20)
Capital Financing Requirement Net Additions	16	8	(20)

Estimated Capital Financing Requirement	751	759	739
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20. As such there is a requirement to ensure that net debt (the sum of borrowing and other long-term liabilities, net of investments) in 2014/15 does not, except in the short term, exceed £759m (i.e. the estimated CFR for 2015/16).
21. The Local Government Act 2003 requires the County Council to set two borrowing limits for next year and the following two years with respect to external borrowing:-
22. Operational Boundary – operational boundaries have to be set for both borrowing and long term liabilities. This measure encompasses all borrowing and is used in-year as a tool for monitoring the Council's prudent borrowing requirements. The operational boundary is calculated by taking account of existing borrowing and long term liabilities, planned new borrowing, net change in long term liabilities and any amounts set aside for repayment of debt.
23. Authorised Limit – this higher measure, is the upper limit on the level of gross indebtedness which must not be breached without County Council approval. 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.
24. The Operational Boundary for external debt for the next three years is built up from the existing level of external borrowing, which was £325m, and the level of relevant liabilities (including finance lease liabilities), which was £130m, on the Balance Sheet at 31 March 2013.

25. These figures can be rolled forward to provide the proposed Operational Boundaries for 2014/15 and subsequent years.

Table J9 – Operational Boundaries 2014/15 – 2016/17

	Borrowing £'m	Other Long-Term Liabilities £'m	TOTAL £'m
External borrowing at 31 March 2013	325		325
Other Long-Term Liabilities at 31 March 2012		130	130
Net new borrowing in 2013/14	69		69
Net change in PFI/finance lease liabilities		(4)	(4)
Estimated external borrowing at 31 March 2014	394	126	520
Capital expenditure financed by borrowing 2014/15	43		43
Amounts set aside for repayment of debt	(28)		(28)
Net change in PFI/finance lease liabilities		1	1
Borrowing as per Treasury Management Strategy	24		24
Operational Boundary 2014/15	433	127	560
Capital expenditure financed by borrowing 2015/16	38		38
Amounts set aside for repayment of debt	(30)		(30)
Net change in PFI/finance lease liabilities		-	-
Borrowing as per Treasury Management Strategy	52		52
Operational Boundary 2015/16	493	127	620
Capital expenditure financed by borrowing 2016/17	22		22
Amounts set aside for repayment of debt	(40)		(40)
Net change in PFI/finance lease liabilities		(2)	(2)
Borrowing as per Treasury Management Strategy	59		59
Operational Boundary 2016/17	534	125	659

26. The contingency for unforeseen borrowing is available for increases in the Capital Programme that require financing by borrowing.
27. The Authorised Limits should not need to be varied during the year, except for exceptional purposes. It is proposed to add a further £25m to the Operational Boundaries for Borrowing to provide sufficient headroom for events such as unusual cash movements. The proposed Authorised Limits are:

Table J10 – Authorised Limits 2014/15 – 2016/17

	Authorised Limit		
	Borrowing £'m	Other Long-Term Liabilities £'m	Borrowing and Other Long-Term Liabilities £'m
2014/15	458	127	585
2015/16	518	127	645
2016/17	559	125	684

28. Both the Authorised Limits and Operational Boundaries are less than the Capital Financing Requirement because best practice in treasury management means that actual borrowing is below the notional underlying borrowing requirement.
29. The Prudential Code indicator in respect of treasury management is the adoption of the CIPFA Treasury Management Code of Practice. The County Council has formally adopted the code and approves an annual Treasury Management Policy and Strategy. This includes setting the treasury indicators:
- upper limits for fixed and variable interest rate exposures
 - upper limit for investments over 364 days
 - upper and lower limits for the maturity structure of borrowing.

Value for money – option appraisal

30. The County Council's Capital Programme is driven by the desire to provide high quality, value for money public services. It is monitored by the Corporate Asset Management Group, which is a cross-service group of Officers with a finance, service and property management background. Business cases for proposed new capital schemes are reviewed by this group and presented to Cabinet Members.

Stewardship of Assets

31. The Council's Asset Management Plan sets out the condition of its assets and the arrangements for managing these effectively. The Council's Corporate Property Strategy enhances these arrangements, including increasing the awareness that efficient use of property is an important element of maximising the value obtained from the Council's overall resources.

Service Objectives

32. The option appraisal of proposed capital schemes overseen by the Corporate Asset Management Group considers, amongst other factors, the following:
- How the proposal links with the Council's Strategic Plan.
 - How the proposal will improve the Council's performance and, in particular, how it will deliver value for money and/or savings.
 - The service improvements and other anticipated benefits expected to be delivered from the investment.
 - The extent that the proposal will impact across the Council's taxpayers.
 - Details of any consultation or challenge that has influenced the proposals.

Practicality

33. The Capital Programme is monitored throughout the year to ensure that:

- Any slippage on major schemes is identified as soon as possible.
- Variations to the Capital Programme are reported to Cabinet on a regular basis.
- Funding sources are available when required.

Recommendation

34. It is recommended that the Prudential Indicators in Table E11 are approved as part of the 2014/15 budget.

Table J11 – Prudential Indicators 2014/15 – 2016/17

	2014/15	2015/16	2016/17
Estimated capital expenditure	£112.593m	£85.390m	£59.614m
Estimated Capital financing requirement	£751m	£759m	£739m
Authorised limit for external debt	£585m	£645m	£684m
Operational boundary for external debt	£560m	£620m	£659m
Financing costs as a % of net revenue stream	11.0%	12.4%	15.5%
Impact of total capital investment on Council Tax (£/p)	£2.82	£11.86	£17.56
Impact of proposed changes to the Capital Programme on Council Tax (£/p)	£0.15	£0.47	£0.58

PAUL SIMPSON CPFA

SERVICE DIRECTOR, FINANCE & PROCUREMENT and S151 Officer

Report of the Service Director – Finance and Procurement

Treasury Management Strategy 2014/15

Introduction

1. Treasury Management is defined by the Chartered Institute of Public Finance and Accountancy (CIPFA) as:

“the management of the organisation’s investments and cash flows, 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. The Local Government Act 2003 (the Act) requires local authorities “to have regard –
 - (a) to such guidance as the Secretary of State may issue, and
 - (b) to such other guidance as the Secretary of State may by regulations specify for the purposes of this provision.”
3. The Local Authorities (Capital Finance and Accounting)(England) Regulations 2003 state that:

“In carrying out its capital finance functions, a local authority must have regard to the code of practice in ‘Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes’ (regulation 24).”
4. The 2003 regulations further require local authorities to have regard to the code of practice entitled the ‘Prudential Code for Capital Finance in Local Authorities’ (published by CIPFA), when considering how much they can afford to borrow. Both the Treasury Management Code (the Code) and the Prudential Code were updated in November 2011.
5. With regard to investment of funds, the Secretary of State issued revised guidance in 2010 that requires local authorities to prepare an annual investment strategy which has the key objectives of security and liquidity of funds.
6. The Code has 3 key principles which are:
 - i) the establishment of ‘comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury activities’.
 - ii) the effective management and control of risk are prime objectives and that responsibility for these lies clearly within the organisation.
 - iii) the pursuit of value for money and the use of suitable performance measures are valid and important tools.

7. In accordance with the CIPFA Code the Council adopts the following:

- (a) The Council will create and maintain, as the cornerstones for effective treasury management:
- a Treasury Management Policy Statement, stating the policies, objectives and approach to risk management of its treasury management activities
 - suitable Treasury Management Practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject to amendment only where necessary to reflect the particular circumstances of the Council. Such amendments will not result in the Council materially deviating from the Code's key principles.

- (b) The Council will receive reports on its treasury management policies, practices and activities, including an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.
- (c) The Council delegates responsibility for the implementation, scrutiny and monitoring of its treasury management policies and practices to the Treasury Management Group, comprising the Service Director (Finance & Procurement), the Group Manager (Financial Strategy & Compliance), the Senior Accountant (Pensions & Treasury Management) and the Senior Finance Business Partner (Capital & External Funding). The responsible officer for the execution and administration of treasury management decisions is the Senior Accountant (Pensions & Treasury Management), who will act in accordance with the policy statement and TMPs.

8. This Treasury Management Strategy has been prepared in accordance with the regulations, guidance and codes of practice to support the Council's Medium Term Financial Strategy and in particular the financing of the capital programme and the management of cash balances. In addition to this strategy there is a Treasury Management Policy Statement in Appendix L that underpins the strategy, together with the TMPs that govern treasury management operations.

9. The strategy covers:

- the current treasury position
- the borrowing requirement
- Treasury Indicators
- interest rate forecasts
- the borrowing strategy
- the investment strategy
- Pension Fund cash.

Current Treasury Position

10. The table below shows the Council's forecast treasury position as at 31/03/2014:

Table K1			Average Interest Rate
		£m	%
EXTERNAL BORROWING			
Fixed Rate	PWLB	239.0	5.78
	Market Loan	100.0	3.85
	Other	55.0	0.78
		394.0	4.59
Variable Rate	PWLB	0.0	0.00
	Market Loan	0.0	0.00
	Other	0.0	0.00
		0.0	0.00
Total External Borrowing		394.0	
Other Long Term Liabilities		130.0	
Total Gross Debt		524.0	
Less: Investments		5.0	
Total Net Debt		519.0	

Note 1: PWLB = Public Works Loans Board

Note 2: Market Loans = Lenders' Option Borrowers' Option (LOBO)

Borrowing Requirement

11. Under the Prudential Code, the Council is required to calculate the 'Capital Financing Requirement' (CFR). This represents the Council's underlying need to borrow for the approved capital programme. New capital expenditure, financed by borrowing or by credit arrangements such as finance leases and private finance initiative schemes, increases the CFR.

12. The Council also sets aside an amount each year as a provision for the repayment of debt. This is known as the Minimum Revenue Provision (MRP) and is, in effect, the principal repayment for the borrowing undertaken by the Council to finance its capital programme. MRP amounts set aside reduce the CFR.

13. The difference between the CFR and the total of long-term liabilities and existing and new borrowing indicates that the Council has made temporary use of internal cash balances (from its own earmarked reserves and working capital) to finance the capital programme. This is known as “Internal borrowing”. Internal borrowing is a way of making short-term savings and avoiding the risks associated with holding large cash balances and is explained further in the “Borrowing Strategy” section below.
14. The Local Government Act 2003 and supporting regulations requires the Council to determine and keep under review how much it is prepared to borrow, termed the ‘Authorised Limit’. This limit is determined for external borrowing (including both long-term and temporary borrowing and other forms of long-term liability, such as credit arrangements). This limit reflects the need to borrow for capital purposes. The ‘Authorised Limit’ is set for at least the forthcoming financial year and two successive financial years. The Council must have regard to the Prudential Code when setting the ‘Authorised Limit’, which essentially requires it to ensure that its total capital investment is ‘affordable, prudent and sustainable’.
15. In practice during the year the level of borrowing will be monitored against the ‘Operational Boundary’. This represents the planned level of borrowing for capital purposes and, as shown in Appendix J, is made up as follows:
 - Existing borrowing and other long-term liabilities
 - Increased by:
 - planned new borrowing
 - net change in long-term liabilities
 - Reduced by amounts set aside for repayment of debt (referred to as Minimum Revenue Provision or MRP).
16. The ‘Operational Boundary’ is set for the forthcoming financial year and next two financial years. Any breach of this indicator would provide an early warning of a potential breach of the ‘Authorised Limit’ and allow time for the Council to take appropriate action.
17. There are two main reasons why planned actual borrowing may be lower than that shown as being required to finance the capital programme. These are slippage in capital schemes and the Council temporarily making use of its cash reserves to delay external borrowing (the internal borrowing referred to above). The main components involved in calculating planned actual borrowing over the next three years are shown in the table below.

Table K2	2013/14 Revised £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
Capital Financing Requirement	735	751	759	739
Less:				
- Long-term liabilities	(130)	(131)	(131)	(129)
- Existing borrowing	(394)	(373)	(362)	(351)
- Cap Ex financed by borrowing		(43)	(38)	(22)
- Replenishment/Replacement borrowing		(24)	(52)	(59)
Internal borrowing	211	180	176	177
Forecast investments	5	5	5	5
Cash deployed (Internal borrowing + forecast investments)	216	185	181	182
comprising:				
- Earmarked reserves	159	128	124	125
- Working capital	57	57	57	57
Planned actual borrowing		67	90	81

18. The table above shows that, even after factoring in internal borrowing, the Council is expecting to borrow an additional £238m from the financial markets over the next 3 years. Though ultimately driven by the capital programme this borrowing will largely be used to provide the funds to replenish internal balances and to replace maturing debt. The table also shows that this level of borrowing is *the minimum*, providing enough to cover anticipated cash outflows, but not enough to result in any surplus cash that could be held as short-term investments. It still leaves the Council 'under borrowed' by some £182m by the end of 2016/17.

19. Under the capital finance regulations, local authorities are permitted to *fully borrow* up to three years in advance of need as determined by the Capital Financing Requirement. This Council could therefore consider borrowing up to £420m (£239m plus £181m) if market conditions indicate that it is the best course of action. One of the reasons for borrowing more than the minimal amount is to take advantage of, and lock in, low long-term interest rates. There will almost certainly be a short term 'carry cost' to borrowing in advance of need when current investment rates are lower than long-term borrowing rates, but this could be offset by long-term savings, and would be fully evaluated before any decision is taken.

20. Borrowing in advance of need also increases the level of temporary investments and makes the security of those funds even more important. However, the Council's treasury management practices ensure that risks of investing funds are minimised.

21. A summary of the proposed Treasury Management Indicators for 2014-17 are set out below. The 'Authorised Limit and 'Operational Boundary' are detailed in Appendix J but are shown in the table below for completeness.

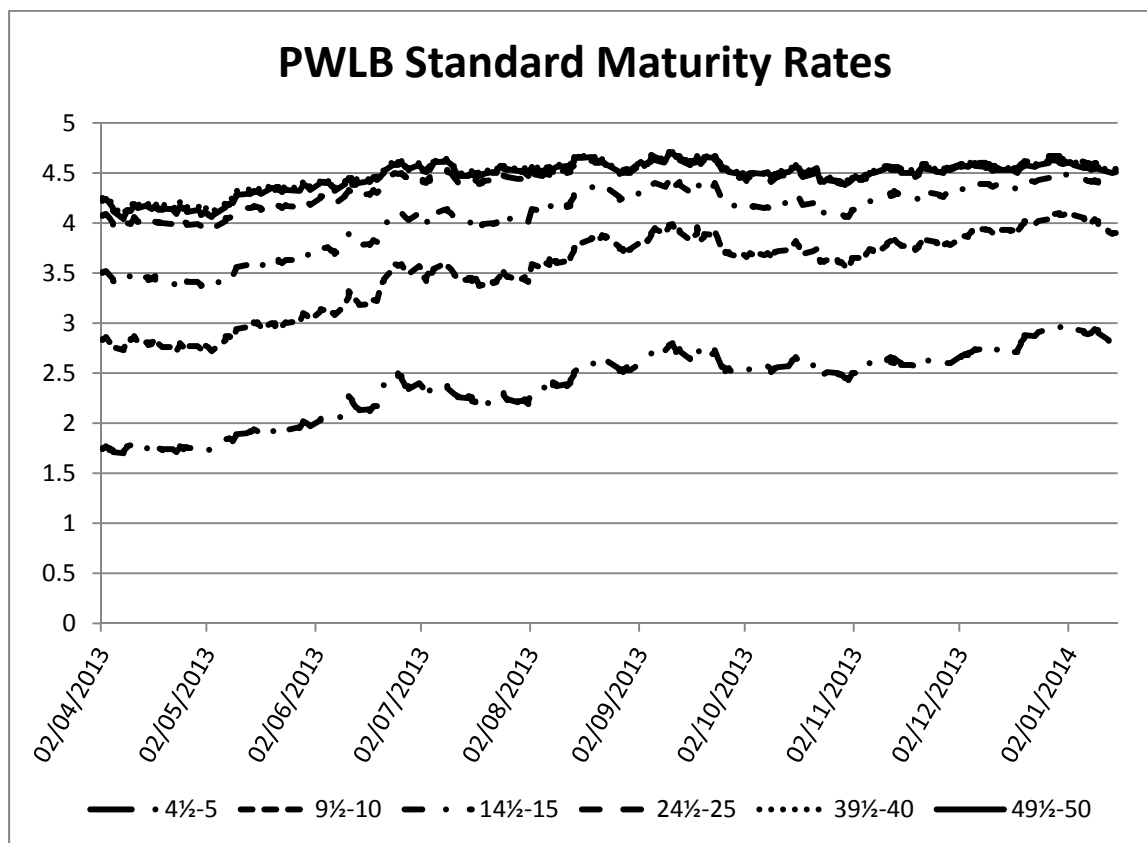
Table K3. TREASURY INDICATORS	Proposed 2014/15 £m	Proposed 2015/16 £m	Proposed 2016/17 £m
Authorised Limit			
Borrowing	458	518	559
Other long term liabilities	127	127	125
TOTAL	585	645	684
Operational Boundary			
Borrowing	433	493	534
Other long term liabilities	127	127	125
TOTAL	560	620	659
Upper limit for Rate Exposure			
Fixed Rate	100%	100%	100%
Variable Rate	75%	75%	75%
Upper limit for principal sums invested for over 364 days	Higher of £20m and 15%	Higher of £20m and 15%	Higher of £20m and 15%

Table K4. Maturity structure of fixed rate borrowing	Lower limit	Upper limit
under 12 months	0%	25%
12 months and within 24 months	0%	25%
24 months and within 5 years	0%	75%
5 years and within 10 years	0%	100%
10 years and above	0%	100%
Adoption of CIPFA's Treasury Management in the Public Services Code of Practice and Cross Sectoral Guidance Notes	Adopted	

Review of 2013/14

22. The abiding feature of 2013 was the marked recovery in UK activity, contrary to consensus expectations at the start of the year that the economy was destined to remain in recession. Short-term interest rates remained close to the low point that has featured since the early days of the financial crisis. Longer-term rates, on the other hand, rose in reaction to a number of influences.
23. The economy entered 2013 on a subdued note but there were tentative signs that conditions could improve as the year progressed. The stock market had begun a strong recovery; unemployment was falling at a healthy pace, and surveys of purchasing manager activity across all sectors pointed towards rising activity.
24. The recovery took hold by mid-year and GDP growth accelerated to a year-on-year rate of 2.8% in the final quarter. In addition to this, official forecasts published by all major institutions shifted to a much more optimistic footing.
25. CPI inflation also trended lower, falling to the government's 2% target rate in December – the first time in more than four years. Nevertheless, the persistence of low wage increases meant that real earnings growth remained negative, a situation that is still considered a threat to the sustainability of the recovery over the longer term.
26. Short-term interest rates continued to trade at the low levels established in the early stages of the financial crisis, anchored by the Monetary Policy Committee's (MPC) decisions to continue with quantitative easing (QE). At the request of the Chancellor, the Bank of England, under the leadership of its new governor, Mark Carney, examined the scope for additional policy measures.
27. The result was the introduction in August 2013 of the Forward Guidance system whereby policy would hinge upon the performance of a key economic variable. The aim was to reassure companies and individuals that official interest rates would not return to a rising path for some years. The MPC chose a target rate of unemployment of 7% as its guiding force. However, the recovery in growth was accompanied by a rapid fall in the unemployment rate (to 7.1% by November), a development that has caused many commentators to question the validity of this new policy initiative.
28. Longer-term rates shifted to a rising path before mid-year and by the close of 2013, 10-year yields were more than a percentage point above the low point reached in March. Market sentiment altered markedly in late spring, partly on the back of reduced concerns over the survival of the Euro and in reaction to suggestions by the US Federal Reserve that it might start to reduce its QE programme. In addition, and in spite of the MPC's Forward Guidance, the revival of the domestic economy prompted investors to start discounting a rise in official rates well before the time implied by the monetary authorities (2016). Yields rose in reaction to these influences.

29. The movement in PWLB maturity rates over 2013/14 is shown in the chart below.

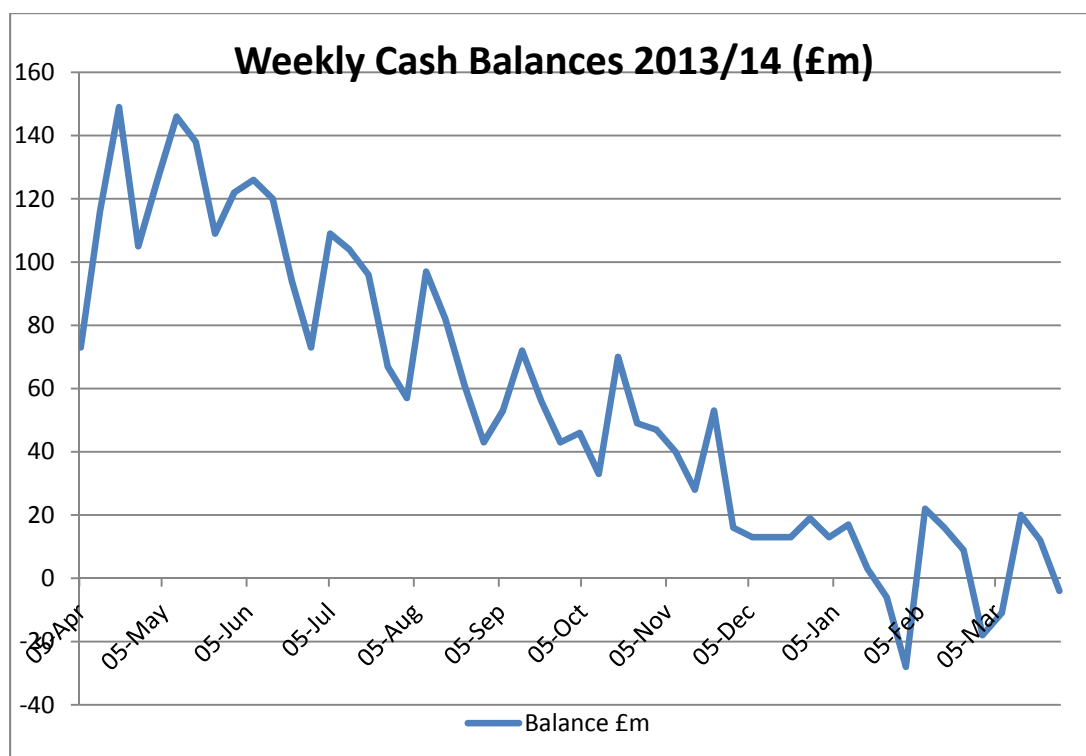


30. The outlook for interest rates remains benign in the near term, although increases across the maturity range are likely to be seen over a longer time frame. With unemployment continuing to fall and inflation relatively low, the MPC is unlikely to tighten policy during 2014.

31. Long-term rates, on the other hand, are likely to move higher. The current weakness in gilt yields, and hence PWLB rates, has been sparked by renewed demand for safe-haven assets on the back of the sharp downturn in many of the world's emerging markets. This may continue in the short term but yields are likely to return to a rising path due to strengthening growth in the developed world and the removal of official support for the markets from QE. This adds to the risk that interest rates on the Council's future borrowing will be higher than current rates.

Borrowing Strategy

32. The chart below shows how the Council's cash position has progressed over the financial year 2013/14. This is a fairly typical profile, showing how cash balances are higher in the early part of the year, when a lot of grant money is received prior to being spent, and lower towards the year end when often large capital invoices are paid, and negative balances need to be made good by temporary borrowing.



33. This profile means that the activity of investing surplus cash comes to the fore in the first few months of the financial year, when the Council can afford to lend its cash for several months. Towards the end of the year the focus shifts towards the borrowing strategy, and decisions have to be taken about the mix of short- and long-term borrowing and the extent to which use can be made of internal borrowing.
34. Over the past several years the Council has to a large extent temporarily financed the capital programme by using its cash balances. These are essentially earmarked reserves, general fund reserves and net movement on current assets. As the cash in these reserves is not required in the short term for the reserves' specific purposes, it has been utilised to reduce external borrowing (thereby generating savings for the Council) and also to reduce credit risk by having lower balances available for investments.
35. The advantage to the Council of internal borrowing is that it costs less than external borrowing, the cost being the opportunity cost of interest foregone by not investing the cash (investment rates are typically around 0.5% for short-term deposits). Another advantage is that counterparty risk is reduced by having less cash to invest.
36. The borrowing strategy will therefore need to (i) provide funds not only to finance the capital programme but also to (ii) replenish reserves as and when these are required and (iii) cover principal repayments on any maturing debt. If long-term borrowing is not taken to cover these outflows of cash then the Council could experience cash flow difficulties and be forced to resort to other sources of finance (such as the bank overdraft facility or market loans).

37. These strategic factors drive the Council's objective need to secure long-term debt finance, but there are a number of day-to-day factors – relating to market conditions and the Council's own revenue budget - that must be taken into account when deciding precisely when to borrow.
38. The gilt market is such that short-term debt is considerably cheaper than long-term: 1 year loans are approximately 1.1% (taking account of the 'certainty' rate offered by PWLB), whereas 40 year loans (reflecting the asset life of the assets within the capital programme) are approximately 4.3%. In cash terms taking the very short-dated debt would equate to a saving of £32,000 per annum for every £1m of Council borrowing.
39. However, there would be a significant risk in pursuing such a short-term approach, since short-term loans need regular refinancing and at these points the Council would find itself exposed to interest rate risk, ie. it would be forced to accept whatever the prevailing interest rates were at the time. There is a particular concern as current forecasts suggest that UK gilt yields are likely to rise. If this happened the Council could find itself facing considerably higher interest rates, which would quickly undermine any saving made by taking short-dated debt.
40. Given that the Council's current portfolio of PWLB loans average 5.78% the long-term rates being offered by PWLB look relatively attractive. However, long-term loans being offered by the market or even by other local authorities can be a competitive alternative to PWLB loans, and it may be worth taking on a proportion of this type of debt as part of a balanced portfolio.
41. In practice, this balanced portfolio will include a mix of:
 - Temporary use of the Council's cash reserves
 - Short-term debt provided by the market/other local authorities
 - Short-term or variable rate debt provided by PWLB
 - Long-term debt provided by PWLB
 - Long-term debt provided by the market or other local authorities
42. Given these contingencies the amount, type, period, rate and timing of new borrowing will be an operational matter falling under the responsibility of the Service Director, Finance and Procurement exercised by the Senior Accountant (Pensions & Treasury Management) within the approved borrowing strategy, taking into account the following factors:
 - expected movements in interest rates as outlined above
 - current maturity profile relative to planned MRP amounts set aside
 - the impact on the medium term financial strategy
 - the capital financing requirement
 - the operational boundary
 - the authorised limit.
43. Opportunities to reschedule debt will be reviewed periodically throughout 2014/15 but the current structure of repayment rates from the PWLB indicate significant premiums to be paid on the premature repayment of existing loans which would not be compensated by lower rates available for new loans.

Investment Strategy

44. During 2014/15 cash balances are expected to be kept at a low level with the aim of a minimum level of £5m. This will provide a level of liquidity without recourse to temporary borrowing, and will minimise the risk of having to seek funds when availability may be restricted or expensive.
45. As the 2013/14 cash flow chart above shows, the profile of cash balances suggests that the most suitable strategy will be to make a number of fixed-term investments in the early part of the financial year and use call accounts or money market funds for a substantial part of its portfolio in order to manage the liquidity risk.
46. Another consideration would be to manage the counterparty risk by increasing the number of institutions in which to invest. This is made more difficult by the current economic and financial climate in the Eurozone. It is still considered prudent to avoid exposure to the Eurozone by investing in UK banks and other overseas banks. However, this cannot eliminate exposure completely due to individual institutions' holdings of Eurozone debt. The advantage of UK banks is that they have stronger balance sheets than European banks together with support from a central bank responsible for financial stability and monetary policy. The criteria for selecting counterparties are detailed in TMP 1 in Appendix L.
47. A further measure to ensure security of the Council's investments is to maintain the Council's exposure to the UK local authority sector and UK government securities. When lending to local authorities fixed term deposits would be used but these are subject to demand and cannot be relied upon in the same way as bank lending. The use of treasury bills and UK government gilts may be considered and would ensure priority is given to security and liquidity of funds.

Pension Fund Cash

48. The Council is an administering authority in the Local Government Pension Scheme and is required, under the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009, to invest any fund money that is not needed immediately to make payments. Since 1 April 2011 the Council is also required to have a separate bank account for transactions associated with the pension fund.
49. A separate Treasury Management Policy has been approved by the Nottinghamshire Pension Fund Committee and investments will be made on the Fund's behalf by the Council in accordance with that policy.
50. Joint investments with the County Council may be made where this is in the best interests of the Fund. In considering such investments, guidance issued by the Department for Communities and Local Government will be followed and the Fund will receive its fair share of interest in proportion to the share of cash invested. If losses occur the Fund will bear its share of those losses.

Report of the Service Director – Finance and Procurement

Treasury Management Policy Statement 2014/15

1. The Council, in line with the CIPFA Code of Practice, defines its treasury management activities as:
The management of the Council's investments and cash flows, 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. The Council regards the successful identification, monitoring and control of risk as the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council.
3. The Council acknowledges that effective treasury management will provide support towards achieving its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.
4. The Council's borrowing strategy will take account of all legislative requirements, codes of practice and other guidance to ensure that borrowing costs are "affordable, prudent and sustainable" and to mitigate refinancing risk. The Council will only borrow in advance of need where there is a clear business case for doing so and will only do so within the Council's capital financing requirement.
5. The Council's investment strategy will take account of all legislative requirements, codes of practice and other guidance to ensure that priority is given to the security and liquidity of investments.
6. The Council delegates responsibility for the implementation, scrutiny and monitoring of its treasury management policies and practices to the *Treasury Management Group*, comprising the Service Director (Finance & Procurement), the Group Manager (Financial Strategy & Compliance), the Senior Accountant (Pensions & Treasury Management) and the Senior Finance Business Partner (Capital & External Funding).
7. The Council's Treasury Management Policy will be implemented through the following Treasury Management Practices (TMPs). The responsible officer for the execution and administration of treasury management decisions is the Senior Accountant (Pensions & Treasury Management), who will act in accordance with the policy statement and TMPs.

TMP1 Risk management

8. The Senior Accountant (Pensions & Treasury Management) will design, implement and monitor all arrangements for the identification, management and control of treasury management risk. Reports will be made on these arrangements in accordance with the procedures set out in *TMP6 Reporting requirements and management information arrangements*. The arrangements will seek to cover each of the following risks.
9. **Credit and counterparty risk**
The risk of failure by a counterparty to meet its contractual obligations to the Council under an investment, borrowing, capital, project or partnership financing, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the Council's capital or revenue resources.
10. The Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparties and lending limits reflect a prudent attitude towards organisations with which funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in the following paragraphs.
11. The Local Government Act 2003 gives a local authority power to invest for any purpose relevant to its functions or for the purposes of the prudent management of its financial affairs. In exercising this power, the local authority must have regard to guidance issued by the Secretary of State. The latest guidance was issued in April 2010.
12. The guidance classifies investments between "specified" and "non-specified". Specified investments are those offering high security and high liquidity. All such investments should be in sterling and with a maturity of no more than a year. Such short-term investments made with the UK Government or a local authority will automatically count as specified investments. In addition, short-term sterling investments with bodies or investment schemes of "high credit quality" will count as specified investments. The Council's policy is to invest surplus funds prudently, giving priority to security and liquidity rather than yield and investing in sterling instruments only. The majority of these will be specified investments.
13. The Council will operate an approved list of counterparties for lending. The approved lending list will comprise of institutions with high credit ratings based on minimum ratings from at least 2 rating agencies together with Fitch support rating of 1. The list reflects a prudent attitude to lending and uses a combination of ratings issued by the 3 main ratings agencies: Fitch, Moody's and Standard & Poors. Banks will be assessed for inclusion on the basis of long-term, short-term and support ratings; money market funds (MMFs) on the basis of MMF ratings.
14. Short term ratings assess the capacity of an entity to meet financial obligations with maturity of up to 13 months and are based on the short term vulnerability to default. The long-term ratings cover a period in excess of 1 year and are useful as a key indicator impacting on the cost of borrowing for financial institutions. This cost of borrowing will feed through to the ability of the financial institution to obtain funds at reasonable cost to maintain liquidity.

15. Fitch Support Ratings are an assessment of a potential supporter's propensity and ability to support a bank and indicate whether a bank would receive support, on a timely basis, should this become necessary. In addition, sovereign ratings will be used as a further factor. This reflects the ability of the country of domicile to access funds at a rate commensurate with managing its public finances.
16. MMFs are mutual funds that invest in cash and short-term money market instruments such as government bonds and commercial paper. They allow investors to participate in a more diverse portfolio than direct investment by spreading capital across a variety of institutions. The highest AAA rating reflects an extremely strong capacity to achieve the 'investment objective of preserving principal and providing shareholder liquidity through limiting credit, market, and liquidity risk'.
17. The Council subscribes to on-line access to Fitch Ratings and receives regular updates on the credit ratings of institutions on the approved lending list. The Council also subscribes to an on-line market information feed and will monitor ratings from the other two agencies along with general market data. The Council will also monitor developments in the financial markets including policy announcements by the Government, Bank of England, regulatory bodies and other international bodies. It will use this information to determine if any changes are required to the above methodology.
18. The approved list will include institutions that meet the following criteria from at least 2 rating agencies:

	Long Term	Short Term	Support	MMFs
Fitch	A-	F1	1	AAAmmf
Moodys	A3	P-1	N/a	Aaamf
Standard & Poors	A-	A-1	N/a	AAAm

Sovereign Rating	AA
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19. All investments (up to 364 days duration) with the counterparties in the approved list are considered specified investments. Investments over 364 days will only be placed with institutions that meet the following criteria from at least 2 agencies:

	Long Term	Short Term	Support
Fitch	A	F1	1
Moodys	A2	P-1	N/a
Standard & Poors	A	A-1	N/a

Sovereign Rating	AA
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20. Exceptions to rating criteria will be made in respect of the following:

- 1) UK government
- 2) UK local authorities
- 3) the Pension Fund custodian (currently State Street)
- 4) UK banks with significant shareholding by the government (currently Royal Bank of Scotland Group and Lloyds TSB Group)

21. The lending list will be approved by the *Treasury Management Group* and monitored by the Senior Accountant (Pensions & Treasury Management) in the light of rating changes and market conditions. Individual institutions or countries may be suspended from the list if felt appropriate. The *Treasury Management Group* may add or remove organisations from the approved list subject to maintaining consistency with the approved criteria.

22. The maximum amount to be lent to any organisation on the approved list is subject to individual institution limits of £20m. These limits apply separately to the County Council and the Pension Fund cash investments. Only two institutions within the same group may be used at any one time. The *Treasury Management Group* may increase the limit for specific institutions by £10 million for investments in call accounts and MMFs with same day liquidity.

23. Investments with the UK government will have no upper limit but in practice limits will be dependent on the liquidity of those investments and may fall within the definition of specified or non-specified investments.

24. There may be occasions where it would be prudent to have a greater proportion of funds invested in UK banks in which the government is a significant shareholder or which have unconditional support or an implied guarantee. To give this additional flexibility, delegated authority is given to the Service Director (Finance & Procurement) to be able to increase the maximum limit for such UK institutions on the approved list to £50 million.

25. Amounts invested in non-specified investments will be limited to £20 million or 15% of the total invested at the time of the investment, whichever is the higher.

26. The Co-operative Bank is the Council's current main bank through which all treasury management activity operates. The Co-operative Bank's credit ratings do not meet the minimum lending criteria and so it is not included on the approved list. In November 2013 the Co-operative Bank announced it would be withdrawing from the local authority banking market and a tender exercise is being undertaken to appoint a replacement.

27. Liquidity risk

The risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the Council's business/service objectives will be thereby compromised.

28. The Council will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to

have the level of funds available to it which are necessary for the achievement of its business/service objectives.

29. Summarised weekly and annual cash flow forecasts will be provided on a quarterly basis to the *Treasury Management Group*. Detailed daily cash flow forecasts will be maintained by the Loans Officer. These forecasts will be used as the basis for ensuring adequate cash resources are available in order to support the Council's objectives.

30. The Senior Accountant (Pensions & Treasury Management) or Investments Officer may approve fixed term investments up to 364 days. Longer periods require permission from one other member of the *Treasury Management Group* and must comply with the relevant treasury management limits.

31. The Treasury Management Group must also approve any long-term borrowing to ensure (a) that it is within the Council's borrowing limits and (b) that it will not have an adverse impact (in terms of creating a situation in which counterparty limits could be exceeded) on the Council's cash management.

32. **Interest rate risk**

The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the Council's finances, against which the Council has failed to protect itself adequately.

33. The Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with *TMP6 Reporting requirements and management information arrangements*.

34. It will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be subject to the consideration and, if required, approval of any policy or budgetary implications.

35. Monitoring will be daily by the Senior Accountant (Pensions & Treasury Management), in line with the treasury management indicators, with quarterly reports to the *Treasury Management Group*.

36. **Exchange rate risk**

The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the Council's finances, against which the Council has failed to protect itself adequately.

37. The Council will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels. Exposure will be minimal as the Council's borrowing and investment are all in sterling.

38. Refinancing risk

The risk that maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the Council for those refinancings, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time.

39. The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to minimising the need to refinance and, if refinancing is unavoidable, obtaining terms which are competitive and as favourable to the Council as can reasonably be achieved in the light of market conditions prevailing at the time.

40. It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid over reliance on any one source of funding if this might jeopardise achievement of the above.

41. The maturity structure and prevailing interest rates are monitored by the Senior Accountant (Pensions & Treasury Management) in line with the limits set in the treasury management indicators, and regular reports are made to the *Treasury Management Group*.

42. Legal and regulatory risk

The risk that the Council itself, or a counterparty with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the Council suffers losses accordingly.

43. The Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under *TMP1(1) credit and counterparty risk management*, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the Council, particularly with regard to duty of care and fees charged.

44. The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the Council.

45. The Council is an administering authority in the Local Government Pension Scheme and is required, under the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009, to invest any fund money that is not needed immediately to make payments.

46. The Council will separately identify pension fund cash and specific investment decisions will be made on any surplus cash identified, based on the estimated cash flow requirements of the Fund. Specific investments will be made on the

Fund's behalf by the County Council in line with the Fund's treasury management policy. As the majority of Fund cash is allocated to individual investment managers and may be called by them at short notice, it is expected that the majority of cash will be placed on call or on short-term fixed deposits. Unallocated balances may be placed directly with the Fund's custodian.

47. Joint investments with the County Council may be made where this is in the best interests of the Fund. In considering such investments, guidance issued by the Department for Communities and Local Government will be followed and the Fund will receive its fair share of interest in proportion to the share of cash invested. If losses occur the Fund will bear its share of those losses.

48. Fraud, error and corruption, and contingency management

The risk that an Council fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk commonly referred to as operational risk.

49. The Council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

50. Market risk

The risk that, through adverse market fluctuations in the value of the principal sums the Council borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.

51. The Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations. Decisions on investment in tradeable securities, which risk loss of capital, will only be authorised by the *Treasury Management Group*.

TMP2 Performance measurement

52. The Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy. One key performance measure is income/expenditure against budget, and budget setting for interest payable and receivable is crucially important for effective treasury management.

53. Furthermore, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the Council's stated business or service objectives. Methods of service delivery and the scope for potential improvements will be regularly examined.

54. The Council's positive cashflows tend to be weighted towards the first half of the financial year, with outflows towards the second half of the year. This allows the Council to make investments most days but restricts its use of fixed rate investments to the first half of the year, with most investments being for very short, often overnight, periods. For this reason, cash management returns will be benchmarked against the average **7 day LIBID** rate each year.
55. Returns are also benchmarked against other local authorities within the CIPFA benchmarking club but caution needs to be exercised in analysing these results as they vary with both the overall size of the portfolio (larger portfolios are able to obtain better longer term rates) and the attitude to risk at these authorities. Unfortunately the nature of other authorities' treasury management risk appetites cannot be known in any detail without extensive subjective research.
56. Long term borrowing will be undertaken in accordance with the treasury management strategy and opportunities will to be taken to borrow, as appropriate, at rates that are considered to be both (a) within the interest payable budget and (b) attractive over the long term.

TMP3 Decision-making and analysis

57. The Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time.
58. Treasury management processes and practices are documented in the Investments Procedural Manual. This is reviewed and agreed by the *Treasury Management Group* following any material changes. Full records are maintained of all treasury management decisions in order to demonstrate compliance with these processes and for audit purposes. Where appropriate, decisions are reported to the *Treasury Management Group*.

TMP4 Approved instruments, methods and techniques

59. The Council will undertake its treasury management activities within the limits and parameters defined in *TMP1 Risk management*. Its borrowing activity will be within the prudential limits and include the following financial instruments:
- (a) overdraft or short-term loan from an authorised financial institution;
 - (b) short-term loan from a local authority;
 - (c) long-term loan from an authorised financial institution (to include Lender Option Borrower Option (LOBO) loans)
 - (d) the PWLB;
 - (e) loan instruments, including transferable loans up to five years duration and non-transferable of no fixed duration; and
 - (f) accepting deposits from charities and individuals.

60. For investing purposes, the Council may use the following financial instruments:

- a) call or notice accounts
- b) fixed term deposits
- c) callable deposits
- d) structured deposits
- e) certificates of deposits
- f) money market funds
- g) UK Treasury Bills
- h) UK government bonds

61. For money market funds the Council will limit their use to those with a stable net asset value to mitigate the potential loss of capital. For UK Treasury bills and UK government bonds the objective will be to hold until maturity but their tradeability gives the flexibility to realize these instruments earlier for liquidity purposes or in the event of significant capital gains. The Council will use forward dealing for both investing and borrowing where market conditions indicate this approach to offer better value for money.

TMP5 Organisation, clarity and segregation of responsibilities and dealing arrangements

62. The Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.

63. The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

64. If the Council intends, as a result of lack of resources or other circumstances, to depart from these principles, the Senior Accountant (Pensions & Treasury Management) will ensure that the reasons are properly reported in accordance with *TMP6 Reporting requirements and management information arrangements*, and the implications properly considered and evaluated.

65. The Senior Accountant (Pensions & Treasury Management) will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The Senior Accountant (Pensions & Treasury Management) will also ensure that at all times those engaged in treasury management shall follow the policies and procedures set out.

66. The Senior Accountant (Pensions & Treasury Management) will ensure that there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds.

67. The current responsibilities are outlined below.

- Treasury management strategy, policies and practices are set by the County Council.
- Responsibility for the implementation, scrutiny and regular monitoring of the treasury management policies and practices is delegated to the *Treasury Management Group*.
- The responsible officer for the execution and administration of treasury management decisions is the Senior Accountant (Pensions & Treasury Management), who will act within the parameters set by the Treasury Management Policy Statement and TMPs and decisions of the *Treasury Management Group*. The Investments Officer will act as deputy to the Senior Accountant (Pensions & Treasury Management) in his or her absence.

68. The current procedures are outlined below.

- Daily cash flow forecasts will be maintained by the Loans Officer. Summarised weekly cash flow forecasts will be provided to the *Treasury Management Group* on a quarterly basis.
- The daily procedures for cash flow monitoring, placing deals, transmission of funds and documentation are set out in the Investments Procedural Manual. These procedures are usually carried out by the Loans Officer with absences covered by another officer under the responsibility of the Senior Accountant (Pensions & Treasury Management).
- The officer dealing on the money market each day must prepare a cash flow forecast for that day based on the most up-to-date information available and this must be checked by the Senior Accountant (Pensions & Treasury Management), or another officer under the responsibility of the Senior Accountant (Pensions & Treasury Management), before that day's deals are carried out. Before conducting a deal, the officer will confirm that the Fitch ratings of the counterparty are in line with the approved policy.
- Deals must be within the limits set out in *TMP1 Risk management*. Dealing staff must be aware of the principles set out in Non-Investment Products (NIPs) Code published by the Bank of England. Documentation must be kept in accordance with the Investments Procedural Manual.
- The transfer of funds will normally be actioned by CHAPS transfer through the banking system. Separate authorisation is required by a senior officer of the Council in order to release the payment.

69. Individual deal limits specified in *TMP1 Risk management* apply to all staff placing deals. Any borrowing or lending for periods greater than 364 days may only be actioned on the authority of the Senior Accountant (Pensions & Treasury Management) and one other member of the *Treasury Management Group*. Money may only be lent to institutions or funds on the *Approved List*.

TMP6 Reporting requirements and management information arrangements

70. The Service Director (Finance & Procurement) will ensure that regular reports are prepared and considered on the implementation of the Council's treasury management strategy and policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.

71. Full Council will receive:

- an annual report on the strategy to be pursued in the coming year
- a mid-year review
- an annual report on the performance of the treasury management function in the past year and on any circumstances of non-compliance with the Council's treasury management policy statement and TMPs.

72. The *Treasury Management Group* will receive regular monitoring reports on treasury management activities and risks and on compliance with and suggested revisions to policy. Members of the *Treasury Management Group* will be informed of any breach of the principles contained in TMP5.

TMP7 Budgeting, accounting and audit arrangements

73. The Service Director (Finance & Procurement) will prepare, and the Council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with *TMP1 Risk management*, *TMP2 Performance measurement*, and *TMP4 Approved instruments, methods and techniques*.

74. The Service Director (Finance & Procurement) will exercise effective controls over this budget, and will report upon and recommend any changes required in accordance with *TMP6 Reporting requirements and management information arrangements*.

75. The Council accounts for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.

76. The impact of expected borrowing and investment activity is dealt with in the Council's budget book. Systems and procedures are subject to both internal and external audit and all necessary information and documentation is provided on request.

TMP8 Cash and cash flow management

77. Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the Service Director (Finance & Procurement), and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the Service Director (Finance & Procurement) will ensure that these are adequate for the purposes of monitoring compliance with *TMP1(2) liquidity risk management*.
78. As outlined in TMP5, daily cash flow forecasts are prepared in accordance with the Investments Procedural Manual, and summarised weekly and annual forecasts are regularly provided to the *Treasury Management Group*.

TMP9 Money laundering

79. The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained.
80. All treasury management activity with banks other than the Council's own bank is actioned through CHAPS transfers to/from nominated accounts. Suspicions that a third party is attempting to involve the County Council in money laundering will be reported to the Group Manager (Financial Strategy & Compliance).

TMP10 Training and qualifications

81. The Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills.
82. The person specifications for the Senior Accountant (Pensions & Treasury Management) and the Investments Officer require a CCAB qualification and other members of the treasury team have the option to be supported to attain professional qualifications from the Association of Accounting Technicians, the Chartered Institute of Public Finance and Accountancy or the Association of Corporate Treasurers. These professional qualifications will be supplemented by relevant training courses, attendance at seminars and conferences and access to CIPFA's Treasury Management Network and Technical Information Service for all team members.
83. The Senior Accountant (Pensions & Treasury Management) will recommend and implement the necessary arrangements. Requests and suggestions for training may be discussed at any time with the Senior Accountant (Pensions & Treasury Management) and also feature as part of the EPDR process.

84. The *Treasury Management Group* will ensure that board/council members tasked with treasury management responsibilities have access to training relevant to their needs and those responsibilities. Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to undertake their role effectively.

TMP11 Use of external service providers

85. The Council recognises that responsibility for treasury management decisions remains with the Council at all times. It recognises that there may be potential value in employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. And it will ensure, where feasible and necessary, that a spread of service providers is used, to avoid over-reliance on one or a small number of companies.
86. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the responsible officer.
87. The Council currently uses four broking companies to act as intermediaries in lending and borrowing activity although it will also carry out this activity directly with counterparties. It does not currently employ the services of any specialist treasury management advisers. It subscribes to an on-line market information feed for Money Market and Gilt information and to Fitch Ratings for credit and support rating information.

TMP12 Corporate governance

88. The Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.
89. The Council has adopted and implemented the key provisions of the CIPFA Treasury Management in the Public Services Code (2011 edition) and reports are made in accordance with the approved policy. The Council's constitution includes schemes of delegation covering treasury management activities.
90. These measures are considered vital to the achievement of proper corporate governance in treasury management, and the responsible officer will monitor and, if necessary, report upon the effectiveness of these arrangements.

