

SUMMONS TO COUNCIL

date Thursday, 23 February 2017 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 12 January 2017 | 5 - 18 |
| 2 | Apologies for Absence | |
| 3 | Declarations of Interests by Members and Officers:- (see note below) | |
| | (a) Disclosable Pecuniary Interests | |
| | (b) Private Interests (pecuniary and non-pecuniary) | |
| 4 | Chairman's Business | |
| | a) Presentation of Awards/Certificates (if any) | |
| 5a | Presentation of Petitions (if any) (see note 5 below) | |
| 5b | Responses to Petitions Presented to the Chairman of the County Council | 19 - 30 |
| 6 | Clarification of Committee Meeting Minutes published since the last meeting | 31 - 32 |
| 7 | Recognition of Officers of Groups | 33 - 36 |

NOTES:-

(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 Democratic Services to record accurate information.
- (4) Members are reminded that petitions can be presented from their seat with a 1 minute time limit set on introducing the petition.
- (5) Members are reminded that these papers may be recycled. Appropriate containers are located in the respective secretariats.
- (6) Commonly used points of order – Budget meetings
 - 89b – The Member has spoken for more than 20 minutes
 - 52 – The Member is not speaking to the subject under discussion
 - 55 – The Member has already spoken on the motion

60 – Points of Order and Personal Explanations

79 – Disorderly conduct

(7) Time limit of speeches – budget meetings

Motions

50 – no longer than 10 minutes (subject to any exceptions set out in the Constitution)

Petitions

27 – up to one minute allowed

(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.
- (3) This agenda and its associated reports are available to view online via an online calendar –
<http://www.nottinghamshire.gov.uk/dms/Meetings.aspx>

Meeting COUNTY COUNCIL

Date Thursday, 12th January 2017 (10.30 am – 2.29 pm)

Membership

Persons absent are marked with 'A'

COUNCILLORS

Yvonne Woodhead (Chairman)

Mike Pringle (Vice-Chairman)

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

HONORARY ALDERMEN

Martin Brandon-Bravo OBE
Terence Butler
John Carter

OFFICERS IN ATTENDANCE

Anthony May	(Chief Executive)
Jayne Francis-Ward	(Resources)
David Pearson	(Adult Social Care & Health)
Colin Pettigrew	(Children, Families and Cultural Service)
Adrian Smith	(Place)
Barbara Brady	(Public Health)
Sara Allmond	(Resources)
Carl Bilbey	(Resources)
Martin Done	(Resources)
Catherine Munro	(Resources)
Anna O'Daly-Kardasinska	(Resources)
Nigel Stevenson	(Resources)
Michelle Welsh	(Resources)

OPENING PRAYER

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

1. MINUTES

RESOLVED: 2017/001

That the minutes of the last meeting of the County Council held on 24th November 2016 be agreed as a true record and signed by the Chairman.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from:-

Councillor Ian Campbell (medical/illness)
Councillor Andy Sissons (medical/illness)
Councillor Parry Tsimbiridis (medical/illness)

3. DECLARATIONS OF INTEREST

None

4. CHAIRMAN'S BUSINESS

PRESENTATION OF AWARDS

None

5. CONSTITUENCY ISSUES

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

Councillor John Wilmott – problems with the new bus terminus, the extra housing in Hucknall and residents' concerns regarding Council Tax.

Councillor Sue Saddinton –regarding road safety on the Fernwood Estate in her division.

Councillor Francis Purdue-Horan – regarding pedestrian, cyclist and vehicle safety on Chapel Lane, Bingham

6. PRESENTATION OF PETITIONS

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

- (1) Councillor John Peck JP regarding speeding on Forest Road
- (2) Councillor John Peck JP regarding the extension of the Robin Hood line.
- (3) Councillor Tony Roberts MBE from residents of Meyrick Road, Newark regarding parking issues in the area
- (4) Councillor Joyce Bosnjak requesting a residents parking scheme on Ley Lane, Mansfield
- (5) Councillor Stuart Wallace requesting a residents parking scheme on Whitfield Street, Newark
- (6) Councillor Stan Heptinstall regarding improved traffic management in Stapleford
- (7) Councillor John Wilmott requesting a residents parking scheme on Carlingford Road

RESOLVED: 2017/002

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. CLARIFICATION OF MINUTES

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

8. LGPS CENTRAL ASSET POOLING – GOVERNANCE ARRANGEMENTS

Councillor Reg Adair introduced the report and moved a motion in terms of resolution 2017/003 below.

The motion was seconded by Councillor Mike Pringle.

RESOLVED: 2017/003

- 1) To enter into joint agreements with Cheshire West and Chester Council, Derbyshire County Council, Leicestershire County Council, Shropshire Council, Staffordshire County Council, Wolverhampton City Council and Worcestershire County Council to establish a joint pension fund investment pool and to establish a Joint Committee under s102 of the Local Government Act 1972.
- 2) To become a joint shareholder of LGPS Central Ltd, incorporated for investment management purposes and regulated under the Financial Services and Markets Act 2000.
- 3) To appoint the Chairman of the Nottinghamshire Pension Fund Committee, or his nominated representative, to act as the Council's representative on the Joint Committee and Shareholders Forum and to exercise the Council's voting rights as a shareholder of LGPS Central Ltd.
- 4) To appoint the Service Director (Finance, Procurement & Improvement) to represent the Council on a Practitioners Advisory Forum.
- 5) To authorise the Corporate Director Resources to enter into all necessary legal agreements to establish a joint asset pool and investment management company as outlined in this report, after consultation with:
 - Chairman and Vice-Chairman of the Pension Fund Committee;
 - Service Director (Finance, Procurement & Improvement); and
 - Group Manager for Legal Services.

9. APPOINTMENT OF INDEPENDENT REMUNERATION PANEL MEMBERS

Councillor Steve Carroll introduced the report and moved a motion in terms of resolution 2017/004 below.

The motion was seconded by Councillor Chris Barnfather.

RESOLVED: 2017/004

That the following people be appointed to the Independent Remuneration panel until the Annual General Meeting in May 2018 when continued membership of the panel will be considered:-

- Sir Rodney Brooke, CBE, DL – Chair
- Madi Sharma
- Stephen Bray

- Charles Daybell.

10. QUESTIONS

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

No questions were received.

(b) QUESTIONS TO COMMITTEE CHAIRMAN

Four questions had been received as follows:-

- 1) from Councillor Mrs Kay Cutts MBE regarding concessionary travel from Nottingham City Park & Rides (Councillor Kevin Greaves replied)
- 2) from Councillor John Ogle about Bassetlaw and membership of the Sheffield City Region (Councillor Alan Rhodes replied)
- 3) from Councillor John Wilmott concerning provision of services for additional housing in Hucknall (Councillor David Kirkham replied)
- 4) from Councillor Richard Jackson regarding speed management scheme on Coppice Road, Arnold (Councillor Kevin Greaves replied)

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

11. NOTICE OF MOTION

Councillor Muriel Weisz introduced and moved the motion in terms of resolution 2017/005 below.

The motion was seconded by Councillor Joyce Bosnjak.

An amendment to the motion as set out below was moved by Councillor Stuart Wallace and seconded by Councillor Liz Yates:-

“This Council profoundly regrets the failure of successive governments of all political persuasions to tackle the fund adult social care funding challenge adequately-, but acknowledges that the Better Care Fund launched in June 2013 is one of the most ambitious programmes across the NHS and local government to date.”

The Audit Office and other Independent sources confirm that the funding of social care is ~~now slipping to~~ under 2% of the Gross Domestic Product.

~~The potential benefits of the Care Act – and now the efforts of the Sustainability and Transformation Plans – are being undermined by the damaging effects of~~

~~the decision in the 2010 Spending Review which has left social care exposed to the impact of a 40% real terms fall in financial support to local government.~~

The integration of health services and local authority social care by 2020 continues to be a key policy driver from government. Such working together should strengthen preventative services in the community and achieve some savings and efficiencies. But there is little evidence to show that greater integration, to date, has realised significant financial savings.

Only adequate and sustainable funding will allow local authorities to be effective partners in such integration plans.

The King's Fund has stated that the system needs £2.3 billion invested in the life of this parliament to protect statutory social care services.

Therefore, this Council ~~calls upon the Government to~~accepts:

- ~~Make available the £2.3 billion required as a matter of urgency which, along with the Government's social care precept~~ **is a short-term measure**, ~~would help to support local authorities' spend on social care and would prevent the need to further reduce vital social care services,~~ **but calls on all political parties in Parliament to work together to**
- ~~E~~**establish** a more sustainable national base for funding social care.

The Council further agrees to contact all Nottinghamshire Members of Parliament asking them to support Nottinghamshire County Council with this campaign to secure the funding required, both locally and nationally, in order to protect social care services."

Council adjourned from 12.05pm to 12.50pm.

Councillor Roger Jackson did not return to the meeting following the adjournment.

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

Following a debate the amendment to the motion was put to the meeting and after a show of hands the Chairman declared it was lost.

The requisite number of Members requested a recorded vote and it was ascertained that the following 20 Members voted '**For**' the motion:-

Reg Adair
Chris Barnfather
Andrew Brown
Richard Butler
John Cottee
Mrs Kay Cutts
Dr John Doddy

Boyd Elliott
John Handley
Richard Jackson
Bruce Laughton
John Ogle
Philip Owen
Francis Purdue-Horan

Tony Roberts MBE
Sue Saddington
Keith Walker

Stuart Wallace
Gordon Wheeler
Liz Yates

The following 37 Members voted '**Against**' the motion:-

Pauline Allan
Roy Allan
John Allin
Alan Bell
Joyce Bosnjak
Nicki Brooks
Steve Calvert
Steve Carr
Steve Carroll
John Clarke
Jim Creamer
Maureen Dobson
Sybil Fielding
Kate Foale
Glynn Gilfoyle
Kevin Greaves
Alice Grice
Colleen Harwood
Stan Heptinstall MBE

David Kirkham
John Knight
Darren Langton
Keith Longdon
Diana Meale
Michael Payne
John Peck JP
Sheila Place
Liz Plant
Mike Pringle
Darrell Pulk
Alan Rhodes
Ken Rigby
Pam Skelding
Muriel Weisz
John Wilkinson
Jacky Williams
Yvonne Woodhead

The following 6 members '**Abstained**' from the vote:-

Stephen Garner
Tom Hollis
Rachel Madden

David Martin
John Wilmott
Jason Zadrozny

The Chairman declared that the amendment was lost.

Following a debate 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 43 Members voted '**For**' the motion:-

Pauline Allan
Roy Allan
John Allin
Alan Bell
Joyce Bosnjak
Nicki Brooks
Steve Calvert
Steve Carr
Steve Carroll
John Clarke

Jim Creamer
Maureen Dobson
Sybil Fielding
Kate Foale
Stephen Garner
Glynn Gilfoyle
Kevin Greaves
Alice Grice
Colleen Harwood
Stan Heptinstall MBE

Tom Hollis
David Kirkham
John Knight
Darren Langton
Keith Longdon
Rachel Madden
David Martin
Diana Meale
Michael Payne
John Peck JP
Sheila Place
Liz Plant

Mike Pringle
Darrell Pulk
Alan Rhodes
Ken Rigby
Pam Skelding
Muriel Weisz
John Wilkinson
Jacky Williams
John Wilmott
Yvonne Woodhead
Jason Zadrozny

The following 20 Members voted '**Against**' the motion:

Reg Adair
Chris Barnfather
Andrew Brown
Richard Butler
John Cottee
Mrs Kay Cutts
Dr John Doddy
Boyd Elliott
John Handley
Richard Jackson

Bruce Laughton
John Ogle
Philip Owen
Francis Purdue-Horan
Tony Roberts MBE
Sue Saddington
Keith Walker
Stuart Wallace
Gordon Wheeler
Liz Yates

No members '**Abstained**' from the vote.

The Chairman declared that the motion was carried and it was:-

RESOLVED: 2017/005

"This Council profoundly regrets the failure of governments to fund adult social care adequately.

The Audit Office and other Independent sources confirm that the funding of social care is now slipping to under 2% of the Gross Domestic Product.

The potential benefits of the Care Act – and now the efforts of the Sustainability and Transformation Plans - are being undermined by the damaging effects of the decision in the 2010 Spending Review which has left social care exposed to the impact of a 40% real terms fall in financial support to local government.

The integration of health services and local authority social care by 2020 continues to be a key policy driver from government. Such working together should strengthen preventative services in the community and achieve some savings and efficiencies. But there is little evidence to show that greater integration, to date, has realised significant financial savings.

Only adequate and sustainable funding will allow local authorities to be effective partners in such integration plans.

The King's Fund has stated that the system needs £2.3 billion invested in the life of this parliament to protect statutory social care services.

Therefore, this Council calls upon the Government to:

- Make available the £2.3billion required as a matter of urgency which, along with the Government's social care precept, would help to support local authorities' spend on social care and would prevent the need to further reduce vital social care services.
- Establish a more sustainable national base for funding social care.

The Council further agrees to contact all Nottinghamshire Members of Parliament asking them to support Nottinghamshire County Council with this campaign to secure the funding required, both locally and nationally, in order to protect social care services."

13. ADJOURNMENT DEBATE

None

The Chairman declared the meeting closed at 3.52 pm.

CHAIRMAN

APPENDIX A

COUNTY COUNCIL MEETING HELD ON 12TH JANUARY 2017 QUESTIONS TO COMMITTEE CHAIRMEN

Question to the Chairman of the Transport and Highways Committee, from Councillor Mrs Kay Cutts MBE

Does the Chairman of the Transport & Highways Committee share my anger at Nottingham City Council's decision that their Park & Ride sites are now classed as '*amenities*' that do not fall within the National Concessionary Travel Scheme, so although they will still accept City residents' bus passes as discretionary from these sites, they will not now accept bus passes issued by other local authorities?

Will he challenge City Council colleagues to reverse this illogical rule, which means a County resident cannot use their concessionary travel card to catch a bus direct from a City Park & Ride site, but if they park at the site and then walk out to the next stop, their pass is valid?

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

To clarify the current arrangements for the use of Nottinghamshire bus passes on the park and ride services within Nottingham, namely Queens Drive and Colwick services. Since April 2016 these services have not been available for use by holders of English National Concessionary Travel passes issued by any authority other than Nottingham City Council. This was introduced following a decision by Nottinghamshire City Council to class the services as having an amenity element when accessed at the park and ride stops.

All other stops on the route are available for use and therefore offer free travel. The rationale from the City Council is that the provision of free parking is an amenity which under the current legislation does allow them to introduce these restrictions, as they are responsible for the reimbursement of any concessionary travel, on these services, irrespective of which authority in England issued the pass.

The County Council have advertised this change and actually very few complaints have been received to date.

I understand the frustration that Councillor Cutts has and I share it with her and I will once again raise this with our counterpart at Nottingham City Council.

Question to the Leader of the Council, from Councillor John Ogle

Would the Council Leader join me in welcoming the outcome of Derbyshire County Council's High Court challenge to Sheffield City Region's consultation on whether SCR should expand its devolution deal to include Chesterfield?

High Court Judge, Mr Justice Ouseley, ruled that the consultation was unlawful because it failed to ask local residents a direct question. He observed that “something had gone seriously and significantly wrong”.

Would the Leader agree with me that the consultation was equally as unfair to residents of Bassetlaw as those in Chesterfield, and that there is evidence to believe Bassetlaw residents would not want to become a constituent member of Sheffield City Region, if they received the courtesy of being asked ‘a direct question’?

Response from Councillor Alan Rhodes, Leader of the Council

The Judicial Review brought forward by Derbyshire County Council challenged the lawfulness of the public consultation exercise carried out by the Sheffield City Region Combined Authority, in support of the proposals to extend the area of the Combined Authority to include Chesterfield Borough Council and Bassetlaw District Council.

It is important to stress that no actual decision has been taken by the Secretary of State and therefore there was no actual decision for the Courts to quash through the Judicial Review. The central issue was whether or not it would be unlawful for the Secretary of State to rely solely upon the public consultation completed by the Combined Authority in deciding to proceed with laying orders to expand the Combined Authority and proceed with the transfer of powers and responsibilities.

The judgement of Mr Justice Ouseley is that a decision could still be made by the Secretary of State, but not on the basis of the consultation alone. This is because the consultation did not explicitly ask the public whether or not they agreed with the proposal to include Chesterfield in the Combined Authority. The implications of the court judgement would appear to apply equally to Bassetlaw.

Technically although there are a range of options open to the Secretary of State at this stage we do not know how the Sheffield City Region or the Government intend to respond to the judgement. It will be important for both to clarify that position.

I will make it clear, as I have done consistently throughout this process, I am against Bassetlaw being part of Sheffield City Region, I believe that it will have a negative impact for the economic prospects for Bassetlaw and my position remains unchanged on this matter.

Question to the Chairman of the Finance and Property Committee, from Councillor John Wilmott

Would the Chairman of the Finance and Property Committee provide this Council with an update on what provision of resources are going to be provided for the Hucknall residents by the County Council, Gedling Borough Council and by the Ashfield District Council for all the infrastructure that will be required as the many 100s of new houses are being built in the area?

This includes sewerage, roads, schools, social services, surgeries, policing, trading standards, street lighting, leisure and transport.

Response from Councillor David Kirkham, Chairman of the Finance and Property Committee

May I begin by clarifying that the County Council is not responsible for provision of sewage systems, surgeries and policing and I suggest that he should address these questions to the water company, the NHS and Nottinghamshire Police. Nor am I able to respond on behalf of Gedling Borough Council or Ashfield District Council on their services.

Having said that Councillor Wilmott does ask a very interesting question. As all members are aware we neither set out our budget nor account for revenue expenditure and the provision of services by specific geographic area within the county. Instead the County Council has determined that services are better and more efficiently provided over a larger geographic area for at county level, such as Trading Standards. In addition the level of spend in some areas are determined not by the number of residents or new developments but by other determinates such as general wear and tear or prevailing weather conditions such as maintenance of roads or the provision of gritting.

As Councillors will be aware, with new housing developments comes an obligation upon developers based on national criterion to provide capital monies for County Council services such as schools, transport and leisure. This will also include for the provision of other bodied services such as doctors surgeries. Contrary to this, developers make appeals regarding the viability of their schemes as a way of avoiding their obligations and it must be remembered that the level of capital monies received is decided by each District Council. Too often the level of these Section 106 monies they have negotiated is inadequate.

But I did say the question was interesting and that is because it raises a specific issue of adequate funding for ongoing local authority services. As Councillors will be aware it is Central Government that determines the limit of Local Government funding each December in the Local Government Settlement. The Settlement establishes the total size of the cake for local resources that form part of the Department for Community and Local Government's (DCLG) departmental expenditure limit. In this annual statement the DCLG takes into account all funding available for local government, be that from assumptions about increasing council tax, the introduction of the adult social care precept, the new homes bonus funding, the retained element of business rates and the ever decreasing amount of government funding through the revenue support grant.

On the other side of the equation the government also uses a flawed complex formula for determining each authority's relative need for funding. The flaw not only being in the inadequacies of the formula itself, which has long been recognised by Government but the fundamental mistake that it is not the absolute need for funding but a relative need. In an extended period of austerity the Government has reduced the funding available to Local Government and has singly failed to recognise the increasing pressures faces authorities who are responsible for social care. It is this failing in funding assumption by the Government that we recognise by the continuing funding shortfall in our medium term financial strategy. The ongoing financial challenge has been one that the administration has been making great strides in closing and

including collaboration across party lines to resolve. If you recall we inherited an initial funding shortfall for £154 million when we came to power.

So I return to your question Councillor Wilmott what is the update on provision of services in Hucknall? This is the same issue on adequate funding for all services provided by the County Council. The short answer is the Council will continue to strive excellent services, whether that be by innovative means or alternative service delivery, to all residents of the County while addressing the reductions in Local Government Funding faced by this Council.

Question to the Chairman of the Transport and Highways Committee, from Councillor Richard Jackson

Councillors from the Plains ward on Gedling Borough Council have asked me, in my capacity as Conservative Transport & Highways Spokesman, to relay some feedback from residents they represent who regularly use Coppice Road in Arnold.

These residents assert that road humps, as depicted in a recent 'Via' consultation letter, would not be a suitable solution for the Coppice Road speed management scheme proposed in the 2017/18 Draft Integrated Transport Programme, and that permanent speed cameras would be preferable.

Would the Chairman of the Transport & Highways Committee take these views into consideration when he seeks approval for the final 2017/18 highways capital programme?

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

I have already been working on this with the councillors for the area, Councillor Michael Payne and Councillor Pauline Allan.

The Council recently consulted the residents along Coppice road and has already noted their preference for speed cameras rather than road humps. Their views are being taken into account and we are working to come up with an appropriate solution for this road.

**REPORT OF THE CHAIRMAN OF THE TRANSPORT AND HIGHWAYS
COMMITTEE****RESPONSES TO PETITIONS PRESENTED TO THE CHAIRMAN OF THE
COUNTY COUNCIL****Purpose of the Report**

1. The purpose of this report is to inform Council of decisions made by the Transport and Highways Committee concerning issues raised in petitions presented to the Chairman of the County Council on 24th November 2016 and 12th January 2017.
- A. **Petition requesting the reduction of the speed limit on Brookhill Lane, Pinxton (Ref: 2016/0201)**
 2. A 632 signature petition was presented to the 24th November 2016 meeting of the County Council by Councillor John Knight. The petition requests that the speed limit is reduced, that a weight limit is introduced, and a central white line is marked on the road.
 3. It should be noted that Brookhill Lane is in Derbyshire, but a section of the road, named as Pinxton Lane, is in Nottinghamshire. The road is rural in nature and currently has a de-restricted speed limit.
 4. A lorry ban has recently been introduced on Brookhill Lane by Derbyshire County Council, and a white line has been painted down the centre of the road.
 5. To consider the speed limit request an assessment will be carried out including consideration of the road layout and its purpose, the number of properties fronting the road, an evaluation of traffic speeds, and an investigation of the speed related injury accident data. Once this data is available the request will be considered in line with guidelines for setting local speed limits; and if appropriate, alterations to the speed limit will be considered for inclusion in a future integrated transport programme.
 6. If appropriate, any potential change in speed limit would also need to be consistent with the section of road in Derbyshire and therefore a copy of the petition has been forwarded to Derbyshire County Council for consideration.
- B. **Petition requesting a residents' parking scheme on Southend Avenue, Newark (Ref: 2016/0202)**
 7. A 35 signature petition was presented to the 24th November 2016 meeting of the County Council by Councillor Stuart Wallace on behalf of residents of Southend Avenue, Newark.

The petition requested that a residents' parking scheme be introduced on Southend Avenue, Newark as the petitioners' stated that parking had increased on the road due to the introduction of residents' parking schemes on nearby roads.

8. Requests for residents' parking schemes are prioritised in locations where residents do not have off-street parking and where a scheme will not negatively affect nearby streets and town centres, or increase rat running or traffic speeds. Schemes are prioritised based on the level of non-resident parking.
9. Southend Avenue is a residential road situated to the south-west of the town centre. There is a mixture of properties on the road, there are currently no on-street parking restrictions but the majority of properties have off-street parking.
10. As most of the properties on Southend Avenue have off-street parking the introduction of a residents' parking scheme at this location would not currently be considered a priority. Residents are, however, able to fund the provision of white advisory H-bar markings to help prevent obstruction of their driveways.

C. Petition requesting a residents' parking scheme on Hawthorne Grove, Beeston (Ref: 2016/0203)

11. A 16 signature petition was presented to the 24th November 2016 meeting of the County Council by Councillor Kate Foale on behalf of residents of Hawthorne Grove, Beeston. The petition requested that a residents' parking scheme be introduced on Hawthorne Grove, Beeston.
12. Requests for residents' parking schemes are prioritised based in locations where residents do not have off-street parking and where a scheme will not negatively affect nearby streets and town centres, or increase rat running or vehicle speeds. Schemes are prioritised based on the level of non-resident parking.
13. Hawthorne Grove is a residential road with no off-street parking situated to the east of the town centre. Home Bargains car park and delivery vehicle access are both located on Hawthorne Grove. There are existing on-street parking restrictions on the road together with a 12 bay parking area opposite the properties. The bays, however, have no restrictions and it is unclear if these are being used by residents or non-residents. A parking survey will therefore be undertaken to determine if a residents' parking scheme should be considered a priority at this location for possible inclusion in a future year's integrated transport programme.

D. Petition requesting the reduction of the speed limit on the A616 in Caunton (Ref: 2016/0204)

14. A 299 signature petition was presented to the 24th November 2016 meeting of the County Council by Councillor Bruce Loughton on behalf of residents of Caunton and others. The petition requested a reduction in the speed limit to 50mph. The road is rural in nature and currently has a de-restricted speed limit.
15. To consider the speed limit request an assessment will be carried out including consideration of the road layout and its purpose, the number of properties fronting the

road, an evaluation of traffic speeds, and an investigation of the speed related injury accident data. Once this data is available the request will be considered in line with guidelines for setting local speed limits; and if appropriate, alterations to the speed limit will be considered for inclusion in a future integrated transport programme.

E. Petition requesting the reduction of the speed limit and the installation of a pedestrian crossing on Wighay Road in Linby (Ref: 2016/0205)

16. A 288 signature petition was presented to the 24th November 2016 meeting of the County Council by Councillor Chris Barnfather. The petition requested a reduction in the speed limit and the introduction of a pedestrian crossing on the road. Wighay Road is currently built up along most of its southern side, with little development on its northern side which is open countryside. The road therefore currently has a 40mph speed limit.
17. Given the existing nature of the road the reduction in the speed limit and installation of a pedestrian crossing would not be considered a priority because it would offer limited community benefit (e.g. very few pedestrians would be likely to use a pedestrian crossing).
18. A large-scale housing development is, however, proposed at nearby Top Wighay Farm. It is likely that once the development has been constructed there will be a need for pedestrian crossing facilities; and the change in character from semi-rural to urban is likely to justify a reduction in speed limit.
19. It is appropriate, therefore, that these requests are considered for inclusion as part of the works package associated with the Top Wighay Farm development. If, for whatever reason, it is not considered appropriate to introduce these measures as part of that development, they will, however, be assessed by the County Council as stand-alone requests and will be considered for inclusion in a future integrated transport programme.

F. Petition requesting the installation of a pedestrian crossing on Rugby Road in West Bridgford (Ref: 2016/0206)

20. A 161 signature petition was presented to the 24th November 2016 meeting of the County Council by Councillor Gordon Wheeler. The petition requested the installation of a pedestrian crossing on Rugby Road to aid access to the nearby community centre and other local facilities for elderly residents living in the area.
21. Rugby Road is a spine road linking the A60 Loughborough Road to Compton Acres. It provides access to a number of residential streets; and at its eastern end there is sheltered accommodation located either side of the road, including a community centre.
22. The County Council receives far more requests for such crossings than it is able to fund. Requests for crossings are therefore prioritised based on the numbers of people crossing, traffic volumes and other relevant factors such as accident history so that the available funding helps the greatest number of people. Surveys will therefore be undertaken to determine whether a crossing at this location should be prioritised for possible inclusion in a future year's integrated transport programme.

G. Petition to reduce the speed limit on A60 in the vicinity of Portland College and provide a footway from Portland to Oak View Rise (Ref: 2016/0207)

23. A petition was presented to the 24th November 2016 meeting of the County Council by Councillor Steve Carroll. The petition requested a reduced speed limit on the A60 from Thieves Wood Lane past Portland College, and the provision of an additional footway on the eastern side of the A60 between Portland College and Oak View Rise.
24. The petition is a result of two young people being injured on the A60 in the vicinity of the college and Oak View Rise in September 2016. These collisions were different in terms of location and contributory factor, and the vehicles involved were not speeding. Prior to this there were only two other accidents in three and a half years, both were slight in nature and neither involved a pedestrian.
25. A meeting between representatives from Highways, Councillor Steve Carroll, Gloria De Piero MP, the Heads of Portland and Fountaindale Colleges, the police and residents was held on the 31st October 2016 to share information. The historic and recent accident record was discussed, as was the speed measurements that showed an average speed of 43 mph and an 85th percentile speed of 49 mph. The current speed limit on this road is 50 mph. It was agreed to carry out a vehicle and pedestrian movement survey to establish travel patterns in the area, which was carried out on the 22nd and 23rd November 2016.
26. The pedestrian survey was carried out between 0700 and 1800 and indicated low numbers of pedestrians crossing the A60. Pedestrians using the formal crossing point adjacent to the college were 133 in number, pedestrians crossing to Oak View Rise were 43, and crossing in the vicinity of The Spinney were 11 during an eleven-hour period.
27. Given the above results, no amendments to the facilities for pedestrians are recommended. A reduction in the speed limit to 40 mph in the vicinity of the colleges is recommended and a report will be taken to Transport and Highways Committee in March 2017 recommending budget is allocated for carrying out the works in 2017/18. Associated with the speed limit reduction, consideration will be given to the provision of a mobile interactive speed sign to reinforce the message.
28. Whilst not requested as part of the petition, representation was made at the meeting in October regarding the problems vehicles have egressing Oak View Rise. Whereas the reduction in speed limit should assist this process, further investigation is recommended to alert drivers to the proximity of the side road, and ease vehicular movements from it. Concern was also raised about the bus stop to the south-east of the MARR junction, and a review into the safety and suitability of the bus stops along this corridor is also to be considered.

H. Petition requesting the resurfacing of Rockwood Crescent, Beauvale (Ref: 2016/0208)

29. A 56 signature petition was presented to the 24th November 2016 meeting of the County Council by Councillor Alice Grice on behalf of the residents of Rockwood Crescent, Beauvale. The petition requested that the road be resurfaced.
30. Rockwood Crescent is an access road off Hillcrest Drive and did not previously feature in the 5-year highway maintenance programme. A further inspection of the road has,

however, been undertaken since receipt of the petition and it is showing signs of deterioration and as such, given the overall condition of the section of Rockwood Crescent from Hillcrest Drive to Laxton Drive, it has been added to the 5-year capital maintenance programme.

31. The 5-year capital maintenance programme is reviewed every year and an annual programme developed which features the worst sites. Rockwood Crescent will be considered as part of this process. In the meantime, the road will be inspected regularly and any areas considered unsafe will be repaired.

I. Petition requesting a residents' parking scheme on Bencaunt Grove, Hucknall (Ref: 2016/0210)

32. A 23 signature petition was presented to the 24th November 2016 meeting of the County Council by Councillor John Wilmott on behalf of residents of Bencaunt Grove, Hucknall. The petition requested that a residents' parking scheme be introduced on the road.
33. Requests for residents' parking schemes are prioritised based in locations where residents do not have off-street parking and where a scheme will not negatively affect nearby streets and town centres, or increase rat running or vehicle speeds. Schemes are prioritised based on the level of non-resident parking.
34. Bencaunt Grove is a residential road situated to the north-west of the town centre and whilst there are currently no parking restrictions on it all of the properties on the road have off-street parking.
35. As all of the properties on Bencaunt Grove Avenue have off-street parking, the introduction of a residents' parking scheme at this location would not currently be considered a priority. Residents are, however, able to fund the provision of white advisory H-bar markings to help prevent obstruction of their driveways.

J. Petition requesting a residents' parking scheme for Harrington Street, Worksop (Ref: 2016/0211)

36. A 19 signature petition was presented to the 24th November 2016 meeting of the County Council by Councillor Kevin Greaves on behalf of residents of Harrington Street, Worksop. The petition requested that a residents' parking scheme be introduced on the road.
37. Requests for residents' parking schemes are prioritised in locations where residents do not have off-street parking and where a scheme will not negatively affect nearby streets and town centres, or increase rat running or traffic speeds. Schemes are prioritised based on the level of non-resident parking.
38. Harrington Street is a residential road with no off-street parking situated to the west of the town centre; there are currently no on-street parking restrictions. Petitioners state that the problem is caused by a school at the southern end of the road and shops at the northern end of the road.

39. A parking survey has consequently been undertaken on Harrington Street and the results of this survey will be used to consider the request for possible inclusion in a future year's integrated transport programme.

K. Petition requesting a residents' parking scheme on Lilley Close, Selston (Ref: 2016/0212)

40. A 62 signature petition was presented to the 24th November 2016 meeting of the County Council by Councillor David Martin on behalf of residents of Lilley Close, Selston. The petition requested that a residents' parking scheme be introduced on the road due to parking and other anti-social issues caused by parents dropping-off and picking-up school pupils.
41. Residents' parking schemes are not introduced outside schools to prevent parents from picking-up and dropping-off pupils at school start and finish times. In cases where such parking is causing difficulties with local residents the County Council works with the school community to help them address such issues. It was therefore recommended that the Highways District Manager contact the school to discuss the issues raised by the petitioners.
42. Residents are also able to fund the provision of white advisory H-bar markings to help prevent obstruction of their driveways.

L. Petition requesting traffic calming on Forest Road, Clipstone (Ref: 2016/0213)

43. A 38 signature petition was presented to the 12th January 2017 meeting of the County Council by Councillor John Peck. The petition requested that the Council provide suitable traffic control measures along Forest Road to reduce the speed of vehicles. Specifically, it requested speed humps or similar controls as already exist on Garibaldi Road, nearby. The accompanying letter cited an apparent increase in traffic speeds on Forest Road since it was resurfaced, and that Forest Road is a popular route for children walking to and from several local schools.
44. The most effective form of Traffic Calming in a 30 mph speed limit consisting of 'vertical deflection' features, i.e. road humps of various types. These have been very successful in reducing the level of road accident casualties. However, these projects are expensive, they can be unpopular with drivers, and usually lead to complaints about noise from residents. Consequently, they are only considered as a remedy to the most serious of problems.
45. The number of reported injury accidents at a location is the measure used to allocate funding to improve road safety. By targeting funding where high numbers of injury accidents have occurred, we have been very successful in reducing the level of road accident casualties across the county.
46. Traffic calming with vertical deflection has previously been installed on the immediately neighbouring Garibaldi Road, as mentioned in the petition. This was in response to a period when seven reported injury accidents occurred including five involving injury to school-aged children.

47. In the period 1st January 2013 to 31st October 2016 there were only two reported injury accidents on the whole length of Forest Road. One involved a motorcyclist falling off his machine after apparently hitting an object in the carriageway. The other involved a van which collided with a pedal cycle upon which two twelve-year old boys were travelling. Fortunately, both accidents involved slight injuries only.
48. Based on the accident history on Forest Road the Council could not justify funding for traffic calming. This length of road will, however, be monitored actively for further reported injury accidents in order that prompt action can be taken if the situation worsens.

M. Petition requesting the extension of the Robin Hood Line to Edwinstowe and Ollerton (Ref: 2016/0214)

49. A 621 signature petition was presented to the 12th January 2017 meeting of the County Council by Councillor John Peck. The petition requested the County Council do everything possible to enable the extension of the Robin Hood Line to Edwinstowe and Ollerton.
50. The County Council supports the extension of the Robin Hood Line from Shirebrook to Ollerton, with intermediate stations at Warsop and Edwinstowe; and has been working hard since 2009 to try to secure funding to enable this to happen. Nottinghamshire County Council alone has paid for all the work undertaken to date to develop this scheme, amounting so far to nearly £225,000. No financial contribution of any sort whatsoever has been received from any other body towards any aspect of taking this scheme forward.
51. Currently, to enable the re-opening of the line to passenger services, funding is needed for five elements:
- i. Development and design
 - ii. The renovation of the old stations in Warsop and Edwinstowe and construction of a new station at Ollerton
 - iii. Bringing the tracks, signalling and related infrastructure up to passenger line standards
 - iv. Alterations to Network Rail's test track, and
 - v. An annual revenue subsidy.
52. The costs of the above works are outside the scope of the County Council as the capital costs have been estimated to be in excess of £20m, with an ongoing annual revenue cost of nearly £1m per year. The only available funding sources for the capital works are either through the Local Growth Fund (negotiated between central Government and the Local Enterprise Partnership) or the New Station Fund. In order to access funding from either of these allocations, all of the match funding and other funding elements required for the project must be already committed. These multiple funding processes are outside the control of the County Council and for this scheme to move forward it therefore needs a coordinated commitment from within central Government.
53. The County Council therefore met with the new Rail Minister on 21st November to raise these issues and the Minister agreed to ask their officers to look into the scheme further. It should, however, be noted that the main funding mechanisms for any works, the Local Growth Fund and New Stations Fund, have already been allocated up to March 2021 and March 2020 respectively. The County Council is therefore unable to apply for funding for any works to extend the Robin Hood Line from these funding allocations until 2020 at the

earliest. The Council will continue to seek opportunities to promote the extension and secure the necessary funding.

N. Petition requesting a residents' parking scheme on Meyrick Road, Newark (Ref: 2016/0215)

54. A 9 signature petition was presented to the 12th January 2017 meeting of the County Council by Councillor Tony Roberts on behalf of residents of Meyrick Road, Newark. The petition requests that a residents' parking scheme be introduced on the road due to parking by non-residents accessing Newark Northgate station and the town centre.
55. Meyrick Road is a residential road with no off-street parking situated to the north-west of the town centre; there are currently no on-street parking restrictions.
56. Requests for residents' parking schemes are prioritised in locations where residents do not have off-street parking and where a scheme will not negatively affect nearby streets and town centres, or increase rat running or traffic speeds. Schemes are prioritised based on the level of non-resident parking.
57. A parking survey will be undertaken to determine if a residents' parking scheme should be considered a priority at this location for possible inclusion in a future year's integrated transport programme.

O. Petition requesting a residents' parking scheme on Ley Lane, Mansfield (Ref: 2016/0216)

58. A five signature petition was presented to the 12th January 2017 meeting of the County Council by Councillor Joyce Bosnjak on behalf of residents of Ley Street, Mansfield Woodhouse. The petition requested that a residents' parking scheme be introduced in the road.
59. Ley Lane is a residential road situated to the north-east of the town centre. There is a mixture of properties on the road, the majority of which have off-street parking. Whilst there are existing on-street parking restrictions on Ley Lane outside Nettleworth Infant and Nursery School, this request relates to an existing parking bay located outside numbers 17 to 25 Ley Lane which has no parking restrictions. These properties have no off-street parking and it is unclear if the parking bay is being used by residents or non-residents.
60. Requests for residents' parking schemes are prioritised in locations where residents do not have off-street parking and where a scheme will not negatively affect nearby streets and town centres, or increase rat running or traffic speeds. Schemes are prioritised based on the level of non-resident parking.
61. A parking survey will be undertaken to determine if a residents' parking scheme should be considered a priority at this location for possible inclusion in a future year's integrated transport programme.

P. Petition requesting a residents' parking scheme on Whitfield Street, Newark (Ref: 2016/0217)

- 62. A 29 signature petition was presented to the 12th January 2017 meeting of the County Council by Councillor Stuart Wallace on behalf of residents of Whitfield Street, Newark. The petition requests that a residents' parking scheme is introduced.
- 63. Whitfield Street is a residential road with no off-street parking situated to the north-west of the town centre; there are currently no on-street parking restrictions.
- 64. In 2015, residents of Whitfield Street were consulted on whether to be included in a residents' parking scheme that was proposed on nearby William Street, but the residents did not support the scheme at that time.
- 65. A residents' parking scheme is (subject to statutory procedures) due to be implemented on nearby Barnby Gate and a survey was undertaken on Whitfield Street in October 2016 to determine if this road should be included in the scheme. The survey identified that it would be appropriate to incorporate Whitfield Street in the residents' parking scheme proposed on Barnby Gate, should the residents support such a scheme.
- 66. A residents' parking scheme on Whitfield Street will therefore be included in the 2017/18 integrated transport programme subject to Transport and Highways committee approval and the necessary statutory consultation processes.

Q. Petition requesting a review the traffic management system on Derby Road, Stapleford (Ref: 2016/0218)

- 67. A 904 signature petition was presented to the 12th January 2017 meeting of the County Council by Councillor Stan Heptinstall (although it should be noted that some of the signatories appear on the petition a number of times). The petition, organised by local district councillors, requested that the County Council review the traffic management system on Derby Road, Stapleford and to allow three hours free parking in the local car parks.
- 68. Officers will contact Councillor Heptinstall, and subsequently the organisers of the petition, to discuss their concerns about the existing traffic management arrangements on Derby Road in further detail. Following these discussions, feasibility studies will be undertaken, if required, to determine if any amendments to the existing arrangements should be prioritised for inclusion in a future integrated transport programme.
- 69. The local car parks are operated by Broxtowe Borough Council. A copy of the petition has therefore been sent to Broxtowe Borough Council so that they can consider the request for free parking in the local car parks.

R. Petition requesting a residents' parking scheme on Carlingford Road, Hucknall (Ref: 2016/0219)

70. A 94 signature petition was presented to the 12th January 2017 meeting of the County Council by Councillor John Wilmott on behalf of residents Carlingford Road, Hucknall. The petition requests that a residents' parking scheme is introduced.
71. Carlingford Road is a residential road situated to the north of the town centre and has a pre-school located on the road; there are currently no parking restrictions.
72. The County Council proposes to undertake an area wide review of parking in Hucknall during 2017/18 following the completion of the Hucknall town centre improvement scheme. The review will consider non-resident parking on a number of streets in Hucknall and it is proposed that Carlingford Road be included in the proposed review.
73. Following the completion of the Hucknall parking review, a residents' parking scheme (or alternative parking restrictions) on Carlingford Road will be considered for inclusion in a future integrated transport programme should it be considered appropriate (subject to Transport and Highways Committee approval).

Statutory and Policy Implications

74. 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/S

It is recommended that the contents of the report and the actions approved be noted.

Councillor Kevin Greaves
Chairman of Transport and Highways Committee

For any enquiries about this report please contact:

Adrian Smith, Corporate Director, Place
adrian.smith@nottsc.gov.uk

Background Papers and Published Documents

- None

Electoral Division(s) and Member(s) Affected

- Beeston South and Attenborough - Councillor Kate Foale
- Bramcote & Stapleford – Councillors Stan Heptinstall and Jacky Williams

- Hucknall – Councillors John Wilmott, Alice Grice and John Wilkinson
- Kirkby in Ashfield North - Councillor John Knight
- Mansfield North – Councillors Joyce Bosnjak and Parry Tsimbiridis
- Newark East – Councillor Stuart Wallace
- Newark West – Councillor Tony Roberts
- Newstead - Councillor Chris Barnfather
- Rufford – Councillor John Peck
- Selston - Councillor David Martin
- Southwell and Caunton - Councillor Bruce Laughton
- Sutton in Ashfield East - Councillor Steve Carroll
- West Bridgford West - Councillor Gordon Wheeler
- Worksop West - Councillor Kevin Greaves

REPORT OF THE CHIEF EXECUTIVE

Clarification of Minutes of Committee Meetings published since the last meeting on 12th January 2017

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 12th January 2017.

Information and Advice

2. The following minutes of Committees have been published since the last meeting of Full Council on 12th January 2017 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	9 th January
Appeals Sub-Committee	None
Audit Committee	None
Children & Young People's Committee	19 th December, 16 th January
Community Safety Committee	10 th January
Corporate Parenting Sub-Committee	None
Culture Committee	1 st November
Economic Development Committee	3 rd January
Environment and Sustainability Committee	8 th December 2016
Finance and Property Committee	19 th December 2016, 16 th January, 8 th February
Grant Aid Sub-Committee	None
Health Scrutiny Committee	28 th November 2016
Health & Wellbeing Board	4 th January
Joint City/County Health Scrutiny Committee	10 th January
Joint Committee on Strategic Planning and Transport	None
Nottinghamshire Local Pensions Board	None
Nottinghamshire Pensions Fund Committee	None
Nottinghamshire Police & Crime Panel	19 th December 2016
Pensions Investment Sub-Committee	None
Pensions Sub-Committee	10 th November 2016
Personnel Committee	30 th November 2016
Planning & Licensing Committee	20 th December 2016, 17 th January

Committee meeting	Minutes of meeting
Policy Committee	14 th December 2016, 18 th January
Public Health Committee	1 st December 2016
The City of Nottingham and Nottinghamshire Economic Prosperity Committee	6 th January*
Transport and Highways Committee	15 th December 2016, 19 th January

* Minutes expected to be published before 23rd February 2017, but not yet approved by the relevant Committee.

Anthony May
Chief Executive

REPORT OF THE CHIEF EXECUTIVE

RECOGNITION OF OFFICERS OF GROUPS

Purpose of the Report

1. To report the details of the revised officers of the Ashfield Independents Group

Information and Advice

2. It is a requirement for Members to note the composition of the political Groups of the Council in accordance with the Committees and Political Groups Regulations made under the Local Government and Housing Act 1989.
3. There are currently five political Groups on the Council, which are:-
 - the Nottinghamshire County Council Labour Group
 - the Nottinghamshire County Council Conservative Group
 - the Liberal Democrats Group
 - the Ashfield Independents Group
 - the Independent Group
4. The memberships of the Groups are shown in the Appendix to this report. Since the last Full Council meeting the following changes to officer appointments have been made by the Ashfield Independents Group:-
 - Councillor Jason Zadrozny – Leader
 - Councillor David Martin – Deputy Leader
 - Councillor Rachel Madden – Business Manager
5. In addition to the five Groups detailed within this report, there are three non-aligned County Councillors who are not part of any political Group of the Council. These are Councillor Maureen Dobson, Councillor Ian Campbell and Councillor John Wilmott (Hucknall First Community Forum).

Reason for Recommendation

6. It is necessary for Council to note the political Groups on the Council and their Officers.

Statutory and Policy Implications

7. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION

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

Anthony May
Chief Executive

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

Constitutional Comments

8. As this report is for noting only, Constitutional Comments are not required.

Financial Comments ([initials and date xx/xx/xx])

- 9.

Background Papers and Published Documents

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

- None

Electoral Division(s) and Member(s) Affected

- All

MEMBERS AND OFFICERS OF GROUPS

(A) Nottinghamshire County Council Labour Group

32 Members

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

Officers

Leader:	Councillor Alan Rhodes
Deputy Leader:	Councillor Joyce Bosnjak
Business Manager:	Councillor Steve Carroll

(B) Nottinghamshire County Council Conservative Group

21 Members

Reg Adair	Bruce Laughton
Chris Barnfather	John Ogle
Andrew Brown	Philip Owen
Richard Butler	Francis Purdue-Horan
John Cottee	Tony Roberts MBE
Mrs Kay Cutts MBE	Mrs Sue Saddington
Dr John Doddy	Keith Walker
Boyd Elliott	Stuart Wallace
John Handley	Gordon Wheeler
Richard Jackson	Liz Yates
Roger Jackson	

Officers

Leader:	Councillor Mrs Kay Cutts MBE
Deputy Leader:	Councillor Reg Adair
Business Manager:	Councillor Chris Barnfather

(C) Liberal Democrats Group

5 Members

Steve Carr
Stan Heptinstall MBE
Keith Longdon

Ken Rigby
Jacky Williams

Officers

Leader:	Councillor Ken Rigby
Deputy Leader:	Councillor Stan Heptinstall MBE
Business Manager:	Councillor Steve Carr

(D) Ashfield Independents Group

4 Members

Tom Hollis
Rachel Madden

David Martin
Jason Zadrozny

Officers

Leader:	Councillor Jason Zadrozny
Deputy Leader:	Councillor David Martin
Business Manager:	Councillor Rachel Madden

(E) Independent Group

2 Members

Stephen Garner (Mansfield Independent Forum)
Andy Sissons (Mansfield Independent Forum)

Officers

Leader:	Councillor Stephen Garner
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(F) Non-aligned Members

Councillor Ian Campbell
Councillor Maureen Dobson
Councillor John Wilmott (Hucknall First Community Forum)

**REPORT OF THE CHAIRMAN OF THE FINANCE & PROPERTY
COMMITTEE****ANNUAL BUDGET 2017/18****CAPITAL PROGRAMME 2017/18 to 2020/21****MEDIUM TERM FINANCIAL STRATEGY 2017/18 to 2020/21****SOCIAL CARE PRECEPT 2017/18****COUNCIL TAX 2017/18****Purpose of the Report**

1. This report is seeking approval for the following:
 - Annual budget for 2017/18
 - Medium Term Financial Strategy for 2017/18 to 2020/21
 - Amount of Social Care Precept to be levied for 2017/18 to part-fund increasing adult social care costs
 - Amount of Council Tax to be levied for County Council purposes for 2017/18 and the arrangements for collecting this from district and borough councils
 - Capital Programme for 2017/18 to 2020/21
 - Borrowing limits that the Council is required to set by Statute
 - Treasury Management Strategy and Policy for 2017/18

Information and advice

2. The County Council budget for 2017/18 has been prepared in the context of on-going funding reductions from Government. Local authorities continue to face falling Government grants whilst experiencing increased demand for services as well as other cost pressures from inflation and new legislation.
3. A budget update report was submitted to Policy Committee on 16 November 2016 which set out the financial landscape within which the Council is operating and noted the anticipated budget shortfall of £54.6m over the three years to 2019/20. The report also provided an update on the budget consultation.
4. Since November, the Council has carried out a full review of the budget pressures and underlying assumptions within the Medium Term Financial Strategy. The Council has also received provisional information on the level of funding it can expect in 2017/18. On 8 February 2017, a report to the

Finance and Property Committee set out the forecast position and recommended that the level of Council Tax be increased by 1.75% and that an Adult Social Care Precept of 3.00% be implemented in 2017/18. This recommendation is incorporated within this report.

5. This report also seeks approval for the statutory borrowing limits that the Council is required to set in addition to its Treasury Management Strategy and Policy for 2017/18.

Budget Consultation

6. The 2017/18 budget consultation was carried out in two phases with the first phase beginning on 22 August 2016 and the second phase ending on 13 January 2017. The results of the consultation were reported to Finance and Property Committee on 8 February 2017.

Annual Budget 2017/18

7. The report to Policy Committee on 16 November 2016 outlined the financial position in which the Council is operating, the associated budget shortfall and the Council's strategic response to meeting the budget challenge. The report to Finance and Property Committee on 8 February 2017 provided a further update.
8. This report brings together the Council's confirmed funding position. The total revenue budget for 2017/18 is £475.3m. A summary is shown in Table 1 with a more detailed breakdown shown in Appendix A.

Table 1 - Proposed County Council Budget 2017/18

Committee Analysis	Net Budget 2016/17 £m	Pressures £m	Savings £m	Pay, NI & Pensions increase £m	Budget Changes £m	Net Budget 2017/18 £m
Children & Young People	134.366	5.807	(2.865)	1.103	(6.516)	131.895
Adult Social Care & Health	219.793	9.013	(7.373)	1.262	(5.529)	217.166
Transport & Highways	57.541	1.506	(1.464)	0.250	0.573	58.406
Environment & Sustainability	31.115	0.849	(0.013)	0.036	0.210	32.197
Community Safety	2.928	-	(0.068)	0.092	0.096	3.048
Culture	12.757	-	(0.592)	0.049	0.213	12.427
Economic Development	0.987	-	(0.003)	0.016	0.074	1.074
Policy	23.482	-	(1.179)	0.332	(2.243)	20.392
Finance & Property	30.920	0.115	(0.707)	0.34	0.823	31.491
Personnel	2.612	-	(0.601)	0.316	8.405	10.732
Public Health	-	-	-	-	-	-
Net Committee Requirements	516.501	17.290	(14.865)	3.796	(3.894)	518.828
Corporate Budgets	(18.730)	-	-	-	2.364	(16.366)
Use of Reserves	(18.875)	-	-	-	(8.308)	(27.183)
Budget Requirement	478.896	17.290	(14.865)	3.796	(9.838)	475.279

9. Table 1 shows the changes between the original net budget for 2016/17 and the proposed budget for 2017/18, including budget pressures, savings, pay inflation and other budget changes which include permanent contingency transfers approved in 2016/17 and transfers between Committees.

Corporate Budgets & Reserves

10. There are a number of centrally-held budgets that are not reported to a specific committee. They are shown below with the budget analysis shown in Table 2:

- **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.
- **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.
- **Contingency:** This is provided to cover redundancy costs, delays in efficiency savings, changes in legislation and other eventualities. Finance and Property Committee or the Section 151 Officer are required to approve the release of contingency funds.
- **Capital Charges (depreciation):** This represents the notional costs of using 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).
- **Interest and borrowing:** The level of borrowing undertaken by the Council is heavily influenced by the capital programme. Slippage can result in reduced borrowing in the year although this will be incurred at a later date. Interest payment budgets are based on an estimated interest rate which can fluctuate depending on the market rates that exist at the time. The level of borrowing will also increase as the Council's level of reserves declines because the ability to borrow internally reduces.
- **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.
- **Minimum Revenue Provision:** Local Authorities are required by law to make provision through their revenue account for the repayment of long term external borrowing and credit arrangements. This provision is made in the form of the Minimum Revenue Provision. The MRP policy can be seen in Appendix C.

- **Revenue Grants:** Grants that are not ring-fenced, namely New Homes Bonus, Education Services Grant, Adult Social Care Support Grant, Improved Better Care Fund and Transition Grant.
- **Use of Reserves:** This represents the Council's use of balance sheet reserves. This budget report is proposing to utilise £36.5m of reserves over the medium term with £27.2m being used to deliver a balanced budget in 2017/18. Further detail is provided in Appendix B.

Table 2 - Proposed Budget 2017/18
Corporate Budgets and Reserves

	Net Budget 2016/17 £m	Budget Changes £m	Net Budget 2017/18 £m
Flood Defence Levies	0.278	0.007	0.285
Pension Enhancements (Centralised)	2.205	-	2.205
Contingency	5.820	(0.720)	5.100
Capital Charges (Depreciation)	(41.152)	0.317	(40.835)
Interest & Borrowing	18.622	1.438	20.060
Trading Organisations	-	1.500	1.500
Minimum Revenue Provision (MRP)	7.500	0.500	8.000
New Homes Bonus Grant	(3.544)	0.420	(3.124)
Education Services Grant	(6.480)	3.254	(3.226)
Improved Better Care Fund	-	(0.804)	(0.804)
Adult Social Care Support Grant	-	(3.543)	(3.543)
Transition Grant	(1.979)	(0.005)	(1.984)
Subtotal Corporate Budgets	(18.730)	2.364	(16.366)
Net Transfer (From)/To Other Earmarked Reserves	(15.134)	(7.549)	(22.683)
Transfer (From)/To General Fund Balances	(3.741)	(0.759)	(4.500)
Subtotal Use of Reserves	(18.875)	(8.308)	(27.183)

Council Tax Base 2017/18

11. The District and Borough Councils calculate a Council Tax base by assessing the number of Band D equivalent properties in their area, and then building in an allowance for possible non-collection. The notifications received forecast a total tax base of 244,396.57 as set out in Table 7, this represents growth of 1.60%. The increase in tax base has been taken into account in the calculation of the budget.

Council Tax Surplus/Deficit

12. Each year an adjustment is made by the District and Borough 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 the future years' tax receipts. Figures confirmed from the District and Borough Councils equate to a surplus of

£3,330,419 for 2017/18, which has been factored into the MTFS as a one-off additional resource.

Council Tax and Adult Social Care Precept 2017/18

13. The four year settlement offered by the Government as part of the 2016/17 Local Government Settlement included assumptions that Council Tax would be increased by 1.75% per annum and local authorities would implement an Adult Social Care Precept of 2% in each year.
14. The 2017/18 provisional Local Government Settlement re-affirmed the expectation that, in addition to the usual assumptions with regard to tax base growth, Councils would increase their Council Tax by 1.75%. It is anticipated that the final settlement will be confirmed on 22 February 2017.
15. Also in the 2017/18 announcement, the Government has recognised the social care funding issues faced by upper tier local authorities by allowing the acceleration of the Adult Social Care and Health Precept. The announcement stated that such local authorities would be able to increase the Adult Social Care Precept by up to 3% in both 2017/18 and 2018/19 but by no more than a 6% increase in total by 2019/20.
16. In determining the provisional Local Government Settlement the Government has assumed that the Council would take the Adult Social Care Precept and increase Council Tax by 1.75% It is proposed, therefore, that the Council fixes any increase to local taxes to that expected by the Government i.e. Council Tax is increased by 1.75% for 2017/18 and the Adult Social Care Precept is implemented at 3% in 2017/18. Future year changes to Council Tax levels will be reviewed in as part of future MTFS reviews. The impact on Council Tax and Adult Social Care Precept levels are shown in the tables below.

Requirement to Raise Local Tax

17. The Local Tax requirement is divided by the tax base to arrive at the Band D figure. This figure then forms the basis of the calculation of the liability for all Council Tax bands.

Table 3 – Local Tax Requirement Calculation

2017/18	Amount £m	% Funding
Initial Budget Requirement	475.279	100.0
Less Formula Grant	(141.532)	29.8
Net Budget Requirement	333.747	
Less Estimated Collection Fund Surplus	(3.330)	0.7
Council Tax Requirement	330.417	69.5

Social Care Precept Recommendation

18. It is recommended that County Council approves the implementation of a 3.00% Social Care Precept for 2017/18 to part fund increasing costs associated with adult social care. The impact of this is shown in Table 4.

Table 4 – Impact of 3.00% Social Care Precept on Local Tax Levels
(County Council Element) 2017/18

Band	Value as at 1.4.91	No. of Properties	% No. of Properties	Ratio	County Council 2016/17 £	County Council 2017/18 £	Change £
A	Up to £40,000	142,310	39.8%	6/9	16.55	42.36	25.81
B	£40,001 to £52,000	73,840	20.6%	7/9	19.30	49.42	30.12
C	£52,001 to £68,000	61,170	17.1%	8/9	22.06	56.48	34.42
D	£68,001 to £88,000	40,680	11.4%	1	24.82	63.54	38.72
E	£88,001 to £120,000	22,620	6.3%	11/9	30.34	77.66	47.32
F	£120,001 to £160,000	10,870	3.0%	13/9	35.85	91.78	55.93
G	£160,001 to £320,000	6,010	1.7%	15/9	41.37	105.90	64.53
H	Over £320,000	470	0.1%	18/9	49.64	127.08	77.44

Local Tax Recommendation

19. It is recommended that Members agree an increase of 1.75% to local tax levels to ensure that the Council meets the local tax requirement. The impact of this is shown in Table 5 below.

Table 5 – Impact of 1.75% Increase on Local Tax Levels
(County Council Element) 2017/18

Band	Value as at 1.4.91	No. of Properties	% No. of Properties	Ratio	County Council 2016/17 £	County Council 2017/18 £	Change £
A	Up to £40,000	142,310	39.8%	6/9	843.89	858.95	15.06
B	£40,001 to £52,000	73,840	20.6%	7/9	984.55	1,002.11	17.56
C	£52,001 to £68,000	61,170	17.1%	8/9	1,125.19	1,145.27	20.08
D	£68,001 to £88,000	40,680	11.4%	1	1,265.84	1,288.43	22.59
E	£88,001 to £120,000	22,620	6.3%	11/9	1,547.13	1,574.75	27.62
F	£120,001 to £160,000	10,870	3.0%	13/9	1,828.44	1,861.07	32.63
G	£160,001 to £320,000	6,010	1.7%	15/9	2,109.73	2,147.38	37.65
H	Over £320,000	470	0.1%	18/9	2,531.68	2,576.86	45.18

20. The total impact of implementing a 3.00% Social Care Precept and a 1.75% increase in local tax levels is shown in Table 6.

**Table 6 - Recommended levels of Council Tax and Social Care Precept
2017/18**

Band	Value as at 1.4.91	No. of Properties	% No. of Properties	Ratio	County Council 2016/17 £	County Council 2017/18 £	Change £
A	Up to £40,000	142,310	39.8%	6/9	860.44	901.31	40.87
B	£40,001 to £52,000	73,840	20.6%	7/9	1,003.85	1,051.53	47.68
C	£52,001 to £68,000	61,170	17.1%	8/9	1,147.25	1,201.75	54.50
D	£68,001 to £88,000	40,680	11.4%	1	1,290.66	1,351.97	61.31
E	£88,001 to £120,000	22,620	6.3%	11/9	1,577.47	1,652.41	74.94
F	£120,001 to £160,000	10,870	3.0%	13/9	1,864.29	1,952.85	88.56
G	£160,001 to £320,000	6,010	1.7%	15/9	2,151.10	2,253.28	102.18
H	Over £320,000	470	0.1%	18/9	2,581.32	2,703.94	122.62

21. The actual amounts payable by householders will also depend on:
- The District or Borough Council's own Council Tax decisions
 - The Police and Crime Commissioner and the Combined Fire Authority Council Tax
 - Any Parish precepts or special levies
 - The eligibility for discounts and rebates

County Precept

22. District and Borough Councils collect the Council Tax for the County Council. This is then recovered from the Districts by setting a County Precept. The total Precept is split according to the Council Tax base for each District as set out in Table 7.

Table 7 – Amount of County Precept by District - 2017/18

District Council	Council Tax Base	County Precept
Ashfield	32,546.20	£44,001,486
Bassetlaw	33,916.77	£45,854,456
Browtove	33,126.78	£44,786,413
Gedling	36,306.09	£49,084,744
Mansfield	28,894.98	£39,065,146
Newark	37,828.75	£51,143,335
Rushcliffe	41,777.00	£56,481,251
Total	244,396.57	£330,416,831

23. Discussions have been held with District and Borough Councils and the dates shown in Table 8 have been agreed for the collection of the precept:

Table 8 – Proposed County Precept Dates - 2017/18

2017	2018
20 April 26 May 3 July 7 August 12 September 17 October 21 November	2 January 2 February 9 March

24. 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 2016/17 will be paid or refunded on the same dates.

Medium Term Financial Strategy (MTFS)

25. The Budget report to the February Council in 2016 forecast a budget shortfall of £50.2m for the three years to 2019/20. The model has now been rolled forward a year and a review of the underlying assumptions contained in the Council's MTFS has taken place.
26. The MTFS on which this budget report is based assumes a Council Tax increase of 1.75% and a Social Care Precept increase of 3.00% in 2017/18 only.
27. Table 9 summarises the cumulative changes made to the MTFS since the report to February Council in 2016.
28. In summary, from 2018/19 onwards, the Council is currently projecting a budget shortfall of £62.9m across the duration of the MTFS. Proposals as to how the budget will be balanced for these three years will need to be made over the coming months.

**Table 9 – Analysis of Changes to the Medium Term Financial Strategy
2017/18 – 2020/21**

	2017/18	2018/19	2019/20	2020/21	Total
	£m	£m	£m	£m	£m
Year on Year Savings requirement (February Report)	15.1	17.2	17.9	-	50.2
Adjustments to Savings / Base Budgets	(3.3)	(0.4)	1.7	-	(2.0)
Review to Pressures and Inflation	2.3	(0.4)	(2.3)	11.8	11.4
Adjustments for Pay/Pensions Costs	2.0	(0.3)	(0.3)	2.0	3.4
Changes in Interest and Borrowing	1.0	0.3	-	(0.4)	0.9
Increase use of General Fund Balance	(4.5)	4.5	-	-	-
New Adult Social Care Support Grant	(3.5)	3.5	-	-	-
Changes to Government Grants	1.4	0.1	(0.6)	6.6	7.5
Collection Fund Surplus / Deficit	(2.4)	2.4	-	-	-
Change in Council Tax Base	(1.2)	(0.3)	(0.1)	(4.6)	(6.2)
Change in Assumptions for Council Tax Increases	0.8	6.6	-	-	7.4
Increase of ASC Precept 3%	(9.4)	-	-	-	(9.4)
Other Corporate Adjustments	1.7	(2.2)	0.3	(0.1)	(0.3)
Revised Gap	-	31.0	16.6	15.3	62.9

29. The Council's year by year MTFs for the four years to 2020/21 is shown in Table 10. It shows that whilst the Council can deliver a balanced budget in 2017/18, further savings will need to be identified in each of the following three years to 2020/21, based on current assumptions.

Table 10 – Medium Term Financial Strategy 2016/17 – 2019/20

	2017/18	2018/19	2019/20	2020/21
	£m	£m	£m	£m
Net Budget Requirement	475.3	495.4	473.3	469.6
Financed by :				
Business Rates	103.0	106.0	109.4	109.4
Revenue Support Grant	38.5	22.5	6.9	-
Council Tax	314.9	319.2	323.5	327.9
Adult Social Care Precept	15.5	15.7	15.9	16.0
Collection Fund Surplus / (Deficit)	3.4	1.0	1.0	1.0
Total Funding	475.3	464.4	456.7	454.3
Funding Shortfall	-	31.0	16.6	15.3
Cumulative Funding Shortfall	-	31.0	47.6	62.9

Capital Programme and Financing

30. 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 the Chartered Institute of Public Finance and Accountancy (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 within the revenue budget.
31. The Council's capital programme has been reviewed as part of the 2017/18 budget setting process. Savings and re-profiling with a total value of £26.0m have been identified in 2016/17 as part of this exercise. These savings, along with capital reserves and contingencies, will be used to fund new inclusions. The capital programme is monitored closely in order that variations to expenditure and receipts can be identified in a timely manner. Any subsequent impact on the revenue budget and associated prudential borrowing indicators will be reported to the Finance and Property Committee.
32. During the course of 2016/17, some variations to the capital programme have been approved by Policy Committee, Finance and 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 33 to 45. Schemes will be subject to Latest Estimated Cost (LEC) reports in accordance with the Council's Financial Regulations.

Children and Young People (CYP)

33. The Department for Education has yet to announce the Schools Capital Maintenance (SCM) grant allocations for 2017/18 onwards. As such, it is proposed that an estimated SCM grant allocation of £5.5m is incorporated into the capital programme for 2017/18 and the following three years, based on previous year grant allocations.

It is proposed that the Children and Young People capital programme is varied to reflect an estimated School Maintenance Grant of £5.5m for 2017/18 and each of the following three years

34. **School Capital Refurbishment Programme** - The School Capital Refurbishment Programme has been completed with a significant £5m underspend due to a strong focus on meeting school condition priorities as well as robust project management of the overall programme.

It is proposed that the Children and Young People capital programme is varied to reflect the underspend achieved against the Schools Capital Refurbishment Programme.

35. **Orchard Special School, Newark** – Discussions are on-going with the Education Funding Agency (EFA) to agree a solution to rebuild the Orchard Special School in Newark. It is proposed that the Council contributes £5m of capital funding, in addition to land that it owns, towards the cost of a new school. A further variation to the capital programme will be required if external funding is secured from the EFA. Alongside the capital investment in the Orchard Special School, a full review of special school provision across the County is being undertaken. The outcome of this review will be reported to Finance and Property Committee in due course.

It is proposed that the Children and Young People capital programme is varied to reflect the £5m contribution towards the cost of a new Orchard Special School in Newark.

Transport and Highways

36. **Highways Maintenance Incentive Fund** – In the Transport and Highways Committee, the Department for Transport has introduced an incentivisation element to the Highways Capital Maintenance Grant. This approach encourages local authorities to adopt good practice with regard to efficiencies and asset management. The Council has been allocated an indicative Incentive Grant totalling £1.1m in 2017/18, subject to the outcome of the self-assessment exercise.

It is proposed that the Transport and Highways capital programme is amended to reflect the £1.1m Incentive Grant as detailed above.

37. **National Productivity Investment Fund** – Also, in the Transport and Highways Committee, the Council has been allocated a grant of £3.0m in 2017/18 from the National Productivity Investment Fund to further improve local road networks such as highways and public transport networks.

It is proposed that the Transport and Highways capital programme is amended to reflect the £3.0m National Productivity Investment Fund Grant as detailed above.

38. **Salix Funded Street Lighting** – A spend-to-save initiative to replace lanterns in street lights for lower energy options is already in the approved capital programme. The Council has been awarded additional Salix loans of £0.4m per annum from 2016/17 to 2018/19 to extend this programme.

It is proposed that a £1.1m allocation, funded from borrowing, is incorporated into the Transport and Highways capital programme for the years 2016/17 to 2018/19.

39. **A57 Roundabout** – A project to carry out improvements to the A57 roundabout is already incorporated into the capital programme. Additional

external funding totalling £0.5m has been secured from Sheffield City Regions to enable the successful completion of this project.

It is proposed that the Transport and Highways capital programme is varied to reflect the additional £0.5m external funding secured to complete the A57 roundabout project.

40. **Harworth Access Links** – A project to improve access links in Harworth is already incorporated into the capital programme. Additional external funding has been secured to enable the successful completion of this project as follows:

Funding Source	£000
Sheffield City Regions (Phase 1)	450
Sheffield City Regions (Phase 2)	500
Developer Contributions	1,500
Total Funding	2,450

It is proposed that the Transport and Highways capital programme is varied to reflect the additional £2.5m external funding secured to complete the Harworth Access capital project.

Policy

41. **Smarter Ways of Working** – A report was taken to Policy Committee in November 2016 setting out a proposal to build on the success of the Ways of Working programme to deliver the technology, work settings and support to increase the flexibility of the Council's workforce and to deliver a range of other benefits. It is proposed that the capital programme is varied to include a £3.6m. Smarter Ways of Working programme.

It is proposed that the Policy capital programme is varied by £3.6m, funded by capital contingency, to incorporate the Smarter Ways of Working programme.

Finance and Property

42. **Journey to the Cloud** – A report was taken to Policy Committee in December 2016 setting out proposals to move the Council's current ICT service provision from an on-site delivery method to a more flexible, cloud based approach. It is proposed that the capital programme is varied to include a £3.1m project to achieve the new cloud based ICT service.

It is proposed that £3.1m, funded from capital contingency, is included in the capital programme for three years commencing 2017/18, to fund the Journey to the Cloud ICT project.

43. **Rolleston Drive Demolition** – The Rolleston Drive site in Arnold is surplus to requirements with all of the buildings vacant. It is proposed that the site will be used in the future for a number of separate uses developed independently of each other with no one party responsible for the whole

demolition. To expedite the project it is proposed the Council funds the upfront demolition works thereby securing a higher capital receipt in the future

It is proposed that £1.5m, funded from capital contingency, is included in the Finance and Property capital programme to fund the Rolleston Drive Demolition project.

44. **Business Reporting and Management Information Project (BRMI)** – Phase 1 of the BRMI project to provide an integrated approach to business intelligence across the Council to address operational and strategic reporting needs is already approved within the capital programme. It is proposed that a further £0.5m is made available to fund phase 2 of the project which will focus on additional infrastructure requirements for the Mosaic upgrade from Frameworki as well as technical design for BMS integration.

It is proposed that £0.5m, funded from capital contingency, is included in the Finance and Property capital programme to fund phase 2 of the BRMI project.

45. **Microsoft Enterprise Agreement** – The Council's Enterprise Agreement with Microsoft comes to an end in 2017. It is proposed that this efficient method of procuring Microsoft licences is continued into future years.

It is proposed that £1.0m, funded from capital contingency, is included in the Finance and Property capital programme on an on-going basis to fund the Microsoft Enterprise Agreement.

Capital Programme Contingency

46. 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.
47. A number of capital bids described above are proposed to be funded from uncommitted contingency across the period to 2020/21. The levels of contingency funding remaining in the capital programme are as follows:-

2017/18	£1.0m
2018/19	£1.0m
2019/20	£1.0m
2020/21	£1.0m

Revised Capital Programme

48. Taking into account schemes already committed from previous years and the additional proposals detailed above, the summary capital programme and proposed sources of financing for the years to 2020/21 are set out in Table 11.

Table 11 – Summary Capital Programme

	Revised 2016/17 £'m	2017/18 £'m	2018/19 £'m	2019/20 £'m	2020/21 £'m	TOTAL £'m
Committee:						
Children & Young People*	25.711	33.063	36.771	7.500	7.500	110.545
Adult Social Care & Health	4.011	5.638	4.507	4.049	8.577	26.782
Transport & Highways	40.562	31.756	21.589	22.857	19.122	135.886
Environment & Sustainability	2.724	2.044	1.200	1.600	1.600	9.168
Community Safety	0.100	0.000	0.000	0.000	0.000	0.100
Culture	0.735	6.382	0.000	0.000	0.000	7.117
Policy	0.255	3.765	3.767	0.727	0.000	8.514
Finance & Property	11.235	14.276	7.402	5.552	5.010	43.475
Personnel	0.252	0.070	0.070	0.070	0.070	0.532
Economic Development	5.242	4.526	2.200	1.000	1.000	13.968
Contingency	0.000	1.000	1.000	1.000	1.000	4.000
Capital Expenditure	90.827	102.520	78.506	44.355	43.879	360.087
Financed By:						
Borrowing	32.268	56.851	33.967	20.113	19.637	162.836
Capital Grants †	56.324	44.072	43.719	23.422	23.422	190.959
Revenue/Reserves	2.235	1.597	0.820	0.820	0.820	6.292
Total Funding	90.827	102.520	78.506	44.355	43.879	360.087

* These figures exclude Devolved Formula Capital allocations to schools.

† Indicative Government funding for Transport and Schools is included in 2017/18 to 2020/21.

49. The capital programme for 2017/18 includes £26m of re-phased or slipped expenditure previously included in the capital programme for 2016/17.

Capital Receipts

50. 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 2017/18 to 2020/21. Any shortfall in capital receipts is likely to result in an increase in prudential borrowing. Forecasts of capital receipts are shown in Table 12.

Table 12 – Forecast Capital Receipts

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	TOTAL £m
Forecast Capital Receipts	4.9	9.0	12.9	13.1	11.0	50.9

51. The 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.
52. The current capital receipts policy therefore is to set these against previous years' borrowing thereby reducing the impact of the Minimum Revenue Provision on the revenue accounts. The Chancellor announced in the 2015 Autumn Statement, however, changes to the rules for their use. From 1 April 2016, for a three year period, local authorities are able to spend any revenues they generate from selling surplus assets to fund expenditure on projects that:-
- Generate on-going revenue savings in the delivery of public services,
 - Transform service delivery to reduce costs
 - Transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners.
53. It is proposed that transformational costs associated with the Programmes and Projects Team in both 2017/18 and 2018/19 are funded from this new flexibility.
54. 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 D.
55. 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 2017/18. The Strategy is in Appendix E and the Policy is in Appendix F.

56. It is proposed that the Service Director – Finance, Procurement and Improvement be allowed to raise loans within the authorised limit for external borrowing, subject to the limits in the Treasury Management Strategy for 2017/18.

Statutory and Policy Implications

57. 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.

Public Sector Equality Duty

57. 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. 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.
58. 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.
59. Equality implications have been considered during the development of the budget, Capital Programme and MTFs and equality impact assessments were undertaken on each relevant proposal as appropriate. In addition the Human Resources (HR) policies that will be applied to any staffing reductions have been the subject of Equality Impact Assessments.

Recommendations

It is recommended that:

Reference

- 1) The Annual Revenue Budget for Nottinghamshire County Council is set at £475.279 million for 2017/18. Para. 8
- 2) The principles underlying the Medium Term Financial Strategy are approved. Table 9
- 3) The Finance & Property Committee be authorised to make allocations from the General Contingency for 2017/18. Para. 10
- 4) That the 3.00% Social Care Precept is levied in 2017/18 to part fund increasing adult social care costs. Para. 18
- 5) The County Council element of the Council Tax is increased by 1.75% in 2017/18. That the standard Band D tax rate is set at £1,351.97 with the various other bands of property as set out in the report. Para. 19
- 6) The County Precept for the year ending 31 March 2018 shall be £330,416,831 and shall be applicable to the whole of the District Council areas as General Expenses. Para. 22
- 7) The County Precept for 2017/18 shall be collected from the District and Borough councils in the proportions set out in Table 8 with the payment of equal instalments on the dates set out in the report. Table 7
Table 8
- 8) The Capital Programme for 2017/18 to 2020/21 be approved at the total amounts below and be financed as set out in the report: Table 11

Year	Capital Programme
2017/18	£102.520m
2018/19	£78.506m
2019/20	£44.355m
2020/21	£43.879m

- 9) The variations to the Capital Programme be approved. Para. 33-45
- 10) The Minimum Revenue Provision policy for 2017/18 be approved. Appx. C
- 11) The Prudential Indicators be approved. Appx. D
- 12) The Service Director – Finance, Procurement and Improvement be authorised to raise loans in 2017/18 within the limits of total external borrowings. Para. 56
- 13) The Treasury Management Strategy for 2017/18 be approved. Appx. E

14)The Treasury Management Policy for 2017/18 be approved.

Appx. F

15)The report be approved and adopted.

**COUNCILLOR DAVID KIRKHAM
CHAIRMAN OF FINANCE AND
PROPERTY COMMITTEE**

Constitutional Comments (HD 03/02/2017)

The proposals within this report are within the remit of Full Council.

Human Resources Implications (MT 07/02/2017)

Consultation has taken place with trades union colleagues on proposals with staffing implications through corporate and departmental joint consultative and negotiating panel meetings. Where more detailed discussion is required additional meetings have been arranged.

Any staffing reductions will be implemented in accordance with the Council's agreed policies and procedures and all reasonable steps taken to minimise the number of compulsory redundancies. This will include considering requests for voluntary redundancies and identifying redeployment and retraining opportunities where possible.

Financial Comments of the Service Director – Finance, Procurement and Improvement (NS 07/02/2017)

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.

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 spending pressures and savings proposals.

As is the case in the current financial year, strict budgetary control will be maintained throughout 2017/18. 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.

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.

The forecast reduction in General Fund balances has been the result of using reserves to balance previous years' budgets and continued use in 2017/18. 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, further reductions in General Fund balances would need to be taken only after careful assessment and consideration of the overall level of financial risk.

Given the severity of the financial challenges facing the Council, the budget has been prepared on the basis of accepting a high level of financial risk. The contingency budget will be used to mitigate the impact should any of the savings proposals be delayed or not deliver as planned. The risks and assumptions have been communicated to, and understood by, elected Members and the Corporate Leadership Team.

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 2017/18 fulfil the requirement to set a balanced budget.

Background Papers Available for Inspection:

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.

Budget Update Report - Policy Committee 16 November 2016

Budget Report – Finance and Property 8 February 2017

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

Revenue Budget Summary 2017/18

	2016/17 Original Budget £'000	2017/18 Annual Budget £'000
Committee:		
Children & Young People	134,366	131,895
Adult Social Care & Health	219,793	217,166
Transport & Highways	57,541	58,406
Environment & Sustainability	31,115	32,197
Community Safety	2,928	3,048
Culture	12,757	12,427
Economic Development	987	1,074
Policy	23,482	20,392
Finance & Property	30,920	31,491
Personnel	2,612	10,732
Public Health	-	-
Net Committee Requirements	516,501	518,828
Items Outside Committee:		
Flood Defence Levies	278	285
Pension Enhancements (Centralised)	2,205	2,205
Contingency	5,820	5,100
Capital Charges (included in Committees above)	(41,152)	(40,835)
Interest & Borrowing	18,622	20,060
Trading Organisations	-	1,500
Minimum Revenue Provision (MRP)	7,500	8,000
New Homes Bonus Grant	(3,544)	(3,124)
Education Services Grant	(6,480)	(3,226)
Improved Better Care Fund	-	(804)
Adult Social Care Support Grant	-	(3,543)
Transition Grant	(1,979)	(1,984)
Total before use of Reserves	497,771	502,462
Use of Reserves:		
Net Transfer (From)/To Other Earmarked Reserves	(15,134)	(22,683)
Transfer (From)/To General Fund Balances	(3,741)	(4,500)
BUDGET REQUIREMENT	478,896	475,279
Funding Of Budget Requirement:		
Surplus on Council Tax Collection for Previous Years	4,248	3,330
National Non-Domestic Rates	100,962	103,022
Revenue Support Grant	63,234	38,510
Council Tax	304,482	314,888
Adult Social Care Precept	5,970	15,529
TOTAL FUNDING	478,896	475,279

Children & Young People Committee Variation Summary 2016/17 to 2017/18

	£'000	£'000
1 Original Budget 2016/17		134,366
2 Budgets Transferred between Committees		(5,429)
3 Additional Allocations/Reductions 2016/17		(517)
4 Capital Financing Budget Transfers		(570)
5 2017/18 Service Changes:		
Budget Pressures		
Special Guardianship Placements	251	
Agency Staff, Market Factor Supplement & SWSOs	473	
SEND Transport	1,872	
Looked After Children / Provider Services	2,517	
Historical Abuse Insurance Premiums	400	
The Big House, loss of funding	173	
National Living Wage	121	
	<hr/>	5,807
Pay Award, National Insurance & Pensions Increase		1,103
Budget Savings		
Youth Services	(50)	
Family Support & Youth Justice Service	(1,000)	
Cultural & Enrichment Services (within Inspire)	(150)	
Early Years & Early Intervention Service	(45)	
Quality & Information	(125)	
Outdoor Education	(25)	
School Swimming Service	(10)	
Travel Transport Hub	(170)	
Efficiency Savings, Support to Schools	(100)	
Looked After Children Placements	(249)	
Relocation of Adoption Team	(78)	
SEND/CDS Integration	(16)	
Contracts Review	(400)	
Line-by-line Budget Review	(151)	
Ancillary Savings (0.25% Levy)	(296)	
	<hr/>	(2,865)
6 Annual Budget 2017/18		<hr/> 131,895 <hr/>

Children & Young People Committee - Revenue Budget 2017/18

Original Budget 2016/17 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Original Budget 2017/18 £'000
	Schools Budget							
219,781	Schools Block - Distributed	-	-	-	206,222	-	-	206,222
18,967	High Needs Block - Distributed	-	-	-	19,212	-	-	19,212
13,824	Early Years Block - Distributed	-	-	-	17,904	-	-	17,904
60,531	Schools Budget - Centrally Retained	-	-	-	69,605	-	-	69,605
313,103	Total Schools Expenditure Budget	-	-	-	312,943	-	-	312,943
(313,103)	Dedicated Schools Grant (DSG)	-	-	-	-	(312,943)	-	(312,943)
13,466	School Assets	-	-	12,947	12,947	-	-	12,947
	Children's Social Care							
3,887	Divisional Overheads	3,128	1,140	-	4,268	-	-	4,268
1,855	Safeguarding, Independent Review & Quality Assurance	1,650	361	-	2,011	-	(142)	1,869
38,617	Access to Resources	14,385	34,291	-	48,676	(990)	(6,591)	41,095
5,001	Social Work Services Assessment	4,526	347	-	4,873	-	(12)	4,861
14,181	Social Work Services Throughcare & CDS	4,832	10,074	-	14,906	(135)	-	14,771
5,390	District Child Protection Teams	5,426	650	-	6,076	-	(5)	6,071
68,931	Total Children's Social Care	33,947	46,863	-	80,810	(1,125)	(6,750)	72,935
	Education Standards & Inclusion							
16,594	Support to Schools Service (inc Home to Sch Trans)	8,207	14,690	-	22,897	(520)	(4,298)	18,079
16,594	Total Education Standards & Inclusion	8,207	14,690	-	22,897	(520)	(4,298)	18,079

Children & Young People Committee - Revenue Budget 2017/18

Original Budget 2016/17 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Original Budget 2017/18 £'000
	Youth, Families & Culture							
3,374	Youth Service	3,772	1,762	-	5,534	-	(2,344)	3,190
6,363	Family Service & Youth Justice	6,076	4,551	-	10,627	(3,229)	(1,439)	5,959
5,807	Integrated Childrens Disability Service	3,494	3,241	-	6,735	(609)	(378)	5,748
430	Cultural & Enrichment Services	-	280	-	280	-	-	280
10,923	Early Years & Early Intervention Service	666	12,321	-	12,987	(14)	(3,218)	9,755
2,388	Quality & Improvement	1,435	831	-	2,266	-	(25)	2,241
29,285	Total Youth Families & Culture	15,443	22,986	-	38,429	(3,852)	(7,404)	27,173
5,196	Business Support	-	-	-	-	-	-	-
894	Capital Charges	-	-	761	761	-	-	761
134,366	TOTAL CHILDREN & YOUNG PEOPLE COMMITTEE	57,597	84,539	13,708	155,844	(5,497)	(18,452)	131,895

Please note that the previous years budget has been restated to reflect current reporting requirements.

Children & Young People Committee - Capital Programme 2017/18

	Revised 2016/17 £000	Budget Year 2017/18 £000	Indicative Figures		
			2018/19 £000	2019/20 £000	2020/21 £000
Schools					
Beardall Street Primary	59	1,414	-	-	-
Orchard Special	-	-	5,000	-	-
School Places Programme	18,000	12,585	24,467	2,000	2,000
School Capital Refurbishment Programme	4,737	12,731	5,500	5,500	5,500
School Access Initiative	365	980	-	-	-
Young People					
Early Years Education Places	161	1,000	500	-	-
Balderton YPC	90	-	-	-	-
Bingham YPC	40	-	-	-	-
Children's Social Care					
Short Break Capital Grant	10	60	-	-	-
Children's Homes	258	-	-	-	-
Lyndene & West View	50	-	-	-	-
Clayfields House	1,941	4,293	1,304	-	-
Gross Capital Programme	25,711	33,063	36,771	7,500	7,500
Funded from:					
Approved County Council Allocations	5,258	14,862	9,574	-	-
External Grants & Contributions	20,153	18,201	27,197	7,500	7,500
Revenue	-	-	-	-	-
Reserves	300	-	-	-	-
Total Funding	25,711	33,063	36,771	7,500	7,500

Adult Social Care & Health Committee Variation Summary 2016/17 to 2017/18

	£000	£000
1 Original Budget 2016/17		219,793
2 Budgets Transferred between Committees		(3,421)
3 Additional Allocations/Reductions 2016/17		(2,066)
4 Capital Financing Budget Transfers		(42)
5 2017/18 Service Changes:		
Budget Pressures		
Younger Adults	3,368	
Social Care Inflation (Contract obligation)	520	
National Living Wage	<u>5,125</u>	
		9,013
Pay Award, National Insurance & Pensions Increase		1,262
Budget Savings		
Strategic Services, Access & Public Protection	(800)	
Direct Services	(579)	
North & Mid Nottinghamshire	(3,348)	
South Nottinghamshire	(2,133)	
Ancillary Savings (0.25% Levy)	<u>(513)</u>	
		(7,373)
6 Annual Budget 2017/18		<u>217,166</u>

Adult Social Care & Health Committee - Revenue Budget 2017/18

Original Budget 2016/17 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Original Budget 2017/18 £'000
	Corporate Director & Departmental Costs							
255	Corporate Director	163	45	-	208	-	-	208
(12,058)	Countywide	1,530	26,323	-	27,853	(342)	(42,665)	(15,154)
(11,803)	Total Departmental Costs	1,693	26,368	-	28,061	(342)	(42,665)	(14,946)
	Strategic Commissioning, Access & Safeguarding							
116	Service Director	116	3	-	119	-	-	119
7,990	Strategic Commissioning	1,201	9,528	-	10,729	(209)	(3,380)	7,140
1,336	Access & Safeguarding	1,639	87	-	1,726	-	(118)	1,608
(31,180)	Quality & Market Management	2,558	1,472	15	4,045	-	(37,976)	(33,931)
(21,738)	Total Strategic Commissioning, Access & Safeguarding	5,514	11,090	15	16,619	(209)	(41,474)	(25,064)
	North Nottinghamshire & Direct Services							
143	Service Director	116	39	-	155	-	(60)	95
24,996	Direct Services	20,674	5,862	840	27,376	-	(2,636)	24,740
33,180	Bassetlaw	3,008	37,522	-	40,530	(604)	(4,474)	35,452
58,319	Total North Nottinghamshire & Direct Services	23,798	43,423	840	68,061	(604)	(7,170)	60,287

Adult Social Care & Health Committee - Revenue Budget 2017/18

Original Budget 2016/17 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Original Budget 2017/18 £'000
	Mid Nottinghamshire							
111	Service Director	116	5	-	121	-	-	121
35,637	Newark	3,145	35,140	-	38,285	(470)	(4,273)	33,542
68,534	Ashfield & Mansfield	6,386	70,619	-	77,005	(823)	(8,019)	68,163
7,153	Countywide	4,738	5,486	79	10,303	(71)	(1,619)	8,613
111,435	Total Mid Nottinghamshire	14,385	111,250	79	125,714	(1,364)	(13,911)	110,439
	South Nottinghamshire							
115	Service Director	116	2	-	118	-	-	118
83,217	Broxtowe, Gedling & Rushcliffe	8,978	87,024	53	96,055	(911)	(10,052)	85,092
248	Countywide	801	462	29	1,292	-	(52)	1,240
83,580	Total South Nottinghamshire	9,895	87,488	82	97,465	(911)	(10,104)	86,450
219,793	TOTAL ADULT SOCIAL CARE & HEALTH COMMITTEE	55,285	279,619	1,016	335,920	(3,430)	(115,324)	217,166

Adult Social Care & Health Committee - Capital Programme 2017/18

	Revised 2016/17 £000	Budget Year 2017/18 £000	Indicative Figures		
			2018/19 £000	2019/20 £000	2020/21 £000
Older Persons					
Living at Home	2,955	4,360	2,734	-	-
Living at Home Phase 2	-	-	773	3,000	8,577
Supported Living	242	1,278	1,000	1,049	-
ASCH Capital Strategy	646	-	-	-	-
Learning Disability					
Day Services Modernisation	132	-	-	-	-
Changing Places	12	-	-	-	-
Winterbourne Capital Grant	24	-	-	-	-
Gross Capital Programme	4,011	5,638	4,507	4,049	8,577
Funded from:					
Approved County Council Allocations	2,874	4,920	4,507	4,049	8,577
External Grants & Contributions	885	718	-	-	-
Revenue	252	-	-	-	-
Reserves	-	-	-	-	-
Total Funding	4,011	5,638	4,507	4,049	8,577

Transport & Highways Committee

Variation Summary 2016/17 to 2017/18

	£'000	£'000
1 Original Budget 2016/17		57,541
2 Budgets Transferred between Committees		(551)
3 Additional Allocations/Reductions 2016/17		192
4 Capital Financing Budget Transfers		932
5 2017/18 Service Changes:		
Budget Pressures		
Highways Insurance Premiums	400	
Concessionary Travel Inflation	279	
Local Bus & Schools inflation	580	
Road Lighting Energy Inflation	247	
	<hr/>	1,506
Pay Award, National Insurance & Pensions Increase		250
Budget Savings		
Efficiencies in Local Bus Services	(220)	
Efficiencies in Concessionary Travel	(250)	
Publicity & Transport Infrastructure	(20)	
Passenger Transport Facilities Charge	(25)	
Reduction in VIA Contract Expenditure	(550)	
Road Lighting and Signals Energy	(225)	
Parking and Traffic Management	(70)	
Ancillary Savings (0.25% Levy)	(104)	
	<hr/>	(1,464)
6 Annual Budget 2017/18		<u><u>58,406</u></u>

Transport & Highways Committee - Revenue Budget 2017/18

Original Budget 2016/17 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Original Budget 2017/18 £'000
	VIA East Midlands Contract							
1,395	Carriageway Patching	-	1,395	-	1,395	-	-	1,395
1,032	Footway Patching	-	1,032	-	1,032	-	-	1,032
265	Road Studs, Markings & Signs	-	265	-	265	-	-	265
2,251	Road Lighting	-	2,251	-	2,251	-	-	2,251
801	Traffic Signals	-	801	-	801	-	-	801
739	Traffic & Parking	-	669	-	669	-	-	669
420	School Crossing Patrols / Road Safety Education	295	125	-	420	-	-	420
1,297	Drain Cleaning / Land Drainage	-	1,297	-	1,297	-	-	1,297
398	Environmental Maintenance	-	398	-	398	-	-	398
1,536	Verges, Trees & Hedges	-	1,536	-	1,536	-	-	1,536
110	Bridges, Culverts & Boundaries	-	110	-	110	-	-	110
75	Technical Surveys	-	75	-	75	-	-	75
450	Rights of Way	206	249	-	455	-	(5)	450
808	Other Highways Repairs / Unrecoverables	-	808	-	808	-	-	808
1,712	Winter Maintenance Works	-	1,712	-	1,712	-	-	1,712
6,248	VIA Salary Related Costs	5,870	1,765	-	7,635	(92)	(1,845)	5,698
19,537	Total VIA East Midlands Contract	6,371	14,488	-	20,859	(92)	(1,850)	18,917

Transport & Highways Committee - Revenue Budget 2017/18

Original Budget 2016/17 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Original Budget 2017/18 £'000
	Highways Retained Client							
14,026	Directorate & Contract Management Salaries	297	2,579	17,290	20,166	-	(5,085)	15,081
4,452	Electricity, Signals & Carbon Reduction	-	4,474	-	4,474	-	-	4,474
400	Winter Maintenance Salt Purchase	-	400	-	400	-	-	400
488	Development Control	692	-	-	692	-	(188)	504
216	Flood Risk Management	258	138	-	396	-	-	396
(342)	Traffic Management	-	200	-	200	-	(100)	100
22	Civil Parking Enforcement	777	-	9	786	-	(742)	44
361	Transport Planning & Programming	378	66	-	444	-	(79)	365
322	Countryside Access	297	41	-	338	-	(56)	282
19,945	Total Highways Retained Client	2,699	7,898	17,299	27,896	-	(6,250)	21,646
	Travel & Transport Services							
11,119	Concessionary Fares	-	11,133	-	11,133	-	(40)	11,093
3,940	Local Bus Services	-	4,340	-	4,340	-	(40)	4,300
810	TTS Salary Related Costs	938	8	-	946	-	-	946
-	Bus Serv Operators Grant / Bus Lane Enforcement	125	2,940	-	3,065	(1,002)	(2,063)	-
397	Bus Stations	108	859	-	967	(167)	(390)	410
107	Passenger Information Facilities	-	305	-	305	-	(248)	57
130	IT Maintenance Contracts	-	160	-	160	-	(20)	140
211	Service Development	-	21	89	110	-	-	110
213	Fleet Operations	1,904	1,008	196	3,108	-	(2,844)	264
(60)	Recharges to Capital	-	-	-	-	-	(60)	(60)
-	Pool Cars	-	-	10	10	-	-	10
16,867	Total Travel & Transport Services	3,075	20,774	295	24,144	(1,169)	(5,705)	17,270

Transport & Highways Committee - Revenue Budget 2017/18

Original Budget 2016/17 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Original Budget 2017/18 £'000
	Professional, Technical & Advisory							
122	Directorate	143	5	-	148	-	-	148
511	Internal Services (County Council)	-	-	-	-	-	-	-
215	Insurance Costs	-	15	-	15	-	-	15
237	Internal Recharges	-	265	-	265	-	(28)	237
1,085	Total Professional, Technical, Advisory	143	285	-	428	-	(28)	400
107	Capital Charges	-	-	173	173	-	-	173
57,541	TOTAL TRANSPORT & HIGHWAYS COMMITTEE	12,288	43,445	17,767	73,500	(1,261)	(13,833)	58,406

Please note that the previous years budget has been restated to reflect current reporting requirements

Transport & Highways Committee - Capital Programme 2017/18

	Revised 2016/17 £000	Budget Year 2017/18 £000	Indicative Figures		
			2018/19 £000	2019/20 £000	2020/21 £000
Major Schemes					
Harworth Access Link	1,375	2,250	-	-	-
Hucknall Rolls Royce Roundabout	3,514	-	-	-	-
Worksop Bus Station	213	-	-	-	-
Hucknall TCIS	6,873	1,383	-	-	-
Gedling Access Road	330	650	900	3,735	-
A57 Roundabout	2,071	892	-	-	-
Highways & Roads					
Roads Maintenance & Renewals	14,982	17,390	12,006	12,006	12,006
Street Lighting Renewal	1,000	1,000	1,000	1,000	1,000
Salix Funded Street Lighting	1,595	1,567	1,567	-	-
Flood Alleviation & Drainage	1,406	600	600	600	600
Road Safety	350	350	350	350	350
Green Network	74	-	-	-	-
Average Speed Camera	350	-	-	-	-
Integrated Transport Measures (ITM)					
Integrated Transport Measures - ITM	4,823	4,347	4,416	4,416	4,416
Land Reclamation					
Land Reclamation	58	-	-	-	-
Miscellaneous Schemes					
Transport & Travel Services	1,498	1,277	750	750	750
Enhanced Rail Services	50	50	-	-	-
Gross Capital Programme	40,562	31,756	21,589	22,857	19,122
Funded from:					
Approved County Council Allocations	9,172	7,142	5,667	6,935	3,200
External Grants & Contributions	31,040	24,614	15,922	15,922	15,922
Revenue	-	-	-	-	-
Reserves	350	-	-	-	-
Total Funding	40,562	31,756	21,589	22,857	19,122

Environment & Sustainability Committee

Variation Summary 2016/17 to 2017/18

	£'000	£'000
1 Original Budget 2016/17		31,115
2 Budgets Transferred between Committees		(1)
3 Additional Allocations/Reductions 2016/17		-
4 Capital Financing Budget Transfers		211
5 2017/18 Service Changes:		
Budget Pressures		
Landfill Tax Increase	132	
Non Landfill Tax Related Inflation	<u>717</u>	
		849
Pay Award, National Insurance & Pensions Increase		36
Budget Savings		
Ancillary Savings (0.25% Levy)	<u>(13)</u>	
		(13)
6 Annual Budget 2017/18		<u><u>32,197</u></u>

Environment & Sustainability Committee - Revenue Budget 2017/18

Original Budget 2016/17 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Original Budget 2017/18 £'000
	Waste PFI Contract							
2,524	Composting Services	-	2,874	-	2,874	-	-	2,874
6,853	WCA / HWRC to Transfer Stations	-	7,588	-	7,588	-	-	7,588
6,087	Sheffield Tonnage	-	6,970	-	6,970	-	-	6,970
3,377	HWRC Payments inc Hardcore & Chipboard	-	3,607	-	3,607	-	-	3,607
2,752	MRF Availability / Street Waste	-	3,010	-	3,010	-	-	3,010
2,887	Landfill Tax / Paint Disposal / Additional Services	-	4,191	-	4,191	(2,040)	(956)	1,195
	Retained Client Functions							
(1,369)	Strategy & Performance	-	28	-	28	-	(1,524)	(1,496)
650	Re-Cycling Credits	-	797	-	797	-	-	797
2,390	Waste & Energy Salary Related Costs	661	12	1,934	2,607	-	-	2,607
3,508	Eastcroft Incinerator / Gate Fee	-	3,593	-	3,593	-	-	3,593
334	Maintenance of Old Landfill Sites	-	334	-	334	-	-	334
530	HWRC Rents & Rates	-	510	-	510	-	-	510
220	Carbon Reduction Commitment	-	215	-	215	-	-	215
(265)	Energy Section	-	40	-	40	-	(305)	(265)
30,478	Total Waste Management / Energy	661	33,769	1,934	36,364	(2,040)	(2,785)	31,539
	Planning							
391	Planning Policy	405	31	-	436	-	(11)	425
246	Development Management	483	82	-	565	-	(332)	233
637	Total Planning	888	113	-	1,001	-	(343)	658
31,115	TOTAL ENVIRONMENT & SUSTAINABILITY COMMITTEE	1,549	33,882	1,934	37,365	(2,040)	(3,128)	32,197

Please note that the previous years budget has been restated to reflect current reporting requirements

Environment & Sustainability Committee - Capital Programme 2017/18

	Revised 2016/17 £000	Budget Year 2017/18 £000	Indicative Figures		
			2018/19 £000	2019/20 £000	2020/21 £000
Supporting Local Communities					
Supporting Local Communities Fund	573	492	500	500	500
Carbon Management					
Carbon Management (LAEF)	313	790	-	-	-
Waste Management					
Waste Management	1,838	762	700	1,100	1,100
Gross Capital Programme	2,724	2,044	1,200	1,600	1,600
Funded from:					
Approved County Council Allocations	1,749	654	600	1,000	1,000
External Grants & Contributions	62	245	-	-	-
Revenue	600	600	600	600	600
Reserves	313	545	-	-	-
Total Funding	2,724	2,044	1,200	1,600	1,600

Community Safety Committee Variation Summary 2016/17 to 2017/18

	£'000	£'000
1 Original Budget 2016/17		2,928
2 Budgets Transferred between Committees		95
3 Additional Allocations/Reductions 2016/17		-
4 Capital Financing Budget Transfers		1
5 2017/18 Service Changes:		
Pay Award, National Insurance & Pensions Increase		92
Budget Savings		
Trading Standards	(50)	
Registration	(10)	
Ancillary Savings (0.25% Levy)	(8)	
		(68)
6 Annual Budget 2017/18		<u>3,048</u>

Community Safety Committee - Revenue Budget 2017/18

Original Budget 2016/17 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Original Budget 2017/18 £'000
1,163	Trading Standards	1,476	103	6	1,585	-	(474)	1,111
	Emergency Management & Registration							
108	Registration of Births, Deaths & Marriages	1,278	362	1	1,641	-	(1,513)	128
245	Emergency Planning	276	45	-	321	-	(64)	257
668	Coroners	-	816	-	816	-	-	816
1,021	Total Emergency Management & Registration	1,554	1,223	1	2,778	-	(1,577)	1,201
491	Community Safety	259	229	-	488	-	-	488
253	Community Partnerships	234	14	-	248	-	-	248
2,928	TOTAL COMMUNITY SAFETY COMMITTEE	3,523	1,569	7	5,099	-	(2,051)	3,048

Community Safety Committee - Capital Programme 2017/18

	Revised 2016/17 £000	Budget Year 2017/18 £000	Indicative Figures		
			2018/19 £000	2019/20 £000	2020/21 £000
Community Safety					
Environmental Weight Restrictions	100	-	-	-	-
Gross Capital Programme	100	-	-	-	-
Funded from:					
Approved County Council Allocations	100	-	-	-	-
External Grants & Contributions	-	-	-	-	-
Revenue	-	-	-	-	-
Reserves	-	-	-	-	-
Total Funding	100	-	-	-	-

Culture Committee Variation Summary 2016/17 to 2017/18

	£'000	£'000
1 Original Budget 2016/17		12,757
2 Budgets Transferred between Committees		217
3 Additional Allocations/Reductions 2016/17		(25)
4 Capital Financing Budget Transfers		21
5 2017/18 Service Changes:		
Pay Award, National Insurance & Pensions Increase		49
Budget Savings		
Country Parks	(403)	
Sports Development	(108)	
Line-by-line Budget Review	(50)	
Ancillary Savings (0.25% Levy)	(31)	
		(592)
6 Annual Budget 2017/18		<u>12,427</u>

Culture Committee - Revenue Budget 2017/18

Original Budget 2016/17 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Original Budget 2017/18 £'000
9,303	Libraries, Archives, Information & Learning	62	12,466	-	12,528	(3,300)	-	9,228
1,477	Country Parks & Green Estate	1,087	1,135	-	2,222	(56)	(1,199)	967
522	Conservation	451	83	-	534	-	-	534
245	Cultural & Enrichment Services	173	314	-	487	(20)	-	467
1,210	Capital Charges	-	-	1,231	1,231	-	-	1,231
12,757	TOTAL CULTURE COMMITTEE	1,773	13,998	1,231	17,002	(3,376)	(1,199)	12,427

Culture Committee - Capital Programme 2017/18

	Revised 2016/17 £000	Budget Year 2017/18 £000	Indicative Figures		
			2018/19 £000	2019/20 £000	2020/21 £000
Libraries					
Libraries Modernisation	35	1,806	-	-	-
Country Parks					
Sherwood Forest Visitors Centre	300	3,999	-	-	-
Rufford Abbey Improvements	400	577	-	-	-
Gross Capital Programme	735	6,382	-	-	-
Funded from:					
Approved County Council Allocations	735	6,382	-	-	-
External Grants & Contributions	-	-	-	-	-
Revenue	-	-	-	-	-
Reserves	-	-	-	-	-
Total Funding	735	6,382	-	-	-

Economic Development Committee Variation Summary 2016/17 to 2017/18

	£'000	£'000
1 Original Budget 2016/17		987
2 Budgets Transferred between Committees		(1)
3 Additional Allocations/Reductions 2016/17		73
4 Capital Financing Budget Transfers		2
5 2017/18 Service Changes:		
Pay Award, National Insurance & Pensions Increase		16
Budget Savings		
Ancillary Savings (0.25% Levy)	<u>(3)</u>	(3)
6 Annual Budget 2017/18		<u><u>1,074</u></u>

Economic Development Committee - Revenue Budget 2017/18

Original Budget 2016/17 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Original Budget 2017/18 £'000
987	Economic Development	670	2,556	42	3,268	(97)	(2,097)	1,074
987	TOTAL ECONOMIC DEVELOPMENT COMMITTEE	670	2,556	42	3,268	(97)	(2,097)	1,074

**Economic Development Committee -
Capital Programme 2017/18**

	Revised 2016/17 £000	Budget Year 2017/18 £000	Indicative Figures		
			2018/19 £000	2019/20 £000	2020/21 £000
Economic Development					
Economic Development Capital Fund	1,190	1,700	1,000	1,000	1,000
Turbine Centre	-	252	-	-	-
Superfast Broadband	4,052	2,574	1,200	-	-
Gross Capital Programme	5,242	4,526	2,200	1,000	1,000
Funded from:					
Approved County Council Allocations	1,190	4,000	1,600	1,000	1,000
External Grants & Contributions	4,052	294	600	-	-
Revenue	-	-	-	-	-
Reserves	-	232	-	-	-
Total Funding	5,242	4,526	2,200	1,000	1,000

Policy Committee Variation Summary 2016/17 to 2017/18

	£'000	£'000
1 Original Budget 2016/17		23,482
2 Budgets Transferred between Committees		39
3 Additional Allocations/Reductions 2016/17		(1,370)
4 Capital Financing Budget Transfers		(912)
5 2017/18 Service Changes:		
Pay Award, National Insurance & Pensions Increase		332
Budget Savings		
Business Support Centre Restructure	(300)	
Customer Services Centre New Operating Model	(290)	
Legal Services Digital Improvements	(196)	
Communications Document Services Review	(169)	
Complaints & Information Service Efficiencies	(18)	
Efficiencies in Research, Policy & Equalities	(17)	
Communications Restructure & Efficiency savings	(90)	
Reduction in Members Allowances	(29)	
Democratic Services Service Efficiencies	(20)	
Ancillary Savings (0.25% Levy)	(50)	
		(1,179)
6 Annual Budget 2017/18		<u>20,392</u>

Policy Committee - Revenue Budget 2017/18

Original Budget 2016/17 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Original Budget 2017/18 £'000
777	Democratic Services	714	198	-	912	(62)	(102)	748
1,898	Members Allowances	-	1,754	-	1,754	-	-	1,754
627	Directorate	407	46	-	453	-	-	453
1,407	Policy, Performance, Research & Equalities	1,235	284	-	1,519	-	(100)	1,419
1,375	Corporate Communications	1,272	352	29	1,653	-	(108)	1,545
1,235	Document Services	837	1,833	3	2,673	(27)	(1,394)	1,252
4,556	Business Support Centre	4,299	5,378	1,078	10,755	(108)	(7,021)	3,626
-	County Council Elections	-	800	-	800	-	-	800
	Programmes & Projects							
2,372	Programmes & Projects	-	-	-	-	-	-	-
2,372	Total Programmes & Projects	-	-	-	-	-	-	-
3,084	Customer Services Centre	2,629	266	130	3,025	-	(305)	2,720
1,765	Grants to Organisations	71	1,897	-	1,968	(198)	-	1,770
4,386	Legal Services	2,913	1,597	-	4,510	-	(205)	4,305
23,482	TOTAL POLICY COMMITTEE	14,377	14,405	1,240	30,022	(395)	(9,235)	20,392

Please note that the previous years budget has been restated to reflect current reporting requirements

**Policy Committee -
Capital Programme 2017/18**

	Revised 2016/17 £000	Budget Year 2017/18 £000	Indicative Figures		
			2018/19 £000	2019/20 £000	2020/21 £000
Policy, Planning & Corporate Services					
Customer Services Centre	113	-	-	-	-
Programmes & Projects					
EDRMS	28	-	-	-	-
Ways of Working	114	-	-	-	-
Smarter Working Programme	-	1,440	1,442	727	-
Transformation Programme	-	2,325	2,325	-	-
Gross Capital Programme	255	3,765	3,767	727	-
Funded from:					
Approved County Council Allocations	255	3,765	3,767	727	-
External Grants & Contributions	-	-	-	-	-
Revenue	-	-	-	-	-
Reserves	-	-	-	-	-
Total Funding	255	3,765	3,767	727	-

Finance & Property Committee

Variation Summary 2016/17 to 2017/18

	£'000	£'000
1 Original Budget 2016/17		30,920
2 Budgets Transferred between Committees		539
3 Additional Allocations/Reductions 2016/17		242
4 Capital Financing Budget Transfers		42
5 2017/18 Service Changes:		
Budget Pressures		
Bassetlaw PFI Scheme Inflation		115
Pay Award, National Insurance & Pensions Increase		340
Budget Savings		
Reduction in County Offices Maintenance	(100)	
Rationalisation & Staffing Reductions	(87)	
Councillors Divisional Fund Allowance Reduction	(5)	
ICT Services Efficiency Programme	(453)	
Ancillary Savings (0.25% Levy)	(62)	
	<u> </u>	(707)
6 Annual Budget 2017/18		<u><u>31,491</u></u>

Finance & Property Committee - Revenue Budget 2017/18

Original Budget 2016/17 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Original Budget 2017/18 £'000
2,781	Finance & Procurement	4,247	478	-	4,725		(1,641)	3,084
335	Councillors Divisional Fund	-	329	-	329	-	-	329
11,893	ICT Services	8,227	4,423	3,082	15,732	-	(3,916)	11,816
11,478	Property Services	3,225	27,655	808	31,688	(12,337)	(7,451)	11,900
4,433	Building Maintenance Works	-	4,362	-	4,362	-	-	4,362
	Contribution from Trading Services:							
	- County Supplies	796	509	-	1,305	-	(1,305)	-
30,920	TOTAL FINANCE & PROPERTY COMMITTEE	16,495	37,756	3,890	58,141	(12,337)	(14,313)	31,491

Please note that the previous years budget has been restated to reflect current reporting requirements

Finance & Property Committee - Capital Programme 2017/18

	Revised 2016/17 £000	Budget Year 2017/18 £000	Indicative Figures		
			2018/19 £000	2019/20 £000	2020/21 £000
Building Works					
Building Works	2,867	2,400	2,400	2,400	2,400
ICT Schemes					
ICT Infrastructure Replacement	1,026	1,000	1,000	1,000	1,000
Microsoft Enterprise Agreement	1,000	1,042	1,042	1,042	1,000
ICT Disaster Recovery	37	-	-	-	-
Journey to the Cloud	-	1,250	1,350	500	-
ICT Strategy	1,248	2,200	-	-	-
IT Replacement Programme	-	460	460	460	460
Other Schemes					
Risk Management	250	150	150	150	150
Sun Volt Programme	300	-	-	-	-
Business Management System	366	120	-	-	-
Lindhurst Project	500	521	-	-	-
BRMI	700	500	-	-	-
Top Wighay	14	-	-	-	-
Sherwood Energy Village	7	-	-	-	-
Denewood Centre	125	-	-	-	-
County Office Security System	128	-	-	-	-
Clasp Block Demolition/Reprovision	1,000	815	-	-	-
TBH Soil Stacks	106	-	-	-	-
Sir John Robinson House	621	-	-	-	-
MASH	690	50	-	-	-
Energy Saving Scheme	200	1,584	1,000	-	-
Rolleston Drive	-	1,500	-	-	-
Gamston Development	50	496	-	-	-
Retford Post 16	-	188	-	-	-
Gross Capital Programme	11,235	14,276	7,402	5,552	5,010
Funded from:					
Approved County Council Allocations	10,935	14,126	7,252	5,402	4,860
External Grants & Contributions	50	-	-	-	-
Revenue	-	-	-	-	-
Reserves	250	150	150	150	150
Total Funding	11,235	14,276	7,402	5,552	5,010

Personnel Committee Variation Summary 2016/17 to 2017/18

	£'000	£'000
1 Original Budget 2016/17		2,612
2 Budgets Transferred between Committees		8,513
3 Additional Allocations/Reductions 2016/17		(108)
4 Capital Financing Budget Transfers		-
5 2017/18 Service Changes:		
Pay Award, National Insurance & Pensions Increase		316
Budget Savings		
Business Support Savings	(495)	
Further Development of the Integrated HR Business Partner Model	(86)	
Ancillary Savings (0.25% Levy)	(20)	(601)
6 Annual Budget 2017/18		<u>10,732</u>

Personnel Committee - Revenue Budget 2017/18

Original Budget 2016/17 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Original Budget 2017/18 £'000
2,612	Corporate Human Resources	3,945	1,738	-	5,683	(642)	(2,502)	2,539
-	- Business Support	9,988	203	-	10,191	(34)	(1,964)	8,193
-	- Catering, Cleaning & Landscapes Facilities Mgmt Trading Units	21,923	12,496	-	34,419	-	(34,419)	-
2,612	TOTAL PERSONNEL COMMITTEE	35,856	14,437	-	50,293	(676)	(38,885)	10,732

**Personnel Committee -
Capital Programme 2017/18**

	Revised 2016/17 £000	Budget Year 2017/18 £000	Indicative Figures		
			2018/19 £000	2019/20 £000	2020/21 £000
Place Trading Units					
Landscape Services	130	70	70	70	70
SCAPE Kitchen Project	122	-	-	-	-
Gross Capital Programme	252	70	70	70	70
Funded from:					
Approved County Council Allocations	-	-	-	-	-
External Grants & Contributions	82	-	-	-	-
Revenue	-	-	-	-	-
Reserves	170	70	70	70	70
Total Funding	252	70	70	70	70

Public Health Committee

Variation Summary 2016/17 to 2017/18

	£'000	£'000
1 Original Budget 2016/17		-
2 Budgets Transferred between Committees		-
3 Additional Allocations/Reductions 2016/17		-
4 Capital Financing Budget Transfers		-
5 2017/18 Service Changes:		
Pay Award, National Insurance & Pensions Increase		-
6 Annual Budget 2017/18		-

Public Health - Revenue Budget 2017/18

Original Budget 2016/17 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Original Budget 2017/18 £'000
14,587	Children 0-19 Public Health Programmes	-	13,741	-	13,741	-	-	13,741
7,423	Public Health Directorate Pay & Associated Costs	2,414	4,850	-	7,264	-	-	7,264
1,431	Obesity & Physical Activity	-	1,430	-	1,430	-	-	1,430
8,932	Substance Misuse *	-	9,044	-	9,044	-	(332)	8,712
1,007	Domestic Violence & Social Exclusion	-	1,498	-	1,498	-	(491)	1,007
6,160	Sexual Health	-	6,321	-	6,321	-	-	6,321
859	NHS Health Check Programme	-	848	-	848	-	-	848
2,342	Smoking & Tobacco	-	2,424	-	2,424	-	-	2,424
519	Miscellaneous Public Health Services	-	447	-	447	-	-	447
(43,260)	Public Health Grant	-	-	-	-	(42,194)	-	(42,194)
-	TOTAL PUBLIC HEALTH	2,414	40,603	-	43,017	(42,194)	(823)	-

Please note that the previous years budget has been restated to reflect current reporting requirements

* NCC are the lead commissioner for Substance Misuse

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. Given the continuing financial challenges facing local authorities, central government have encouraged councils to be innovative regarding the deployment of existing reserves to meet one-off costs of transformation. This budget report is proposing to utilise £37m of reserves over the medium term with £27m being used to deliver a balanced budget in 2017/18.
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 B1 below.

Table B1 – County Council Reserves Forecast to 31st March 2018

Reserve	Actual Balance as at 31/03/2016 £'m	Projected balance at 31/03/2017 £'m	Forecast balance at 31/03/2018 £'m
General Fund Balance	24.0	24.8	20.3
Earmarked Reserves			
Insurance Reserve	11.9	11.9	11.9
Trading Organisations	3.6	2.7	2.7
Earmarked for Services	11.6	2.9	2.9
Revenue Grants	17.6	12.6	12.6
Section 256 Grants	16.8	14.7	14.7
Earmarked Reserve	9.7	9.0	4.7
Capital Projects Reserve	12.1	12.1	3.1
NDR Pool Reserves	5.3	4.0	3.5
East Leake PFI	3.2	3.2	3.2
Bassetlaw PFI	0.3	0.4	0.5
Waste PFI	27.8	27.9	28.0
Pay Review Reserve	0.7	0.5	0.5
Surplus Pension Contributions	0.3	0.0	0.0
Corporate Redundancy	5.0	5.0	5.0
Historic Abuse Reserve	0.0	0.0	0.7
Strategic Development Fund	7.7	4.5	2.7
Subtotal Earmarked Reserves	133.6	111.4	96.7
Schools Statutory Reserve	34.4	34.4	34.4
Capital Grants Unapplied	3.0	3.0	3.0
Total Usable Reserves	195.0	173.6	154.4

5. Certain assumptions have been made in predicting closing balances and the timing of when movements on balances will occur. These are outlined below.
- A full external review of the Council's Reserves Strategy was undertaken in 2015 and subsequently built upon. The Council is maintaining a risk based General Fund Balance and although the General Fund reserve has fallen over the previous two years, the position is relatively strong in terms of risk cover when compared with other County Councils. A risk based assessment of the required level of General Fund Reserve has been undertaken and can be seen in the table below:

APPENDIX B

Risk	Impact	Probability (low, medium or high)	Mitigation	Proposed level of reserve cover for 2017/18 £m
Major funding stream variations	If an in-year correction or top-slice is made to external funding during 2017/18 this would reduce the Council's ability to fund its Budget (say 0.5% of RSG+BR)	Medium	The government settlement has been announced, however, there have been in-year changes previously.	£0.7
Major variations in budget assumptions e.g. inflation	If inflationary expectations are too low, it could have a greater impact on the Council's expenditure than expected.	Low	The Service Director – Finance, Procurement & Improvement monitors the economic environment and takes forecasts from reliable sources	£1.4
Major expenditure and income variations	If expenditure is higher than budgeted or income lower than budgeted in any service, this will lead to a service overspend and potentially an overall overspend in Budget (say 1.5% of net committee requirements of £518.723m)	Medium	The Council's Management Team control the budget through a robust monthly budget management process, however, there are ongoing risks in Children's and Adults Services where safeguarding takes priority	£7.8
Delay in and/or non-delivery of savings	If planned savings are delayed or are found to be undeliverable this will have a significant impact on the Council's ability to deliver its Budget (say 10% non-delivery in-year, of £13.765m to be saved)	High	The Council's Management Team control the delivery of the savings programme through a robust monthly budget management process, however, this becomes more difficult year-on-year given the savings already delivered to date and the complexity of building change on change	£1.4
Major disaster implications	The Council could face unplanned expenditure if faced with a major disaster e.g. freak weather conditions	Medium	The Council may receive central government support but it is not certain that this would cover all required expenditure, there is also robust major emergency plans in place	£1.0

APPENDIX B

Risk	Impact	Probability (low, medium or high)	Mitigation	Proposed level of reserve cover for 2017/18 £m
Health and safety breaches	The Council could be faced with a fine if it was found to be in breach of health and safety requirements	Low	The Council has very good health and safety procedures and records in place and these are reviewed and updated on a regular basis. A training programme is also in place	£1.0
Security breaches	The Council could be liable for a penalty from the Information Commissioner's Office if it is found to be in breach of data security requirements	Low	The Council has an SRO in place that is responsible for the security measures applied for this purpose, robust procedures are in place and reviewed and monitored on a regular basis	£1.0
ICT failure	The reliance on ICT for the Council is significant and growing, which means that there could potentially be a significant impact if one or more of the Council's main systems failed	Low	The Council has an ICT Strategy in place, which includes a disaster recovery plan and business continuity plans are in place for all services	£1.0
Impact of litigation	The Council may be faced with litigation related to the services that it provides e.g. related to safeguarding in Children's and Adults Services	Low	The services have strong procedures in place for the delivery of services and are fully conversant with the requirements of the legislation relevant to each service area	£1.0
Employment matters	The Council could be faced with costs associated with industrial action or individual tribunal cases	Low	The Council has good employee and union relations, including early consultation for major policy implications and major service changes	£0.5
Third party failure	The Council could have a significant negative financial impact of one or more of its major suppliers or trading operations failed	Low	The Council has strong governance and contract controls in place, with major contracts reviewed and monitored closely as part of the operation of each Council service	£1.0

APPENDIX B

Risk	Impact	Probability (low, medium or high)	Mitigation	Proposed level of reserve cover for 2017/18 £m
Contingency – unforeseen events	The above risks are intended to cover all foreseen situations that the Council could face, however, there could be future major policy changes or unforeseen incidents that could significantly impact on the Council's financial stability (say 0.5% of Total Before Reserves £491.540)	Low	In the current uncertain times associated with Local Government Finance changes, volatility in the global economy and the focus on national security it is advisable for the Council to hold a contingent level of reserves	£2.5
Risk assessed minimum level of General Fund Reserve				£20.3
% of net revenue expenditure (based on £518.723m)				3.9%

- The latest budget monitoring report, which covers the first three quarters of the current financial year, predicts an underspend in the region of £5.4m although there may still be fluctuations in the forecast before year end. It is proposed that any in-year underspend is transferred to reserves to fund specific future priorities and to the General Fund to inform the strategy required to meet the shortfall in funding as identified in the MTFS. 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 have been 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 previous years a Strategic Development Fund was established to deliver the Councils revised operating model, invest in IT and realise the savings agreed in the Proposed Savings Business Cases. It is proposed that, in 2017/18 and 2018/19, these transformational costs are funded from the capital flexibility opportunity announced in the 2015 Autumn Statement.

- 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. 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. Indeed, guidance 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. Further, in previous responses 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.'
8. Ultimately it is the responsibility of the County Council's Section 151 Officer to recommend a strategy for the management of reserves based on their professional opinion.

Risk Management Measures

9. 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. This 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

10. 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 B1 above. The table includes estimates of future reserve levels based on latest estimates of plans and commitments.
11. The strategy proposed in this report is to utilise up to £27.2m of General Fund and earmarked reserves in 2017/18 to help deliver a balanced budget for 2017/18 as follows:-
 - £4.5m – General Fund
 - £9.0m - Capital Projects Reserve
 - £8.0m – Minimum Revenue Provision Adjustment
 - £4.3m – Earmarked Reserves
 - £1.4m – Other Reserves
12. 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

13. The level of proposed General Fund balances in 2017/18 be regarded as acceptable cover for any reasonable level of unforeseen events.
14. The report be noted.

NIGEL STEVENSON CPFA

SERVICE DIRECTOR – FINANCE, PROCUREMENT AND IMPROVEMENT

ANNUAL MINIMUM REVENUE PROVISION (MRP) STATEMENT

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

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

The Council's approach to determining the annual MRP charge was the subject of a report to Finance and Property Committee on 22 February 2016. The Committee recommended that Full Council approves the revised MRP policy statement as set out below:

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

As part of the MRP report to Finance and Property Committee in February 2016, it was identified that applying the previous policy has led to MRP charges that exceed what prudence required during the period from 1 April 2007 to 31 March 2016. There will be a realignment of MRP charged to the revenue account in 2016/17 and subsequent years to recognise this excess sum. Total MRP after applying realignment will not be less than zero in any financial year.

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

NIGEL STEVENSON CPFA

SERVICE DIRECTOR –FINANCE, PROCUREMENT AND IMPROVEMENT

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, Procurement and Improvement (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 2015/16 Accounts are as follows.

Table D1 – 2015/16 Capital Financing Costs and Net Revenue Stream

Capital Financing Costs	£'m
Interest Payable (incl. PFI/Finance Leases)	34.000
Interest and Investment Income	(0.680)
Repayment of Previous Years' Borrowing	7.683
Repayment of PFI/Finance Lease Liabilities	4.979
Other Amounts Set Aside for Repaying Debt	19.208
Total Capital Financing Costs	65.190

Net Revenue Stream	561.868
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7. The Capital Financing Costs as a proportion of Net Revenue Stream for 2015/16 and future years are shown in the table below:

Table D2 – Capital Financing Costs as a Proportion of Net Revenue Stream

Capital Financing Costs as a proportion of Net Revenue Stream		
Actual	2015/16	11.6%
Estimates	2016/17	7.5%
	2017/18	8.8%
	2018/19	9.8%
	2019/20	10.2%
	2020/21	10.5%

8. Despite a reducing Net Revenue Stream over the medium term, the estimated proportions fall in 2016/17 as a result of lower Minimum Revenue Provision (MRP) charges following the MRP Review and associated changes to the MRP methodology. The increase in future years proportions relates mainly to the reducing forecast Net Revenue Spend as well as the variation in the levels of capital receipts available to set against amounts previously borrowed. 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 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 D3 – Estimates of Capital Expenditure

	2017/18 £'m	2018/19 £'m	2019/20 £'m	2020/21 £'m
Capital Expenditure	102.520	78.506	44.355	43.879
Funded from:				
Borrowing	56.851	33.967	20.113	19.637
Grants and Contributions	44.072	43.719	23.422	23.422
Revenue / Reserves	1.597	0.820	0.820	0.820
Total Capital Financing Costs	102.520	78.506	44.355	43.879

10. The proposed level of borrowing under the Prudential Code for 2017/18 is £56.9m, 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 D4 – Estimates of the Incremental Impact on Council Tax of Borrowing for the 2017/18 to 2020/21 Capital Programme

	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Cumulative Borrowing	56.9	90.3	110.4	130.0
Estimated Financing Costs	0.75	2.78	4.10	5.03
Cumulative Band D Council Tax impact (£/p)	£1.68	£6.73	£10.61	£13.94

12. The Band D Council Tax for 2016/17 was £1,290.66. The forecast theoretical impact of capital financing on Council Tax is an increase of £1.66 or 0.2% in 2017/18.
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 33 to 45) 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 2017/18 to 2020/21, 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 D5 – Estimates of the Incremental Impact on Council Tax of the new Capital Proposals

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Cumulative Net Impact of Proposals on Borrowing	0.00	0.00	0.00	0.00	0.00
Estimated Financing Costs of Proposals	0.00	0.00	0.00	0.00	0.00
*Cumulative Band D Council Tax impact (£/p)	£0.00	£0.00	£0.00	£0.00	£0.00

15. Any additions to the capital programme as a result of this report will be funded from external grant, reserves, contingency or revenue resources. As a result there will be no incremental impact on Council Tax.

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 D6 – Capital Financing Requirement 2015/16

	£m
Fixed Assets	1,280
Short-term Assets Held For Sale	2
Capital Adjustment Account	(399)
Revaluation Reserve	(168)
Capital Financing Requirement as at 31/3/16	715

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 2016/17:

Table D7 – Estimated Capital Financing Requirement 2016/17

	£m
Capital Financing Requirement 2015/16	715
Borrowing in 2016/17	33
Additional PFI/Finance Lease Liabilities in 2016/17	3
Repayment of PFI/Finance Lease Liabilities in 2016/17	(3)
Capital Receipts set against previous borrowing in 2016/17	(5)
Other amounts set aside for Repayment of Debt in 2016/17	-
Estimated Capital Financing Requirement 2016/17	742

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

Table D8 – Estimated Capital Financing Requirements 2017/18 - 2019/20

	2017/18 £m	2018/19 £m	2019/20 £m
New Borrowing	57	34	20
Additional PFI/Finance Lease Liabilities	6	-	-
Repayment of PFI/Finance Lease Liabilities	(3)	(4)	(4)
Capital Receipts set against previous borrowing	(9)	(13)	(13)
Other amounts set aside for Repayment of Debt	-	-	-
Capital Financing Requirement Net Additions	51	17	3
Estimated Capital Financing Requirement	793	810	813

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 2017/18 does not, except in the short term, exceed £813m (i.e. the estimated CFR for 2019/20).
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, Procurement and Improvement 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 £447m, and the level of relevant liabilities (including finance lease liabilities), which was £127m, on the Balance Sheet at 31 March 2016.

25. These figures can be rolled forward to provide the proposed Operational Boundaries for 2017/18 and subsequent years.

Table D9 – Operational Boundaries 2017/18 – 2019/20

	Borrowing £m	Other Long-Term Liabilities £m	TOTAL £m
External borrowing at 31 March 2016	447	-	447
Other Long-Term Liabilities at 31 March 2016	-	127	127
Net new borrowing in 2016/17	(4)	-	(4)
Net change in PFI/finance lease liabilities	-	-	-
Estimated external borrowing at 31 March 2017	443	127	570
Capital expenditure financed by borrowing 2017/18	57	-	57
Amounts set aside for repayment of debt	(9)	-	(9)
Net change in PFI/finance lease liabilities	-	3	3
Contingency for changes in cash flow forecast	37	-	37
Operational Boundary 2017/18	528	130	658
Capital expenditure financed by borrowing 2018/19	34	-	34
Amounts set aside for repayment of debt	(13)	-	(13)
Net change in PFI/finance lease liabilities	-	(4)	(4)
Contingency for changes in cash flow forecast	37	-	37
Operational Boundary 2018/19	586	126	712
Capital expenditure financed by borrowing 2019/20	20	-	20
Amounts set aside for repayment of debt	(13)	-	(13)
Net change in PFI/finance lease liabilities	-	(4)	(4)
Contingency for changes in cash flow forecast	37	-	37
Operational Boundary 2019/20	630	122	752

26. 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 D10 – Authorised Limits 2017/18 – 2019/20

	Authorised Limit		
	Borrowing £m	Other Long-Term Liabilities £m	Borrowing and Other Long-Term Liabilities £m
2017/18	553	130	683
2018/19	611	126	737
2019/20	655	122	777

27. 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.
28. 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

29. 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 Finance and Property Committee.

Stewardship of Assets

30. 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

31. The option appraisal of proposed capital schemes overseen by the Corporate Asset Management Group considers, amongst other factors, the following:

- How the proposal help achieve the objectives and priorities set out in the Council's Strategic Plan 2014-2018.
- How the proposal will help achieve objectives set out in Service Delivery Plans.
- How the proposal meets principles identified in the Redefining Your Council document.
- The service improvements and other anticipated benefits expected to be delivered from the investment.

Practicality

32. 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 Finance and Property Committee on a regular basis.
- Funding sources are available when required.

Recommendation

33. It is recommended that the Prudential Indicators in Table D11 are approved as part of the 2017/18 budget.

Table D11 – Prudential Indicators 2017/18 – 2019/20

	2017/18	2018/19	2019/20
Estimated capital expenditure	£102.5m	£78.5m	£44.4m
Estimated Capital Financing Requirement	£793m	£810m	£813m
Authorised limit for external debt	£683m	£737m	£777m
Operational boundary for external debt	£658m	£712m	£752m
Financing costs as a % of net revenue stream	8.8%	9.8%	10.2%
Impact of total capital investment on Council Tax (£/p)	£1.68	£6.73	£10.61
Impact of proposed changes to the Capital Programme on Council Tax (£/p)	£0.00	£0.00	£0.00

NIGEL STEVENSON

SERVICE DIRECTOR - FINANCE, PROCUREMENT AND IMPROVEMENT

Report of the Service Director – Finance, Procurement and Improvement**Treasury Management Strategy 2017/18****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:
 - Service Director (Finance, Procurement and Improvement)
 - Group Manager (Financial Strategy and Compliance)
 - Group Manager (Financial Management)
 - Senior Accountant (Financial Strategy and Accounting)
 - Senior Accountant (Pensions and Treasury Management)

The responsible officer for the execution and administration of treasury management decisions is the Senior Accountant (Pensions and Treasury Management), who will act in accordance with the policy statement and TMPs.

8. This Treasury Management Strategy has been prepared in accordance with 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 F that underpins the strategy, together with the TMPs that govern treasury management operations.
9. The strategy covers:
- Current treasury position
 - Borrowing requirement
 - Treasury Indicators
 - Interest rate forecasts
 - Borrowing strategy
 - Investment strategy

Current Treasury Position

10. The table below shows the Council's forecast treasury position as at 31 March 2017:

Table 1		Total £m	Average Interest Rate
EXTERNAL BORROWING			
Fixed Rate	PWLB	331.2	4.79%
	Market loans	100.0	3.85%
	Loans from other LAs	5.0	2.08%
Total External Borrowing		436.2	4.54%
Other Long Term Liabilities		127.2	
Total Gross Debt		563.4	
Less: Investments		(53.4)	
Total Net Debt		510.0	

Note 1: PWLB = Public Works Loans Board

Note 2: Figures exclude accrued interest

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 expected to be undertaken by the Council to finance its capital programme. MRP set aside reduces 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 D, 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).
 - Contingency for changes to reserves forecast
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.

	2015/16 Actual	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
	£m	£m	£m	£m	£m
Closing Capital Financing Requirement	715.5	742.0	793.0	810.0	813.0
Less:					
- Long-term liabilities	-125.7	-127.2	-129.8	-126.0	-122.0
- Existing borrowing	-437.1	-436.2	-426.1	-411.8	-397.8
- Cap Ex to be financed by borrowing			-56.9	-34.0	-20.1
- Replenishment/Replacement borrowing			26.5	-26.0	-54.8
Internal borrowing (A)	152.7	178.6	206.8	212.3	218.3
Cash and cash equivalents	67.7	40.4	5.0	5.0	5.0
Fixed investments	34.5	14.5	2.5	0	0
Y/E investment balances (B)	102.2	54.9	7.5	5.0	5.0
Cash deployed (A+B)	254.9	233.5	214.3	217.3	223.3
comprising:					
- Usable reserves	195.0	173.6	154.4	157.4	163.4
- Provisions / Working capital	59.9	59.9	59.9	59.9	59.9
Cumulative minimum borrowing requirement	0.0	0.0	30.4	60.0	74.9
Annual borrowing requirement	0.0	0.0	30.4	29.6	14.9

18. The table above shows that, after factoring in internal borrowing, the Council is expecting to borrow around £75m from the financial markets over the next 3 years. This is a minimum and should not result in any surplus cash that could be held as long-term investments by the Council. Therefore, if reserve balances are used quicker than forecast, or if working capital is reduced, additional borrowing – up to the Capital Financing Requirement - will be necessary.

19. The forecast borrowing for 2016/17, as reported in the 2016/17 Strategy Report, was £52m. Actual borrowing is forecast to be £10m, the difference of £42m being due to slippage in the capital programme and the actual use of reserves being lower than forecast.

20. 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 will only be done if cashflow dictates or 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, make long-term savings and also reduce the Council's exposure to variable interest rate risk. However, 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. This would be fully evaluated before any decision is taken.

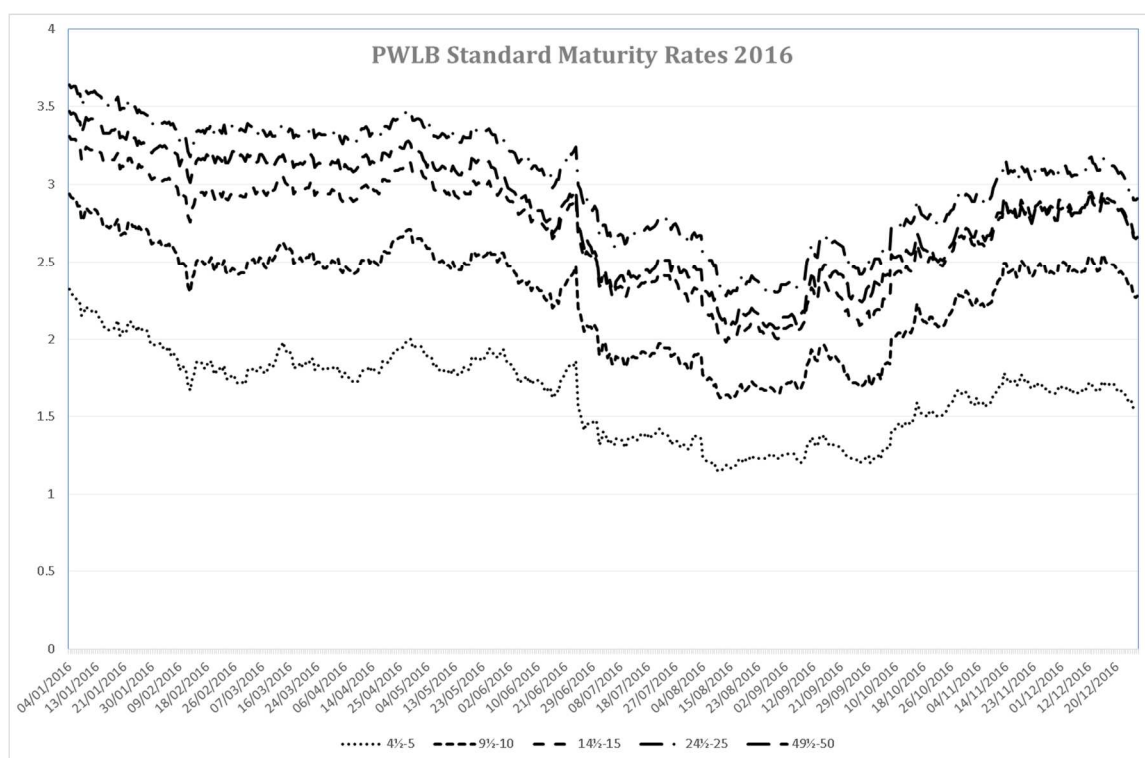
21. Borrowing in advance of need also increases the level of temporary investments and makes the security of those funds even more important. However, the Council's treasury management practices ensure that the risks of investing funds are minimised.
22. A summary of the proposed Treasury Management Indicators for 2017-20 are set out in the tables below. Please note that the 'Authorised Limit and 'Operational Boundary' are detailed in Appendix D.

Table 3 TREASURY INDICATORS	Proposed 2017/18 £m	Proposed 2018/19 £m	Proposed 2019/20 £m
Upper limit for Rate Exposure Fixed Rate Variable Rate	100% 75%	100% 75%	100% 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 4. 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	

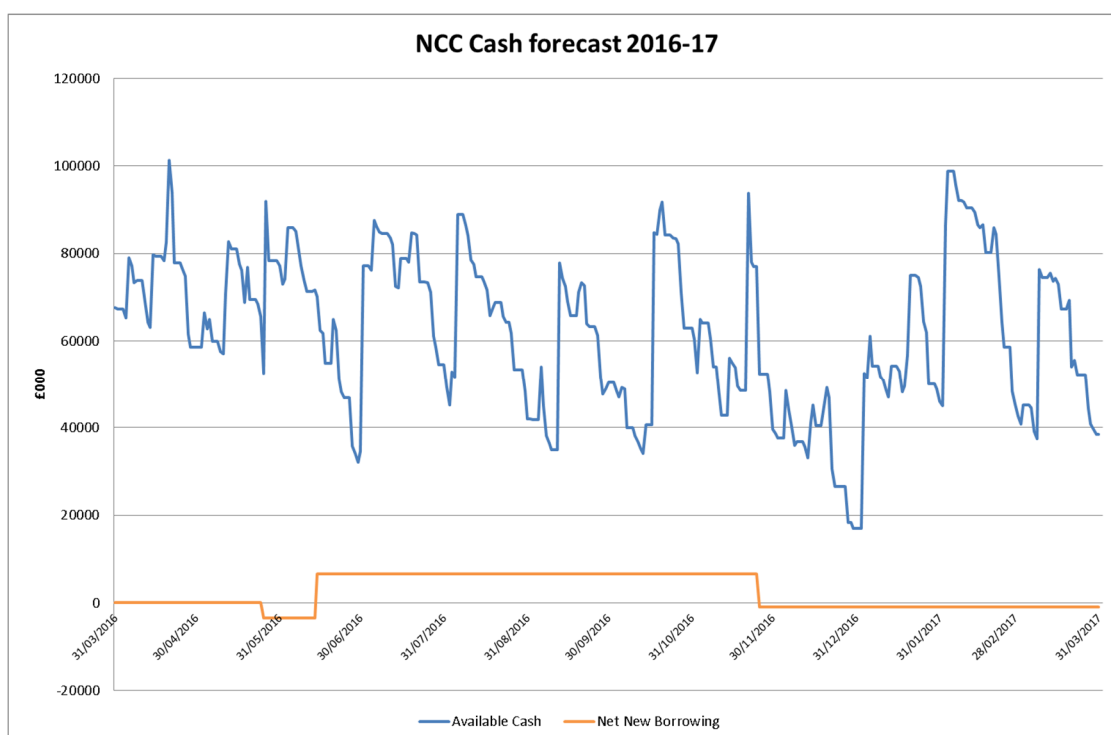
Borrowing Strategy

23. Over the course of 2016 PWLB rates generally reflected the UK's decline in economic strength following the EU referendum, but the rates were not without their fluctuations, as investors recovered from the initial shock and tentatively began to move out of government gilts and once more into equities. The rates are shown in the chart below:



24. The chart below shows how the Council's instant-access cash position has progressed over the financial year to January 2017 and how it is forecast to progress until the year-end. This position has varied over the year between £20m and £100m, reflecting the cumulative profile of the Council's revenue and capital expenditure, grant and precept income, together with any borrowing or term-lending decisions made by the Council's treasury management team.

25. The lower line shows the Council's net new borrowing over the course of the year. It can be seen that for 2016/17 this was approximately zero (that is, new borrowing was approximately equal to loan repayments), since the Council's cash position and the relative cost of borrowing served to discourage more borrowing than a minimal amount. Indeed, the new borrowing was taken only because of the dramatic fall in interest rates following the EU referendum in June 2016.



26. Generally the activity of investing surplus cash comes to the fore in the first few months of the financial year, when grant income and precept income tends to exceed outgoing payments. Towards the end of the year the cashflow tends to reverse, and the focus shifts towards the borrowing strategy. Decisions then 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.
27. Over the past several years the Council has financed the capital programme (on a temporary basis) 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.
28. 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). It therefore generates short-term savings for the Council. Another advantage is that counterparty risk is reduced by having less cash to invest.
29. On the other hand, by postponing its long-term borrowing the Council is in effect increasing its exposure to interest rate risk, as rates will fluctuate in the intervening period until long-term fixed rate borrowing is taken. Treasury management staff monitor this risk, and regularly review interest rates.
30. As a result of all this, the borrowing strategy needs to provide funds not only to finance the capital programme but also to replenish reserves as and when these are required and cover principal repayments on any maturing debt. If long-term borrowing is not taken to cover these outflows of cash then the

Council would consider other sources of finance (such as any bank overdraft facility or market loans).

31. 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.
32. Despite recent fluctuations in the gilt market it is still the case that short-term debt is considerably cheaper than long-term: as of mid-January 2017 1 year loans are approximately 0.9% (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 2.6%. In cash terms taking the very short-dated debt would equate to a saving of £20,000 per annum for every £1m of Council borrowing.
33. 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, i.e. it would be forced to accept whatever the prevailing interest rates were at the time. 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.
34. Given that the Council's current portfolio of PWLB loans average 4.79% the long-term rates being offered by PWLB look relatively attractive. Occasionally, however, long-term loans offered by the market or by other local authorities can be a competitive alternative to PWLB loans, and these may also be worth considering.
35. In practice, a 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
36. 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, Procurement and Improvement) exercised by the Senior Accountant (Pensions and Treasury Management) within the approved borrowing strategy, taking into account the following factors:
 - expected movements in interest rates as outlined above
 - current debt maturity profile
 - the impact on the medium term financial strategy
 - the capital financing requirement
 - the operational boundary
 - the authorised limit.
37. Opportunities to reschedule debt will be reviewed periodically throughout 2017/18 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

38. During 2017/18 cash balances are expected to be kept at a low level with the aim of maintaining a working balance of around £20m, and a minimal level of around £5m by year end. This will provide a level of liquidity without recourse to temporary borrowing, i.e. having to seek funds when availability may be restricted and therefore expensive.
39. As the 2016/17 cash flow chart above suggests, the most suitable strategy will be for the Council to consider making use 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 any liquidity risk.
40. The Council actively manages counterparty risk by monitoring the ratings of the institutions in which it could invest. Exposure to the Eurozone is limited by investing in UK banks and high credit quality overseas banks. The criteria for selecting counterparties are detailed in TMP 1 in Appendix F.
41. 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.

Report of the Service Director – Finance, Procurement and Improvement

Treasury Management Policy Statement 2017/18

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:
 - Service Director (Finance, Procurement and Improvement)
 - Group Manager (Financial Strategy and Compliance)
 - Group Manager (Financial Management)
 - Senior Accountant (Financial Strategy and Accounting)
 - Senior Accountant (Pensions and Treasury Management)
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 and Treasury Management), who will act in accordance with the policy statement and TMPs.

TMP1 Risk management

8. The Senior Accountant (Pensions and 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 institutions with high credit ratings based on minimum ratings from at least 2 rating agencies together with Fitch support rating for longer term lending. 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 and Poor's. 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. 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'.
16. The Council subscribes to an on-line market information feed and will monitor ratings from the main 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.
17. Bail-in legislation, which aims to ensure that large investors (including local authorities) will rescue failing banks instead of taxpayers, has now been fully implemented in the UK, USA and Germany. This has had an impact on credit ratings, particularly Fitch support ratings. The criteria below take account of these changes.
18. The approved list will include institutions that meet the following criteria from at least 2 rating agencies:

	Long Term	Short Term	MMFs
Fitch	A-	F1	AAAmmf
Moodys	A3	P-1	Aaamf
Standard and Poors	A-	A-1	AAAm

Sovereign Rating	AA
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19. However, within the approved list the following minimum criteria will apply, dependent on the terms of the deposit, from at least 2 ratings agencies:

	Fitch Long term	Fitch Support	Moodys Long term	S&P Long term
Instant access	A-	-	A3	A-
Up to 3 months	A-	-	A3	A-
Up to 364 days	AA-	-	AA3	AA-
365 days and over	A	1 or 2	A2	A

20. All investments (up to 364 days duration) with the counterparties in the approved list are considered specified investments.

21. Exceptions (to be determined by the *Treasury Management Group*) to rating criteria may be made in respect of the following:
 - 1) UK government
 - 2) UK local authorities
 - 3) The Council's bank (currently Barclays Bank)
 - 4) the Pension Fund's custodian (currently State Street)
22. The lending list will be approved by the *Treasury Management Group* and monitored by the Senior Accountant (Pensions and 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.
23. 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.
24. 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. 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.
25. The Council's current main bank, through which all treasury management activity operates, is Barclays.
26. **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.
27. 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.
28. Summarised 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.
29. The Senior Accountant (Pensions and Treasury Management) or Investments Officer may approve fixed term investments up to 364 days. Longer periods require permission from either the Service Director (Finance and Procurement), the Group Manager (Financial Strategy and Compliance) or the Group Manager

(Financial Management) and must comply with the relevant treasury management limits.

30. 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.

31. 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.

32. 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*.

33. 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.

34. Regular monitoring of interest rates and monthly monitoring of the Interest Payable and Interest Receivable budgets will be undertaken by the Senior Accountant (Pensions and Treasury Management), in line with the treasury management indicators, with quarterly reports to the *Treasury Management Group*.

35. 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.

36. 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.

37. 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.

38. 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 managing refinancing risk and 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. It will manage the profile of its maturing debt such that excessive refinancing is not required in any one financial year.

39. 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.

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

41. 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.

42. 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.

43. 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.

44. 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.

45. 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 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.

46. Fraud, error and corruption, and contingency management

The risk that the 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.

47. 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.

48. **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.

49. 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 due to market fluctuations, will only be authorised by the *Treasury Management Group*.

TMP2 Performance measurement

50. 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.
51. 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.
52. 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.
53. 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.

54. Borrowing will be undertaken in accordance with the treasury management strategy and opportunities will be taken to borrow, with regard to the Council's Capital Financing Requirement and the most recent cashflow forecast, at rates that are considered to be affordable and attractive over the long-term.

TMP3 Decision-making and analysis

55. 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.

56. Treasury management processes and practices are documented in the Investments Procedure 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

57. 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 may include the following:

- (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 (or successor);
- (e) loan instruments, including transferable loans up to five years duration and non-transferable of no fixed duration;
- (f) Municipal Bonds Agency.

58. 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

59. For money market funds the Council will limit their use to those with a constant net asset value and minimum total assets of £5 billion. 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

60. 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.
61. 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.
62. If the Council intends, as a result of lack of resources or other circumstances, to depart from these principles, the Senior Accountant (Pensions and 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.
63. The Senior Accountant (Pensions and 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 and Treasury Management) will also ensure that at all times those engaged in treasury management shall follow the policies and procedures set out.
64. The Senior Accountant (Pensions and Treasury Management) will ensure that there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds.
65. 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 and 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 and Treasury Management) in his or her absence.
66. The current procedures are outlined below.
- Daily cash flow forecasts will be maintained by the Loans Officer. Annual 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 Procedure 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 and 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 and Treasury Management), or another officer under the responsibility of the Senior Accountant (Pensions and Treasury Management), before that day's deals are carried out. Before conducting a deal, the officer will confirm that the credit 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 Procedure 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.

67. 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 and Treasury Management) and either the Service Director (Finance, Procurement and Improvement) or the Group Manager (Financial Management). Money may only be lent to institutions or funds on the *Approved List*.

TMP6 Reporting requirements and management information arrangements

68. The Service Director (Finance, Procurement and Improvement) 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.

69. 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.

70. 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

71. The Service Director (Finance, Procurement and Improvement) 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*.
72. The Service Director (Finance, Procurement and Improvement) 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*.
73. 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.
74. 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

75. Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the (Finance, Procurement and Improvement), 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 and Improvement) will ensure that these are adequate for the purposes of monitoring compliance with *TMP1(2) liquidity risk management*.
76. As outlined in TMP5, daily cash flow forecasts are prepared in accordance with the Investments Procedure Manual, and summarised weekly and annual forecasts are regularly provided to the *Treasury Management Group*.

TMP9 Money laundering

77. 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.
78. 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 Service Director (Finance, Procurement and Improvement).

TMP10 Training and qualifications

79. 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.
80. The person specifications for the Senior Accountant (Pensions and 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. The members of the *Treasury Management Group* are also required to be CCAB or CIMA qualified.
81. 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. The Senior Accountant (Pensions and 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 and Treasury Management) and also feature as part of the EPDR process.
82. 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

83. 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.
84. Where services are subject to formal tender or re-tender arrangements, legislative requirements will be observed. The monitoring of such arrangements rests with the responsible officer.
85. The Council currently uses four brokering 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 relating to Money Markets and Gilt prices, as well as for credit and support rating information.

TMP12 Corporate governance

86. 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.
87. 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.
88. 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.

