



Nottinghamshire County Council

Full Council

Date: Thursday, 05 July 2012
Time: 10:00
Venue: County Hall
Address: County Hall, West Bridgford, Nottingham NG2 7QP

AGENDA

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"Council recognises that litter is frequently caused by the sale of food and drink on the go and that research by the Tidy Britain Group (2011) has identified that nearly 60 percent of the litter on Nottinghamshire's streets can be attributed to this cause.

Council recognises that very often opposition to new takeaway food outlets is based on a likely increase in litter and that experience of those living near takeaway outlets bears out the fact that this happens.

Council acknowledges that there are takeaway operators who take responsibility for their surroundings and who take measures to provide litter bins etc for their customers.

Nevertheless a quick tour around any part of the County near a takeaway would show that litter is still a problem.

Council believes that a two pronged approach is needed to deal with the problem of litter generated by the sale of food and drink on the go and that it is important to focus on residential neighbourhood areas as well as parts of the County's Town Centres. This approach should encompass both proactive campaigning involving key stakeholders and the use of enforcement powers.

Council is aware that local authorities have the power (under the Environment Protection Act 1990 as amended by the Clean Neighbourhoods Act 2005) to issue street litter control notices to compel takeaways and other outlets which can generate litter to remove litter that originates from their premises and is within a certain distance of it. Council believes that there are cases in which the use of this legislation would make a huge difference to the environment of people living or working near takeaway outlets.

Council is aware of other authorities that either use, or highlight, these powers. These include Leicester, Manchester and Chichester.

Council believes that in an environment where money for services such as street cleansing is tight, every possible avenue should be explored to keep our streets clean.

Council requests the Environment Committee to give consideration for:-

A Pride in our (shopping) Parades campaign to be launched in pilot areas around the County to bring together shopkeepers and residents to see what can be done voluntarily to reduce the litter emanating from takeaway outlets and other retail outlets. These areas should be selected on the recommendation of ward councillors and should be spread around the County fairly.

The administration to begin to use street litter control notices and to consult ward councillors on locations in which this would make a difference to litter control.

The publication of these existing legal powers on the County Council's website so that residents can see what options are open to authorities, should they choose to take them.

Liaise with all Borough and District Authorities within Nottinghamshire to strengthen a joint approach to dealing with the problem."

Councillor Ken Rigby

Councillor Jason Zadrozny

15	<u>Adjournment Debate (if any)</u>	1-2
	Details	

(A) For Councillors

(1) Group meetings of Members will be held as follows:-

Thursday 28th June 2012

Liberal Democrat Group - 10.00 am

Monday 2nd July 2012

Independent Group - 1.30 pm

Wednesday 4th July 2012

Conservative Group - 10.00 am

Labour Group - 1.30 pm

(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 personal or prejudicial and the reasons for the declaration.

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

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

(4) Members are reminded that these papers may be recycled.
Appropriate containers are located in the respective secretariats.

(5) Members are given an opportunity to speak for three minutes on any particular issue which relates to matters relevant to their constituencies or any particular issues arising in their electoral division. This would be an opportunity simply to air these issues in Council meeting. It would not give rise to a debate on the issues or a question or answer session

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

(B) For Members of the Public

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

Customer Services Centre 08449 80 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 08449 80 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) Information in respect of this meeting is available in a wide range of languages which can be provided in large print, Braille and audio. Please contact the number referred to above.

Meeting	COUNTY COUNCIL
Date	Thursday, 17 th May 2012 (10.00 am – 4.30 pm)

Membership

Persons absent are marked with `A`

COUNCILLORS

Keith Walker (In the Chair until the election of a new Chairman)
 Carol Pepper (Chairman)
 L B Cooper (Vice Chairman)

	Reg Adair		Bruce Laughton
	John Allin		Keith Longdon
	Fiona Asbury		Rachel Madden
	Chris Barnfather		Geoff Merry
	Victor Bobo		Mick Murphy
	Joyce Bosnjak		Philip Owen
	Richard Butler		Sheila Place
	Steve Carr		Darrell Pulk
	Steve Carroll		Mike Quigley MBE
	Allen Clarke		Mrs Wendy Quigley
	Ged Clarke		Alan Rhodes
	John Clarke		Ken Rigby
	John Cottee		Kevin Rostance
	Michael J Cox		Mrs Sue Saddington
	Jim Creamer		Mel Shepherd MBE
A	Bob Cross		S Smedley MBE JP
	Mrs Kay Cutts	A	Mark Spencer MP
A	V H Dobson		June Stendall
	Dr John Doddy		Andy Stewart
	Sybil Fielding		Martin Suthers OBE
	Stephen Garner		Lynn Sykes
	Michelle Gent		David Taylor
	Glynn Gilfoyle		Parry Tsimbiridis
	Keith Girling		Gail Turner
	Kevin Greaves		Stuart Wallace
	John M Hemsall		Les Ward
A	Stan Heptinstall MBE		Gordon Wheeler
	Rev. Tom Irvine		Chris Winterton
	Richard Jackson		Brian Wombwell
A	Rod Kempster		Martin Wright
	Eric Kerry		Liz Yates
	John Knight		Jason Zadrozny

OTHERS IN ATTENDANCE

Hon. Alderman Terry Butler
Hon. Alderman John Carter

OFFICERS IN ATTENDANCE

David Pearson	(Deputy Chief Executive)
Jayne Francis-Ward	(Assistant Chief Executive & Monitoring Officer)
Chris Kenny	(Director Public of Health)
Paul McKay	(Adult Social Care, Health and Public Protection)
Anthony May	(Children, Families & Cultural Services)
Tim Gregory	(Environment & Resources)
Sara Allmond	(Policy, Planning and Corporate Services)
Carl Bilbey	(Policy, Planning and Corporate Services)
Claire Dixon	(Policy, Planning and Corporate Services)
Martin Done	(Policy, Planning and Corporate Services)
Chris Holmes	(Policy, Planning and Corporate Services)
Sally Dury	(Policy, Planning and Corporate Services)

OPENING PRAYER

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

A minute silence was held in memory of Guardsman Michael Roland, aged 22 from the 1st Battalion Grenadier Guards, who was killed on 27th April whilst on patrol in the Helmand province, Afghanistan.

OUTGOING CHAIRMAN'S ADDRESS TO COUNCIL

Councillor Keith Walker, outgoing Chairman of the County Council, made a short address, during which he referred to his enjoyment in meeting the residents of Nottinghamshire. He thanked Members and Officers for the support which he had received from them, particularly in relation to his chosen charity the Royal British Legion for whom £10,000 had been raised. He also thanked his wife who had acted as consort for the year and presented her with a bouquet of flowers.

1. ELECTION OF CHAIRMAN

It was moved by Councillor David Taylor, seconded by Councillor John Clarke:-

RESOLVED: 2012/017

That Councillor Carol Pepper be elected Chairman of the Nottinghamshire County Council until the annual meeting 2013.

Arising from the above resolution, Councillor Pepper made the prescribed Declaration of Acceptance of Office, was invested with the Chairman's Chain of

Office and assumed the chair. Thereafter, Councillor Pepper's portrait was unveiled by the Chief Executive.

INCOMING CHAIRMAN'S ADDRESS TO THE COUNCIL

Councillor Pepper addressed the Council, thanking members for the opportunity to perform the civic role for the County Council. She indicated that her chosen charity for the year would be the Nottingham Hospitals Charity Cystic Fibrosis Campaign.

RETIRING CHAIRMAN – VOTE OF THANKS

At the invitation of the newly-elected Chairman, Councillor Mrs Kay Cutts paid tribute to Councillor Walker's contribution to Nottinghamshire's civic life, thanking him for his work as Chairman.

The motion was seconded by Councillor Andy Stewart, who articulated Members' appreciation and congratulations for Councillor Walker's successful year of office.

RESOLVED: 2012/018

That the County Council's thanks for Councillor Walker's work as its Chairman during 2011-12 be recorded.

PAST CHAIRMAN'S BADGE OF OFFICE

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

2. APPOINTMENT OF A VICE-CHAIRMAN

The appointment of Councillor L B Cooper as Vice-Chairman was moved by Councillor Michael J Cox and seconded by Councillor Steve Carroll.

During their speeches, both Councillors spoke of Councillor Cooper's long standing work in the local community.

RESOLVED: 2012/019

That Councillor L B Cooper be appointed Vice-Chairman of the Nottinghamshire County Council until the Annual Meeting 2013.

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

Councillor Cooper thanked Members for appointing him as Vice-Chairman.

3. MINUTES

RESOLVED: 2012/020

That the Minutes of the last meeting of the County Council held on 29th March 2012 be agreed as a correct record and signed by the Chairman.

4. APOLOGIES FOR ABSENCE

The following apologies for absence were received:-

Medical/Illness

- Councillor Bob Cross
- Councillor Rod Kempster

Other

- Councillor V H Dobson
- Councillor Stan Heptinstall MBE
- Councillor Mark Spencer MP

5. DECLARATIONS OF INTEREST

There were no declarations of interest

6. RECOGNITION OF MEMBERS AND OFFICERS OF GROUPS

Councillor Mel Shepherd MBE introduced the report with the following amendments:-

- The Liberal Democrat and Social Democrat Group has changed its name to The Liberal Democrat Group
- Councillor Mel Shepherd MBE had been appointed as the Conservative Business Manager to replace Councillor Carol Pepper
- Councillor Martin Wright had been appointed as the Deputy Leader/Business Manager for the Independent Group

and moved a motion in terms of the resolution 2012/021 below.

The motion was seconded by Councillor Chris Barnfather.

RESOLVED: 2012/021

- (1) that the membership of the political Groups be noted, including the change of name of the Liberal Democrat and Social Democrat Group to the Liberal Democrat Group
- (2) that, in accordance with Standing Orders, the Officers of the Groups be recognised with the amendment to the following officers:-
 - Councillor Mel Shepherd MBE appointed as the Conservative Business Manager
 - Councillor Martin Wright appointed as the Deputy Leader/Business Manager for the Independent Group

7. CHAIRMAN'S BUSINESS

(a) Presentation of Awards

Councillor Richard Jackson presented an award from the East Midlands Merit Awards 2012 in relation to the Bilsthorpe depot. Councillor Jackson presented the award to the Chairman.

Councillor Kevin Rostance presented the Innovation in the Public Sector Award for the work of the Adult Social Care, Health and Public Protection Department which was given in recognition for their work with Capita IB Solutions in developing a cutting edge solution - the BEDS System, to improve services to the public.

(b) Constituency Issues

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

Councillor Fiona Asbury – Market Place One Way System

Councillor Rachel Madden – Annesley Woodhouse Library

Councillor Ken Rigby – Local Open Cast Mining

Councillor Jason Zadrozny – Skegby Road Junction

Councillor June Stendall – Benefits of use of divisional fund

8. PETITIONS

(a) PRESENTATION OF PETITIONS

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

1. Councillor Joyce Bosnjak – Petition regarding cutback of bus routes in Mansfield
2. Councillor June Stendall – Petition regarding Supporting People, Mansfield
3. Councillor Mrs Kay Cutts – Petition regarding reinstatement of Red Lodge bus service, Screveton
4. Councillor Bruce Laughton - Petition regarding bollards on grass verge opposite the Maythorne Lane/Lower Kirklington Road Junction, Maythorne
5. Councillor Keith Girling – Petition regarding Sunday parking in Newark
6. Councillor Ken Rigby – Petition regarding removal of safety barriers from footpaths in Kimberley
7. Councillor Liz Yates – Petition regarding speeding and traffic volume on Little Gringley Lane, Welham
8. Councillor Sheila Place – Petition requesting reconsideration of the part-night switch off of street lights in Langold
9. Councillor Sheila Place – Petition requesting reconsideration of the part-night switch off of street lights in Blyth
10. Councillor Stuart Wallace – Petition requesting a residents parking scheme – William Street, Newark
11. Councillor Les Ward – Petition regarding speed limit on Gorsethorpe Lane, Kings Clipstone
12. Councillor Steve Garner – Petition regarding parking in Maun View, Mansfield
13. Councillor L B Cooper – Petition regarding the switching off of street lights from residents of Lady Bay.

RESOLVED: 2012/022

That the petitions be referred to the appropriate Committees for consideration in accordance with Standing Orders.

(b) REPORT BACK ON PETITIONS

RESOLVED: 2012/023

That the contents and proposed actions in the report back on petitions received on 29th March 2012 be noted and the petitioners be informed accordingly.

9. QUESTIONS

(a) QUESTIONS UNDER STANDING ORDER 7.1

Eight questions had been received as follows:-

1. from Councillor Michelle Gent about the Can't Paint Won't Paint project (Councillor Mrs Kay Cutts replied)
2. from Councillor Rachel Madden concerning Citizens Advice Bureaux (Councillor Mick Murphy replied)
3. from Councillor Chris Winterton regarding privately run care homes (Councillor Kevin Rostance replied)
4. from Councillor Chris Winterton about employment of Sherwood Industries Staff (Councillor Kevin Rostance replied)
5. from Councillor Chris Winterton concerning funding for social care (Councillor Kevin Rostance replied)
6. from Councillor Jason Zadrozny regarding reductions in welfare benefits (Councillor Mrs Kay Cutts replied)
7. from Councillor Jason Zadrozny about recycling (Councillor Richard Butler replied)
8. from Councillor Jason Zadrozny concerning street light switch off (Councillor Richard Jackson replied)

The full responses to these questions under Standing Order 7.1 are set out in Appendix B to these Minutes.

(b) QUESTIONS UNDER STANDING ORDER 7.2

One question had been received from Councillor June Stendall about Section 106 funding (Councillor Glynn Gilfoyle, Vice-Chair of Nottinghamshire Police Authority replied)

The full responses to this question under Standing Order 7.2 is set out in Appendix C to these Minutes

Following consideration of this item, Council adjourned from 12.35 pm until 2.05 pm for lunch.

10. REPORTS FROM CABINET MEMBERS

Councillor Mrs Kay Cutts presented the reports. The reports were seconded by the Councillor Martin Suthers OBE.

RESOLVED 2012/024

That the reports from Cabinet Members be noted.

11. SELF FUNDERS – FINANCIAL ADVICE AND FUTURE STRATEGY

Councillor Kevin Rostance introduced the report and moved a motion in terms of the resolution 2012/025 below.

The motion was seconded by Councillor Stuart Wallace.

RESOLVED: 2012/025

1. That the Council continues to sign-post information about moneymadeclear and Society Of Later Life Advisers (SOLLA) to self-funders currently in or likely to enter long-term care
2. That the Council sign-posts the public and Care Homes with self funding customers to Paying for Care and specify that Advisers must operate a fee charging scheme
3. That the Council works with Capita IB to market and sell the care home bed monitoring system.

12. SCRUTINY ANNUAL REPORT 2011-12

Councillor Joyce Bosnjak introduced the report and moved a motion in terms of the resolution 2012/026 below.

The motion was seconded by Councillor Mel Shepherd MBE

RESOLVED: 2012/026

That the annual report of Scrutiny 2011-12 be noted

13. CHANGES TO GOVERNANCE ARRANGEMENTS

Councillor Mrs Kay Cutts introduced the report and moved a motion in terms of the resolution 2012/027 below.

The motion was seconded by Councillor Martin Suthers OBE.

RESOLVED: 2012/027

1. That the following parts of the Constitution as set out in Appendix A of the report be approved to operate with effect from 17th May 2012: -
 - a. Financial Regulations
 - b. Employment Procedure Rules
 - c. Access to Information and Meetings
 - d. Policy Framework
 - e. Budget Framework
 - f. Protocol for Involvement in Outside Bodies
 - g. Protocol for Councillor/Officer relationships
 - h. Officer Code of Conduct
 - i. Travel and Accommodation Policy
2. That the amendments to the procedure rules for Full Council in relation to the number of Members needed to call a special meeting of Full Council; questions to committee Chairmen; and the procedure rules for committees and sub-committees in relation to the order of business of committees and the Personnel Committee be agreed as set out in Appendix B of the report.
3. That any interpretation issues or conflicts between the Financial Regulations and other parts of the Constitution be resolved by the Chief Finance Officer in consultation with the Monitoring Officer.
4. That the Petitions Scheme set out in Appendix C of the report be adopted.
5. That the list of matters reserved to Full Council for decision set out in Appendix D of the report be approved.

6. That it be noted that the Constitution has been revised to reflect the recent changes to the Council's management structure.
7. That the terms of reference of the Grant Aid Sub-Committee be amended to have responsibility for grant aid as defined in the grant aid strategy.
8. That the terms of reference of the Health Scrutiny Committee be amended to have responsibility for scrutinising health matters in the areas covered by the NHS Clinical Commissioning Groups for Bassetlaw, Mansfield, Ashfield and Newark and Sherwood.
9. That the terms of reference of the Policy Committee and the Administration Committee be amended as set out in the report.
10. That the terms of reference of the Rights of Way Committee be amended as set out in the report.

14. COMMUNITY COVENANT

Councillor Mrs Kay Cutts introduced the report and moved a motion in terms of the resolution 2012/028 below.

The motion was seconded by Councillor June Stendall.

RESOLVED: 2012/028

1. That a Community Covenant be established;
2. That the Policy Committee develop a community covenant pledge.

15. MEMBERS ALLOWANCES SCHEME

Councillor Mrs Kay Cutts introduced the report and moved a motion in terms of the resolution 2012/029 below.

The motion was seconded by Councillor Mel Shepherd MBE.

RESOLVED: 2012/029

1. That the Basic Allowance remains at the current level and remains indexed to local government pay settlement.
2. That the revised scheme of special responsibility allowances as set out in the Appendix to the report be adopted.
3. That the allowances for the Chair and Independent Members of the Standards Committee cease with effect from the date of the abolition of the current arrangements.
4. That any claims by members for travel costs where the Council has provided shared transport will only be payable in exceptional circumstances and subject to the prior agreement of the Team Manager (Democratic Services).
5. The Administration Committee be given responsibility for determining any variation to the maximum rates for dependent care allowances in the light of particular individual circumstances.

16. APPOINTMENTS TO COMMITTEES

Councillor Mel Shepherd MBE introduced the report and moved a motion in terms of the resolution 2012/030 below.

The motion was seconded by Councillor Chris Barnfarther.

RESOLVED: 2012/030

1. that the Council confirm the establishment of the following Committees and Sub-Committees of Council with their previously agreed terms of reference and with the membership shown:-

<u>Meeting</u>	<u>Size of Committee</u>	<u>Cons</u>	<u>Lab</u>	<u>Lib Dems</u>	<u>Independent</u>	<u>Other</u>
Administration Committee	9	5	2	1	1	
Adult Social Care and Health Committee	11	6	2	2	1	

<u>Meeting</u>	<u>Size of Committee</u>	<u>Cons</u>	<u>Lab</u>	<u>Lib Dems</u>	<u>Independent</u>	<u>Other</u>
Appeals Sub-Committee (pool)	11	6	2	2	1	
Audit Committee	9	5	2	1	1	
Children and Young People's Committee	11	6	3	1	1	4 non-voting co-optees
Community Safety Committee	9	5	2	1	1	
Corporate Parenting Sub-Committee	9	5	2	1	1	
Culture Committee	11	6	2	2	1	
Early Years and Youth Services Sub-Committee	7	4	1	1	1	
Economic Development Committee	9	5	2	1	1	
Environment and Sustainability Committee	11	6	3	1	1	
Finance and Property Committee	11	6	3	1	1	
Grant Aid Sub-Committee	7	4	1	1	1	
Health Scrutiny Committee	6	3	1	1	1	4 District Council members
Joint Committee on Appointments to the Police Authority (until 15 Nov 2012)	3	2	1	0	0	3 City Councillors
Joint Committee on Strategic Planning & Transport	4	2	1	1	0	4 City Councillors
Joint City/Council Health Scrutiny Committee	8	4	2	1	1	8 City Councillors
Shadow Health and Wellbeing Board	18	3	1	1	0	13

<u>Meeting</u>	<u>Size of Committee</u>	<u>Cons</u>	<u>Lab</u>	<u>Lib Dems</u>	<u>Independent</u>	<u>Other</u>
Local Joint Resolutions Committee	6	3	1	1	1	
Nottinghamshire Pension Fund Committee	9	5	2	1	1	
Pensions Investment Sub-Committee	9	5	2	1	1	8
Pensions Sub-Committee	9	5	2	1	1	8 plus 2 pensioner reps
Personnel Committee	9	5	2	1	1	
Planning & Licensing Committee	11	6	2	2	1	
Policy Committee	19	10	4	3	2	
Rights of Way Committee	11	6	2	2	1	
Senior Staffing Sub-Committee	9 or 5	5 or 3	2 or 1	1 or 1	1 or 0	
Standards Committee (until 1 July 2012)	7	4	1	1	1	4
Transport and Highways Committee	11	6	3	1	1	

2. That the Health Scrutiny Committee membership include 1 co-opted Councillor with voting rights from each of the following authorities:- Ashfield District Council, Bassetlaw District Council, Mansfield District Council and Newark and Sherwood District Council.
3. That the other representatives on the above Committees /Sub Committees be appointed as follows:-
 - (a) Children and Young People's Committee: One representative of the Church of England Diocese, one representative of the Roman Catholic Diocese, and two Parent Governors.
 - (b) Health and Wellbeing Board: Two District/Boroughs Councillors, six NHS Clinical Commissioning Group representatives, one Health LINK, one Primary Care Trust Cluster representative, three officers – Corporate Director, Adult Social Care, Health and Public

Protection, Corporate Director, Children, Families and Cultural Services, Director of Public Health

- (c) Pensions Investment Sub-Committee: Three City Councillors, two Nottinghamshire District/Borough Council representatives, two Trade Union Representatives, one Admitted Body representative
 - (d) Pensions Sub-Committee: Three City Councillors, two Nottinghamshire District/ Borough Council representatives, two Trade Union representatives, one Admitted Body representative plus two pensioner representatives.
 - (e) Standards Committee (until 1st July 2012): Four independent members
4. That the membership of the Administration Committee comprise Leader and Deputy Leader of the Council, Business Manager and the Deputy Business Manager of the Majority Group, the Cabinet Member for Finance and Property, Leaders of all three Opposition Groups and the Deputy Leader of the main Opposition Group.
 5. That the Senior Staffing Sub-Committee when considering issues relating to the Chief Executive and Corporate Directors will have a membership of 9 Members (5 Conservative Group, 2 Labour Group, 1 Liberal Democrat Group, 1 Independent Group; and when the Sub-Committee considers issues relating to other officers the membership will be 5 Members (3 Conservative Group, 1 Labour Group, 1 Liberal Democrat Group) and that no Member must sit on the Sub-Committee unless they have received appropriate training.
 6. That the Leader of the Council be an ex-officio member of all committees and sub-committees except the Appeals Sub-Committee, Planning and Licensing Committee, Rights of Way Committee, Senior Staffing Sub-Committee and Joint Committees; with the right to speak but not to vote.
 7. That the Council make the following appointments of Chairman and Vice-Chairman until the Annual Meeting of the Council in May 2013, it being noted that the appointment of a Chairman and Vice-Chairman of the Senior Staffing Sub-Committee will be a matter for that Sub-Committee:-

Committee	Chairman	Vice-Chairman
Administration	Leader	Leader of the Main Opposition Group
Adult Social Care and Health	Kevin Rostance	Stuart Wallace
Appeals	Ged Clarke	Not applicable
Audit	Sheila Place	Mike Quigley MBE
Children and Young People	Philip Owen	Allen Clarke
Community Safety	Mick Murphy	David Taylor

Committee	Chairman	Vice-Chairman
Corporate Parenting Sub-Committee	Allen Clarke	Not Applicable
Culture	John Cottee	Liz Yates
Early Years and Youth Services Sub-Committee	Lynn Sykes	Dr John Doddy
Economic Development	Keith Girling	Gordon Wheeler
Environment and Sustainability	Richard Butler	John Hemsall
Finance and Property	Reg Adair	Eric Kerry
Grant Aid Sub Committee	Martin Suthers OBE	Joyce Bosnjak
Health and Wellbeing Board (shadow)	Martin Suthers OBE	To be appointed by Board
Health Scrutiny Committee	Sue Saddington	Wendy Quigley
Joint Cmte on Planning & Transport	TBC	City Councillor
Joint Health Scrutiny (with City)	Mel Shepherd MBE	City Councillor
Nottinghamshire Pension Fund	Michael J Cox	Stella Smedley MBE JP
Pensions Investment Sub-Committee	Michael J Cox	Stella Smedley MBE JP
Pensions Sub-Committee	Michael J Cox	Stella Smedley MBE JP
Personnel	Andy Stewart	Michelle Gent
Planning & Licensing	Chris Barnfather	Sybil Fielding
Policy	Kay Cutts	Martin Suthers OBE
Rights of Way	Bruce Laughton	Gail Turner
Standards Committee (until 1 July 2012)	Charles Daybell	To be appointed
Transport and Highways	Richard Jackson	Chris Barnfather

8. That, subject to similar resolutions being taken by the City Council Joint Committees be established as follows:-

JOINT COMMITTEE	NOTTINGHAMSHIRE COUNTY COUNCIL				
	TOTAL NO OF COUNCILLORS	CONSERVATIVE	LABOUR	LIBERAL DEMOCRAT	INDEPENDENT
Jt City/County Health Scrutiny	8	4	2	1	1
Jt Cttee for Appointments to the Nottinghamshire Police Authority	3	2	1	0	0
Joint Cttee on Strategic Planning and Transport	4	2	1	1	0

9. That the pool of 16 members (8 Conservative Group, 4 Labour Group, 2 Liberal Democrat Group and 2 Independent Group) be re-established from which a Mental Health Guardianship Panel can be formed, to make decisions on renewal and discharge of guardianship under the Mental Health Act 1983.

10. That the 12 places on the Combined Fire Authority be allocated between the groups as follows:-
- Conservative Group 6
 - Labour Group 3
 - Liberal Democrat Group 2
 - Independent Group 1
11. (a) That the appointment of members of the political groups to committees, sub-committees and joint committees be undertaken by the Team Manager, Governance and Scrutiny on behalf of the Chief Executive (the Proper Officer) acting in accordance with the provisions of the Local Government and Housing Act 1989, the Local Government Act 2000 the relevant Statutory Regulations and the Council's Standing Orders.
- (b) That the Team Manager, Governance and Scrutiny be authorised to act on behalf of the Chief Executive to appoint people as co-optees to membership of committees or joint committees when required .

The Chairman declared the meeting closed at 4.30 pm

CHAIRMAN
M_17MAY12

APPENDIX A

COUNTY COUNCIL MEETING HELD ON 17TH MAY 2012

3-MINUTE SPEECHES

Councillor Fiona Asbury

“I would like to speak on behalf of my residents as they are experiencing many problems with the traffic in Huthwaite. There are speeding problems throughout the area, HGVs causing problems, poor signage, congestion through the Market place but the main issue is the one way system.

Most residents think this one way system at the market place is an absolute sham. I have worked tirelessly with County Council officers to try and alleviate the many problems this has caused but do not seem to have got anywhere fast. I would however like to thank Councillor Mrs Kay Cutts, Councillor Martin Suthers OBE, Councillor Reg Adair and Councillor Richard Jackson for meeting the Huthwaite Community Action Group to listen to their views on the traffic issues that Huthwaite face. Unfortunately I was not invited to the meeting however the officers are now keeping me up to date with all their reviews.

There have been many accidents in this area due to the lack of understanding of the way the system works. Maybe it would have been less of a problem if a full safety audit had been done before the scheme went ahead. It is a shame it was pushed through by the previous leader in a desperate attempt to hold his seat after 20 years of neglecting the village. This was all planned for, processed and implemented before I was in office. The works were just about to be started when I was elected and many of the residents now complaining about the system were the ones shouting for it to be done.

What I would say is if there is any other major change like this in the future, there should be a much more in depth consultation and evaluation of any such scheme to prevent the upset, anger and confusion this is now causing the residents of Huthwaite. I look forward to working with Councillor Jackson, the officers and the community group to get this problem sorted for the sanity and safety of the residents.”

Councillor Rachel Madden

“Approximately 10 years ago under the previous regime it was muted that the Hall Housing Annessey Library on Skegby Road, Kirkby Woodhouse was unsafe under Health and Safety rules. It appears that not a lot happened to either make the existing facility safe or even to consider a move to new premises until the idea arose of replacing the Acacia Avenue Community Centre with a modern building fitted out to provide a lot of activities catering for the community such as an IT suite, meeting rooms and a library.

Discussions then took place to relocate to this new building leaving the Church with a reduced income stream and an empty room. Following the £1 million refurbishment by the Liberal Democrats when we were in administration at Ashfield District Council, this centre has been up and running for some time now but with no sign of moving the library to Acacia Avenue.

About two years ago, Councillor John Cottee and myself, along with the Officer-in-charge of the project had a very positive meeting and I came away thinking that very soon the residents in Woodhouse, part of my division would have a nice new library to enjoy. But that officer has left and despite my, I regret to say, unanswered requests for further information on progress, I have no firm idea as to when this facility will be opened.

I understand the money is there to fund the project so I am at a loss to explain to people who ask me “why the delay?” It is bad enough that the opening hours were cut back to the bone but at least we still have this library; so may I have an update as to when the new room would be available to my residents?”

Councillor Ken Rigby

“UK coal has officially applied to open cast in my area, mostly in my Trowell division but it will go into the Cossall part as well. It is a planned operation for six years. It will involve removing 18 million tonnes of soil and rock to extract 1.27 tonnes of coal.

My constituents of which Councillor Doddy is one, have grave concerns about the dust, the noise, the blasting which will cause vibration, known health hazards which Dr. Doddy has spoken very eloquently about at a recent public meeting and traffic implications with lorry movement.

But above all they are concerned about the decimation of green belt. It will be in what we have, a one mile barrier between Trowell and Cossall and the City of Nottingham. We have just one mile of open space between us and the open city and they fear that it will decimate the area for many, many years to come.

They also have fears about the viability of the company and as of last Friday's close, on the FT100 their value is down to 14.75 pence which indicates a company in trouble.

Also due to prevailing winds, the other sections of my division – I get it all Chairman, Awsorth and Kimberley will be affected and Councillor Owen's division in Nuttall will also be affected so all in all there are a lot of people who are going to be affected by this monstrosity of a great big hole that we will have to suffer for years.

Can I appeal to officers and councillors who unlike me haven't got one arm tied behind their backs, would they give all possible help as and when required?"

Councillor Jason Zadrozny

"I rise to speak about Skegby Road Junction again which I've mentioned a number of times in this Chamber via questions and speeches and petitions and the number of concerns there have been. I've been speaking on this issue for about five years now and I looked in my diary, five years ago I met with Councillor Smedley. Just shy of three years ago Councillor Jackson met with me on site and looked round and agreed how awful it was and still the situation is exactly the same.

It's on a terrible junction which sort of staggers in a U-shape and then there is a Main Road coming onto it and it is the site of the major school crossing patrol for Dalestorth School. We are having significant trouble recruiting a lollipop lady because the last two have had the lollipops snatched out their hands by passing traffic and we have had Councillor Lwelyn Jones before me as it's directly on the border, and Councillor Anthony had some very low bollards put around to try and stop parking.

Since then we've had a number of people fall over the bollards, the County Council's been sued and we've now had to paint them this colour which in Skegby is a beautiful colour – it just looks a little out of place in Sutton North.

So I think, I would hope that before we get to a serious accident there have been a number of minor collisions, a number of near misses and a number of areas where people have been hurt but not serious enough for this. I don't want this to become as infamous as Ollerton roundabout and it certainly won't be anywhere as expensive. The costings have come back at around £50,000 to install a mini-island, to shave back the pavement and increase school safety which is vital for the Primary School there.

I would hope that it is agreed at some point in the future that appropriate measures are taken."

Councillor June Stendall

"I would like to tell you how a little faith, support and a small amount of my division fund has changed the lives of some undesirables in my Division.

I would like to read to you a passage taken from information used by the secretary of the Bull Farm Football Club when he applied for funding recently. I will read it as the author writes it.

"The starting of the Bull Farm Football Club 2009

2nd September 2010/11

While sitting in the Bull Farm Social Club one dismal windy night, the discussion was community safety, how to avoid the thugs loitering the streets, harassing the elderly, petty thieves and druggies.

One cold winters night Ian Gregory took his life in is own hands and walked amongst the trouble causes, and gang leaders.

He listened to face on face to verbal abuse, but stood his ground and asks, what would the community have to do, to stop and prevent this anti social behaviour?

They said we would like somewhere to hang out and have fun, join in sports, something we can achieve on our own.

Ian Gregory decided on his own back to take the lads onto the Bull Farm Park and do training in football skills.

At one point he had over 40 teenagers and 30 under 16 year olds running round the park, people were walking their dogs and watching them.

They could not believe their eyes. After nearly 12 months it was decided that they would form the Bull Farm Football Club and they approached the Chad Sunday League. They were accepted and finished bottom of the league table for the 2009/10 season.

They kept up their spirits and were given some funding from the o2 charity fund, they went on to become better players, but the main thing was they started to respect one another, they had a feeling of responsibility towards their team mates.

Some of them decided to stay on at school and better their education. Others found employment (only part time) but it was a start.

Now they have just completed the third season and finished in 6th position. They have anywhere up to 80/90 community home game supporters and they have an away match with supporters of approximately 20 members of the community.

We have a football management team; one who has no clue about football, the other who didn't have an idea of management, and between us have taken the bad off the streets and encouraged the elderly to be free to walk the streets when they like.

The younger members of our community now respect the senior citizen and the elders respect the kids. We have taken them off the streets, given them an aim in life, nearly all the team now have part time and full time employment, they have come off drugs, avoided crime and anti social behaviour. They can now hold their heads up high as respectful members of the community.

This wouldn't have happened though without the support of our County Councillor June Stendall and the company called O2, but most of all a common member of the community who works 60 hours a week. By being a devoted member of his community who has pride of where he lives, Mr Ian Gregory is now the coach.”

I am pleased to say this passage earned them additional funding, and they are now taking on a youth team and all the players have jobs.”

APPENDIX B

COUNTY COUNCIL MEETING HELD ON 17TH MAY 2012 **QUESTIONS UNDER STANDING ORDER 7.1**

Question to the Leader of the Council from Councillor Michelle Gent

“Would the leader like to take the opportunity to congratulate and praise the children of Ashfield who took part in the Can’t Paint, Won’t Paint project she attended alongside Councillors Asbury, Madden, Zadrozny and myself in Sutton-in-Ashfield on the 4th May?”

Response by Councillor Kay Cutts, Leader of the Council:

“Can I just say how much I enjoyed my visit to Ashfield to see the Can’t Paint, Won’t Paint project by so many children. There were other Councillors there of course including Steve Carroll and I think we had very much of a consensus on the day that this was something very worthwhile for young people to do within school. I was astonished at the quality of work which I viewed. I felt that it was so outstandingly good it actually deserves a wider exhibition and I’m sure that you will look at doing that in your own areas.

We were able to present prizes to a number of children who were there or schools who were there which had taken part in the project. I had had a previous conversation with the man who was running this project and the previous conversation’s upshot was it was so worthwhile; there were so many schools that would still like to take part that Nottinghamshire County Council would fund a further £1,000 to buy materials for this scheme to continue.

This is part of the Adult Learning Skills Project run by the Skills Funding Council. I think the bank account is held by Ashfield Council and between us I think we’re making a stunning job and I would just like to see more of these projects in the County because the benefit for a relatively small amount of money is absolutely enormous so may I thank you for asking this question.”

Question to the Cabinet Member for Community Safety from Councillor Rachel Madden

“I note that in your report to this Council you state that Citizens Advice Bureaux, following the Government’s decisions on the future direction of consumer law, will have a bigger role to play in consumer law, carrying out research into consumer issues, delivering information and advice on the changes being made, leading on consumer-facing education and becoming the voice of consumers.

Can the Portfolio Holder confirm, particularly given the recent reductions in funding, where funding for the Citizens Advice will come from to enable them to successfully fulfil this enhanced role?”

Response from Councillor Murphy, Cabinet Member for Community Safety:

“Following a consultation the Government decided to simplify the number of organisations so people received advice and support from Trading Standards, and Citizens Advice.

Citizens Advice in particular was recognised by the Government as having an excellent record. The Government report states;

*“Consumers need someone they can trust and who has a track record of providing knowledgeable, fair and impartial advice. We therefore **propose to fund** Citizens Advice... to provide information and advice about general consumer matters. They will become **the publicly-funded** voice of consumers, championing their needs and empowering them to make the right choices for themselves.”*

As a result the Government has given funding to Citizens Advice in order to do this. The new service started on 2nd April and I am pleased to report that the service being provided to Nottinghamshire residents by Citizens Advice so far has been of a very high standard.”

Question to the Cabinet Member for Adult Social Care & Health from Councillor Chris Winterton

“How many care homes, run by Four Seasons (the company that took over 140 homes from Southern Cross), are there in Nottinghamshire?

Should we:-

- be concerned that they need to raise £230 million from shareholders and £550 million from other investors
- be concerned about the Private Sector’s role in the ownership of care homes as we discover more examples of poor financial management.

Don’t the elderly deserve better?”

Response from Councillor Rostance, Cabinet Member for Adult Social Care & Health:

“In answer to the first part of your question, Four Seasons currently run 10 Care Homes in Nottinghamshire, 7 of which were previously run by Southern Cross out of a total number of 170 independent sector care homes for older people in the county.

Clearly, the global financial crisis has impacted upon the public and private sectors and we must ensure that this does not undermine the quality of care services that we provide. Having said that, I do not share the ideological aversion to private care providers that is apparent in Councillor Winterton’s

question. The private sector has had a major role for over 50 years under successive governments and under successive council administrations here at County Hall. The majority of care for our elderly has always been delivered by the private sector.

The Care Quality Commission has a role in checking the financial viability of providers when registering them. In addition, as a result of the events surrounding Southern Cross, the Commission has created a new section focussing on aspects such as financial viability. They are also providing additional focus in their work on large national providers whose financial affairs are difficult to track and analyse at a local level.

There are conversations taking place in the Department of Health with other Central Government departments and the Association of Director of Adult Social Services (ADASS) about what steps can be taken in an attempt to minimise risk of financial failure in the future.

The Southern Cross crisis was averted by very close collaboration between local authorities, ADASS and the private businesses concerned. Local authorities have a part to play in monitoring the viability of private homes alongside national government and regulators.

In relation to the specific issues Councillor Winterton raises, recently agreement has been reached for Terra Firma to acquire Four Seasons with an investment of over £300 million. This places the services on a more stable financial footing and avoids the need for the investment suggested in Councillor Winterton's question.

In addition to this, Terra Firma has access to greater levels of funding, should that be necessary. We are informed that last year that Terra Firma invested £1.9 billion in developing their existing businesses.

It is right that we should be concerned about any operator experiencing financial difficulties, but politicians have a responsibility not to scaremonger before they know the facts. The acquisition of the Four Seasons by Terra Firma should provide a level of reassurance for residents and their carers and we will, of course, continue to monitor these and all other Nottinghamshire care homes carefully.

The implication of Councillor Winterton's question is that we cannot trust or look to work with any private care providers, which as far as I am aware was not, and is not, the Labour Group's official position. If I'm wrong, then the Labour Group need to reveal how they would tackle the demographic challenges facing Nottinghamshire County Council without using the private sector, and how they would fund such policies. How much taxpayers' money would they spend on removing all council-funded placements in private homes?"

Question to the Cabinet Member for Adult Social Care & Health from Councillor Chris Winterton

“Can the Cabinet Member for Adult Social Care and Health tell the Council how many members of staff, from Sherwood Industries, have been found alternative employment after the devastating decision to close the factory?”

Response from Councillor Rostance, Cabinet Member for Adult Social Care & Health:

“As you are aware at the County Council meeting on the 23rd February this year, 47 Members, including Independent and Liberal Democrat councillors, voted for the motion to close Sherwood Industries because it was the only responsible course to take.

In contrast, the Labour Group displayed complete cynicism in voting against the recommendations, ignoring the financial reality that the net cost of Sherwood Industries to the County Council had risen from £386,000 in 2000/01 to £832,000 in 2010/11. It was no longer providing a viable supported employment option for supported employees or the taxpayer overall.

This was not a new development. It became evident that Sherwood Industries was unsustainable when the Labour administration was in power, but they lacked the courage to make a decision. As with many policy areas, they shirked the difficult decisions when they were in control and now have the temerity to criticise those left to pick up the pieces.

The final insult at February’s meeting was that having first opposed the closure of Sherwood Industries, the Labour Group then made no provision for keeping it open in their budget amendment in the next agenda item. Joined-up thinking and responsible opposition clearly come a poor second place to their desire to grab the headlines.

At the time of that County Council meeting, Sherwood Industries had 43 employees and to date:

- 8 employees (4 disabled, 4 non-disabled) have commenced work in a trial in an alternative post within the County Council;
- 14 employees (8 disabled, 6 non-disabled) have chosen to take voluntary redundancy; and
- 21 employees continue to receive support and job opportunities continue to be sought for them across different departments of the Council.

More opportunities are becoming available and a number of staff are already waiting for a date to be arranged for an informal interview in a potential job, or are awaiting the outcome of a meeting with an appointing officer.

All employees have been allocated a named HR Officer to support them through the redeployment process in addition to the support offered from line management.

Work placements are being identified for all the staff, some of which will be temporary until appropriate permanent opportunities are identified. At the moment such potential opportunities are being pursued.

The County Council has been approached by four organisations who have expressed an interest in the factory's assets, including its order book and equipment. Two of these organisations are local and have also indicated that they would be interested in discussing with the Council some potential work opportunities for some of the staff from Sherwood Industries.

Officers have sought advice and input from legal services and the Corporate Procurement Team in relation to the disposal of assets. Before the Council is able to have any detailed discussions with any of the organisations, they have had to get the assets valued.

In the meantime, the two local organisations have been contacted to ascertain what assets they would be interested in and what employment opportunities they are able to provide for staff at Sherwood Industries. These discussions are on-going whilst the assets are fully valued and the best means of their disposal are considered in accordance with the Council's Financial Regulations.

Councillor Winterton refers in his question to a "devastating" decision. Well, it was certainly a difficult decision to close Sherwood Industries and I'm sure none of us in this Chamber voted for it lightly. However, I find it more "devastating" that Labour was willing to put short-term political considerations ahead of their duty to make the right decision some time ago."

Question to the Cabinet Member for Adult Social Care & Health from Councillor Chris Winterton

"There is a serious funding shortage in the Social Care System with many vulnerable people with little or no funds to pay for their care. The Council has an obligation to ensure there is funding to protect the elderly.

Can the Cabinet Member tell us what he has done to draw the funding crisis to the attention of Central Government?

Does the Cabinet Member agree with the Managing Director of BUPA, the Chief Executive of Carers UK and the Chair of the LGA Health and Wellbeing Board that the current crisis in funding will result in an increase of elderly people accessing hospital beds at a point of crisis?"

Response from Councillor Rostance, Cabinet Member for Adult Social Care & Health:

“In relation to contact with the Government on this matter, the County Council has recently submitted a response to a call for evidence from the All-Party Parliamentary Group on Local Government which, in advance of the government’s White Paper on Social Care, is looking at the nature and funding of adult social care.

The evidence provided, followed by formal evidence sessions at the House of Commons, will feed into a final report that will be a significant cross-party contribution to the debate about the role of local government in delivering care in the next decade. As part of this evidence the Council was able to highlight a number of areas where we are leading the way in terms of service development and good practice; such as the excellent progress we have made on provision of Personal Budgets, working with micro-providers to provide more choice and control for people who need support, and the modernisation of our day services to create a network of modern, multi-purpose centres for older people and people with learning and physical disabilities.

You will also recall that a motion on the issue of social care for older people and people with disabilities and how it should be funded was discussed at the full Council meeting on 3rd November 2011. There was a unanimous vote of support for the motion. This motion formed part of the Council’s response to the Department of Health’s consultation – Caring for our Future: Shared Ambitions for Care and Support - which was submitted last December.

In relation to the issue of hospital beds, this is indeed something that requires a long term solution. This issue has a history that predates the current situation. Analysis and debate on this matter has been taking place since the Wanless Report (Securing Good Health for the Whole Population) in 2004. The previous Labour Government produced a White Paper in 2006 (Our Health, Our Care, Our Say: a new direction for community services) and a Green Paper (Shaping the future of care together) in July 2009. Both of these addressed the current issues but no solution was identified at the time. As I have already mentioned the coalition government is now developing cross party support to work on the forthcoming White Paper on adult social care.

In terms of the cost of care to individuals, service users have a financial assessment to decide their contribution. Some elements of their income are disregarded and people only contribute what they can afford following the financial assessment. People on a low income may pay nothing at all. For community-based care, 40% of service users are currently paying full cost, 40% pay nothing at all and 20% make a contribution to the cost of their care.

In Nottinghamshire we are working closely with the health service through the Health and Wellbeing Board, chaired by Councillor Suthers, to ensure the integrated commissioning of services to help keep people out of hospital, and to

arrange timely and effective discharge for those who are admitted. For a number of months now, the Corporate Director has been sponsoring a joint health and social care programme to support integrated discharge across the major hospitals around the county.

We will continue to work closely with health colleagues to provide effective integrated services in Nottinghamshire and we will continue to contribute our views to the national debate whenever we have the opportunity to do so.”

Question to the Leader of the Council from Councillor Jason Zadrozny

“The reductions in welfare benefit will have a major impact on certain people currently receiving these benefits, particularly adults of working age. Can the Leader update members whether any protection is envisaged for those most severely affected by the reductions?”

Response from the Leader of the Council, Councillor Kay Cutts:

“The reductions in welfare benefit will have a major impact on certain people. As I am sure Councillor Zadrozny is aware, Nottinghamshire County Council does not provide any welfare benefits. The majority of welfare benefits are paid by the Department for Work and Pensions with housing benefit and council tax benefit currently paid by local district and unitary councils.

The measures taken by the Coalition Government to ensure the future sustainability of the welfare system have to be viewed in context. Spending on welfare increased by more than 40% in real terms in past decade to 2009-10 and in that year alone the Government spent £192 billion on welfare payments, compared with £35 billion on defence, £50 billion on education, and £98 billion on health.

The facts are that the previous Labour Government left this country living beyond its means and the state needs to ensure that its resources are targeted to help those in the most severe need. It is not feasible to pay disproportionate amounts in welfare benefit each week, sometimes in excess of what someone in work may take home in wages.

The Welfare Reform Act which received Royal Assent in March 2012 represents the biggest reform of the welfare system for 60 years and provides support to the most vulnerable people in society, with around 2.8 million low to middle income households better off and around 900,000 adults and children lifted out of poverty under Universal Credit.

The Government’s stated intention underpinning these reforms is to make the benefits and tax credits system fairer and simpler by:

- creating the right incentives to get more people into work by ensuring work always pays; [Page 32 of 116](#)

- protecting the most vulnerable in our society; and
- delivering fairness to those claiming benefit and to the tax payer.

As highlighted in the budget earlier this year, one major component of the reforms that does have potential financial implications for the County Council is the Government's plan to transfer the responsibility and funding of council tax benefits to local authorities from April 2013. Local authorities will be required to design local schemes prior to this date and the change to local schemes will be accompanied by a 10% reduction in future expenditure from the same date. The Government will, however, prescribe how schemes are to operate in relation to pensioners, having already stated clearly that they intend to protect low income pensioners from having to pay increased council tax. It will be down to local district and unitary councils to determine the design of the new schemes for working age benefit claimants, although they will be required to consult with major precepting authorities, namely the County Council, and the Police and Fire authorities.

I recently attended a meeting of Nottinghamshire County Council Leaders where this issue was discussed but no decision has yet been reached in terms of the proposed design of a Nottinghamshire-wide Council Tax Benefit scheme, and further work has been commissioned jointly by the Districts, the City Council and ourselves to better understand the potential implications. We will of course continue to fulfil our role in protecting the most vulnerable in our communities but we will have to wait for the detailed proposals from the District Councils before we can decide how to respond.

Residents can receive more advice and guidance about the welfare benefit changes by contacting Nottinghamshire County Council through our main number, 08449 80 80 80, by email or by post or, of course, by contacting a Member."

Question to the Cabinet Member for Environment and Sustainability from Jason Zadrozny

"Can the Portfolio holder tell the Council what he intends to do to enable all of the county's HWRCs to accept recyclable items such as paint, batteries and fluorescent lighting that are currently not accepted?"

Does he agree with me that there is a high level of inconsistency between the level and quality of facilities at the HWRCs across the county?"

Response by Councillor Richard Butler, Cabinet Member for Environment & Sustainability:

"Thank you for your question, however it seems that Councillor Zadrozny is a little out of date in respect of his knowledge of the services offered at the HWRC, as household batteries and fluorescent lights, including low energy light bulbs, are accepted at every site in the County."

Dried paint residues and empty tins are also accepted at every HWRC, although unwanted liquid paint cannot be accepted due to legislation on the disposal of liquid wastes to landfill. At the Worksop and Calverton HWRC liquid paint is accepted, but is then sorted, and the re-useable paint is redistributed free of charge to charities and individuals by Community RePaint Nottinghamshire, a joint venture between the County Council, its PFI partner Veolia, and the Community RePaint network. Any unusable liquid paint is then sent on for specialist treatment.

Officers have recently reported to me on the success of the Community Re-Paint Nottinghamshire scheme, and I am keen to extend the service to other suitable centres when possible. Unfortunately this will be subject to the availability of space on site to operate the scheme, and funding for the required infrastructure improvements, and is therefore unlikely to cover all of the sites in the County. However efforts will be made to ensure the sites chosen to receive the service are as accessible as possible.

I cannot agree with Councillor Zadrozny that the HWRC sites are inconsistent in the level and quality of facilities offered. All 14 HWRC in the county are now either new, or have undergone full refurbishment by Veolia over the last 5 years. In addition the HWRC customer satisfaction survey carried out in March 2012 showed that 98% of HWRC users are either very or quite satisfied with the level of service and facilities offered. I think this is a remarkable achievement for this Council and our waste contract partner, Veolia.”

Question to the Cabinet Member for Transport and Highways from Councillor Jason Zadrozny

“The portfolio holder has made an exception in Worksop to the policy of switching off street lighting.

Given the nature of the representations made in this area, particularly regarding high levels of crime and anti-social behaviour, why does he not feel this is setting a precedent that would also benefit other areas blighted with these types of issues?”

Would he now re-visit his plans to turn off street lighting in areas where not only crime but the fear of crime is a significant issue such as Stanton Hill, Skegby, Huthwaite and other parts of Sutton-in-Ashfield?”

Response from Councillor Richard Jackson, Cabinet Member for Transport and Highways:

“Members will be familiar with our part night lighting policy and should recall that I’ve regularly assured this Council that we would not be turning off lights where there is a higher than average level of crime or where there’s a history of road traffic accidents.

Following extensive consultation in Worksop and in view of the level and distribution of crime in the town we have decided not to proceed with part night light in the Worksop area. This is a perfect example of the flexible approach we are taking to the programme and demonstrates that we are prepared to respond to any issue and to make changes where they are justified.

I can assure members and particularly members of Councillor Zadrozny's party who supported our budget with the savings in it for part night lighting that the project is still on course to deliver those savings and to reduce by 25% our use of energy in street lighting.

Works for the Stanton Hill, Skegby, Huthwaite and Sutton-in-Ashfield area are not programmed until November of next year onwards and a decision on how to proceed in those areas will be made nearer to the time and in consultation with Councillor Zadrozny as the local member."

APPENDIX C

COUNTY COUNCIL MEETING HELD ON 17TH MAY 2012 **QUESTIONS UNDER STANDING ORDER 7.2**

Question to the Chair of the Nottinghamshire Police Authority from Councillor June Stendall

“At full Council on the 26th January 2012, I asked a question regarding 106 Planning request by the Police Authority, in your reply you assured me you would take this back to the Police Authority and reply with updates. Could you please inform me of any progress you have made to date.”

Response from Councillor Glynn Gilfoyle, Vice-Chairman of the Nottinghamshire Police Authority:

“Can I thank you Councillor Stendall for your question and your continued interest in Nottinghamshire Police’s approach to planning matters and the Section 106 in particular. I understand that you have also recently met with representatives of the Police Force who have explained their approach to Planning and Designing out crime for new commercial and residential developments.

To clarify the situation I have been informed since your original question posed in January, there have been no planning applications suitable for Section 106 funding. Sometimes Section 106 funding only provides short term revenue funding, leaving the Police or Local Authorities with an on-going revenue burden. For example, Section 106 funding has been used in the past to install CCTV in town centres, leaving Local Authorities and the Police to pick up a long term revenue cost.

All public bodies are seeking to minimise any long term revenue implications for a short term benefit. What I am aware of is on some occasions, private developers and retailers will commit to providing revenue funding over a longer period of time, sometimes up to 10 years but this is rare in my experience.

Nottinghamshire Police are fully engaged with district planning authorities to maximise any Section 106 opportunities as they arise. The current challenging financial climate has had an impact on the number of new developments. Force representatives are therefore working with developers and local authorities to ensure that increasing community safety and reducing opportunistic crime are considered in the first instance of the planning stage therefore not building in the necessity for short or long term revenue commitments. This ensures that long term solutions are applied to developments at a time of extreme financial pressures.

I can confirm, however that the Police Authority and the Force will continue to review planning applications on a regular basis to see whether any of these are suitable for funding via Section 106 or indeed under the new Community

Infrastructure Levy to benefit Policing and the community safety in Nottinghamshire.

I am sure Councillor Stendall and other members will support the Police Authority and Nottinghamshire Police to persuade councils across Nottinghamshire to prioritise funding from their local Community Infrastructure Levy schemes to reduce crime and promote community safety.

Nottinghamshire Police need the support from local councils to benefit from this funding.”

REPORT OF THE CHIEF EXECUTIVE
Clarification of Minutes of Committee Meetings published since the last meeting on 17th May 2012
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 17th May 2012.

Information and Advice

2. The following minutes of Committees have been published since the last meeting of Full Council on 17th May 2012.

Committee meeting	Minutes of meeting
Administration Committee	28 th May 2012*
Adult Social Care and Health Committee	11 th June 2012
Appeals Sub-Committee	1 st May, 14 th May, 30 th May and 14 th June 2012*
Audit Committee	14 th March 2012
Children & Young People's Committee	None
Community Safety Committee	29 th May 2012
Corporate Parenting Sub-Committee	None
Culture Committee	29 th May 2012
Early Years and Youth Services Sub-Committee	None
Economic Development Committee	None
Environment and Sustainability Committee	31 st May 2012
Finance and Property Committee	28 th May and 18 th June 2012*
Grant Aid Sub-Committee	None
Health Scrutiny Committee	None
Joint City/County Health Scrutiny Committee	15 th May and 12 th June 2012
Joint Committee on Strategic Planning and Transport	23 rd March 2012
Nottinghamshire Pensions Fund Committee	30 th April 2012
Pensions Investment Sub-Committee	10 th May 2012
Pensions Sub-Committee	None
Personnel Committee	23 rd November 2011
Planning & Licensing Committee	24 th April 2012
Policy Committee	23 rd May 2012
Rights of Way Committee	26 th April and 9 th May 2012

Shadow Health and Wellbeing Board	2 nd May 2012
Standards Committee	28 th February 2012
Transport and Highways Committee	14 th June 2012*

* Minutes expected to be published before 5th July 2012, but not yet approved by the relevant Committee.

Mick Burrows
Chief Executive

REPORT OF THE CHIEF EXECUTIVE

POLICE AND CRIME PANEL ARRANGEMENTS

Purpose of the Report

1. To seek approval of arrangements to enable the establishment of a Police and Crime Panel for the Nottinghamshire Force area (the Panel) and appropriate representation of Nottinghamshire County Council on the Panel.

Information and Advice

2. The Police Reform and Social Responsibility Act (the Act) makes provision for Police Authorities to be replaced by Police and Crime Commissioners; elections are scheduled for 15 November 2012.
3. Commissioners will be responsible for appointing chief constables and holding them to account, setting police and crime plans and determining local policing priorities, setting budgets for police forces, and making community safety grants.
4. The Act requires police and crime panels to be established as joint committees to oversee the work of Commissioners. In the Nottinghamshire Force area this means that a panel needs to be established incorporating representatives of the County, City, Borough and District Councils. The Panel must be established by the time commissioners take office, but it is recommended that shadow arrangements are put in place as soon as is practical in order to enable The Panel to make necessary arrangements.
5. The Panel will be responsible for scrutinising the Commissioner, promoting openness in police business and supporting the Commissioner in the exercise of their functions. As such it is not a replacement for the Police Authority, the role of which will be undertaken by the Commissioner.

6. The Act requires the functions and procedures rules for the operation of panels to be set out in 'panel arrangements' and 'rules of procedure'. The panel arrangements must be determined by local authorities collectively; rules of procedure are for the Panel to approve once established.

Panel Arrangements

7. Nottinghamshire Leaders' Group has developed the draft panel arrangements attached to this report at **Appendix A**. It is proposed that Council formally approves the draft arrangements.
8. It should be noted that the panel arrangements appoint the County Council as Host Authority; the Council will be responsible for maintaining the Panel and arranging administrative, secretarial and professional support as necessary.

Panel Membership

9. The Act stipulates that Police and Crime Panels must represent all parts of the relevant area, be politically balanced, and have a membership that has the necessary skills, knowledge and experience. The Act requires that panels for multi-authority areas with 10 local authorities or less must have 10 elected councillor members; 1 for each local authority represented and the necessary additional number to reach the figure of 10.
10. Therefore the Nottinghamshire Force area must have 10 elected members on its Panel; 1 for each authority plus 1 additional appointment.
11. It is proposed that the County Council nominates 1 Majority Group County Councillor for appointment to the Panel.
12. If the nominated County Councillor is appointed Chairman or Vice Chairman of the Panel, Council will be asked to consider whether they should be entitled to a special responsibility allowance (SRA), payable by the County Council. It is not proposed to pay any allowance for ordinary membership of the Panel.

Other Options Considered

13. If authorities fail to approve arrangements for the Panel and to appoint members, the Act allows for the Secretary of State to impose arrangements.

Reason/s for Recommendation/s

14. To ensure a Police and Crime Panel is established in readiness for the appointment of the Police and Crime Commissioner in November 2012.

Statutory and Policy Implications

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

Financial Implications

16. The Home Office has indicated that it will provide £53,000 per annum to support the Panel, plus up to £920 towards expenses per Panel member. As stated in paragraph 12 above, any SRA for the Council's nominee would be payable by the County Council; it is not proposed that costs would be met from Home Office funds.

RECOMMENDATION/S

- 1) That the Panel Arrangements set out in **Appendix A** to the report be approved.
- 2) That the appointment of Nottinghamshire County Council as Host Authority for the Panel be noted.
- 3) That 1 Majority Group County Councillor is nominated as the Council's representative on the Panel.
- 4) That in the event of the Council's nominee being appointed as Chairman or Vice Chairman of the Panel, consideration will be given to payment of an SRA.

Mick Burrows
Chief Executive

For any enquiries about this report please contact:

Chris Holmes
chris.holmes@nottsc.gov.uk
0115 9773714

Constitutional Comments (SLB 22/06/2012)

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

Financial Comments (MB 26/06/12)

18. The financial implications are set out in paragraph 16 of the report.

Background Papers

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

- The Police Reform and Social Responsibility Act 2011 is published (<http://www.legislation.gov.uk/ukpga/2011/13/section/3/enacted>)
- The Local Government Association has published guidance on Police and Crime Commissioners and Panels (<http://www.local.gov.uk/pcc>)

Electoral Division(s) and Member(s) Affected

All

APPENDIX A DRAFT PANEL ARRANGEMENTS

Background

1. Each local authority and each member of the Police and Crime Panel (the Panel) must comply with the Panel Arrangements.
2. The functions of the Panel must be exercised with a view to supporting the effective exercise of the functions of the Police and Crime Commissioner (the Commissioner) for Nottinghamshire.

Functions of the Police and Crime Panel

The terms of reference of the Panel are as follows: -

3. To review and submit a report or recommendation on the draft police and crime plan, or draft variation, given to the Panel by the Police and Crime Commissioner.
4. To review the annual report and put questions regarding the report to the Police and Crime Commissioner at a public meeting, and submit a report or recommendation as necessary.
5. To hold a confirmation hearing and review, submit a report, and recommendation as necessary in respect of proposed senior appointments made by the Police and Crime Commissioner (Chief Constable, Chief Executive, Chief Finance Officer and Deputy Police and Crime Commissioner).
6. To review and submit a report and recommendation as necessary on the proposed precept.
7. To review or scrutinise decisions made or other action taken by the Police and Crime Commissioner in connection with the discharge of the Commissioner's functions.
8. To submit reports or recommendations to the Police and Crime Commissioner with respect to the discharge of the Commissioner's functions.
9. To support the effective exercise of the functions of the Police and Crime Commissioner.
10. To fulfil functions in relation to complaints in accordance with the Panel's responsibilities under the Police Reform and Social Responsibility Act 2011 (the Act).
11. To appoint an Acting Police and Crime Commissioner if necessary.
12. To suspend the Police and Crime Commissioner if it appears to the Panel that the Commissioner has been charged with a relevant offence.
13. To exercise any other functions delegated to police and crime panels under the Police Reform and Social Responsibility Act 2011 as required.

Operating Arrangements

14. The Panel is a joint committee of the county, city, borough and district councils in Nottinghamshire.
15. Nottinghamshire County Council will be the Host Authority in establishing and maintaining the Panel and will arrange the administrative, secretarial and professional support necessary to enable the Panel to fulfil its functions.
16. The Panel will be comprised of 10 councillors and a minimum of two co-opted independent members. Councillor membership can be increased by co-opting additional members with the unanimous agreement of the Panel, and any proposal for an increase in membership would be subject to the approval of the Secretary of State.
17. All Members of the Panel may vote in proceedings.
18. The local authorities will co-operate to provide the Panel with additional officer support for research, training and development, or where particular expertise would be of assistance.
19. The local authorities will co-operate to ensure that the role of the Panel is promoted internally and externally and that members and officers involved in the work of the Panel are given support and guidance in relation to the Panel's functions.
20. The Panel must have regard to the Policing Protocol issued by the Home Secretary in carrying out its functions.

Financial Arrangements

21. The funding provided by the Home Office to support the work of the Panel will be received by the County Council as Host Authority. The Panel will seek to operate within the limit of the Home Office funding.
22. The Home Office funding includes a specified sum per member per annum to cover their expenses. Each local authority will be allocated the appropriate sum and will pay the expenses of its own representatives.
23. Each authority has discretion to pay its representatives an allowance including any special responsibility allowance if they are appointed Chairman or Vice Chairman.

Membership – Appointed Members

24. Appointment of elected members to the Panel will be made by each local authority at its annual meeting or as soon as possible afterwards, in accordance with its procedures. Appointments will be made with a view to ensuring that the "balanced appointment objective" is met so far as is reasonably practicable, i.e. to:-
 - a. represent all parts of the police area;
 - b. represent the political make-up of the relevant authorities and the Police Force area overall
 - c. have the skills, knowledge and experience necessary for the Panel to discharge its functions effectively

25. The Panel's membership will be one councillor appointed by each authority plus one additional councillor appointed by Nottingham City Council.
26. It is for each council to decide whether to appoint executive or non executive members (if applicable), however where there is an executive mayor they must be nominated as an authority's representative (although they are not under a duty to accept the nomination).
27. The Panel will review at its annual meeting whether or not the balanced appointment objective is being met and if it concludes that it is not, the Panel will determine what action is needed to meet the objective.

Membership – Co-opted Members

28. The Panel will co-opt two independent members in accordance with the eligibility criteria set out in the Act.
29. The Panel will invite nominations and will make arrangements for appointment.
30. Independent members will be appointed for a term of 2 years. There will be no restriction on the overall time period that an independent member can serve on the Panel.

Conduct of Panel Members

31. Members appointed by authorities will be subject to their own authority's code of conduct. Independent co-optees will be subject to the Host Local Authority's code of conduct.

Vacancies

32. Each council will fill vacancies for elected members in accordance with the arrangements in its constitution. Vacancies for independent members will be filled in accordance with the selection process agreed by the Panel.

Resignation of Members

33. Members of the Panel who wish to resign should do so in writing to their appointing council (as applicable) who will in turn notify the Host Local Authority as soon as possible

Removal of Appointed Members

34. Each local authority will have the right to change its appointed member at any time but must give notice to the Host Local Authority and ensure that replacement does not affect the political balance requirement.

Removal of Independent Members

35. An independent member may only be removed from office if an appointed member has given notice to the Host Local Authority at least 10 working days prior to a meeting of the Panel, of their intention to propose a motion that an independent member's co-option be terminated. At the subsequent meeting, termination will only be confirmed if at least two-thirds of the persons who are members of the Panel at the time when the decision is made vote in favour of termination.

Amendments to Panel Arrangements

36. Changes to the Panel Arrangements can only be made with the unanimous approval of all the local authorities in the Nottinghamshire Force area. The only exception to this requirement is that the Panel can decide to increase the number of co-opted members, subject to Secretary of State approval. Any councillor co-options also require the agreement of all the members of the Panel.

Promotion of the Panel

37. The Panel Arrangements will be promoted by:

- a. The establishment and maintenance by the Host Local Authority of a webpage
- b. All the local authorities including information about the Panel on their websites
- c. Appropriate support and guidance will be provided to members and officers of the local authorities in relation to the functions of the Panel.

REPORT OF THE FINANCE AND PROPERTY COMMITTEE**TREASURY MANAGEMENT POLICY UPDATE****Purpose of the Report**

1. To amend the Treasury Management Policy and Practices to reflect the change in the Committee responsibility for the scrutiny of the Council's treasury management activities.

Information and Advice

2. The Council approved the current Treasury Management Strategy and Policy on 23 February 2012. The treasury management practice (TMP) on reporting requirements and management information arrangements (TMP 6) specifies the Audit Committee as the responsible body for the scrutiny of treasury management policies and practices.
3. Following the adoption of a committee system from 17 May 2012, it is appropriate to review the relevance of this role for Audit Committee. The terms of reference of the various committees are included in the revised Constitution. The Finance and Property Committee's terms of reference include:
 - Responsibility for the financial management of the Authority including recommending to Council the financial strategy, annual revenue budget, annual capital budget, asset management plan and precept on billing authorities
 - Responsibility for the monitoring, reviewing and development of the financial framework of the Council including its audit, investments, budgeting and accounting functions
4. The Finance and Property Committee therefore now has responsibility for the scrutiny of treasury management policies, practices and activities. This reflects the objective of CIPFA's code of practice on treasury management for local authorities to ensure an effective risk management process and transparency in treasury management decisions. County Council retains responsibility for approving and amending the Treasury Management Policy.

Statutory and Policy Implications

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

Implications for Sustainability and the Environment

6. None

RECOMMENDATION/S

- 1) That, given that the Finance and Property Committee now has responsibility for the scrutiny of treasury management policies and activities, appropriate changes are made to the Council's Treasury Management Policy and Practices.

Paul Simpson

Service Director – Finance and Procurement

For any enquiries about this report please contact: Simon Cunnington ext. 72581

Constitutional Comments (SLB 27/06/2012)

7. County Council has authority to consider the matters set out in this report.

Financial Comments (SRC 27/06/12)

8. There are no financial implications arising from the report.

Background Papers

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

The Local Government Act 2003

Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (Fully Revised Third Edition 2011), CIPFA

Treasury Management in the Public Services: Guidance notes for Local Authorities including Police Authorities and Fire Authorities, 2011, CIPFA

REPORT OF THE FINANCE & PROPERTY COMMITTEE**MANAGEMENT ACCOUNTS 2011/12****Purpose of the Report**

- 1.1 To inform Council of the 2011/12 year end position for the management accounts of the authority.
- 1.2 To request Council:
 - a) Approve the carry forward of £1.7m of savings into 2012/13
 - b) Approve the transfer to County Fund Balances of £1.6m
- 1.3 To inform Council of the position on other reserves of the authority.
- 1.4 To inform Council of capital expenditure and financing in 2011/12.
- 1.5 To inform Council that capital expenditure and borrowing in 2011/12 were managed within the Council's prudential indicators.
- 1.6 To inform Council of treasury management activities during 2011/12.

Information and Advice**2. Background**

- 2.1 The financial position of the County Council has been monitored throughout the 2011/12 financial year. Monthly reports were prepared for CLT and the Portfolio Holder, to update against progress and ensure decision makers had access to financial information on a timely basis. In addition, quarterly budget monitoring reports were prepared for Cabinet, the most recent being the period 9 report which went to Cabinet on the 14th March. This report is the final out-turn for 2011/12.

3. Summary Financial Position

- Through prudent financial management and some acceleration of future savings plans, Portfolio budgets have achieved a net saving of £34.3m or 6.3% of net Portfolio budgets. After allowing for restructuring costs of £19.5m, additional resources will be earmarked to support the County Council's Capital programme, thereby reducing future borrowing costs, as well as providing further support for the County Council's on-going Improvement Programme.
- Of the total £19.5m of restructuring costs, £16.5m relates to restructuring within the Portfolios, £2.5m is a contribution to School's restructuring costs, and the remainder relates to trading services. The amount of £19.5m includes the net costs incurred this financial year and £5.2m in respect of 2012/13 which must be included in the accounts for this financial year.
- Carry Forward requests totalling £1.7m have been submitted to support key areas and future pressures in Portfolio budgets. These are detailed in Appendix B.

- The overall Schools Reserve has increased by £7.4m to £39.2m. Within this total school accumulated balances have increased by £6.7m to £36.1m (see section 7.2).
- The level of County Fund balances, subject to approval, will increase by £1.6m to £29.7m.
- The relevant figures are summarised in Appendix A, showing details for Portfolio Budgets, Schools, Central items and Use of Reserves and Balances.
- Table 1 shows the summary revenue position of the County Council.

Table 1 – Summary Financial Position

Portfolio	Final Budget £'000	Draft Out-turn £'000	Draft Variance £'000
Children & Young People's Services	165,087	158,038	(7,049)
Adult Social Care & Health	210,818	192,221	(18,597)
Transport & Highways	59,910	60,483	573
Environment & Sustainability	28,311	26,923	(1,388)
Community Safety	4,627	4,078	(549)
Culture & Community	15,485	15,092	(393)
Leader	7,154	6,634	(520)
Deputy Leader	16,566	11,115	(5,451)
Finance & Property	30,520	29,738	(782)
Personnel & Performance	5,931	5,794	(137)
Net Portfolio out-turn before restructuring costs	544,409	510,116	(34,293)
Portfolio Restructuring costs	0	16,535	16,535
Schools Budgets	1,122	(6,265)	(7,387)
Central Items	(33,513)	(49,287)	(15,774)
Forecast prior to use of reserves	512,018	471,099	(40,919)
Carry Forwards 2010/11	(39)	(39)	0
Carry Forwards 2011/12	0	1,689	1,689
School Statutory Reserve	0	7,387	7,387
East Leake PFI	201	184	(17)
Bassetlaw PFI	93	10	(83)
Waste PFI	2,840	2,693	(147)
Capital Projects Reserve	0	12,000	12,000
Improvement Programme	(562)	9,441	10,003
Life Cycle Maintenance	(24)	0	24
DSO Capital Financing	517	597	80
Redundancy Reserve	(3,119)	0	3,119
Pay Review Reserve	1,000	0	(1,000)
Supporting People	(1,200)	0	1,200
Transfer to / (from) reserves	(293)	33,962	34,255
Transfer to / (from) General Fund	(5,100)	1,564	6,664
Net County Council	506,625	506,625	0

4. Portfolio & Corporate Items

- 4.1 The overall net saving within the Portfolios is £34.3m, which is 6.3% of the net Portfolio budgets.

The principal reasons for the variations are:

4.2 Children & Young People's Services (£7.0m saving, 4.3% of Portfolio budget)

- The Portfolio has contributed £7.6m to the restructuring costs.
- Savings have been achieved in a number of areas as a result of strict budgetary control measures and vacancy savings.
- Youth, Families & Culture Division achieved savings as a result of Early Years and Early Intervention partners' commitment to reduce staffing costs.
- Children's Social Care also achieved savings due to the increase in the number of placements being less than anticipated and the costs associated with the adoption financial support scheme, children looked after projects and works at residential homes being lower than expected.

4.3 Adult Social Care and Health (£18.6m saving, 8.8% of Portfolio budget)

- The Portfolio has contributed £3.4m to the restructuring costs.
- The primary reason for the saving is an additional £8.5m of client contributions. This is a combination of £4.9m from people who are placed in residential and nursing homes, and £1.6m from charges for community based services and personal budgets as a result of introducing a 'Fairer Contributions Policy'. Some of this additional income was forecast and has been included in the savings proposals for 2012/13. A further £2.0m additional income for client contributions to residential and nursing care received in the previous financial year, has resulted in a one off favourable variance in 2011/12 only.
- There was an NHS allocation of £9.6m of which £4m has been used to offset demographic pressures, £1.5m has been used to support the Supporting People budget and £4.1m has been used to fund agreed priorities with the PCT to support pressures in the health service. A further allocation of £2m was received in January 2012 and Bassetlaw PCT transferred £0.5m to deal with winter pressures. This money was allocated to agreed priorities and assisted in delivering the level of savings in Council resources in 2011/12.
- The Younger Adults division have achieved savings of £4.1m as a result of lower spending on packages of care due to a number of factors including reduced numbers of new service users compared to those expected, further reductions in the cost of packages of care negotiated with providers and increased contributions from the Health Service towards jointly funded packages of care.
- The overall Portfolio savings, have been offset by overspends on Supporting People and Putting People First, which were budgeted to be met from reserves. The overall level of savings meant that these reserves were subsequently not required.

4.4 Transport & Highways (£0.6m overspend, 1.0% of Portfolio budget)

- The Portfolio has contributed £0.6m to the restructuring costs.
- The main area of overspend is in Highways as a result of Road Lighting energy costs. Savings of 30% were expected on the rates, but the actual savings have been in the order of 22%. There has also been an overspend on Carriageway Patching and on repairs following Accidents and Vandalism, due to unavoidable works being required.
- This has been partly offset by compensating savings across a number of other budgets, most notably in Employee and related expenses. There has also been a small saving in the Winter Maintenance budget following the milder than expected winter.

- Travel and Transport Services have achieved savings primarily as a result of a £1.1m refund of development costs from Nottingham City Council in relation to NET Line 2. This was in line with the termination agreement approved by Council in January 2011, with the final payment due on financial close, achieved 15th December 2011.
- This is offset by an overspend on the Concessionary Fare scheme as a result of increased passenger numbers, and funding of the discretionary element of the scheme. There has also been an overspend on local bus services, with some services re-instated to meet demand.

4.5 Environment and Sustainability (£1.4m saving, 4.9% of Portfolio budget)

- The Portfolio has contributed £1.5m to the restructuring costs.
- The Waste PFI contract has delivered savings of £1.7m due to lower than anticipated waste tonnages when compared to the expected position.
- Energy and Carbon Management have achieved savings of £0.6m. £0.2m of this is due to changes to street lighting tariffs with the remaining savings attributable to energy saving measures, and the milder than envisaged winter.
- Partnerships and Performance have achieved savings in employee costs and additional savings in the disposal of clinical waste from reduced tonnages.
- The Research and Strategic Analytical Unit have also achieved savings in employee expenses and costs have reduced in mapping services following the transfer of the Ordnance and Survey agreement from the County Council to a national level.

4.6 Community Safety (£0.5m saving, 11.9% of Portfolio budget)

- The Portfolio has contributed £0.4m to the restructuring costs.
- The primary saving is in Trading Standards where savings have been achieved across the whole of the service in addition to increased income.
- Staff savings have also been achieved in Stronger Communities, Safer Communities and Grant Aid.

4.7 Culture and Community (£0.4m saving, 2.5% of Portfolio budget)

- The Portfolio has contributed £1.2m to the restructuring costs.
- The primary saving is in Libraries, Archives & Information as a result of planned staffing savings being delivered from April rather than from June. In addition, there has been further savings in energy and running costs.

4.8 Leader (£0.5m saving, 7.3% of Portfolio budget)

- The Portfolio has contributed £0.3m to the restructuring costs.
- Savings have been achieved in employee expenses, County Hospitality, and travel and subsistence.
- In addition Communications and Marketing received additional income from printing and a saving on the printing of various publications.

4.9 Deputy Leader (£5.5m saving, 32.9% of Portfolio budget)

- The Portfolio has contributed £0.2m to the restructuring costs.
- Savings of £8.3m have been achieved in the Improvement Programme as a result of slippage on the Ways of Working (WOW) Programme of £2.2m, a revenue saving on BMS following the capitalisation of some costs and general savings across the remaining programme.

- In addition, savings have been achieved in the Customer Services Centre and Customer Management.
- There has been a shortfall of £3.0m on the Procurement savings, due to the focus of the Procurement Centre's efforts being primarily on supporting the delivery of approximately £40.0m savings across Portfolios.
- Procurement and Payments and Legal Services also overspent due to additional staff costs and reduced income respectively.

4.10 Finance and Property (£0.8m saving, 2.6% of Portfolio budget)

- The Portfolio has contributed £0.7m to the restructuring costs.
- Property Services saved £0.5m from reduced running costs and £0.2m due to lower water monitoring costs within Building Maintenance works.
- In addition IT services have achieved savings due to a delay in the equipment replacement programme, and employee savings have been delivered in Finance and Strategic Services through acceleration of budget reductions planned for 2012/13.

4.11 Personnel and Performance (£0.1m saving, 2.3% of Portfolio budget)

- The Portfolio has contributed £0.6m to the restructuring costs.
- Human Resources have achieved savings on Learning and Development budgets and Performance have made staff savings through the acceleration of planned 2012/13 savings.
- This has been offset by an overspend on the Business Support Centre due to additional employee costs incurred to support the introduction of BMS.

4.12 Carry Forwards

- The Council has a carry forward protocol which enables planned savings to be carried forward into the following financial year to support Committee priorities. This approach encourages rigorous financial management and budgetary control whilst at the same time providing a degree of flexibility for budget managers.
- In accordance with this protocol, Council is asked to approve carry forwards of £1.7m to support priority areas within Portfolio budgets in 2012/13. The details are set out in Appendix B.

5 Schools Budgets (£7.4m surplus)

5.1 Schools are transferring a net £7.4m surplus into the accumulated balances within the Schools Statutory Reserve. This is broken down as follows:

- £7.0(-)m from Standards Fund balances
- £13.8m into Schools balances
- £1.0(-)m from Schools Capital balances
- £1.5m into the Non-Individual Schools Budget (ISB) balances
- £0.2m in repayment of loans

6 Central Items (£15.8m saving)

6.1 General contingency (£16.1m saving)

The original budget included a contingency of £25.7m, of which £5.0m was earmarked for Children's Social Care and a further £4.1m was earmarked for Adult Social Care & Health. The total allocations, as set out in Appendix C, amount to £9.6m, resulting in a saving of £16.1m, primarily due to restructuring payments being funded by Portfolios. There are no additional contingency allocations awaiting approval.

6.2 Interest (£2.2m saving)

The saving is due to a net reduction in interest payable as a result of delays in the phasing of the capital programme, which has reduced the need to undertake additional borrowing.

6.3 Statutory Provision for Debt Redemption (£0.9m overspend)

The budget included an estimate of the Minimum Revenue Provision (MRP) that was based on the assumption that the mix of assets types on which capital expenditure would be incurred in 2010/11 would be similar to that of previous years. This was not the case and as a result MRP was higher than had been forecast.

6.4 Government grants (£0.9m saving)

The saving is primarily due to receiving additional Local Services Support Grant (LSSG).

6.5 Schools restructuring (£2.5m overspend)

Central funding of £2.5m has been used to meet one-off restructuring costs in 2011/12 relating to schools that have converted to academies, are due to convert or which have expressed an interest in doing so.

7 Movements on Balances and Reserves (see Appendix D)

7.1 County Fund Balances

County Fund Balances increased by £1.6m during the year due to the net savings set out above. The balance now stands at £29.7m.

7.2 Schools Reserve

The Schools Reserve has increased by £7.4m, which brings the balance at the end of 2011/12 to £39.2m, analysed as follows in Table 2:

Table 2 – Schools Statutory Reserve

Description	Balance £'000
Standards Fund balances held by schools	0
Accumulated net surplus' by schools	36,076
Total schools balances (held by Governors)	36,076
Adjustments:	
Balance carried forward for Building Schools for the Future	0
Non-Individual Schools Budget Balances	4,386
Internal borrowing against the Reserve (school loans scheme – repayable by schools)	(1,311)
Schools Statutory Reserve	39,151

The movement in school balances by sector is shown in Table 3.

Table 3 – School Balances by Sector

Sector	01/04/11 £'000	Movement £'000	31/03/12 £'000
Nursery	181	57	238
Primary	14,795	10,019	24,814
Secondary	5,933	3,045	8,978
Special	1,402	644	2,046
Total	22,311	13,765	36,076

The number of primary and secondary schools with budget deficits has decreased, largely due to some becoming Academies. The total amount owed by schools in deficit is £3.0m and recovery plans have been put in place to address these deficits. Where schools have surpluses above a level regarded acceptable for contingency purposes (5% for secondary schools and 8% for all other schools) these are also monitored and challenged.

7.3 Other Earmarked Reserves

At the end of 2011/12 the total of other 'earmarked' reserves stood at £129.3m, which consists of the following:

- **PFI Reserves**

£31.1m of reserves are held for PFI schemes, this equates to 24.1% of other earmarked reserves. The initial arrangements for calculating PFI grant meant that more grant was received in the early years of a PFI scheme than was needed to meet the payments to providers of the service. These surpluses need to be kept in an earmarked reserve to cover the corresponding deficits in later years. The amounts set aside at the end of 2011/12 are shown in Table 4 below.

Table 4 – PFI set aside 2011/12

PFI Scheme	£'000
East Leake	3,114
Bassetlaw Schools	1,289
Waste	26,739
Net Line 1	-
Total	31,142

In 2011/12 Nottinghamshire County Council withdrew from the Tram PFI scheme. As a result, £4.0m of the Net Line 1 Reserve has been used to remove the debtor from the County Council's balance sheet and the remaining balance has been transferred to the Capital Projects reserve to be used on other capital projects.

Following the Council's withdrawal from the Tram PFI scheme, the balance of £1.8m on the Tram Phase 2 Reserve is no longer required and so has been transferred to the Capital Projects Reserve to be used for future capital projects.

- **Insurance Reserve**

The Authority operates a self-insurance scheme and covers risks up to a certain amount. External insurers cover risks in excess of this figure. The Insurance Reserve is set aside to cover possible insurance claims losses that are not yet known about.

As proposed in the County Council Budget report (23/02/12), and following an independent assessment of the amount required in this reserve, £10.0m has been transferred to the Capital Projects Reserve. In addition £3.1m has been used this year, leaving a balance of £7.6m as at the 31 March 2012.

- **Capital Projects Reserve**

The Budget Report to County Council (23/02/2012) proposed to increase the Capital Projects Reserve to support future capital commitments, thereby reducing reliance on borrowing and the associated repayment costs. As outlined above, contributions have been made from the Insurance Reserve, the PFI Reserve and £12m from in year revenue savings (negating the planned contribution from County Fund Balances). As at the 31 March 2012, the balance on the Capital Projects Reserve is £27.6m.

- **Improvement Programme**

Over the five years, the Improvement Programme has a revenue allocation of £21.3m. £8.3m of the 2011/12 allocation was not utilised due to slippage on the Ways of Working (WOW) Programme of £2.2m, a saving on BMS and general savings across the remaining programme. This has been transferred into the Improvement Programme Reserve along with an additional £1.1m for future BMS and Electronic Document Records Management System (EDRMS) costs, bringing the total in the reserve to £18.0m at the end of 2011/12.

- **Life Cycle Maintenance**

The Life Cycle Maintenance Reserve was established to spread the cost of maintaining new buildings. An annual contribution is usually made to the reserve in the earlier years which will be gradually offset by increasing maintenance costs as the new buildings become older. There was no budgeted contribution in 2011/12 due to savings required to balance the budget. Therefore the balance on the reserve remains at £3.7m. An annual budgeted contribution of £0.5m has been reinstated in the 2012/13 Budget.

- **Trading Activities**

The principal purpose of the Trading Activities Reserve is to accumulate funds for asset replacement, and after contributions to and uses of the reserve during 2011/12, there was £3.2m in this reserve at the year end.

- **Redundancy Reserve**

The Redundancy Reserve created in 2009/10 has not been used in 2011/12 and therefore remains £3.1m. This will be used to help meet restructuring costs in excess of the amount already held in contingency for future years.

- **Performance Reward Grant**

The balance of £1.1m brought forward has been fully shared with the District Councils.

- **Pay Review Reserve**

The Pay Review Reserve balance remains unchanged at £2.1m after savings in the Portfolios meant that the cost of the project team and the remaining costs associated with the Council's Job Evaluation Scheme could be funded without the use of the reserve. The remaining reserve is earmarked for the future costs of the job evaluation team and any additional costs associated with the Pay Review for Schools.

- **Departmental Reserves**

All departments have reserves for identified purposes. In addition, Financial Reporting Standards require grant income to be carried on the Balance Sheet until the conditions of the grant have been satisfied. During the year, these departmental balances increased by £0.8m to £31.2m. The original budget included the net use of £6.1m reserves, which has been avoided by the achievement of additional savings in the Portfolio revenue budgets.

8 Capital Expenditure

8.1 Capital Expenditure in 2011/12 totalled £91.1m. Table 5 below shows the final 2011/12 Capital Programme broken down by Portfolio.

Table 5 – 2011/12 Capital Expenditure

Portfolio	Original Budget £'000	Revised Budget £'000	Total Out-turn £'000	Variance £'000
Children & Young People's Services	30,324	32,504	26,079	(6,425)
Adult Social Care & Health	1,905	2,089	1,324	(765)
Transport & Highways	33,984	42,179	39,839	(2,340)
Environment & Sustainability	4,146	5,747	4,805	(942)
Culture & Community	5,692	4,675	4,117	(558)
Deputy Leader	4,324	5,272	4,738	(534)
Finance & Property	9,721	13,204	9,640	(3,564)
Personnel & Performance	520	840	562	(278)
Contingency	22,744	47	0	(47)
Total	113,360	106,557	91,104	(15,453)

Note: These figures exclude any expenditure from the Schools Devolved Formula Capital Grant of £2.5m and schools' capital expenditure of £9.6m funded from their own revenue budgets.

8.2 Appendix E gives a more detailed breakdown of capital expenditure in 2011/12. Some major areas of investment in 2011/12 are listed in Table 6 below.

Table 6 – Major investment areas 2011/12

Portfolio	Scheme	2011/12 Capital Expenditure £'000
CYPS	Primary Capital Programme	5,663
	Schools Capital Refurbishment Programme	4,788
	Special Schools Programme	3,872
	Springbank	3,819
	Greasley Beauvale Infants and Junior	2,749
	Eastwood and Mansfield Young People's Centres	1,633
	School Access Initiative	939
ASCH	Day Services Modernisation	316
	Bassetlaw Specialist Day Centre	301
Transport & Highways	Road Maintenance & Renewals	16,911
	Local Transport Plan	7,344
	Highways Depots Rationalisation	6,543
	Street Lighting Renewal	2,000
	Mansfield Public Transport Interchange	1,644
	Flood Alleviation & Drainage	1,116
Environment & Sustainability	Local Improvement Schemes	3,685
Culture & Community	Mansfield Library	2,490
	West Bridgford Library	615
Deputy Leader	Business Management System	2,966
	Ways of Working Programme	1,619
Finance & Property	Building Works	4,072
	Various IT Capital Projects	3,262
	IT Data Centre	1,672

Capital Programme Variations

8.3 The changes in the gross Capital Programme for 2011/12, since its approval at Council (24/02/11) are summarised in Table 7 below.

Table 7 2011/12 Capital Programme

	2011/12	
	£'000	£'000
Approved per Council (Budget Book 2011/12)		113,360
Incorporated in Budget Report (Council 23/02/12)		
Net slippage from 2010/11 and financing adjustments	29,400	
Variations noted at Cabinet 14/03/12	(11,369)	
Re-phasing/slippage from 2011/12 to future years	(24,834)	
Subsequent to Budget Report (Council 23/02/12)		
Variations noted/approved by F&P Portfolio	(2,958)	
Variations approved by F&P Committee	1,140	
Net re-phasing/slippage from 2011/12 to future years	(13,635)	
		(22,256)
Final revised gross Capital Programme		91,104

Slippage/re-phasing of Capital Schemes

8.4 In addition to the slippage and re-phasing of schemes incorporated into the Budget Report 2012/13 and previously notified to Cabinet (14/03/12), there has been £13.6m of further net slippage/re-phasing on a number of schemes, of which £8.5m relates to schemes funded by capital allocations (borrowing). The main areas of this further slippage/re-phasing are:

- Schools Capital Refurbishment Programme (£1.7m slippage)
- Schools Basic Need Programme (£0.9m)
- Transport & Travel Services Vehicle Replacements (£0.9m)
- Ways of Working Programme (£1.5m)
- Building Works (£1.3m).

Acceleration of £1.1m in the Roads Maintenance Programme has followed the planned over-programming of schemes.

Capital Financing

8.5 The following Table outlines how the 2011/12 capital expenditure has been financed.

Table 8 - 2011/12 Capital Financing

	Original Budget £'000	Revised Budget £'000	Actual Expenditure £'000
Funding Source:			
Prudential Borrowing	59,278	48,356	37,838
Capital Grants	52,746	54,071	53,266
Revenue/Reserves	1,336	4,130	0
Gross Capital Programme	113,360	106,557	91,104

- 8.6 Capital receipts for 2011/12 totalled £16.1m, which is close to the £17.0m originally anticipated. These capital receipts, together with £3.3m of revenue and reserves funding that had been earmarked to support the Capital Programme, have been set against the principal of borrowing in previous years. Analysis has determined that this application of funding sources is optimum in terms of reducing the impact of the Capital Programme on the revenue account.
- 8.7 Total borrowing for the year is £37.8m, which is £21.5m less than the original planned borrowing for 2011/12 of £59.3m. This is primarily as a result of the slippage/re-phasing of capital expenditure to be funded from prudential borrowing. The corresponding funding (capital allocations) will be carried forward and incorporated into the Capital Programme for 2012/13.
- 8.8 Council (24/02/11) approved Prudential Indicators to aid the Authority to ensure that its capital investment plans in 2011/12 would be prudent, affordable and sustainable. Capital expenditure and borrowing in 2011/12 were managed within these indicators. Appendix F contains further details, including actual values of indicators required to be reported after the year end.
- 8.9 The Capital Programme for 2012/13 will be monitored to ensure that borrowing for 2012/13 is managed within the prudential limits approved by Council (23/02/12). Funding by borrowing in 2012/13 is now projected to be £75.9m. Although this is £11.8m more than the budgeted borrowing figure in the Budget Report 2012/13, any new capital expenditure slippage in 2012/13 will offset this and the Council's overall level of indebtedness is not expected to exceed previous forecasts. The size of the revised Capital Programme for 2012/13 is £132.8m.

9 Treasury Management Activities

- 9.1 All treasury management activities during 2011/12 were carried out within approved limits and adhered to approved policies and practices. Net additional borrowing amounted to £23.7m. During the year, the Council had an average investment balance of £56.8m and earned £0.471m in interest. Appendix G provides a full report on these activities.

10 Statement of Accounts

- 10.1 The pre-audited Statement of Accounts were certified by the S151 Officer before 30th June to meet the statutory requirements, the external audit will take place over the summer months and therefore figures are provisional, pending the completion of the audit.

Statutory and Policy Implications

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

RECOMMENDATIONS

12.1 To note the 2011/12 year end revenue position.

12.2 To approve the year-end carry forwards set out in section 4.12 and Appendix B.

12.3 To approve the level of County Fund Balances set out in section 7.1 and Appendix A.

12.4 To note the movements in reserves as detailed in section 7 and Appendix D.

12.5 To note the Capital Programme and its financing.

12.6 To note that the Council's Prudential Indicators were not breached in 2011/12.

12.7 To note the treasury management outturn report in Appendix G.

Paul Simpson
Service Director – Finance & Procurement

Constitutional Comments (KK 27/06/2012)

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

Financial Comments (PM 11/06/2012)

The financial implications are set out in the report.

Background Papers

None

Electoral Division(s) and Member(s) Affected

All

MANAGEMENT ACCOUNTS SUMMARY 2011/12

	2011/12 Final Budget £'000	2011/12 Final Out-turn £'000	Variance £'000
Portfolios			
Children and Young People's Services	165,087	158,038	(7,049)
Adult Social Care and Health	210,818	192,221	(18,597)
Transport & Highways	59,910	60,483	573
Environment & Sustainability	28,311	26,923	(1,388)
Community Safety	4,627	4,078	(549)
Culture and Community Leader	15,485	15,092	(393)
Deputy Leader	7,154	6,634	(520)
Finance and Property	16,566	11,115	(5,451)
Personnel and Performance	30,520	29,738	(782)
	5,931	5,794	(137)
Portfolio Requirements	544,409	510,116	(34,293)
Portfolio Restructuring costs	-	16,535	16,535
Contribution to Schools Restructuring costs	-	2,488	2,488
Net Portfolio Requirements	544,409	529,139	(15,270)
Schools Budget (after Dedicated Schools Grant)	1,122	(6,265)	(7,387)
Traders	-	-	-
Central Items Managed through Finance Portfolio			
Flood Defence Levies	281	264	(17)
DSO Pension and NJE Costs	1,801	1,727	(74)
General Contingency	16,096	-	(16,096)
Capital Expenditure Financing	-	-	-
Capital Charges included in Portfolios	(49,060)	(48,988)	72
Interest etc	18,006	15,855	(2,151)
Statutory Provision for Debt Redemption	16,731	17,587	856
Local Services Support Grant	-	(780)	(780)
New Homes Bonus	(660)	(619)	41
Early Intervention Grant	(29,008)	(29,142)	(134)
Council Tax Freeze Grant	(7,700)	(7,679)	21
Expenditure before Use of Reserves	512,018	471,099	(40,919)
Reserves and Balances			
2010/11 Carry Forwards	(39)	(39)	-
2011/12 Carry Forwards	-	1,689	1,689
Schools' Statutory Reserve	-	7,387	7,387
PFI Reserves:		-	-
East Leake PFI	201	184	(17)
Bassetlaw PFI	93	10	(83)
Waste PFI	2,840	2,693	(147)
Tram Net Line 1	-	-	-
Tram Phase 2	-	-	-
Capital Projects Reserve	-	12,000	12,000
Improvement Programme	(562)	9,441	10,003
Life Cycle Maintenance	(24)	-	24
Capital adjustment with Trading Activities	517	597	80
Corporate Redundancy	(3,119)	-	3,119
Pay Review	1,000	-	(1,000)
Departmental Reserves	-	-	-
Supporting People Reserve	(1,200)	-	1,200
Transfer to/(from) County Fund	(5,100)	1,564	6,664
Funding Required	506,625	506,625	-
Funding			
Council Tax/Surplus on Collection	(307,898)	(307,898)	-
Revenue Support Grant/Business Rates	(198,727)	(198,727)	-
Total Funding	(506,625)	(506,625)	-

MANAGEMENT ACCOUNTS SUMMARY 2011/12

	£'000	£'000
Children and Young People's Services		
Use a carry forward rather than charge the Schools budget for the Carbon Reduction Scheme.	350	
Support for the Richard Noble Education Programme	100	
Subtotal Children and Young People's Services		<u>450</u>
Adult Social Care and Health		
Refurbishment of the 6 remaining Care Homes		600
Transport & Highways		
Lengthmans Scheme		80
Culture and Community		
Creation of a Jubilee Fund		100
Deputy Leader		
National Graduate Development Programme 3 Posts		120
Finance and Property		
Under the rules set up for the Councillors Divisional Fund individual members are allowed to carry forward underspends of up to 10%		39
Personnel and Performance		
Council support for the Apprentice Scheme		300
Total proposed budget carry forward		<u><u>1,689</u></u>

MANAGEMENT ACCOUNTS SUMMARY 2011/12

	£'000	£'000
Contingency Per Original Budget		25,662
Less Approved Allocations:		
Specialist Placements to CYP	5,000	
Schools Income Generation Saving to CYP	270	
DOH Grant Funded Expenditure to ASCH	4,124	
Gypsy Liaison Officer to Leader	25	
Governance Officer, Health & Wellbeing board to Leader	42	
I Pledge to CSP	30	
Citizens Advice Bureau to Deputy Leader	75	
	<hr/>	9,566
Unallocated (Net)		<hr/> 16,096 <hr/>

MANAGEMENT ACCOUNTS SUMMARY 2011/12

	Actual 1/4/2011 £'000	Use (-) in in 2011/2012 £'000	Contrib'n (+) 2011/2012 £'000	Transfers 2011/2012 £'000	Actual 31/3/2012 £'000
County Fund Balances	28,124		1,564		29,688
Schools Reserves	31,764		7,387		39,151
Other Earmarked Reserves					
2010/11 Carry Forwards	39	(39)			-
2011/12 Carry Forwards	-		1,689		1,689
PFI Reserves:					
East Leake	2,776		338		3,114
Bassetlaw Schools	2,759	(1,520)	50		1,289
Waste	22,736		4,003		26,739
Tram (NET Line 1)	4,016	(3,977)		(39)	-
Tram Phase 2	1,770			(1,770)	-
Capital Projects	4,294	(549)	12,082	11,809	27,636
Improvement Programme	8,556		9,441		17,997
Life Cycle Maintenance	3,705				3,705
Trading Activities	2,885	(1,156)	1,432	-	3,161
Redundancy Reserve	3,119				3,119
Performance Reward Grant	1,061	(1,061)			-
Pay Review	2,059				2,059
Departmental*	30,436	(4,664)	5,410	-	31,182
Insurance	20,640	(3,068)		(10,000)	7,572
Total Other Earmarked Reserves	110,851	(16,034)	34,445	-	129,262

DEPARTMENTAL RESERVES DETAIL

	Actual 1/4/2011 £'000	Use (-) in in 2011/2012 £'000	Contrib'n (+) 2011/2012 £'000	Transfers 2011/2012 £'000	Actual 31/3/2012 £'000
Environment & Resources					
Asset Replacement	1,316	(865)	165	-	616
Capital	1,210	-	-	-	1,210
Other	1,070	(161)	1,056	-	1,965
Revenue Grants	717	(396)	-	-	321
Children, Families & Cultural Services					
Asset Replacement	451	-	-	(20)	431
Other Capital	1,057	(40)	296	174	1,487
Other	3,991	(605)	-	1	3,387
Revenue Grants	2,772	(508)	1,231	(323)	3,172
Policy, Planning & Corporate Services					
Asset Replacement	200	(7)	459	(80)	572
Other	-	-	-	57	57
Revenue Grants	181	(72)	94	111	314
Adult Social Care, Health & Public Protection					
Asset Replacement	593	-	-	-	593
Capital	60	-	-	-	60
Sheltered Employment	1,044	(67)	-	-	977
Other	8,372	-	2,000	80	10,452
Revenue Grants	7,402	(1,943)	109	-	5,568
Total Departmental Reserves	30,436	(4,664)	5,410	-	31,182

FINAL CAPITAL PROGRAMME 2011/12

CHILDREN AND YOUNG PEOPLE'S SERVICE PORTFOLIO CAPITAL PROGRAMME 2011/12					
	Original Budget Budget Report (Council 24/02/11) £'000	Approved Variations £'000	Revised Budget Budget Report (Council 23/02/12) £'000	Actual Expenditure £'000	Variance £'000
Primary Schools					
Primary Capital Programme	4,200	1,592	5,792	5,663	(129)
Springbank Primary	3,133	915	4,048	3,819	(229)
Greasley Beauvale Primary	1,365	1,480	2,845	2,749	(96)
Other Projects	3,176	(1,261)	1,915	912	(1,003)
Secondary Schools					
Secondary School Improvement	-	418	418	267	(151)
Other Projects	-	207	207	21	(186)
Special Schools					
Carlton Digby	6,027	(2,092)	3,935	3,872	(63)
Other Education Programmes					
Capital Refurbishment Programme	-	6,500	6,500	4,788	(1,712)
School Modernisation Programme	-	1,173	1,173	316	(857)
School Access Initiative	600	526	1,126	939	(187)
School Basic Need Programme	9,500	(9,000)	500	104	(396)
School Kitchens	-	300	300	187	(113)
Other Projects	-	512	512	39	(473)
Young People					
Eastwood Young People's Centre	398	723	1,121	1,029	(92)
Mansfield Young People's Centre	225	345	570	604	34
Other Projects	-	135	135	(20)	(155)
Children's Social Care					
Short Breaks Capital Fund	-	1,090	1,090	735	(355)
The Big House	1,700	(1,450)	250	54	(196)
Other Projects	-	67	67	1	(66)
Total Portfolio	30,324	2,180	32,504	26,079	(6,425)

**ADULT SOCIAL CARE AND HEALTH PORTFOLIO
CAPITAL PROGRAMME 2011/12**

	Original Budget Budget Report (Council 24/02/11) £'000	Approved Variations £'000	Revised Budget Budget Report (Council 23/02/12) £'000	Actual Expenditure £'000	Variance £'000
Personal Care and Support Older Adults					
Aiming for Excellence	-	-	-	-	-
Residential Homes (PCT Payment)	-	605	605	605	-
Personal Care and Support Younger Adults					
Short Breaks Schemes	309	(309)	-	34	34
Day Services Modernisation	-	498	498	316	(182)
Bassetlaw Specialist Day Centre	1,500	(751)	749	301	(448)
Joint Commissioning, Quality and Business Change					
Sheltered Employment	96	(9)	87	-	(87)
Promoting Independence and Public Protection					
Social Care Transformation Capital Grant	-	150	150	68	(82)
Total Portfolio	1,905	184	2,089	1,324	(765)

**TRANSPORT AND HIGHWAYS PORTFOLIO
CAPITAL PROGRAMME 2011/12**

	Original Budget Budget Report (Council 24/02/11) £'000	Approved Variations £'000	Revised Budget Budget Report (Council 23/02/12) £'000	Actual Expenditure £'000	Variance £'000
Major Schemes					
Major Schemes	2,171	2,352	4,523	3,932	(591)
Highways & Roads					
Highway Maintenance	12,039	2,706	14,745	16,911	2,166
Manage & Operate Partnerships-Terminate	-	200	200	20	(180)
Street Lighting Renewal	2,150	677	2,827	2,000	(827)
Flood Alleviation & Drainage	680	119	799	1,116	317
Road Safety	621	111	732	641	(91)
Highways Depot Rationalisation	5,712	703	6,415	6,568	153
Integrated Transport Measures					
ITM	6,345	2,054	8,399	7,344	(1,055)
Other Schemes					
Land Reclamation	1,110	33	1,143	845	(298)
Civil Parking Enforcement	-	112	112	-	(112)
Rights of Way	-	22	22	21	(1)
Vehicle Purchase-Gritters	-	240	240	186	(54)
Transport & Travel Services	1,156	40	1,196	257	(939)
Transport & Highways External Funding	2,000	(1,174)	826	(4)	(830)
Total Portfolio	33,984	8,195	42,179	39,837	(2,342)

**ENVIRONMENT AND SUSTAINABILITY PORTFOLIO
CAPITAL PROGRAMME 2011/12**

	Original Budget Budget Report (Council 24/02/11) £'000	Approved Variations £'000	Revised Budget Budget Report (Council 23/02/12) £'000	Actual Expenditure £'000	Variance £'000
Local Improvement Schemes					
Local Improvement Schemes	3,496	605	4,101	3,687	(414)
Environ & Sustainability External Funding	200	(4)	196	-	(196)
Carbon Management					
Carbon Management	450	160	610	405	(205)
Waste Management					
Waste Management	-	840	840	715	(125)
Total Portfolio	4,146	1,601	5,747	4,807	(940)

**CULTURE AND COMMUNITY PORTFOLIO
CAPITAL PROGRAMME 2011/12**

	Original Budget Budget Report (Council 24/02/11) £'000	Approved Variations £'000	Revised Budget Budget Report (Council 23/02/12) £'000	Actual Expenditure £'000	Variance £'000
Libraries					
Mansfield Library	1,743	760	2,503	2,490	(13)
West Bridgford Library	2,702	(2,002)	700	615	(85)
Worksop Library	-	283	283	174	(109)
Other Projects	222	354	576	357	(219)
Other Schemes					
National Watersports Centre	1,000	(676)	324	416	92
Sherwood Forest Visitor Centre	-	196	196	8	(188)
Other Projects	25	68	93	57	(36)
Total Portfolio	5,692	(1,017)	4,675	4,117	(558)

**DEPUTY LEADER PORTFOLIO
CAPITAL PROGRAMME 2011/12**

	Original Budget Budget Report (Council 24/02/11) £'000	Approved Variations £'000	Revised Budget Budget Report (Council 23/02/12) £'000	Actual Expenditure £'000	Variance £'000
Policy, Planning & Corporate Services					
Customer Services Centre	600	(380)	220	120	(100)
Strategic Communications Initiatives	53	91	144	33	(111)
Improvement Programme					
Business Management System	500	1,326	1,826	2,966	1,140
Ways of Working	3,171	(89)	3,082	1,619	(1,463)
Total Portfolio	4,324	948	5,272	4,738	(534)

**FINANCE AND PROPERTY PORTFOLIO
CAPITAL PROGRAMME 2011/12**

	Original Budget Budget Report (Council 24/02/11) £'000	Approved Variations £'000	Revised Budget Budget Report (Council 23/02/12) £'000	Actual Expenditure £'000	Variance £'000
Property					
Building Works	4,598	830	5,428	4,072	(1,356)
Corporate Fire Remedial Works	-	20	20	20	-
Gresham Park / Other	-	55	55	16	(39)
Sun Volt Programme	-	800	800	460	(340)
Property Acquisition & Disposal Costs	500	247	747	-	(747)
Risk Management					
Risk Management-Security	250	34	284	138	(146)
ICT Schemes					
Network Development	80	956	1,036	929	(107)
ICT Infrastructure	1,000	393	1,393	1,217	(176)
IT Data Centre	1,482	228	1,710	1,672	(38)
Microsoft Enterprise Agreement	1,061	(80)	981	888	(93)
ICT Disaster Recovery	300	-	300	15	(285)
Lotus Domino Migration	300	-	300	156	(144)
Fixed/Mobile Convergence	150	-	150	57	(93)
Total Portfolio	9,721	3,483	13,204	9,640	(3,564)

**PERSONNEL AND PERFORMANCE PORTFOLIO
CAPITAL PROGRAMME 2011/12**

	Original Budget Budget Report (Council 24/02/11) £'000	Approved Variations £'000	Revised Budget Budget Report (Council 23/02/12) £'000	Actual Expenditure £'000	Variance £'000
Environment & Resources Trading					
Highways - Vehicles and Plant	450	320	770	509	(261)
Landscape Services	70	-	70	53	(17)
Total Portfolio	520	320	840	562	(278)

REPORT OF THE SERVICE DIRECTOR – FINANCE AND PROCUREMENT**ACTUAL VALUES OF 2011/12 PRUDENTIAL INDICATORS****1. Purpose**

To note the County Council's 2011/12 year end position in terms of capital expenditure, external debt, financing costs as a percentage of net revenue stream and the capital financing requirement relative to the Prudential Code indicators for 2011/12 approved by Council (24/02/11).

Information and Advice**2. Background**

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

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

3. Prudential Indicators**3.1 Monitoring Requirements**

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

This appendix is concerned only with prudential indicators relating to capital investment. Indicators relating specifically to treasury management are reported in Appendix G.

3.2 Overview of Prudential Indicators

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

3.2.1 Estimate of capital expenditure

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

3.2.2 Estimate of the capital financing requirement (CFR)

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

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

3.2.3 External debt

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

Operational boundary for external debt

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

Authorised limit for external debt

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

3.2.4 Financing costs as a percentage of net revenue stream

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

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

3.3 Prudential Indicators: 2011/12 Year-End Actuals

The following table shows those indicators that were approved for 2011/12 (in the Budget Report to Council 24/02/11) whose actual values must be reported at year end, together with their actual values.

Indicator	Comments														
<p>Estimated capital expenditure (excluding Schools Devolved Formula Capital and schools' capital expenditure funded from their own revenue budgets, but including PFI Finance Lease Liabilities)</p> <p>Indicator: £116.655m (incl. £3.295m relating to PFI Finance Lease Liabilities)</p> <p>Actual: £92.642m (incl. £1.538m relating to PFI Finance Lease Liabilities)</p> <p>No breach of Prudential Indicator</p>	<p>Capital expenditure was £24.013m less than anticipated, as explained in the table:</p> <table border="1" data-bbox="778 891 1375 1240"> <thead> <tr> <th data-bbox="778 891 1238 925">Reason</th> <th data-bbox="1238 891 1375 925">£m</th> </tr> </thead> <tbody> <tr> <td data-bbox="778 925 1238 958">Slippage from 2010/11 to 2011/12</td> <td data-bbox="1238 925 1375 958">29.400</td> </tr> <tr> <td data-bbox="778 958 1238 1016">Re-phasing/slippage in the 2011/12 Capital Programme</td> <td data-bbox="1238 958 1375 1016">(38.469)</td> </tr> <tr> <td data-bbox="778 1016 1238 1111">Unused budget set aside for anticipated future scheme spend in 2011/12</td> <td data-bbox="1238 1016 1375 1111">(7.058)</td> </tr> <tr> <td data-bbox="778 1111 1238 1144">Other net variations</td> <td data-bbox="1238 1111 1375 1144">(6.129)</td> </tr> <tr> <td data-bbox="778 1144 1238 1202">Additions to the PFI waste scheme in 2011/12 less than anticipated</td> <td data-bbox="1238 1144 1375 1202">(1.757)</td> </tr> <tr> <td data-bbox="778 1202 1238 1240">TOTAL</td> <td data-bbox="1238 1202 1375 1240">(24.013)</td> </tr> </tbody> </table>	Reason	£m	Slippage from 2010/11 to 2011/12	29.400	Re-phasing/slippage in the 2011/12 Capital Programme	(38.469)	Unused budget set aside for anticipated future scheme spend in 2011/12	(7.058)	Other net variations	(6.129)	Additions to the PFI waste scheme in 2011/12 less than anticipated	(1.757)	TOTAL	(24.013)
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Other net variations	(6.129)														
Additions to the PFI waste scheme in 2011/12 less than anticipated	(1.757)														
TOTAL	(24.013)														
<p>Estimated capital financing requirement (taking into account PFI Finance Lease Liabilities)</p> <p>Indicator: £728m</p> <p>Actual: £668m</p> <p>No breach of Prudential Indicator</p>	<p>The actual level of the capital financing requirement was £60m less than the indicator, as explained in the table:</p> <table border="1" data-bbox="778 1424 1375 1928"> <thead> <tr> <th data-bbox="778 1424 1238 1458">Reason</th> <th data-bbox="1238 1424 1375 1458">£m</th> </tr> </thead> <tbody> <tr> <td data-bbox="778 1458 1238 1552">Borrowing below budgeted level in 2010/11 (primarily due to slippage of expenditure funded by borrowing)</td> <td data-bbox="1238 1458 1375 1552">(23)</td> </tr> <tr> <td data-bbox="778 1552 1238 1646">Borrowing below budgeted level in 2011/12 (primarily due to slippage of expenditure funded by borrowing)</td> <td data-bbox="1238 1552 1375 1646">(22)</td> </tr> <tr> <td data-bbox="778 1646 1238 1767">MRP repayments and voluntary contributions (from capital receipts, revenue and reserves) higher than forecast</td> <td data-bbox="1238 1646 1375 1767">(4)</td> </tr> <tr> <td data-bbox="778 1767 1238 1888">Differences between forecast and actual PFI additions and repayments (primarily PFI waste scheme additions in 2010/11)</td> <td data-bbox="1238 1767 1375 1888">(11)</td> </tr> <tr> <td data-bbox="778 1888 1238 1928">TOTAL</td> <td data-bbox="1238 1888 1375 1928">(60)</td> </tr> </tbody> </table>	Reason	£m	Borrowing below budgeted level in 2010/11 (primarily due to slippage of expenditure funded by borrowing)	(23)	Borrowing below budgeted level in 2011/12 (primarily due to slippage of expenditure funded by borrowing)	(22)	MRP repayments and voluntary contributions (from capital receipts, revenue and reserves) higher than forecast	(4)	Differences between forecast and actual PFI additions and repayments (primarily PFI waste scheme additions in 2010/11)	(11)	TOTAL	(60)		
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Differences between forecast and actual PFI additions and repayments (primarily PFI waste scheme additions in 2010/11)	(11)														
TOTAL	(60)														

Indicator	Comments												
<p>External debt (incl. PFI Finance Lease Liabilities)</p> <p>Authorised limit for borrowing: £335m Authorised limit for other long-term liabilities: £151m Authorised limit for external debt: £486m</p> <p>Operational boundary for borrowing: £300m Operational boundary for other long-term liabilities: £151m Operational boundary for external debt: £451m</p> <p>Actual borrowing: £289m Actual other long-term liabilities: £138m Actual external debt at 31/03/12: £427m</p> <p>No breach of Prudential Indicators</p>	<p>The actual level of external debt was well below both the authorised limit of £486m and the operational boundary of £451m throughout 2011/12.</p> <p>The differences between the actual level of external debt and the operational boundary are detailed in the following table:</p> <table border="1" data-bbox="778 501 1375 846"> <thead> <tr> <th data-bbox="778 501 1238 533">Reason</th> <th data-bbox="1238 501 1375 533">£m</th> </tr> </thead> <tbody> <tr> <td data-bbox="778 533 1238 595">Unused contingency for unforeseen borrowing</td> <td data-bbox="1238 533 1375 595">(10)</td> </tr> <tr> <td data-bbox="778 595 1238 627">Borrowing below budgeted level</td> <td data-bbox="1238 595 1375 627">(1)</td> </tr> <tr> <td data-bbox="778 627 1238 689">Deferred liability below budgeted level</td> <td data-bbox="1238 627 1375 689">(1)</td> </tr> <tr> <td data-bbox="778 689 1238 815">Differences between budgeted and actual PFI finance liabilities (primarily relating to the PFI waste scheme)</td> <td data-bbox="1238 689 1375 815">(12)</td> </tr> <tr> <td data-bbox="778 815 1238 846">TOTAL</td> <td data-bbox="1238 815 1375 846">(24)</td> </tr> </tbody> </table>	Reason	£m	Unused contingency for unforeseen borrowing	(10)	Borrowing below budgeted level	(1)	Deferred liability below budgeted level	(1)	Differences between budgeted and actual PFI finance liabilities (primarily relating to the PFI waste scheme)	(12)	TOTAL	(24)
Reason	£m												
Unused contingency for unforeseen borrowing	(10)												
Borrowing below budgeted level	(1)												
Deferred liability below budgeted level	(1)												
Differences between budgeted and actual PFI finance liabilities (primarily relating to the PFI waste scheme)	(12)												
TOTAL	(24)												
<p>Financing costs as a percentage of net revenue stream (incl. impact of PFI Finance Lease Liabilities)</p> <p>Indicator: 13.7% Actual: 12.2%</p> <p>No breach of Prudential Indicator</p>	<p>The total of actual financing costs as a percentage of net revenue stream, was slightly below the indicator.</p>												

4. Summary

The Prudential Code indicators for 2011/12 were not breached.

5. Recommendation

The report be noted.

PAUL SIMPSON CPFA

SERVICE DIRECTOR - FINANCE AND PROCUREMENT and S151 Officer

REPORT OF THE SERVICE DIRECTOR – FINANCE AND PROCUREMENT

TREASURY MANAGEMENT OUTTURN REPORT 2011-12

1. Purpose

To provide a review of the Council's treasury management activities for the year to 31 March 2012.

Information and Advice

2. Background

- 2.1** Treasury management is defined as “the management of the council's investments and cashflows; its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.
- 2.2** The Council's Treasury Management Strategy is approved annually by Full Council and there will also be a mid year report which will go to Full Council. Audit Committee currently undertakes the scrutiny role for the Treasury Management function although a separate report to this meeting notes this will now be the responsibility of the Finance and Property Committee in accordance with the Council's new constitution.
- 2.3** In 2011-12, borrowing and investment activities have been in accordance with the approved limits as set out in the Council's Treasury Management Policy and Strategy. The main points from this report are:
- All treasury management activities were effected by authorised officers within the limits agreed by the Council
 - All investments were made to counterparties on the Council's approved lending list
 - £30m of long-term borrowing was raised in 2011/12
 - The Council earned 0.83% on short term lending, outperforming the average local authority 7 day rate of 0.38%.
 - Reports have been submitted to Council and the audit committee as required.

3. Outturn Treasury Position

- 3.1** The Council's treasury management strategy and associated policies and practices for 2011/12 were approved on 31 March 2011 by Full Council. The Service Director – Finance and Procurement complied with the strategy throughout the financial year 2011/12. The Council's treasury portfolio position at 31/03/2012 is shown in Table 1 below.

Table 1. Treasury Position at 31 March 2012		£m	£m	Average Interest Rate
EXTERNAL BORROWING				
Fixed Rate	PWLB	188.8		6.81%
	Market Loan	<u>100.0</u>	288.8	3.86%
Variable Rate	PWLB	0.0		
	Market Loan	<u>0.0</u>	0.0	
Total			288.8	5.74%
Other Long-Term Liabilities			138.0	
Total Gross Debt			426.8	
Less: Investments			38.5	0.83%
Total Net Debt			388.3	

Note 1: PWLB = Public Works Loans Board

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

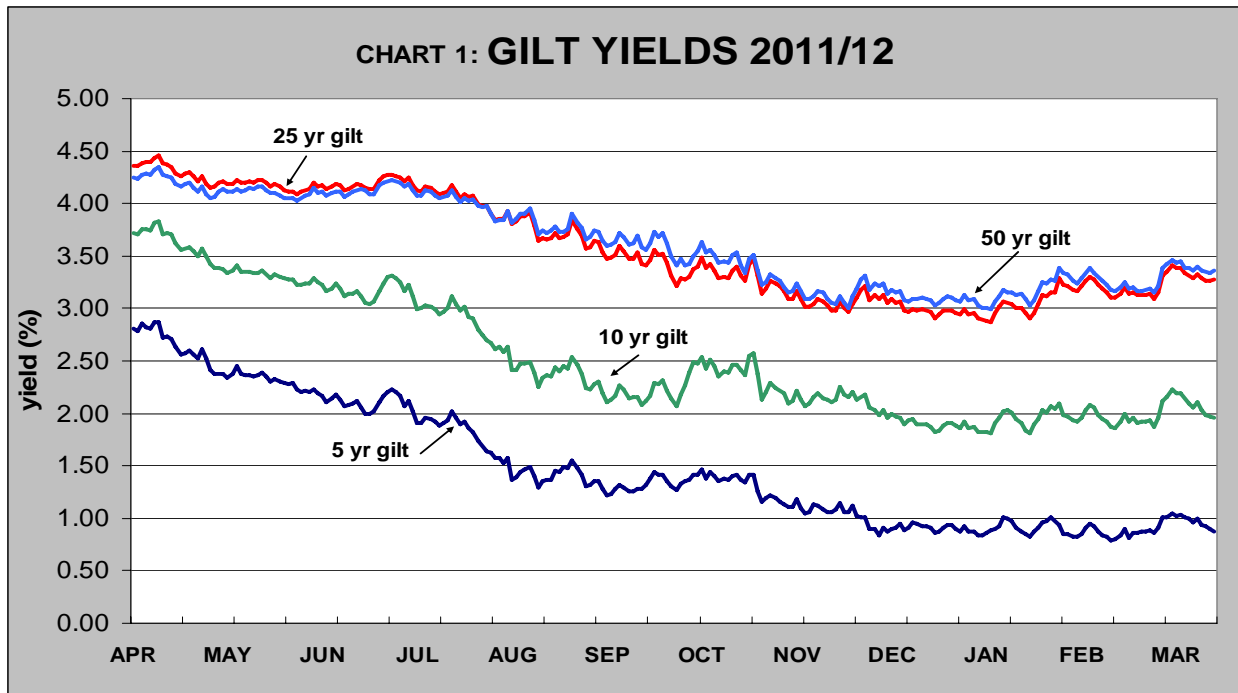
4. Economic Background

- 4.1 The UK's economic performance over the past year is summarized in Table 2 below showing the quarterly percentage change for gross domestic product, the annualized change to the consumer price index each quarter together with the percentage unemployed each quarter. This shows the economy fell back into recession in 2012 following two consecutive quarters of negative growth.

Table 2	2011	2011	2011	2011	2012
Economic Indicators	Q1	Q2	Q3	Q4	Q1
Consumer Prices Index	4.0	4.2	5.2	4.2	3.5
Gross Domestic Product	0.2	-0.1	0.6	-0.3	-0.3
Unemployment	7.8	7.7	8.1	8.4	8.3

- 4.2 The consumer price index reduced over the year to 3.5%, having peaked in the third quarter of 2011 at 5.2%. That fall reflected the effects of earlier increases in energy prices and VAT dropping out of the twelve-month comparison. The future prospects of inflation falling to below 2% by the end of 2012 have been revised by the Bank of England (BoE) which expects this level to be reached by the end of 2013. This is a consequence of a variety of factors in the global economy such as commodity and oil prices together with the depreciation of sterling.

- 4.3** The fragile state of the UK economy has meant that the BoE has maintained base rates at 0.5% throughout the year with no immediate prospect of an increase. This contrasts with the optimism in early 2011 that UK economic growth would lead to an increase in base rates by the end of the year. Further, the Bank undertook additional quantitative easing in September 2011 and February 2012 of £75bn and £50bn respectively to bring the total to £325bn.
- 4.4** Government finances were reviewed in the Autumn Statement. This extended the period of austerity by a further 2 years to 2016/17 in order to eliminate the structural deficit. The lack of growth in the UK will lead to lower tax revenues and higher welfare payments than were factored into the original deficit reduction plan.
- 4.5** Gilt yields fell for much of the year before largely stabilizing in the last quarter except (as shown in Chart 1). The 5 year yield has reduced by 1.75% compared to a 0.5% reduction in 25-50 year yields. These movements reflect a number of factors:
- UK seen as a safe haven from the eurozone crisis, especially over the summer
 - demand for gilts boosted by the BoE’s quantitative easing programme
 - demand from banks to hold more secure assets under Basel III
 - lower prospects for UK economic growth.



- 4.6** The rise in gilt yields in the first quarter of 2012 reflected market expectations of improving global economic growth prospects arising from economic data principally from the United States and China. This created a “risk-on” mentality with investors who sold government bonds to buy into risk assets such as equities.

5. Treasury Management Activities 2011-12

- 5.1 The Council manages its investments in-house and invests with institutions on the Council's approved lending list, aiming to achieve the optimum return on investments commensurate with the proper levels of security and liquidity. The Council's temporary borrowing and lending activity over the year is set out in Table 3 below.

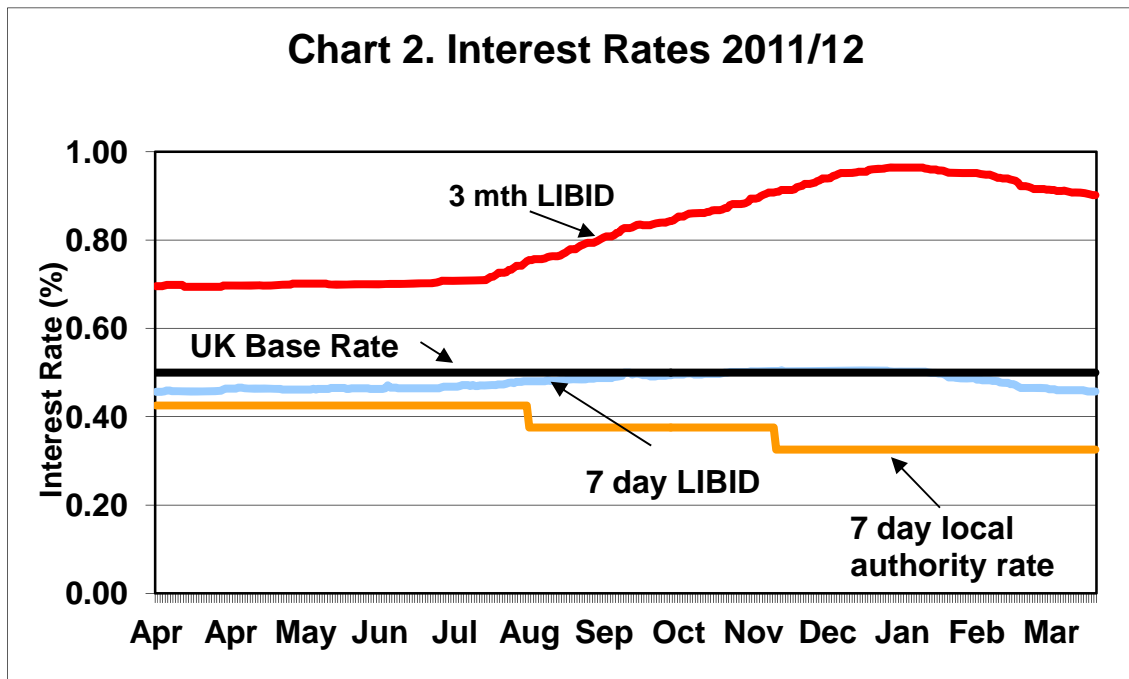
Table 3 Temporary Borrowing and Lending	Borrowing £m	Lending £m	Net Position £m
Outstanding 1st April 2011	0.00	(33.35)	(33.35)
Raised/ (lent) during period	1.90	(1,020.40)	(1018.50)
Repayments during period	(1.90)	1015.25	1013.35
Outstanding 31 March 2012	0.00	(38.50)	(38.50)

- 5.2 Over the 12 months to 31 March 2012, the Council's cashflows were maintained through borrowing and lending activities on the wholesale money market and the net position at 31 March 2012 shows outstanding temporary lending of £38.5m. The average level of funds available for investment purposes over the year was £56.8m. This was mainly dependent on the timing of precept payments, receipt of grants, progress on the capital programme and net movement on creditors and debtors. During the year temporary borrowing was required for a period of 3 days at the end of September 2011.
- 5.3 Council investment returns outperformed the benchmark (7 day local authority rate) every month in the 2011/12 financial year. The Council has significantly outperformed the benchmark for the year which averaged 0.38% against actual returns of 0.83%, an outperformance of 0.45%. This equates to additional interest of over £250,000 for the year. Table 4 shows the returns achieved by type of investment. The use of fixed term investments of up to 3 months has allowed a higher return to be achieved. Also the use of call accounts has allowed the Council to optimize liquidity versus returns.

Table 4 Returns on Investments	Average Balance £m	Interest Earned £k	Average Return %
Fixed Term Investments	28.8	264.0	0.92%
Bank Call Accounts	19.5	152.0	0.78%
Money Market Funds	8.5	54.7	0.65%
Total	56.8	470.7	0.83%

- 5.4 Investment rates available in the market are at a historical low point. Chart 2 shows how key benchmarks have moved over the year. Base rates remain at 0.5% but other rates have displayed greater variability. The 7 day local authority rate has declined over the year, following gilt yields. In contrast the 7 day and 3 month London Interbank bid rate (LIBID) have increased over the year, reflecting credit concerns over the major international banks principally in the UK and

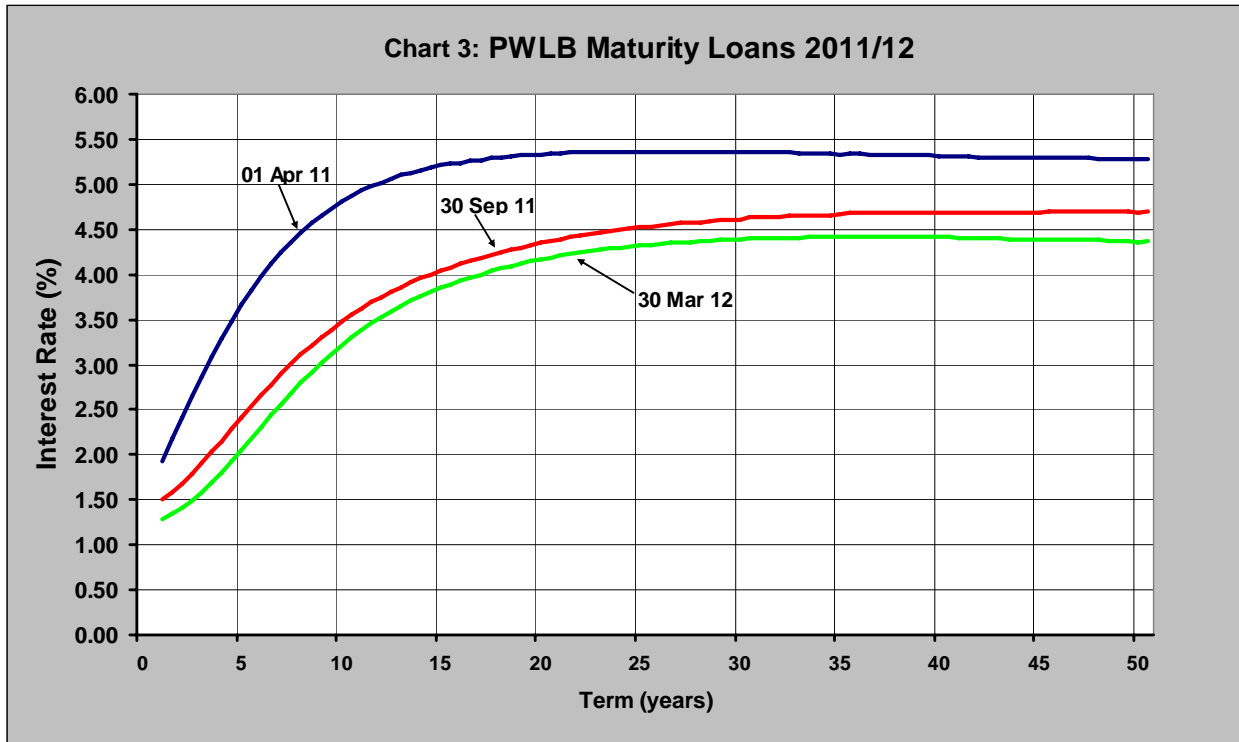
Europe as a consequence of the Eurozone crisis. The fall in these rates in the first quarter of 2012 partly reflects the longer-term refinancing operation of the European Central Banks which provided access to funds for European banks.



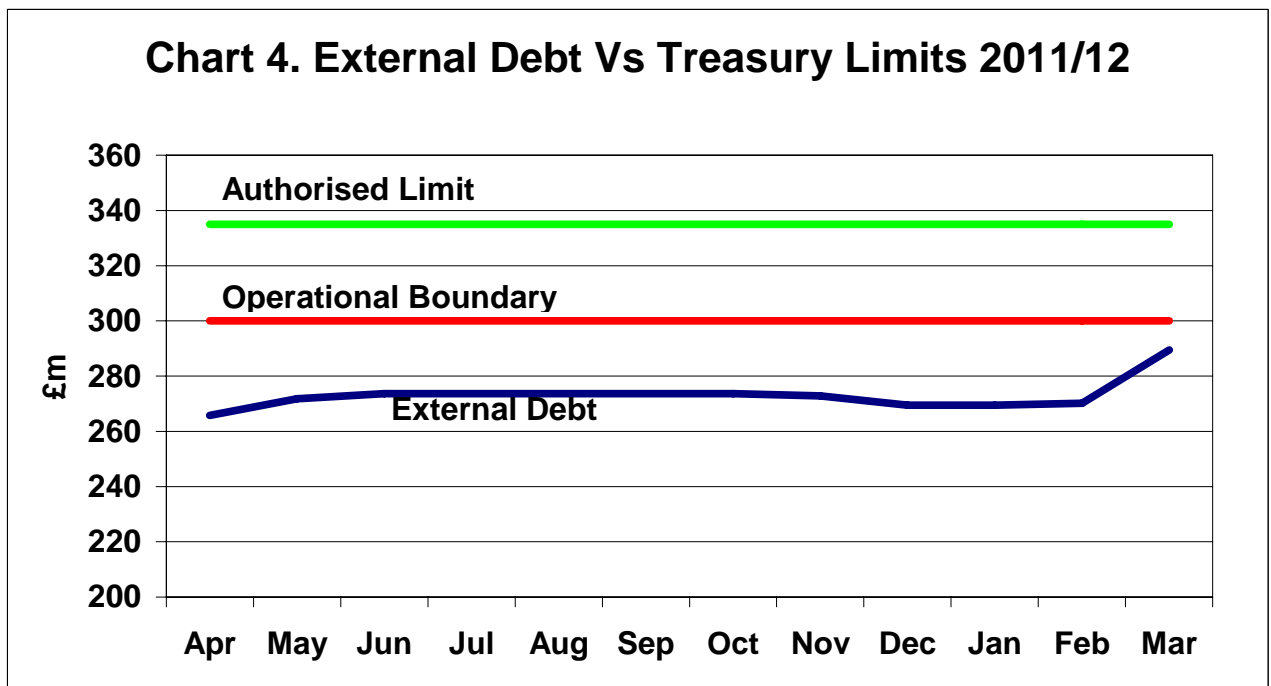
- 5.5** The Council has maintained cash balances at around £50m in order to minimize long-term borrowing yet maintain sufficient liquidity to meet payments as they fall due. A further two money market funds were opened in the latter part of the year in order to diversify the Council's portfolio and to maintain or increase yields.
- 5.6** During the year as the crisis in the Eurozone developed the Treasury Management Group decided as a prudent measure to suspend German banks from the approved counterparty list. The approved list continues to be monitored and action taken to suspend counterparties where concerns arise over security of funds and indeed Santander UK has recently been suspended from the list following concerns over its Spanish parent.

6. Long Term Borrowing

- 6.1** The Council's Treasury management Strategy Report for 2011/12 presented to Council in February 2011 outlined the Council's long term borrowing strategy for the year. The expectations of rising interest rates following a return to growth for the UK economy have not been borne out as described above. Longer term borrowing rates were budgeted for based on a 5.5% average borrowing rate but the graph below shows that interest rates have fallen with the low point being reached for most durations in mid-January. The rates for 25-50 year PWLB loans were around 4.3% for the year compared to 5.3% at the start.



6.2 Long term borrowing stood at £288.8m on the 31 March 2012 which is within the authorized limit agreed by the Council. Chart 4 below shows that the average level of external debt throughout the year was below the key treasury indicators of the authorized limit and the operational boundary, demonstrating that borrowing was within plan during the year. Further details on these treasury prudential indicators are provided in Appendix F

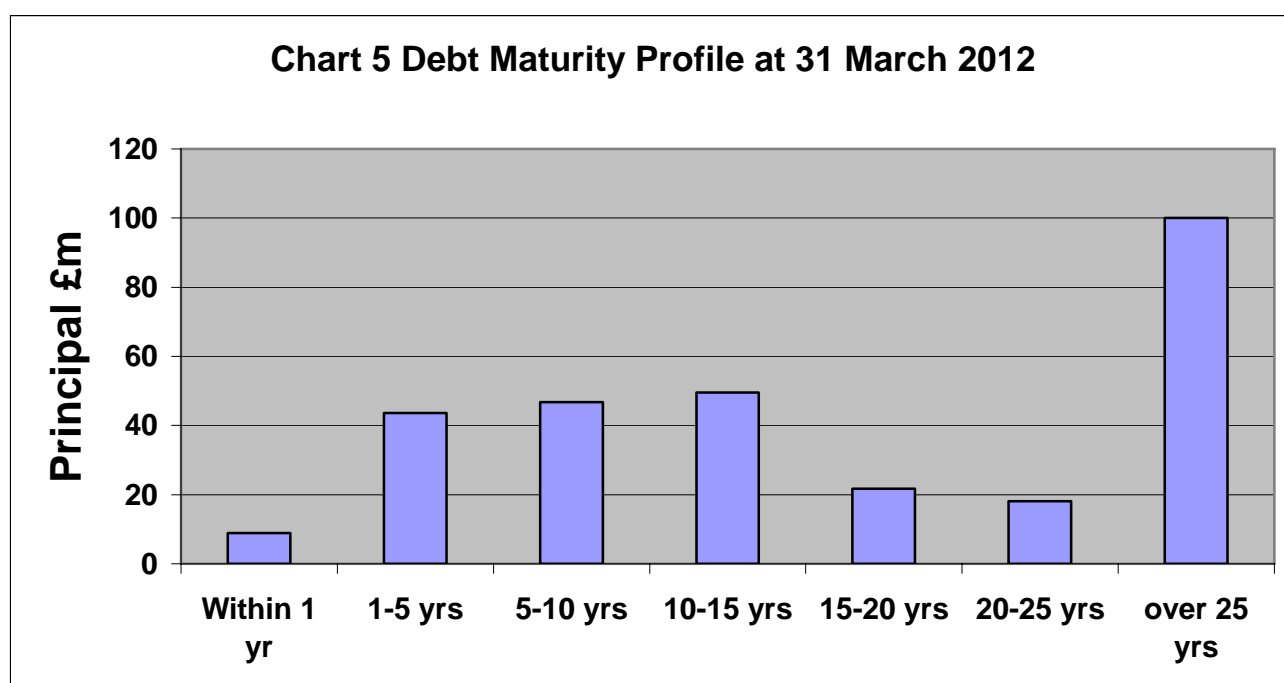


- 6.3 Net new borrowing of £23.7m in 2011/12 compares with an estimate of £25m in the Strategy report. In May 2011 a new LOBO was taken out with Royal Bank of Scotland on the same terms as the one that had been redeemed in December 2010. In addition, new borrowing was raised in February 2012 in the form of annuity loans from the PWLB for periods between 8 and 9 years at an average rate of 1.80%.
- 6.4 The loan portfolio comprises of 10 LOBO loans of £10m each, 4 of which had call options in 2011/12 but were not exercised by the lenders. The rates on these loans ranged from 3.25% to 4.17% which compare favorably with the 50 year PWLB rate of 4.36% at the end of March 2012.

Table 5 Movements in Long-term Borrowing 1011-12

Lender	B/fwd 31/3/11 £m	Advances 2011/12 £m	Repayments at maturity 2011/12 £m	Premature Repayments 2011/12 £m	C/fwd 31/3/12 £m
PWLB	175.1	20.0	6.3	0.0	188.8
LOBO	90.0	10.0	0.0	0.0	100.0
Total	265.1	30.0	6.3	0.0	288.8

- 6.5 The chart below shows that the debt maturity profile is well spread over the next 15 years with a maximum duration of 25 years for PWLB debt. The £100m shown in the over 25 year category comprises of the LOBOs, the earliest redemption date of which is 2055. The average rate on external debt is 5.74% compared to 5.78% at the start of the year.



6.6 The Council has the option of rescheduling its existing long-term debt should market conditions indicate opportunities for savings. This is achieved by redeeming fixed rate debt and raising new debt at a lower rate of interest. This opportunity is provided primarily for PWLB debt and may give rise to premiums or discounts depending on the rate differentials. No opportunities for debt rescheduling arose over the reporting period.

7. Prudential Indicators for Treasury Management

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

Table 6 TREASURY MANAGEMENT INDICATORS 2011/12	Approved limits £m	Outturn £m	
Net Debt	411	388	
Upper limit for Rate Exposure			
Fixed Rate	100%	100%	
Variable Rate	75%	0%	
Upper limit for principal sums invested for over 364 days	Higher of £20m and 15%	0	
Maturity structure of fixed rate borrowing	Approved Lower limit	Approved Upper limit	Outturn
Under 12 months	0%	25%	3%
12 months and within 24 months	0%	25%	4%
24 months and within 5 years	0%	75%	11%
5 years and within 10 years	0%	100%	16%
10 years and above	0%	100%	66%
Adoption of CIPFA's Treasury Management in the Public Services Code of Practice and Cross Sectoral Guidance Notes – Adopted			



REPORT OF SERVICE DIRECTOR - FINANCE AND PROCUREMENT
STATEMENT OF ACCOUNTS 2011/12

Purpose of the Report

1. To present the pre-Audit Statement of Accounts 2011/12 for review by the County Council.

Information and Advice

2. Last year saw a change to the approval process for the Statement of Accounts following the introduction of the Accounts and Audit Regulations (England) 2011. Previously the County Council was required to approve the accounts before the end of June when they were made available to members of the public, and prior to them being subject to external audit. The revised procedures require the Section 151 Officer to authorise the Statement of Accounts for issue by 30th June and the County Council to authorise them following completion of the external audit, prior to 30th September.
3. The pre-Audit Statement of Accounts 2011/12 have been authorised and published on the County Council's internet site. The main statements are therefore presented to the County Council to allow a pre-audit review.

Explanation of the Main Accounting Statements

4. The financial statements provides information about the County Council's financial position, performance and cash flows and consequently, shows the results of the stewardship and accountability of elected members and management for the resources entrusted to them, which is of paramount importance in the use of public funds.
5. The Statement of Movement in Reserves shows the movement in the year on the different reserves held by the authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for Council Tax setting purposes which are adjusted for in the Statement. The main adjustments relate to
 - Capital investment and financing whereby charges are made when capital investment is financed rather than when capital assets are consumed

- Retirement benefits which are charged as amounts become payable to the pension funds and pensioners rather than when benefits are earned.

The Net Increase /Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the council

6. The Comprehensive Income and Expenditure Statement summarises the resources that have been generated and consumed in providing services and managing the County Council during 2011/12. It includes all day to day expenses and related income on an accruals basis, as well as transactions measuring the value of property, plant and equipment consumed and the real projected value of retirement benefits earned by employees in the year. The Account shows how net expenditure was financed from the Council Tax, Revenue Support Grant, National Non Domestic Rates and other non-specific government grants.
7. The Comprehensive Income and Expenditure Statement shows a deficit on the provision of services of £134.9 million compared to a surplus of £87.8 million in 2010/11.
8. The net cost of services increased by £118.0 million primarily due to the fall-out of the large prior year exceptional items (for the one off pension credit adjustment and Single Status – Back Pay: net £140.5 million) and an increase in the levels of revaluation losses and impairments charged to the Comprehensive Income & Expenditure Statement for property, plant and equipment (principally land and property) of £26.1 million, which was partly off-set by a fall in service net expenditure of £48.1 million. The later reduction will reflect the transfer of some specific grants previously included in the net cost of services (e.g. Early Intervention Grant), a general reduction in grant funded expenditure and the overall reduction in the County Council's expenditure.

Explanation of the Main Accounting Statements

9. The Balance Sheet shows that total assets exceed total liabilities by £58.8 million a significant reduction over last year when total liabilities exceeded total assets by £472.5 million. The figures are calculated after taking account of estimated pension liabilities calculated by the actuary using IAS 19 methodology and is a significant reason for the reduction between the years (£293.3 million). In addition, the reduction in Capital Adjustment Account of £133.7 million primarily mirrors the loss on the disposal of non-current assets through the Comprehensive Income and Expenditure Statement, reflecting the significance of the transfer of schools into academies.
10. The assessed IAS 19 Pensions liability at 31 March 2012 was £874.9 million a significant increase in the 31 March 2011 liability of £581.6 million. This increase is due in part to an increase in the value of the pension fund's liabilities as a consequence of a decrease in the real discount rate from 5.5% at 31 March 2011 to 4.6% 31 March 2012. This reflects the lower yield on AA rated corporate bonds.
11. The amount of long term borrowing together with long-term finance lease liabilities (related to PFI schemes) is £411.0 million, which compares favourably with the value of long-term assets of £1,405.0 million.

12. The withdrawal from the Net 1 agreement has been reflected in the Balance Sheet by a reduction in Property, Plant & Equipment of £27.0 million; with corresponding entries in the finance liability and the Capital Adjustment Account.
13. The Council has earmarked “usable reserves” of £135.7 million, i.e. items identified for specific purposes, and a County Fund balance i.e. free reserves, of £29.7 million. As shown in the Management Accounts report (also on today’s agenda), the General Fund balance increased by £1.6 million in 2011/12 which was £6.7 million above the £5.1 million reduction envisaged in the original budget. The total level of earmarked and free reserves is £165.4 million compared to £142.5 million last year, an increase of £22.9 million. This movement on the individual usable reserves and the purpose for which they are held is shown in Note 42 to the accounts.
14. The Schools Statutory Reserve has increased by £7.4 million to £39.1 million, a proportion of which relates to unspent Standards Fund grant which must be spent by the end of August 2012. In addition to a general increase in schools balances some of the reasons for the increase relates to an increase in unspent Standards Fund grant (£1.3 million) and schools with deficits transferring to academies (£3.5 million). The Schools Statutory Reserve is committed to be spent on schools and is not available to the Authority for general use.
15. The value of the Council’s cash and cash equivalents was £29.3 million at 31 March 2012.
16. The level of short-term debtors in the Balance Sheet has increased by £6.5 million to £68.2 million. An increase in general debtors of £25.6 million, due principally to the change in year-end processing following the change in finance systems, has been partly offset by a reduction in balances due from Central Government and NHS bodies of £19.1 million, arising from the overall reductions in grant funding. The value of creditors has decreased by £20.0 million to £134.3 million, due primarily to a reduction in the amount due from Central Government bodies of £24.7 million. There has been an increase in other general creditors of £4.7 million.

Other Options Considered

17. This report is for the review of the Statement of Accounts 2011/12.

Statutory and Policy Implications

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

RECOMMENDATION/S

19. That Members note the pre-Audit draft Statement of Accounts 2011/12.

Paul Simpson

Service Director (Finance and Procurement)

For any enquiries about this report please contact:

Nigel Stevenson
Chief Accountant

Constitutional Comments

20. The proposal in this report is within the remit of Full Council. (KK – 27/06/12)

Financial Comments

21. The financial implications are as stated in the report. (NS)

Background Papers

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

The pre-Audit draft Statement of Accounts 2011/12

Electoral Division(s) and Member(s) Affected

Not applicable

MOVEMENT IN RESERVES STATEMENT 2011/12

	General Fund	Schools Statutory Reserve	Insurance Reserve	Capital Receipts and Grants Unapplied Reserve	Other Earmarked Reserves	Total Usable Reserves	Total Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000	£000	£000	£000
Balance Brought Forward	28,124	31,764	20,639	3,518	90,212	174,257	298,285	472,542
Surplus/(Deficit) on the provision of services	(134,876)	-	-	-	-	(134,876)	-	(134,876)
Other Comprehensive Income and Expenditure								
(Surplus)/Deficit arising on revaluation of non-current assets	-	-	-	-	-	-	11,874	11,874
(Surplus)/Deficit arising on revaluation of loans and receivables	-	-	-	-	-	-	-	-
(Surplus)/Deficit arising on revaluation of available for sale financial assets	-	-	-	-	-	-	-	-
Actuarial (gains)/losses on pension fund assets and liabilities	-	-	-	-	-	-	(290,360)	(290,360)
Other (gains) and losses	-	-	-	1	-	1	(371)	(370)
	-	-	-	1	-	1	(278,857)	(278,856)
Total Comprehensive Income and Expenditure	(134,876)	-	-	1	-	(134,875)	(278,857)	(413,732)
Adjustments between accounting basis and funding basis under regulations								
Amortisation of intangible assets	1,402	-	-	-	-	1,402	(1,402)	-
Depreciation of Property, Plant and Equipment	47,626	-	-	-	-	47,626	(47,626)	-
Revaluation Gains and Losses	58,420	-	-	-	-	58,420	(58,420)	-
Impairment of Property Plant and Equipment	-	-	-	-	-	-	-	-
Movements in fair value of investment properties	7,571	-	-	-	-	7,571	(7,571)	-
Movements in fair value of non-current assets held for sale	1,931	-	-	-	-	1,931	(1,931)	-
Capital Grants credited to the CI&E	(53,844)	-	-	53,844	-	-	-	-
Application of grants to capital financing transferred to the CAA	-	-	-	(50,941)	-	(50,941)	50,941	-
Revenue Expenditure Funded from Capital under Statute	8,412	-	-	-	-	8,412	(8,412)	-
Revenue Expenditure Funded from Capital under Statute Grant Funding	(2,288)	-	-	-	-	(2,288)	2,288	-
Net Gain/Loss and disposal proceeds on disposal of non-current assets	128,004	-	-	-	-	128,004	(128,004)	-
Difference between the statutory charge and the amount recognised as income and expenditure in respect of financial instruments	(15)	-	-	-	-	(15)	15	-
Difference between amounts credited to the CI&E Account and amounts to be recognised under statutory provisions relating to Council Tax	(136)	-	-	-	-	(136)	136	-
Net charges made for retirement benefits in accordance with IAS 19	60,957	-	-	-	-	60,957	(60,957)	-
Statutory provision for the financing of capital investment	(22,519)	-	-	-	-	(22,519)	22,519	-
Capital Expenditure charged in the year to the General Fund	(13,034)	-	-	-	-	(13,034)	13,034	-
Employer's contributions payable to the Pension Fund and retirement benefits paid directly to pensioners	(58,398)	-	-	-	-	(58,398)	58,398	-
Difference between employee benefits charged to the CI&E and charged per statutory requirements	(1,851)	-	-	-	-	(1,851)	1,851	-
Net additional Amount to be credited to the General Fund Balance	162,238	-	-	2,903	-	165,141	(165,141)	-
Net Increase/(Decrease) before transfers to Earmarked Reserves	27,362	-	-	2,904	-	30,266	(443,998)	(413,732)
Transfers to/(from) Earmarked Reserves								
Transfers to/(from) other Earmarked Reserves	(25,798)	7,387	(13,068)	-	31,479	-	-	-
	(25,798)	7,387	(13,068)	-	31,479	-	-	-
Other Transfers	-	-	-	-	-	-	-	-
Carried Forward	29,688	39,151	7,571	6,422	121,691	204,523	(145,713)	58,810

MOVEMENT IN RESERVES STATEMENT 2010/11

	General Fund £000	Schools Statutory Reserve £000	Insurance Reserve £000	Capital Receipts and Grants Unapplied Reserve £000	Other Earmarked Reserves £000	Total Usable Reserves £000	Total Unusable Reserves £000	Total Reserves £000
Balance Brought Forward	24,839	38,024	14,566	13,542	97,176	188,147	(189,678)	(1,531)
Surplus/(Deficit) on the provision of services	87,758	-	-	-	-	87,758	-	87,758
Other Comprehensive Income and Expenditure								
(Surplus)/Deficit arising on revaluation of non-current assets	-	-	-	-	-	-	(2,659)	(2,659)
Actuarial (gains)/losses on pension fund assets and liabilities	-	-	-	-	-	-	388,307	388,307
Other (gains) and losses	(3)	1	-	1	-	(1)	668	667
	(3)	1	-	1	-	(1)	386,316	386,315
Total Comprehensive Income and Expenditure	87,755	1	-	1	-	87,757	386,316	474,073
Adjustments between accounting basis and funding basis under regulations								
Amortisation of intangible assets	472	-	-	-	-	472	(472)	-
Depreciation of Property, Plant and Equipment	43,891	-	-	-	-	43,891	(43,891)	-
Revaluation Gains and Losses	32,350	-	-	-	-	32,350	(32,350)	-
Movements in fair value of investment properties	(257)	-	-	-	-	(257)	257	-
Movements in fair value of non-current assets held for sale	1,430	-	-	-	-	1,430	(1,430)	-
Capital Grants credited to the CI&E	(50,014)	-	-	50,014	-	-	-	-
Application of grants to capital financing transferred to the CAA	-	-	-	(60,039)	-	(60,039)	60,039	-
Revenue Expenditure Funded from Capital under Statute	15,931	-	-	-	-	15,931	(15,931)	-
Revenue Expenditure Funded from Capital under Statute Grant Funding	(11,653)	-	-	-	-	(11,653)	11,653	-
Net Gain/Loss and disposal proceeds on disposal of non-current assets	4,540	-	-	-	-	4,540	(4,540)	-
Difference between the statutory charge and the amount recognised as income and expenditure in respect of financial instruments	(14)	-	-	-	-	(14)	14	-
Difference between amounts credited to the CI&E Account and amounts to be recognised under statutory provisions relating to Council Tax	(1,047)	-	-	-	-	(1,047)	1,047	-
Net charges made for retirement benefits in accordance with IAS 19	(44,910)	-	-	-	-	(44,910)	44,910	-
Statutory provision for the financing of capital investment	(21,995)	-	-	-	-	(21,995)	21,995	-
Capital Expenditure charged in the year to the General Fund	(4,765)	-	-	-	-	(4,765)	4,765	-
Employer's contributions payable to the Pension Fund and retirement benefits paid directly to pensioners	(56,248)	-	-	-	-	(56,248)	56,248	-
Difference between employee benefits charged to the CI&E and charged per statutory requirements	667	-	-	-	-	667	(667)	-
Net additional Amount to be credited to the General Fund Balance	(91,622)	-	-	(10,025)	-	(101,647)	101,647	-
Net Increase/(Decrease) before transfers to Earmarked Reserves	(3,867)	1	-	(10,024)	-	(13,890)	487,963	474,073
Transfers to/(from) Earmarked Reserves								
Transfers to/(from) other Earmarked Reserves	7,152	(6,261)	6,073	-	(6,964)	-	-	-
	7,152	(6,261)	6,073	-	(6,964)	-	-	-
Other Transfers	-	-	-	-	-	-	-	-
Carried Forward	28,124	31,764	20,639	3,518	90,212	174,257	298,285	472,542

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

	Note	2010/11			2011/12		
		Gross		Net	Gross		Net
		Expenditure	Income	Expenditure	Expenditure	Income	Expenditure
		£000	£000	£000	£000	£000	£000
Gross expenditure, gross income and net expenditure of continuing operations							
Children's and Education Services		843,081	(643,720)	199,361	753,224	(548,055)	205,169
Environmental Services		29,522	(2,871)	26,651	34,916	(4,520)	30,396
Highways, Roads and Transportation	9	82,116	(16,922)	65,194	97,032	(15,503)	81,529
Cultural Services		33,281	(8,778)	24,503	25,174	(7,067)	18,107
Planning and Development		7,084	(1,269)	5,815	5,532	(1,064)	4,468
Adult Social Care		327,011	(87,779)	239,232	309,284	(99,404)	209,880
Democratic Representation and Management		4,455	(83)	4,372	3,624	(94)	3,530
Corporate Management		27,784	(21,617)	6,167	22,761	(12,375)	10,386
Non Distributed Costs		8,188	-	8,188	(5,400)	-	(5,400)
Central Services to the Public		2,642	(1,116)	1,526	1,649	(1,122)	527
Exceptional Items							
Single Status - Back Pay	7, 37	11,647	-	11,647	430	-	430
Pensions past service gain	17	(151,730)	-	(151,730)	-	-	-
Contributions to Other Bodies							
Coroner		642	-	642	544	-	544
Cost of services		1,225,723	(784,155)	441,568	1,248,770	(689,204)	559,566
Other Operating Expenditure							
Loss on Disposal of non-current assets		4,540	-	4,540	128,004	-	128,004
Change in fair value of Assets Held for Sale	23	1,430	-	1,430	1,931	-	1,931
Other Operating Income and Expenditure	40	997	(212)	785	1,986	(273)	1,713
Financing and Investment Income and Expenditure							
Interest Payable	41	35,660	-	35,660	33,526	-	33,526
Pensions Interest Costs	41	102,176	-	102,176	90,603	-	90,603
Expected Return on Pensions Assets	41	-	(68,567)	(68,567)	-	(72,874)	(72,874)
Interest and Investment Income	41	-	(493)	(493)	-	(384)	(384)
Income & Expenditure in relation to Investment Properties and changes in their fair value	24	70	(818)	(748)	7,683	(446)	7,237
Net (Surplus)/Deficit of Trading Undertakings	8	45,396	(41,361)	4,035	46,772	(46,163)	609
Insurance Revenue	43	(5,991)	(83)	(6,074)	3,163	(95)	3,068
Taxation and Non-Specific Grant Income							
Recognised capital grants and contributions	13			(50,014)			(53,844)
Income from Council Tax	13			(308,833)			(308,034)
General Government Grants	13			(42,188)			(66,906)
Non-Domestic Rates Distribution	13			(153,749)			(151,804)
New Homes Bonus Scheme				-			(619)
Early Intervention Grant				-			(29,237)
Council Tax Freeze Grant				-			(7,679)
Area Based Grant				(52,688)			-
Performance Reward Grant				5,402			-
(Surplus)/Deficit on Provision of Services				(87,758)			134,876
(Surplus)/Deficit on Revaluation of non current assets				2,659			(11,874)
Actuarial (gains) / losses on pensions assets / liabilities	17			(388,307)			290,360
Any other (gains) and losses				(665)			370
Total Comprehensive Income and Expenditure				(474,071)			413,732

The loss on disposal of non-current assets was primarily as a result of the transfer of schools to academies (see note 22)

BALANCE SHEET

		31 March 2011		31 March 2012	
	Note	£000	£000	£000	£000
Property, Plant and Equipment (PPE)	18				
Land & Buildings		971,203		819,154	
Vehicles & Plant		24,988		19,725	
Equipment, Furniture & Fittings		50,687		46,100	
Infrastructure Assets		432,711		435,418	
Community Assets		33		33	
Surplus Assets		38,306		39,014	
Under Construction		32,486	1,550,414	13,445	1,372,889
Heritage Assets	19	601		481	
Investment Property	24	25,310		17,614	
Intangible Assets	25	6,142		8,764	
Long Term Advances	26	2,883		2,570	
Long Term Debtors	31	6,009	40,945	2,672	32,101
Total Long Term Assets			1,591,359		1,404,990
Short Term Investments	26	20,038		20,031	
Inventories	30	3,400		2,793	
Short Term Debtors	31	65,106		72,306	
Less Bad Debts Provision		(3,400)		(4,134)	
		61,706		68,172	
Cash and Cash Equivalents	33	-		29,318	
Landfill Usage Allowances	34	-		-	
Assets Held for Sale	23	6,298		3,551	
Total Current Assets			91,442		123,865
Cash and Cash Equivalents	33	(8,994)		-	
Short Term Creditors	32	(154,322)		(134,334)	
Short Term Provisions	38	(15,326)		(14,464)	
Loans to be repaid within 1 year	26	(11,713)		(14,264)	
Short Term Finance Lease Liability	26, 35, 36	(4,787)		(4,880)	
			(195,142)		(167,942)
Total Assets less Current Liabilities			1,487,659		1,360,913
Long Term Provisions	38	(6,883)		(11,875)	
Long Term Borrowing	26	(258,745)		(279,840)	
Long Term Finance Lease Liability	26, 35, 36	(164,892)		(131,210)	
Deferred Liability	27	(2,322)		(1,950)	
Capital Grants Receipts in Advance	13	(701)		(2,364)	
			(433,543)		(427,239)
IAS 19 Pensions Liability	17		(581,574)		(874,864)
Total Net Assets			472,542		58,810
Usable Reserves					
Capital Receipts and Grants Unapplied Reserve	39		3,518		6,422
Other Earmarked Reserves	42		90,212		121,691
General Insurance	43		20,639		7,571
Schools Statutory Reserves	44		31,764		39,151
General Fund Balance	42		28,124		29,688
Unusable Reserves					
Capital Adjustment Account	45		760,446		626,721
Revaluation Reserve	45		127,488		108,503
IAS 19 Pensions Reserves	17, 45		(581,574)		(874,864)
Financial Instruments Adjustment Account	45		(161)		(146)
Collection Fund Adjustment Account	45		4,629		4,765
Employee Benefits Account	45		(12,543)		(10,692)
			472,542		58,810

The unaudited accounts were issued on 29 June 2012 and the audited accounts were authorised for issue on xx September 2012

REPORT OF THE MONITORING OFFICER

ARRANGEMENTS FOR STANDARDS AND AMENDMENTS TO THE CONSTITUTION

Purpose of the Report

1. To consider issues arising and changes required in relation to standards as a result of the Localism Act 2011 (“**Act**”) and another minor constitutional amendment.

Information and Advice

2. This Report identifies the changes required in relation to standards and sets out proposals for implementing the statutory requirements. The Council must adopt new arrangements.

Abolition of Standards regime under the Act

3. The Act abolishes the existing Standards regime. Standards for England was formally abolished on 1 April 2012. On 1 July, statutory requirements for local authorities to have a standards committee ceased, together with the statutory complaints process.
4. Council remains under a duty to promote and maintain high standards of conduct for its elected and co-opted members. Council is required to adopt a code of conduct for members and set up procedures for dealing with complaints arising from potential breaches of that code. The purpose of this Report is to propose a number of options for the Council to consider.

Code of Conduct

5. The Council’s existing Code is the statutory prescribed Model Code. The changes made under the Act allow local authorities to each adopt their own codes of conduct, although there are some minimum requirements.
6. The Act requires any new code of conduct to:
 - a. be consistent with the seven principles of public life, often referred to as the “Nolan” principles, namely: selflessness, integrity, objectivity, accountability, openness, honesty and leadership; and
 - b. contain appropriate provisions concerning the registration and disclosure of interests. The new requirements are set out in more detail in paragraphs 11 to 17 below.

7. There are several options in respect of a new code of conduct. The Council could simply amend the existing Code. The Council could re-adopt paragraphs 16 to 23 (General Obligations) of the existing Code of Conduct (see **Appendix A**). These provisions deal with conduct and correspond broadly with the “Nolan” principles of public life. The Council would need to revise the provisions concerning the registration and disclosure of interests. The advantage of amending the existing Code is that members would not have to familiarise themselves with a new code.
8. A second option is to introduce a less prescriptive code based on the minimal requirements set out in the Act. In order to help local authorities draw up their own codes of conduct a number of suggested codes of conduct have been developed by different bodies. The draft codes are set out in **Appendix B** to this Report:
 - 1) Department for Communities and Local Government’s (“DCLG”) draft code;
 - 2) The Local Government Association’s (“LGA”) draft code;
 - 3) The National Association of Local Councils’ (“NALC”) draft code; and
 - 4) Bevan Brittan Solicitor’s draft code.
9. It is suggested that the DCLG draft code of conduct is the most appropriate code for the Council to adopt (see Appendix B(1)). The LGA’s code is considered too informal and loose. NALC’s code has been developed specifically for Parish Councils and Bevan Brittan Solicitor’s code is too legalistic.

Registration and disclosure of interests

10. The Act introduces requirements in respect of “disclosable pecuniary interests”. The Council’s new code must include provision for the registration and disclosure of “disclosable pecuniary interests” and any other interests it decides should be registered and disclosed.
11. The definition of “disclosable pecuniary interests” is set out in regulations and attached at **Appendix D** of this Report for information. This replaces the previous requirements regarding ‘personal’ and ‘prejudicial’ interests’. In essence members need to declare their interest (and any interest of their spouse, civil partner or a person they are cohabiting with) in:
 - a. Any employment or job which they get paid for;
 - b. Any sponsorship or assistance received towards their expenses (including election expenses);
 - c. Any contract between them (including any body in which they have a beneficial interest) and the Council for providing goods or services or for carrying out works;
 - d. Any property, licences or tenancies they have an interest in;
 - e. Any share capital over £25,000 or 100th of the total issued share capital in a body.

These categories are broadly in line with the previous registration requirements.

12. The Act requires that each elected or co-opted member must register all their “disclosable pecuniary interests” within 28 days of becoming a member. Failure to register is made a criminal offence; members are therefore strongly advised to keep their register of interests up to date.
13. Members already disclose various pecuniary and non-pecuniary interests and are advised to check their existing register to see if there are any further interests which need to be registered as a result of the new regulations and should register such interests within 28 days of this Report.
14. Whilst it is not a requirement in law to declare a registered “disclosable pecuniary interest” at relevant meetings, it is strongly advised that for members’ own protection, and in the interests of openness and transparency, members declare any “disclosable pecuniary interest” at the start of the relevant meeting. It is proposed therefore to include this provision in the meeting procedure rules.
15. Members must not participate in any discussions or voting on any Council or committee item in which they have a “disclosable pecuniary interest”. To participate or vote in any business in which the member has a “disclosable pecuniary interest” is a criminal offence. Whilst members are not required to leave the room during the discussions or voting, in order to avoid any allegations of impropriety it is proposed that the meeting procedure rules provide for the exclusion of the Councillor or co-opted member from the meeting whilst a discussion or vote in relation to the relevant item takes place.
16. Failure to disclose “disclosable pecuniary interests” and participating in business where the member has such an interest is a summary offence under which the Courts may issue a fine of up to £5000 and may disqualify a member for up to 5 years if found guilty.
17. The Council may also make provision for other interests to be declared at relevant meetings and in the register of members’ interests. By law members are only required to disclose “disclosable pecuniary interests” however it is proposed that other interests should be declared at meetings; provision is made for this in the DCLG draft code. This is to ensure that the Council takes decisions in a transparent manner and is also for members’ own protection.

Sensitive Interests

18. As with the previous arrangements, where a member is concerned that disclosure of an interest would lead to them or a person connected with them being subject to violence or intimidation, they may request the Monitoring Officer to agree that the interest is a "sensitive interest".
19. If the Monitoring Officer agrees, the member then merely has to disclose the existence of an interest, rather than the detail of it, at a meeting, and the Monitoring Officer can exclude the detail of the interest from the published version of the register of members' interests.

Process for dealing with complaints

20. The Act requires the Council to set up its own arrangements for dealing with complaints concerning any breach of the Code of Conduct. The proposed draft procedure is attached in

Appendix C. The opportunity has been taken to simplify arrangements in comparison to the previous statutory arrangements.

21. It should be noted that there is no longer a power to suspend or disqualify Councillors.

Independent Person

22. Under the new arrangements, the Council must appoint at least one Independent Person to be called upon as and when required in order to provide their views regarding a complaint. The Council must take into account the Independent Person's views before making a decision in relation to an allegation concerning a complaint. The Independent Person may also be consulted by any Councillor whose behaviour is subject to an allegation.
23. Unlike the independent members of the Standards Committee, the new Independent Person will not be required to be a member of any Committee or be allowed to chair any such Committee.
24. It is suggested that two Independent Persons should be appointed to help ensure availability.
25. Any person who has been a Councillor or co-opted member in the last 5 years will not be eligible to be an Independent Person, neither would a person who is a relative or close friend of a current elected or co-opted member. However, former independent members of the Standards Committee are eligible.
26. It is suggested that two of the four independent members of the Council's statutory Standards Committee be appointed as the Independent Persons and that the Monitoring Officer contact all four former Independent Members in order to invite expressions of interest. The appointments will be formally approved by Full Council.
27. As the Independent Person is not a member of the authority or of its Committees or Sub-Committees, the remuneration of the Independent Person no longer comes within the scheme of members' allowances, and can therefore be determined without reference to the Independent Remuneration Panel. It is proposed that the Independent Person be entitled to reasonable expenses for travel and subsistence only.

Dispensations

28. Previously, a member who had a prejudicial interest could apply to Standards Committee for a dispensation to attend and vote at the meeting. Similar provisions now apply to "disclosable pecuniary interests".
29. In future, a dispensation may be granted in the following circumstances:
 - a. Where (without the dispensation) the number of persons not eligible to participate or vote at the decision-making body would result in the body not being able to carry on with its business;
 - b. Where (without the dispensation) the representation of different political groups on the decision making body would be unbalanced;

- c. Where the Council considers it appropriate to grant the dispensation in the interests of persons living in the Nottinghamshire area.
30. The legislation gives discretion to the Council to delegate responsibility for granting dispensations. It is suggested that Policy Committee consider such requests.

Politically Restricted Posts

31. The Act amends the provisions in relation to the granting of exemptions from political restriction. Members should note that with effect from 1 July 2012 any applications for the granting of exemptions from political restriction will be considered by the Head of Paid Service.

Minor amendment to the Constitution

32. It is proposed that a minor amendment is made to the Constitution that was adopted on 17 May. It is proposed to amend the time for notification of changes in membership to 4pm instead of 3.30pm (paragraph 85 of the procedure rules for Council and paragraph 52 of the procedure rules for committees).

Other Options Considered

33. Full Council has a number of options in relation its code of conduct, as set out in the Report.
34. In relation to dealing with complaints the Council could consider the following options:
- a. Retaining a Standards Committee;
 - b. Establishing a Audit and Standards Committee;
 - c. Sharing a Standards Committee with another Council.
35. It is suggested that the time and expense involved in the setting up a new standards committee would not be a good use of resources considering the Council's budgetary constraints and that standards matters can be more effectively dealt with under the arrangements proposed.
36. The option recommended in the Report is considered preferable because historically the Council has only received a limited number of complaints, the Standards Committee's statutory functions have been removed, and its other responsibilities have already been moved to other Committees under the committee system. Going forward any standards committee would need to be politically balanced and could not have any independent member chairing or voting.
37. The recommended new arrangements will be kept under review and if it is considered necessary a future report will be brought to Council to reconsider the arrangements.

Reason for Recommendations

38. To make the changes necessary to allow the Council to comply with its obligations under the Act.

Statutory and Policy Implications

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

RECOMMENDATIONS

- 1) To adopt a code based on the DCLG code of conduct and which is consistent with recommendations 3 and 5 of this Report;
- 2) To note the advice to members to check their existing register of members' interests within 28 days of this Report;
- 3) That the meeting procedure rules provide for Councillors and co-opted members to declare any "disclosable pecuniary interests" at the start of a relevant meeting as proposed in paragraph 14 of this Report;
- 4) That the meeting procedure rules provide for the exclusion of the Councillor or co-opted member from the meeting whilst a discussion or vote in relation to any item of business that the Councillor or co-opted member has any "disclosable pecuniary interest" is taking place;
- 5) That the meeting procedure rules provide for Councillors and co-opted members to declare other relevant interests at the relevant meeting as proposed in paragraph 17 of this Report;
- 6) To adopt the procedure for dealing with complaints set out in **Appendix C** of this Report;
- 7) To delegate responsibility for matters relating to the Councillors' Code of Conduct to the Policy Committee;
- 8) To invite the four former Independent Members of the Standards Committee to make expressions of interest for the positions of Independent Person and to appoint two Independent Persons; Council to make the final appointments;
- 9) That the Independent Persons be entitled to claim reasonable expenses for travel and subsistence;
- 10) To delegate the responsibility for granting dispensations to participate in an item at the meeting where the member has a "disclosable pecuniary interest" to the Policy Committee;
- 11) To acknowledge that the Head of Paid Service will consider applications from officers for exemptions from political restriction;

- 12) To amend the time for notification of changes in membership to 4pm instead of 3.30pm as proposed in paragraph 32 of this Report;
- 13) That the Monitoring Officer makes the necessary amendments to the Constitution.

Jayne Francis-Ward
Monitoring Officer

**For any enquiries about this report please contact:
Simon Gill, Legal Services - ext: 73620**

Constitutional Comments (SLB 27/06/2012)

40. County Council has responsibility for adopting and changing the Council's Constitution and certain matters set out in the report are reserved to it by law. County Council is the appropriate body to consider the content of the report.

Financial Comments (MB 27/06/12)

41. Any expenses will be contained within the budget for Legal and Democratic Services.

Background Papers

The Localism Act:

www.legislation.gov.uk/ukpga/2011/20/contents

The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012:

www.legislation.gov.uk/uksi/2012/1464/contents/made

Electoral Division(s) and Member(s) Affected

All

Appendix A
Extract from the current Councillor Code of Conduct

GENERAL OBLIGATIONS

16. You must treat others with respect.
17. You must not
 - a. do anything which may cause your authority to breach any of the equality enactments (as defined in Section 33 of the Equality Act 2006);
 - b. bully any person;
 - c. intimidate or attempt to intimidate any person who is or is likely to be
 - i. a complainant,
 - ii. a witness, or
 - iii. involved in the administration of any investigation or proceedings,in relation to an allegation that a member (including yourself) has failed to comply with his or her authority's Code of Conduct; or
 - d. do anything which compromises or is likely to compromise the impartiality of those who work for, or on behalf of, your authority.
18. In relation to police authorities and the Metropolitan Police Authority, for the purposes of paragraph 17(d) those who work for, or on behalf of, an authority are deemed to include a police officer.
19. You must not
 - a. disclose information given to you in confidence by anyone, or information acquired by you which you believe, or ought reasonably to be aware, is of a confidential nature, except where
 - i. you have the consent of a person authorised to give it;
 - ii. you are required by law to do so;
 - iii. the disclosure is made to a third party for the purpose of obtaining professional advice provided that the third party agrees not to disclose the information to any other person; or
 - iv. the disclosure is reasonable and in the public interest; and made in good faith and in compliance with the reasonable requirements of the authority; or

- b. prevent another person from gaining access to information to which that person is entitled by law.
- 20. You must not conduct yourself in a manner which could reasonably be regarded as bringing your office or authority into disrepute.
- 21. You
 - a. must not use or attempt to use your position as a member improperly to confer on or secure for yourself or any other person, an advantage or disadvantage; and
 - b. must, when using or authorising the use by others of the resources of your authority
 - i. act in accordance with your authority's reasonable requirements;
 - ii. ensure that such resources are not used improperly for political purposes (including party political purposes); and
 - c. must have regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986.
- 22. When reaching decisions on any matter you must have regard to any relevant advice provided to you by
 - a. your authority's chief finance officer; or
 - b. your authority's monitoring officer,where that officer is acting pursuant to his or her statutory duties.
- 23. You must give reasons for all decisions in accordance with any statutory requirements and any reasonable additional requirements imposed by your authority.

Appendix B

Part 1 Draft code from DCLG

You are a member or co-opted member of the [name] council and hence you shall have regard to the following principles – selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

Accordingly, when acting in your capacity as a member or co-opted member -

You must act solely in the public interest and should never improperly confer an advantage or disadvantage on any person or act to gain financial or other material benefits for yourself, your family, a friend or close associate.

You must not place yourself under a financial or other obligation to outside individuals or organisations that might seek to influence you in the performance of your official duties.

When carrying out your public duties you must make all choices, such as making public appointments, awarding contracts or recommending individuals for rewards or benefits, on merit.

You are accountable for your decisions to the public and you must co-operate fully with whatever scrutiny is appropriate to your office.

You must be as open as possible about your decisions and actions and the decisions and actions of your authority and should be prepared to give reasons for those decisions and actions.

You must declare any private interests, both pecuniary and non-pecuniary, that relate to your public duties and must take steps to resolve any conflicts arising in a way that protects the public interest, including registering and declaring interests in a manner conforming with the procedures set out in the box below.

You must, when using or authorising the use by others of the resources of your authority, ensure that such resources are not used improperly for political purposes (including party political purposes) and you must have regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986.

You must promote and support high standards of conduct when serving in your public post, in particular as characterised by the above requirements, by leadership and example.

Registering and declaring pecuniary and non-pecuniary interests

You must, within 28 days of taking office as a member or co-opted member, notify your authority's monitoring officer of any disclosable pecuniary interest as defined by regulations made by the Secretary of State, where the pecuniary interest is yours, your spouse's or civil partner's, or is the pecuniary interest of somebody with whom you are living with as a husband or wife, or as if you were civil partners.

In addition, you must, within 28 days of taking office as a member or co-opted member, notify your authority's monitoring officer of any disclosable pecuniary or non-pecuniary interest which your authority has decided should be included in the register.

If an interest has not been entered onto the authority's register, then the member must disclose the interest to any meeting of the authority at which they are present, where they have a disclosable interest in any matter being considered and where the matter is not a 'sensitive interest'.¹

Following any disclosure of an interest not on the authority's register or the subject of pending notification, you must notify the monitoring officer of the interest within 28 days beginning with the date of disclosure.

Unless dispensation has been granted, you may not participate in any discussion of, vote on, or discharge any function related to any matter in which you have a pecuniary interest as defined by regulations made by the Secretary of State. Additionally, you must observe the restrictions your authority places on your involvement in matters where you have a pecuniary or non pecuniary interest as defined by your authority.

¹ A 'sensitive interest' is described in the Localism Act 2011 as a member or co-opted member of an authority having an interest, and the nature of the interest being such that the member or co-opted member, and the authority's monitoring officer, consider that disclosure of the details of the interest could lead to the member or co-opted member, or a person connected with the member or co-opted member, being subject to violence or intimidation.

Part 2 Draft code from LGA

As a member or co-opted member of *[X authority]* I have a responsibility to represent the community and work constructively with our staff and partner organisations to secure better social, economic and environmental outcomes for all.

In accordance with the Localism Act provisions, when acting in this capacity I am committed to behaving in a manner that is consistent with the following principles to achieve best value for our residents and maintain public confidence in this authority.

SELFLESSNESS: Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

INTEGRITY: Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

OBJECTIVITY: In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

ACCOUNTABILITY: Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

OPENNESS: Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

HONESTY: Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

LEADERSHIP: Holders of public office should promote and support these principles by leadership and example.

The Act further provides for registration and disclosure of interests and in *[X authority]* this will be done as follows: *[to be completed by individual authorities]*

As a Member of [*X authority*], my conduct will in particular address the statutory principles of the code of conduct by:

- Championing the needs of residents – the whole community and in a special way my constituents, including those who did not vote for me - and putting their interests first.
- Dealing with representations or enquiries from residents, members of our communities and visitors fairly, appropriately and impartially.
- Not allowing other pressures, including the financial interests of myself or others connected to me, to deter me from pursuing constituents' casework, the interests of the [*county*][*borough*][*Authority's area*] or the good governance of the authority in a proper manner.
- Exercising independent judgement and not compromising my position by placing myself under obligations to outside individuals or organisations who might seek to influence the way I perform my duties as a member/co-opted member of this authority.
- Listening to the interests of all parties, including relevant advice from statutory and other professional officers, taking all relevant information into consideration, remaining objective and making decisions on merit.
- Being accountable for my decisions and co-operating when scrutinised internally and externally, including by local residents.
- Contributing to making this authority's decision-making processes as open and transparent as possible to enable residents to understand the reasoning behind those decisions and to be informed when holding me and other members to account but restricting access to information when the wider public interest or the law requires it
- Behaving in accordance with all our legal obligations, alongside any requirements contained within this authority's policies, protocols and procedures, including on the use of the Authority's resources.
- Valuing my colleagues and staff and engaging with them in an appropriate manner and one that underpins the mutual respect between us that is essential to good local government.
- Always treating people with respect, including the organisations and public I engage with and those I work alongside.
- Providing leadership through behaving in accordance with these principles when championing the interests of the community with other organisations as well as within this authority

Part 3

Draft code from NALC

Introduction

Pursuant to section 27 of the Localism Act 2011, X [Parish/Town/Village/Community/Neighbourhood] Council ('the Council') has adopted this Code of Conduct to promote and maintain high standards of behaviour by its members and co-opted members whenever they conduct the business of the Council including the business of the office to which they were elected or appointed or when they claim to act or give the impression of acting as a representative of the Council.

This Code of Conduct is based on the principles of selflessness, integrity, objectivity, accountability, openness, honesty, and leadership.

Definitions

For the purposes of this Code, a 'co-opted member' is a person who is not a member of the Council but who is either a member of any committee or sub-committee of the Council, or a member of, and represents the Council on any joint committee or joint sub-committee of the Council, and who is entitled to vote on any question that falls to be decided at any meeting of that committee or sub-committee.

For the purposes of this Code, a 'meeting' is a meeting of the Council, any of its committees, sub-committees, joint committees or joint sub-committees.

For the purposes of this Code, and unless otherwise expressed, a reference to a member of the Council includes a co-opted member of the Council.

Member obligations

When a member of the Council acts, claims to act or gives the impression of acting as a representative of the Council, he/she has the following obligations,

1. He/she shall behave in such a way that a reasonable person would regard as respectful.
2. He/she shall not act in a way which a reasonable person would regard as bullying or intimidatory.
3. He/she shall not seek to improperly confer an advantage or disadvantage on any person.
4. He/she shall use the resources of the Council accordance with its requirements.
5. He/she shall not disclose information which is confidential or where disclosure is prohibited by law.

Registration of interests

6. Within 28 days of this Code being adopted by the Council, or the member's election the co-opted member's appointment (where that is later), he/she shall register all interests which fall within the categories set out in Appendices A and B.

7. Upon the re-election of a member or the re-appointment of a co-opted member, he/she shall within 28 days re-register any interests in Appendices A and B.

8. A member shall register any change to interests or new interests in Appendices A and B within 28 days of becoming aware of it.

9. A member need only declare on the public register of interests the existence but not the details of any interest which the Monitoring Officer agrees is a 'sensitive interest'. A sensitive interest is one which, if disclosed on a public register, could lead the member or a person connected with the member to be subject to violence or intimidation.

Declaration of interests

9. Where a matter arises at a meeting which relates to an interest in Appendix A the member shall not participate in a discussion or vote on the matter. He/she only has to declare what his/her interest is if it is not already entered in the member's register of interests or if he/she has not notified the Monitoring Officer of it.

10. Where a matter arises at a meeting which relates to an interest in Appendix A which is a sensitive interest, the member shall not participate in a discussion or vote on the matter. If it is a sensitive interest which has not already been disclosed to the Monitoring Officer, the member shall disclose he/she has an interest but not the nature of it.

11. Where a matter arises at a meeting which relates to an interest in Appendix B, the member shall withdraw from the meeting. He/she may speak on the matter before withdrawing only if members of the public are also allowed to speak at the meeting.

12. A member only has to declare his/her interest in Appendix B if it is not already entered in his/her register of interests or he/she has not notified the Monitoring Officer of it or if he/she speaks on the matter before withdrawing. If he/she holds an interest in Appendix B which is a sensitive interest not already disclosed to the Monitoring Officer, he/she shall declare the interest but not the nature of the interest.

13. Where a matter arises at a meeting which relates to a financial interest of a friend, relative or close associate, the member shall disclose the nature of the interest and withdraw from the meeting. He/she may speak on the matter before withdrawing only if members of the public are also allowed to speak at the meeting. If It is a 'sensitive interest' the member shall declare the interest but not the nature of the interest.

Dispensations

14. On a written request made to the Council's proper officer, the Council may grant a member a dispensation to participate in a discussion and vote on a matter at a meeting even if he/she has an interest In Appendices A and B if the Council believes that the number of members otherwise prohibited from taking part in the meeting would impede the transaction of the business; or it is in

the interests of the inhabitants in the Council's area to allow the member to take part or it is otherwise appropriate to grant a dispensation.

Appendix A

Such interests, as prescribed by regulations, are.. . . .

Appendix B

[Unless they are interests prescribed by regulation for inclusion in Appendix A] any interest which relates to or is likely to affect:

- (i) any body of which the member is in a position of general control or management and to which he/she is appointed or nominated by the Council;
- (ii) any body-
 - (a) exercising functions of a public nature;
 - (b) directed to charitable purposes; or
 - (c) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)of which the member of the Council is a member or in a position of general control or management;
- (iii) any employment or business carried on by the member;
- (iv) any person or body who employs or has appointed the member;
- (v) any person or body, other than the Council, who has made a payment to the member in respect of his/her election or any expenses incurred by him/her in carrying out his/her duties;
- (vi) any person or body who has a place of business or land in the Council's area, and in whom the member has a beneficial interest in a class of securities of that person or body that exceeds the nominal value of £25,000 or one hundredth of the total issued share capital (whichever is the lower);
- (vii) any contract for goods, services or works made between the member's Council and the member or a firm in which he/she is a partner, a company of which he/she is a remunerated director, or a person or body of the description specified in paragraph (vi);
- (viii) any gifts or hospitality worth more than an estimated value of £50 which the member has received by virtue of his or her office.
- (ix) any land in the Council's area in which the member has a beneficial interest;

- (x) any land where the landlord is the Council and the member is, or a firm in which the member is a partner, a company of which the member is a remunerated director, or a person or body of the description specified in paragraph (vi), is the tenant;
- (xi) any land in the Council's area for which the member has a licence (alone or jointly with others) to occupy for 28 days or longer.

Part 4
Draft code from Bevan Brittan Solicitors

Code of Conduct for Members

1 Application

This Code of Conduct applies to you whenever you are in your capacity as a member of Middletown Borough Council, including –

- 1.1 at formal meetings of the Council, its Committees and Sub-Committees, its Cabinet and Cabinet Committees
- 1.2 when acting as a representative of the authority
- 1.3 in taking any decision as a Cabinet member or a Ward Councillor
- 1.4 in discharging your functions as a ward Councillor
- 1.5 at briefing meetings with officers and
- 1.6 at site visits
- 1.7 when corresponding with the authority other than in a private capacity

2 General Conduct

You must -

- 2.1 provide leadership to the authority and communities within its area, by personal example and
- 2.2 respect others and not bully any person
- 2.3 recognise that officers (other than political assistants) are employed by and serve the whole authority
- 2.4 respect the confidentiality of information which you receive as a member -
 - 2.4.1 not disclosing confidential information to third parties unless required by law to do so or where there is a clear and over-riding public interest in doing so: and
 - 2.4.2 not obstructing third parties' legal rights of access to information
- 2.5 not misconduct yourself in a manner which is likely to bring the authority into disrepute
- 2.6 use your position as a member in the public interest and not for personal advantage
- 2.7 accord with the authority's reasonable rules on the use of public resources for private and political purposes
- 2.8 exercise your own independent judgement, taking decisions for good and substantial reasons -
 - 2.8.1 attaching appropriate weight to all relevant considerations including, where appropriate, public opinion and the views of political groups
 - 2.8.2 paying due regard to the advice of officers, and in particular to the advice of the statutory officers, namely the Head of Paid Service, the Chief Finance Officer and the Monitoring Officer and
 - 2.8.3 stating the reasons for your decisions where those reasons are not otherwise apparent
- 2.9 account for your actions, particularly by supporting the authority's scrutiny function
- 2.10 ensure that the authority acts within the law.

3 Disclosable Pecuniary Interests

You must –

- 3.1 comply with the statutory requirements to register, disclose and withdraw from participating in respect of any matter in which you have a disclosable pecuniary interest
- 3.2 ensure that your register of interests is kept up to date and notify the Monitoring Officer in writing within 28 days of becoming aware of any change in respect of your disclosable pecuniary interests
- 3.3 make verbal declaration of the existence and nature of any disclosable pecuniary interest at any meeting at which you are present at which an item of business which affects or relates to the subject matter of that interest is under consideration, at or before the consideration of the item of business or as soon as the interest becomes apparent
- 3.4 'Meeting' means any meeting organised by or on behalf of the authority, including -
 - 3-4.1 any meeting of the Council, or Committee or Sub-Committee of Council
 - 3.4.2 any meeting ,of the Cabinet and any Committee of the Cabinet.
 - 3.4.3 in making a decision as a Ward Councillor or as a Member of the Cabinet
 - 3.4.4 at any briefing by officers; and
 - 3.4.5 at any site visit to do with business of we authority

4 Other Interests

- 4.1 In addition to the requirements of Paragraph 3, if you attend a meeting at which any item of business is to be considered and you are aware that you have a "non disclosable pecuniary interest or non-pecuniary interest in that item, you must make verbal declaration of the existence and nature of that interest at or before the consideration of the item of business or as soon as the interest becomes apparent
- 4.2 You have a "non-disclosable pecuniary interest or non-pecuniary interest*" in an item of business of your authority where –
 - 4.2.1 a decision in relation to that business might reasonably be regarded as affecting the well-being or financial standing of you or a member of your family or a person with whom you have a close association to a greater extent than it would affect the majority of the Council Tax payers, ratepayers or inhabitants of the ward or electoral area for which you have been elected or otherwise of the authority's administrative area, or
 - 4.2.2 it, relates to or is likely to affect any of the interests listed in the Table in the Appendix to this Code, but in respect of a member of your family (other than a 'relevant person") or a person with whom you have a close association and that interest is not a disclosable pecuniary interest.

5 Gifts and Hospitality

- 5.1 You must, within 28 days of receipt, notify the Monitoring Officer in writing of any gift, benefit or hospitality with a value in excess of £100 which you have accepted as a member from any person or body other than the authority.

- 5.2 The Monitoring Officer will place your notification on a public register of gifts and hospitality.
- 5.3 This duty to notify the Monitoring Officer does not apply where the gift, benefit or hospitality comes within any description approved by the authority for this purpose.

Appendix

Disclosable Pecuniary Interests

The duties to register, disclose and not to participate in respect of any matter in which a member has a Disclosable Pecuniary Interest are set out in Chapter 7 of the Localism Act 2011.

Disclosable pecuniary interests are defined in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 as follows -

<i>Interest</i>	<i>Prescribed description</i>
Employment, office, trade, profession or vocation Sponsorship	Any employment, office, trade, profession or vocation carried on for profit or gain. Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a member, or towards the election expenses of M. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority - (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	Any tenancy where (to M's knowledge) – (a) the landlord is the relevant authority; and (b) the tenant is a body in which the relevant person has a beneficial interest.
Securities	Any beneficial interest in securities of a body where – (a) that body (to M's knowledge) has a place of business or land in the area of the relevant authority; and (b) either – i. The total nominal value of the securities exceeds £25,000 or one hundredth of the

- ii. If the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

For this purpose -

"the Act" means the Localism Act 2011;

"body in which the relevant person has a beneficial interest" means a firm in which the relevant person is a partner or a body corporate of which the relevant person is a director, or in the securities of which the relevant person has a beneficial interest;

"director" includes a member of the committee of management of an industrial and provident society;

"land" includes an easement, servitude, interest or right in or over land which does not carry with it a right for the relevant person (alone or jointly with another) to occupy the land or to receive income;

"M means the person M referred to in section 30 of the Act;

"member" includes a co-opted member;

"relevant authority" means the authority of which M is a member;

"relevant period" means the period of 12 months ending with the day on which M gives a notification for the purposes of section 30(1) of the Act;

"relevant person" means M or any other person referred to in section 30(3)(b) of the Act;

"securities" means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

Appendix C

Draft Procedure for dealing with standards allegations

Introduction

1. The Council is committed to promoting and maintaining high standards of conduct by all Councillors and co-opted members and has adopted a Code of Conduct which all of its members must adhere to.
2. This procedure covers complaints made against members who are alleged to have breached the Code.
3. The process for dealing with allegations made under the Code should be the same for all Councillors and co-opted members. It must be fair and be seen to be fair.

Responsibilities

4. Any complaints should be addressed to the Monitoring Officer who will consider the matter.
5. The Independent Person appointed by Council will be consulted before any decision is made.
6. The member who is the subject of a complaint may consult the Independent Person in respect of the complaint.

Receiving the complaint

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

Initial considerations

8. The Monitoring Officer will check that the complaint relates to a serving member of the Council and could amount to a breach of the Code and is therefore valid.
9. If the complaint is not valid the complainant must be informed that no further action will be taken.

10. Where the complaint falls under the scope of one of the Council's other complaints procedures, the Monitoring Officer may refer the complaint on to the Complaints and Information Team for investigation.

Consideration of the complaint

11. The Monitoring Officer can take the following action:

- a. if the complaint is considered to be trivial, take no further action;
- b. refer the complaint to the member's Group in order for it to be dealt with under the Group's discipline rules or agreed process;
- c. investigate the complaint and refer the complaint to the Policy Committee for formal action.

12. The Monitoring Officer will seek the views of the Independent Person.

13. The Monitoring Officer will inform the relevant member that the complaint has been received and, unless the complainant objects, the identity of the complainant.

14. The Monitoring Officer will keep a record of all complaints received.

15. All complaints must be dealt with within a reasonable time period.

16. The Monitoring Officer should keep the relevant member and the complainant up to date with the progress and outcome of the complaint.

Referral to the Policy Committee

17. Where the complaint is referred to the Policy Committee, the relevant member and the complainant should be given reasonable notice of the meeting at which the complaint will be considered.

Appendix D

The definition of “Disclosable Pecuniary Interest” as set out in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012

Interest	Prescribed description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a member, or towards the election expenses of M.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</p>
Contracts	<p>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority—</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	<p>Any tenancy where (to M’s knowledge)—</p> <p>(a) the landlord is the relevant authority; and</p> <p>(b) the tenant is a body in which the relevant person has a beneficial interest.</p>
Securities	<p>Any beneficial interest in securities of a body where—</p> <p>(a) that body (to M’s knowledge) has a place of business or land in the area of the relevant authority; and</p> <p>(b) either—</p> <p>(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is of more than one</p>

	class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.
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“the Act” means the Localism Act 2011;

“body in which the relevant person has a beneficial interest” means a firm in which the relevant person is a partner or a body corporate of which the relevant person is a director, or in the securities of which the relevant person has a beneficial interest;

“director” includes a member of the committee of management of an industrial and provident society;

“land” excludes an easement, servitude, interest or right in or over land which does not carry with it a right for the relevant person (alone or jointly with another) to occupy the land or to receive income;

“M” means a member of a relevant authority;

“member” includes a co-opted member;

“relevant authority” means the authority of which M is a member;

“relevant period” means the period of 12 months ending with the day on which M gives a notification for the purposes of section 30(1) or section 31(7), as the case may be, of the Act;

“relevant person” means M or any other person referred to in section 30(3)(b) of the Act;

“securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000(1) and other securities of any description, other than money deposited with a building society.

EXPLANATORY NOTE (not part of the regulations): the provisions in the Council’s proposed draft code in respect of the registration and disclosure of Disclosable Pecuniary Interests and to withdraw from participating in respect of any matter where you have a Disclosable Pecuniary Interest apply to your interests and those of your spouse or civil partner or person with whom you are living as a spouse or civil partner where you are aware of their interest.