

Policy and Resources Committee

Date: **Monday 14 July 2014**

Time: **10am**

Venue: **Edwards Room, County Hall, Norwich**

Persons attending the meeting are requested to turn off mobile phones.

Membership

Mr G Nobbs (Chair)

Mr T Adams
Mr S Agnew
Mr M Baker
Mr M Castle
Mr A Dearnley
Mr J Dobson
Mr T FitzPatrick
Mr T Garrod

Mrs S Gurney
Mr D Harrison
Mrs J Leggett
Mr S Morpew
Mr A Proctor
Mr D Ramsbotham
Dr M Strong
Mrs A Thomas

**For further details and general enquiries about this Agenda
please contact the Committee Officer:**

Tim Shaw on 01603 222948
or email committees@norfolk.gov.uk

Under the Council's protocol on the use of media equipment at meetings held in public, this meeting may be filmed, recorded or photographed. Anyone who wishes to do so must inform the Chairman and ensure that it is done in a manner clearly visible to anyone present. The wishes of Members or any members of the public not to be recorded or filmed must be respected.

A g e n d a

1. To receive apologies and details of any substitute members attending

2. Minutes

(Page 5)

To agree the minutes from the meeting held on 23rd June 2014.

3. Members to Declare any Interests

If you have a Disclosable Pecuniary Interest in a matter to be considered at the meeting and that interest is on your Register of Interests you must not speak or vote on the matter.

If you have a Disclosable Pecuniary Interest in a matter to be considered at the meeting and that interest is not on your Register of Interests you must declare that interest at the meeting and not speak or vote on the matter.

In either case you may remain in the room where the meeting is taking place. If you consider that it would be inappropriate in the circumstances to remain in the room, you may leave the room while the matter is dealt with.

If you do not have a Disclosable Pecuniary Interest you may nevertheless have an Other Interest in a matter to be discussed if it affects

- your well being or financial position
- that of your family or close friends
- that of a club or society in which you have a management role
- that of another public body of which you are a member to a greater extent than others in your ward.

If that is the case then you must declare an interest but can speak and vote on the matter.

4. To receive any items of business which the Chairman decides should be considered as a matter of urgency

5. Local Member Issues

Fifteen minutes for local members to raise issues of concern of which due notice has been given.

Please note that all questions must be received by the Committee Team (committees@norfolk.gov.uk or 01603 223230) by **5pm on Wednesday 9 July 2014**.

6. 2013-14 Revenue Out-turn Report Report by Interim Head of Finance

(Page 14)

7. 2013-14 Capital Out-turn Report Report by Interim Head of Finance

(Page 40)

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|-----|---|-------------|
| 8. | Annual Treasury Management Report 2013-14
Report by Interim Head of Finance | (Page 62) |
| 9. | 2014 – 15 Revenue Monitoring Report Month 2
Report by Interim Head of Finance | (Page 72) |
| 10. | Capital Monitoring Month 2
Report by Interim Head of Finance | (Page 103) |
| 11. | Performance Monitoring Report
Report by Head of Business Intelligence and Performance Service &
Corporate Planning & Partnerships Service | (Page 127) |
| 12. | Budget Planning 2015-18
Report by Interim Head of Finance | (To Follow) |
| 13. | Developing the County Council Plan 2015/16
Report by Head of Business Intelligence and Performance Service &
Corporate Planning & Partnerships Service | (Page 141) |
| 14. | Health, Safety and Wellbeing Annual Report
Report by Head of HR and OD | (Page 145) |
| 15. | Digital Norfolk Ambition Update
Report by Interim Director of Environment, Transport and Development | (To Follow) |

Group Meetings

Conservative	9:00am	Colman Room
UK Independence Party	9:00am	Room 504
Labour	9:00am	Room 513
Liberal Democrats	9:00am	Room 530

Chris Walton
Head of Democratic Services
 County Hall
 Martineau Lane
 Norwich
 NR1 2DH

Date Agenda Published: 4 July 2014



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Policy and Resources Committee

**Minutes of the Meeting Held on Monday 23 June 2014
10:00am Edwards Room, County Hall, Norwich**

Present:

Mr G Nobbs(Chair)

Mr T Adams
Mr S Agnew
Mr M Baker
Mr M Castle
Mr A Dearnley
Mr J Dobson
Mr T FitzPatrick

Mr T Garrod
Mr D Harrison
Mr S Morphew
Mr A Proctor
Mr D Ramsbotham
Dr M Strong
Mrs A Thomas

Substitute Members Present:

Mr C Foulger for Mrs S Gurney
Mr W Richmond for Mrs J Leggett

Also Present:

Mr R Bearman
Mr R Coke
Mr P Hacon
Mr T Jermy
Mr J Joyce
Mr P Smyth
Mr J Timewell
Mr B Watkins

1. Apologies

1.1 Apologies for absence were received from Mrs S Gurney and Mrs J Leggett.

2 Declarations of Interest

2.1 There were no declarations of interest.

3 Items of Urgent Business

3.1 There were no items of urgent business

4 Local Member Issues

4.1 There were no local Member issues

It was agreed to consider Item 7 on the second of the supplementary agendas as

the next item of business.

5 Norfolk Context

- 5.1 The Committee received a presentation by the Head of Planning Performance and Partnerships and the Interim Head of Finance of the main social, economic and demographic issues facing Norfolk, and an early indication of the financial challenges facing the County Council over the next 3-5 years. Copies of these presentations can be found on the County Council's committee pages website.
- 5.2 In the course of discussion the following key points were made:
- 5.3 The Interim Head of Finance said that while a large level of savings was identified during its Putting People First consultation, the County Council's shortfall for the next financial year (2015/16) was £3.8 million. This was likely to widen dramatically in the following years as demand for services increased and support from Government fell further. It was pointed out that the new Parliament's projected savings across Government, for 2016-18, would need to be twice as deep as what had already been delivered. For Norfolk County Council in 2016-17 that translated into a projected shortfall of £18m which would grow to £51.7m in 2017-18, with yet further projected savings requirement in the next two years of just over £61m up until 2020. Faced with such a large shortfall, all Councils would have to have bolder solutions and to take a strategic approach to choice. This meant that if 'efficiency' had been the main headline of the last four years, it looked like 'priorities' would take-over between now and 2020 leaving local authorities to reassess what they were there to deliver.
- 5.4 Members discussed a wide range of issues that would possibly need to be examined at future meetings in order for the Council to meet the financial challenges over the next 3-5 years. These included: a shared approach to county farms with Suffolk County Council, the need for a further review of efficiency savings, the work that had gone into zero based budgets, particularly in relation to Children's Services, the importance of the Committee taking a strategic overview of the Council's needs as well as of its financial means, including the impact of new property development and the funding that would be made available to the County Council by the NHS through the Better Care Fund.
- 5.5 Members asked to be sent details after the meeting of reductions in County Council property assets since the County Council had agreed on its budget in February 2014. Members wanted to know where these changes were as a result of the Council having to meet its existing and planned policy commitments and where they were as a result of other efficiency measures.
- 5.6 Members also asked to be given an explanation as to the County Council's statutory and discretionary budgetary requirements and the percentage of total expenditure that was attributed to each of these two headings.
- 5.7 **RESOLVED**
- 5.8 That Members' be provided with an opportunity at their next meeting to explore the work that was being done as part of the current budget planning process to shape the budget process and the major challenges for each Service Committee.

6 Policy and Resources Committee Plan

- 6.1 The annexed report (5) by the Head of Planning Performance and Partnerships was received.
- 6.2 The report provided the Committee with core-information that could be used to monitor overall progress against the Council's key priorities and targets.
- 6.3 Members stressed the importance of a live interface between Members and officers when it came to performance related information that could easily be accessed.

RESOLVED

- 6.4 That the Committee note that at the end of each financial year, the Chair, on behalf of the Committee, would provide an overview of the Committee's progress in achieving key priorities. This, along with information from service committees, would assist the Policy and Resources Committee to monitor overall progress against the Council's key priorities and targets.

7 Appointments to External and Internal Bodies

- 7.1 The annexed report (6) by the Acting Managing Director (as mentioned on the first of the supplementary agendas) was received.

RESOLVED-

- 7.2 That the Committee notes that unless otherwise specified below, existing appointments to external and internal bodies would continue pending a review to the September 2014 Committee cycle and that Member Champion appointments remained in force until the November review.
- 7.3 That the Committee delegates to the Acting Managing Director, following consultation with the Chairman or Vice Chairman (and Group Spokespersons where appropriate) authority to make appointments to internal and outside bodies where there was an urgent need.
- 7.4 In the light of changes to Group Leadership, the Committee reviewed the following appointments to the LGA/County Council Network before the review was reported to the September 2014 meeting of the Committee.

Outside Bodies

Local Government Association Appointments

- 7.5 **LGA General Assembly (4)**

George Nobbs (4 votes)
Tom FitzPatrick (1 vote)
Alison Thomas (1 vote)
Mike Sands (1 vote)

- 7.6 **County Council Network (4)**

Tom FitzPatrick
Tom Garrod
George Nobbs
Marie Strong

7.7 East of England Local Government Association (1) and 1 substitute

George Nobbs
Tom FitzPatrick (sub)

7.8 LGA Fire Services Commission (1)

Mr P Smyth

Policy and Resources Committee Boards/Working Groups/Panels

7.9 Joint Consultative & Negotiating Committee (7)

Deputy Leader (David Harrison)
1 Lab (Bert Bremner)
3 Cons (Andrew Proctor, Tom FitzPatrick, Tony Adams)
1 Lib Dem (John Timewell)
1 UKIP (Rex Parkinson Hare)

7.10 Strategic Equalities Group (6)

Deputy Leader (David Harrison)
1 LD (Tim East)
1 Con (John Dobson)
1 Green (Richard Bearman)
1 UKIP (TBA)
1 Labour (TBA)

7.11 ESCO (Energy Saving Company) (1)

Deputy Leader (David Harrison)

7.12 Constitution Advisory Group

The Committee noted this Group was previously appointed by Corporate Resources Overview and Scrutiny Panel and that the Constitution (Article 13) required the Group to be appointed by this Committee.

RESOLVED (by 9 votes to 8 votes)

That the political composition of the Constitution Advisory Group be 7 Members (3 Cons, 1 Lab, 1 Lib Dem, 1 Green and 1 UKIP)

7.13 **Constitution Advisory Group (7)**

3 Cons (Andrew Proctor, Alison Thomas, John Dobson)

1 Labour: TBA

1 Lib Dem: TBA

1 Green: TBA

1 UKIP: TBA

The meeting closed at 11.20 am

CHAIRMAN



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Response to P&R Committee June 23rd 2014

Question on Property sales since February 2014.

Property Sales 2014-15, to 24 June 2014

1 Background

- 1.1 The 2014-15 Capital Budget assumed £10.163m of income from property sales (capital receipts). As with all Capital Budgets, there is movement between the current and other years, both last year 2013-14 and the future, 2015-16. The latest 2014-15 capital receipts target for 2014-15 is £9.765m – the explanation of the change is at Annex 1.

2 Sales since February 2014

- 2.1 A total of £1.138m capital receipts has been received, up to June 24. The list of properties are set out in the Table below

Table 1: Property sales, year to date (24 June 2014) £m

Items in 2014-15 capital programme sold in 2013-14 Hillington - Former highway depot Swaffham - Former sixth form centre Great Yarmouth - The Hollies and Ivy House Sub-total	0.710	0.710
Properties sold in April 2014	None	
Properties sold in May 2014	None	
Properties sold in June 2014 - two Tanner House (added to list since 1 April) Shrublands Cottages (in original budget) Sub-total	0.262 0.166	0.428
Total to June 24		1.138

- 2.2 This table will be updated in every monthly Capital Monitor, during 2014-15.

Annex 1

Reconciliation of Disposal Schedule Estimates

	£m
Original Budget 2014-15	10.163
<i>Additions</i>	3.094
Upward revaluations of estimates	0.626
Brought forward from future years	2.854
<i>Removals</i>	-1.052
Downwards revaluations of estimates	-0.280
Disposals in 2013-14	-0.710
Delayed until future years	-4.930
Revised Estimate 2014-15	9.765

Policy and Resources Committee

Item No...6...

Report title:	2013-14 Revenue out-turn report
Date of meeting:	14 July 2014
Responsible Chief Officer:	Head of Finance (Interim)
Strategic impact This report gives details of the outturn position for the 2013-14 Revenue Budget, General Balances the Council's Reserves at 31 March 2014.	

Executive summary

Net revenue expenditure resulted in an underspend by £0.477m on a net budget of £302.587m.

Recommendations:

Policy and Resources Committee is recommended to:

- note the underspend for 2013-14 of £0.477m and
- note the resulting increase in General Balances at 31 March 2014 to £17.288m.

1. Introduction

The annex to this report summarises the Authority's 2013-14 financial outturn.

2. Evidence

The attached appendix summarises the financial outturn for each service and the resulting impact on reserves and provisions.

The appendix also summarises:

- Budget variations by subjective
- Treasury management performance
- Payment and debt performance

3. Financial Implications

Net revenue expenditure resulted in an underspend by £0.477m on a net budget of £302.587m. The underspend has been added to General Balances, which are therefore £17.288m as at 31 March 2014.

4. Issues, risks and innovation

Risk implications

- 4.1 Officers have considered all the implications which members should be aware of. Apart from those listed in the report (above) and attached annex, there are no other implications to take into account.

5. Background

- 5.1 Having set a budget at the start of the financial year, the Council needs to ensure its delivery within allocated and available resources which in turn underpins the financial stability of the Council. Consequently there is a requirement to regularly monitor progress so that corrective action can be taken when required.

Officer Contact

If you have any questions about the matters contained in this paper please get in touch with:

Name	Telephone Number	Email address
Peter Timmins	01603 222400	peter.timmins@norfolk.gov.uk
Harvey Bullen	01603 223330	harvey.bullen@norfolk.gov.uk



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Norfolk County Council

Annex: 2013-14 Revenue Out-turn Report

Report by the Head of Finance (Interim)

Summary

This report gives details of the outturn position for the 2013-14 Revenue Budget, General Balances the Council's Reserves at 31 March 2014.

Highlights

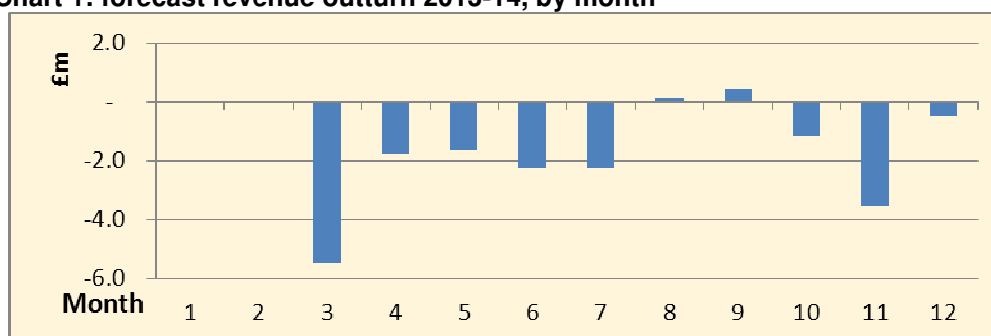
- the underspend for 2013-14 of £0.477m and
- the resulting increase in General Balances at 31 March 2014 to £17.288m.

1 Summary of financial monitoring position

1.1 At the end of March:

- Net revenue expenditure resulted in an underspend by £0.477m on a net budget of £302.587m. The chart below shows the month by month trend of forecasts throughout 2013-14.

Chart 1: forecast revenue outturn 2013-14, by month



- General Balances are £17.288m at 31 March 2014, after taking into account the underspend of £0.477m.
- The Council has earmarked revenue reserves at 31 March 2014 of £96.734m including £19.065m in the Residual Waste Treatment Contract Reserve after a transfer of £8.065m Finance General as approved 12 May 2014. This leaves a shortfall of £14.7m required for the termination of the Residual Waste Treatment Contract which has been discussed in detail in the Replenishment of General Reserve report to Council on 27 May 2014, the outcome of which will feature in the M1 (April) monitoring report.
- This report relates to the 2013-14 financial year and figures have not been adjusted for decisions made at 27 May Council. The General Balances of £17.288m at 31 March 2014 are £1.288m in excess of the £16m minimum required in 2013-14, and provide for the £1.29m contribution to £14.7m shortfall referred to in paragraph 2.2 (bullet 1) and Table 2 of the 27 May report.
- The Council separately holds Reserves in respect of Schools of £43.075m at 31 March 2014.

2 Agreed budget, changes and variations

- 2.1 The 2013-14 budget was agreed by Council on 18 February 2013 and is summarised in Appendix 1. The budget has been monitored in accordance with the timetable at Appendix 2.
- 2.2 The changes to net service budgets since 1 April 2013 relate to accounting adjustments required for Statement of Accounts purposes. These adjustments are due to statutory requirements and are not part of the normal budget monitoring process. Examples are revenue expenditure funded from capital under statute ("REFCUS") and changes in the book values of properties reflected in the Statement of Accounts.

Table 1: 2013-14 original and revised net budget by service

Service	Original net budget	Revised net budget March 2014	Changes to budget Outturn 2014	Outturn budget
	£m	£m	£m	£m
Children's Services	176.637	129.325	-26.529	102.796
Community Services	274.434	276.034	-1.082	274.952
Environment, Transport and Development	116.609	116.447	-0.585	115.862
Fire and Rescue Service	29.556	29.844	-1.133	28.711
Resources	48.933	54.214	2.177	56.391
Finance General	-343.582	-303.277	27.152	-276.125
Total	302.587	302.587	-	302.587

- 2.3 Significant new in-year revenue grants over £100,000, which totalled £11.2m, are listed in Appendix 3.
- 2.4 Chief Officers have been responsible for managing their budgets within the amounts approved by County Council. They have been charged with reviewing all of their cost centres to ensure that, where an overspend is identified, action has been taken to ensure that a balanced budget was achieved for the year, including the impact of allocating £19m to the Residual Waste Treatment Reserve.
- 2.5 The revenue outturn for 2013-14 is a net projected overall underspend of £0.477m, which has been added to general balances. This outturn underspend is £0.003m less than the forecast reported to 12 May Cabinet due to minor adjustments within Finance General.
- 2.6 Details of under and over spends for each service are shown in Appendix 4, and are summarised in the following table:

Table 2: 2013-14 budget variations by service

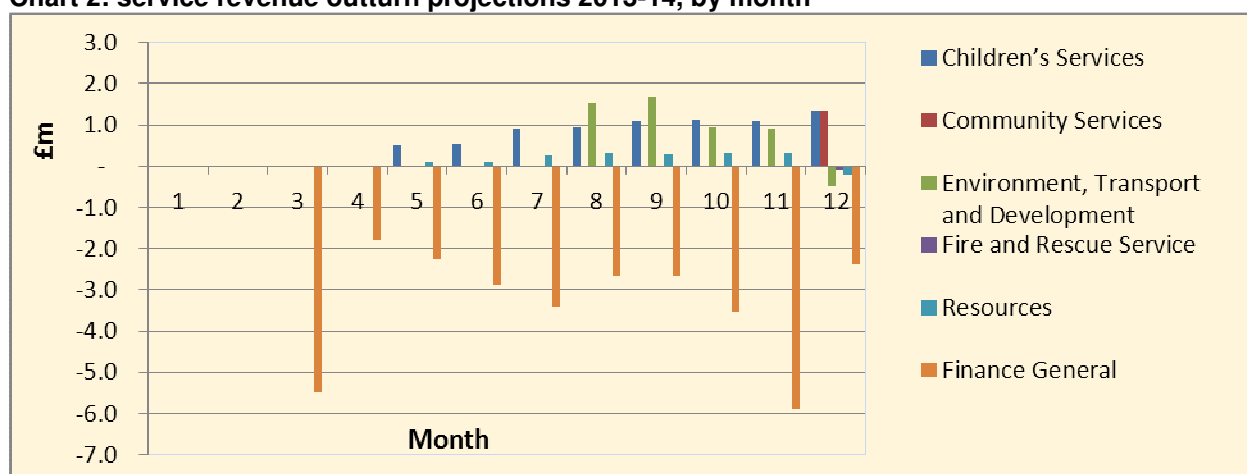
Service	Revised Budget £m	Outturn £m	(Under)/over spend £m	%
Children's Services	102.796	104.133	1.337	1.30
Community Services	274.952	276.292	1.340	0.49
Environment, Transport and Development	115.862	115.362	-0.500	-0.43
Fire and Rescue Service	28.711	28.631	-0.080	-0.28
Resources	56.391	56.19	-0.201	-0.36
Finance General	-276.125	-278.498	-2.373	n/a
Totals	302.587	302.110	-0.477	-0.16

- 2.7 The overspends in Children's Services and Community Services are made up of a variety of significant areas of overspend, such as Looked after Children Agency costs and a number of Purchase of Care budgets, partially off-set by underspends and additional income in other areas.
- 2.8 ETD achieved a £0.500m underspend in 2013-14. This represents monies released from ETD earmarked reserves on the understanding that the resulting underspend would contribute towards waste contract termination costs.
- 2.9 The net underspend of £2.376m shown in Finance General is the result of underspends totalling over £14.6m, offset by:
- an investment of £4.2m in Children's Services approved at August 2013 Cabinet, and
 - a transfer to the Residual Waste Contract Reserve of £8.065m.

Areas of underspend within Finance General are shown in detail in Appendix 4 and include £1.449m savings specifically related to the potential termination of the Waste contract, and £1.540m transferred from earmarked reserves for the same purpose. This indicates that without the adjustments made in relation to the termination of the Waste contract, the underspend for 2013-14 would have been in the region of £5m.

- 2.10 The following chart shows service outturn projections reported to Cabinet by month:

Chart 2: service revenue outturn projections 2013-14, by month



3 Budget variations by subjective

- 3.1 The following table shows expenditure and income budgets by subjective summaries, together with the outturn results. The net underspend of £0.477 for the year has been incorporated into the net out-turn as a result of year end accounting adjustments. This results in total net out-turn equalling the original budget as shown below:

Table 3: 2013-14 budget variations by subjective

<i>Subjective analysis</i>	<i>Budget</i>	<i>Outturn</i>	<i>Variance</i>
Expenditure	£000	£000	£000
Employees - teachers	241.911	207.284	-34.627
Employees - others	349.047	335.115	-13.932
Repairs and maintenance	19.110	21.618	2.508
Energy costs	7.417	9.170	1.753
Premises other	33.404	31.881	-1.523
Transport Related Expenses	55.804	57.987	2.183
Equipment, furniture and materials	23.253	26.399	3.146
Other Supplies and Services	94.530	144.912	50.382
Third Party Payments	470.731	469.682	-1.049
Transfer Payments	6.242	31.237	24.995
Support Services	43.243	51.871	8.628
Capital Financing	124.116	278.004	153.888
Contribution to Reserves	4.738	118.680	113.942
Total Expenditure	1,473.545	1,783.837	310.291
Income			
National Non Domestic Rates	-338.980	-338.957	0.023
Government Grants	-517.674	-529.762	-12.088
Other Grants, Reimbursements etc.	-85.643	-155.395	-69.752
Customer & Client Receipts	-102.001	-165.995	-63.994
Interest Receipts	-1.784	-3.011	-1.227
Other Income	-124.876	-288.130	-163.254
Total Income	-1,170.958	-1,481.250	-310.292
Net expenditure / Council Tax	302.587	302.587	0

Subjective**1 Expenditure****Primary reasons for increase / reduction**

The overall increase of £310m is largely explained by three items, starred (*) below, Other Supplies, Capital Financing and, Contribution to Reserves :	
Employees - teachers	Primarily reduction to number of permanent teachers when academies leave local authority control.
Employees - others	Significant reduction in learning support staff transferring as a result of the academy programme. Staff transferring to Independence Matters.
Repairs and maintenance	Increased site management and other costs, including for example former RAF Coltishall.
Energy costs	Increase fuel costs across all fuels - annual Electricity, gas & miscellaneous energy inflation peaked at over 8% pa during the year.
Premises other	Some reduction due to reduction in school estate due to academy programme, and reduction in Council tax payable.
Transport Related Expenses	Increases in various areas including leasing, hire, public transport and voluntary driver payments.
Equipment, furniture and materials	Primarily due to increase in equipment purchased for service use.
* Other Supplies and Services	Increases in fees and charges, support charges, bought in teaching support, educational visits and grant payments
Third Party Payments	A number of variances netting off to a reduction compared with budget.
Transfer Payments	Increase in Personal Budget payments for Domiciliary Care and Day Care.
Support Services	Increase in various internal support service recharges
* Capital Financing	Additional technical accounting adjustments, offset by increases in "other income" shown in the table above.
* Contribution to Reserves	Gross transfers to reserves, offset by increase in "other grants" in the table above.

2 Income

The overall increase of £310m is largely explained by three items, starred (*) below, Other Grants, Customer & Client Receipts and, Other Income:	
National Non Domestic Rates	Non Domestic Rates income very close to budget
Government Grants	Grants higher than budget primarily accounted for by the additional grants summarised in paragraph 2.3 and listed in Appendix 3.
* Other Grants, Reimbursements etc.	The vast majority of the variance in this line relates to gross transfers or reimbursements from earmarked reserves. In addition, the Council has received grant income not anticipated in the budget.
* Customer & Client Receipts	Additional income not budgeted in a number of areas, largely off-set by additional costs in "Other supplies and services" above.
Interest Receipts	Interest receipts on balances higher than anticipated.
* Other Income	The variance is largely accounted for by technical capital accounting adjustments, off-set in the Capital Financing line in the table above. In addition, the additional support service recharges noted above are mirrored here.

4 Control of growth and external cost pressures

- 4.1 The key planning assumptions made during the preparation of the 2013-14 budget have been shown in Cabinet reports throughout the year.
- 4.2 With the exception of Purchase of Care for people with Learning Difficulties, in the majority of cases the planning assumptions have been, or are expected to be realised. Looked After Children, and Waste and Recycling remained areas of budgetary pressure and these are reflected as specific areas of overspend in Appendix 4.
- 4.3 A key overall assumption related to the rate of inflation assumed at 2%. Data from the Office for National Statistics shows CPI increasing 1.6% to March 2014, with RPI at 2.5% for the same period. Overall, the rate of price inflation will not have had a material effect on the Council's ability to achieve a balanced budget.

5 Treasury management, payment performance and debt collection

- 5.1 **Treasury management:** the corporate treasury management function ensures the efficient management of all the authority's cash balances. At the end of the financial year the Council's debt portfolio was £503m. The latest projected cash recovery from Icelandic banks is £31.325m, of which £29.28m has been received, £1.60m is held in Escrow accounts, and £0.44m is outstanding. A detailed update was included as Appendix 6 to the 12 May 2014 Cabinet report.
- 5.2 **Payment performance:** approximately 450,000 invoices are paid annually. The Council has a target of paying 90% invoices within 30 days from receipt. Over the year 94.4% of invoices were paid within 30 days, and the target was met consistently, with only 1 month out of 12 slightly below 90%. A detailed analysis was shown in Appendix 7 to the May Cabinet report.
- 5.3 **Outstanding debt:** the value of outstanding debt is continuously monitored and recovery procedures are in place to ensure that action is taken to recover all money due to Norfolk County Council. An analysis of the amounts due to the Council at 31 March was included in Appendix 8 to the May Cabinet report.
- 5.4 For the period since 1 April 2013, 780 debts less than £10,000 were written off following approval from the Head of Finance. These debts totalled £281,597.57. Three debts over £10,000 were written off following Cabinet approval. These debts totalled £34,337.10

6 Risk implications

- 6.1 The Prudential Code requires regular monitoring to be undertaken in-year against key indicators. Monitoring of the 2013-14 approved Prudential Indicators has highlighted no significant deviation from expectations.

7 Resource and other implications - finance

- 7.1 On 18 February 2013 Council agreed the recommendation from the Head of Finance that a minimum level of General Balances of £16m be held in 2013-14. As at end March 2014, General Balances were as follows.

Table 4: general balances

	£m
Actual General Balances at 31 March 2013	22.694
Less 2012-13 underspend to be used in 2013-14 as approved by County Council 18 February 2013	-1.159
Transfer from forecast 2012-13 underspend on Finance General in respect of County Council elections in May 2013	-0.650
2011-12 underspend to be used in 2013-14 in respect of Norfolk Citizenship approved by County Council 13 February 2012	-0.074
Transfer to Waste Contingency Planning earmarked reserve approved at Cabinet 2 December 2013	-4.000
Transfer of underspend	0.477
General Balances at 31 March 2014	17.288

- 7.2 A reserve is an amount set aside for a specific purpose in one financial year and carried forward to meet expenditure in future years. The Council carries a number of reserves with totals as follows:

Table 5: reserves

	Forecast 1 April 2013	Forecast Balances Reported 12.5.14	Out-turn balances 31 March 2014
	£m	£m	£m
Earmarked reserves - non schools	89.334	77.659	77.669
Residual Waste Treatment Contract Reserve	0.000	19.065	19.065
Reserves for Capital Use	1.587	1.755	1.755
Earmarked reserves - schools	50.145	43.075	43.075
Total	141.066	141.554	141.564

- 7.3 Since May 2014 Cabinet, total reserves have increased by £0.010m due to a small increase in the Insurance Reserve.
- 7.4 The following reserves, with out-turn balances shown, were approved during the year:
- Children's Services Improvement Reserve - a package of support for strengthening safeguarding services and school improvement (£1.741m)
 - ETD Transformation Reserve – to allow ETD to make necessary changes to structures (£0.625m)
 - Public Health Reserve - carry forward of ring-fenced public health grants (£3.288m)
 - Health and Wellbeing Board Reserve – amount allocated to the Health and Wellbeing Board from unallocated second homes income (£0.195m)
 - Local Assistance Scheme Reserve – carry forward of Government Local Assistance scheme funding designed to provide financial assistance to Norfolk's most vulnerable residents (£0.900m)

- Residual Waste Termination Contract Reserve (£19.065m) – a reserve set up to address the contingent liability associated with potential contract termination costs, and which will be exhausted following the decision of County Council on 7 April 2014 to terminate the contract.

7.5 The £19.065m Residual Waste Termination Contract Reserve was gathered in two tranches. The first transfers to the reserve totalled £11m and were approved at Cabinet 2 December 2013. The balance of £8.065m was approved by Council in February 2014 as part of setting the 2014-15 budget, and, in detail, at the 12 May 2014 Cabinet, being amounts transferred from Finance General to the Residual Waste Treatment Contract Reserve as a result of the decision made to terminate the contract.

7.6 There was a significant overall use of reserves in 2013-14. Reserves which have reduced by £1m or more, and the amount of reduction, are as follows

- Repairs and Renewals Fund (£1.858m)
- Unspent Grants and Contributions (£2.717m)
- Prevention Fund (£2.928m)
- Icelandic Banks Reserve (£3.291m)
- Modern Reward Strategy Reserve (£1.851m)
- Organisational Change and Redundancy Reserve (£1.672m)

One reserve, the Community Construction Fund, which had an opening balance of £0.072m was fully exhausted during the year.

7.7 The decrease in forecast schools' reserves is accounted for by a reduction in LMS balances due primarily to anticipated academy conversions and forecast use of balances in-year, plus a reduction of £2m in Schools Contingency to fund provision of Special Education Needs.

7.8 A full list of reserves and details of movements during the year can be found in Appendix 5. This appendix also lists the Council's accounting provisions, which are amounts put aside to fund future liabilities or losses which are certain or very likely to occur, but where the amounts or dates when they will arise are uncertain.

7.9 The Council's Medium Term Financial Strategy (MTFS) 2014-17, includes the following policy objectives which will require monitoring:

- County Farms: To review the economic case for the investment in and returns from County Farms; and
- Carbon: to consider the stretch target proposed for the 2015-18 MTFS.

These items will be monitored in future Revenue Monitoring reports through 2014-15.

Appendices

Appendix 1: Approved budget

Appendix 2: Monthly timetable

Appendix 3: In-year grant funding

Appendix 4: Outturn for each service

Appendix 5: Reserves and provisions

Approved budget 2013-14

Agreed by Council 18 February 2013

	Approved budget
<i>Analysis by service</i>	£m
Children's Services	176.637
Community Services - Adult	257.454
Community Services - Cultural	16.980
Environment, Transport and Development	116.609
Fire and Rescue Service	29.556
Resources	48.933
Finance General	-343.582
Total net expenditure	302.587

Funded by	
Council tax precept	-300.205
Council tax surplus on collection	-2.382
Total	-302.587

<i>Subjective analysis</i>	
Expenditure	
Employees - teachers	241.911
Employees - others	349.047
Repairs and maintenance	19.110
Energy costs	7.417
Premises other	33.404
Transport Related Expenses	55.804
Equipment, furniture and materials	23.253
Other Supplies and Services	94.530
Third Party Payments	470.731
Transfer Payments	6.242
Support Services	43.243
Capital Financing	124.116
Contribution to Reserves	4.738
Total Expenditure	1,473.545
Income	
National Non Domestic Rates	-338.980
Government Grants	-517.674
Other Grants, Reimbursements etc.	-85.643
Customer & Client Receipts	-102.001
Interest Receipts	-1.784
Other Income	-124.876
Total Income	-1,170.958
Net expenditure	302.587

Budget monitoring timetable 2013-14

Accounting Period	Accounting Month Period End	Report to Chief Officers for comments	MEMBERS & PUBLIC circulation	CABINET meeting
April	30-Apr			
May	31-May			
June	30-Jun	19-Jul	26-Jul	05-Aug
July	31-Jul	16-Aug	23-Aug	02-Sep
August	31-Aug	20-Sep	27-Sep	07-Oct
September	30-Sep	18-Oct	25-Oct	04-Nov
October	31-Oct	15-Nov	22-Nov	02-Dec
November	30-Nov	17-Dec	24-Dec	06-Jan
December	31-Dec	10-Jan	17-Jan	27-Jan
January	31-Jan	14-Feb	21-Feb	03-Mar
February	28-Feb	14-Mar	21-Mar	07-Apr
March	31-Mar	25-Apr	02-May	12-May
	Outturn	22-May	30-May	10-Jun

In-year Grant Funding

One new grant, £10.76m returned capitalisation top slicing, has been announced since the last report.

The following table summarises revenue grants greater than £0.100m announced and due to be received in 2013-14

Table A3: New grant funding > £100,000 since 1 April 2013

New Grant Funding	Details	£m
DfE Lacseg refund for school support	Repayment of sums previously top-sliced from authorities.	2.287
Troubled Families Grant	National programme to address the needs of families experiencing multiple problems.	1.303
Adoption Reform Grant	One off grant is to provide support for adoption services.	2.410
Social Enterprise Investment Fund (SEIF)	Conditional Social Enterprise Investment Fund Grant to support the setting up of social enterprises.	0.190
Bus Service Operators Grant	Grants previously paid direct to bus operators will, from January 2014, be paid to the local authority.	0.266
PE and Sports	Unconditional grant for 2013-2014 academic year to improve PE and sports in primary schools:	1.866
Small Business and Empty Property Rate Relief	Monies due from DCLG in respect of Small Business & Empty Property Rate Relief 2013-14	0.814
Returned capitalisation top-slicing	Government Grant from DCLG re returned capitalisation top-slicing	1.076
Total in-year grants > £100,000		11.212

Projected revenue budget outturn by service

1 Revenue Expenditure Monitoring

- 1.1 Chief Officers monitor their cash limited budgets throughout the year and report the position to the Head of Finance. Chief Officers also monitor performance information for their service, which is reported to Chief Officer Group on a monthly basis and Cabinet on a quarterly basis.

2 Latest Revenue Projections

- 2.1 The latest analysis of the 2013-14 revenue budget shows an overall out-turn underspend analysed as follows:

Table A4: revenue over and (under) spends by service

Service	Revised Budget £m	Service total overspend £m	Service total (under) spend	Net total over / (under) spend	%
Children's Services	102.796	10.730	-9.393	1.337	1.30
Community Services	274.952	8.233	-6.893	1.340	0.49
Environment, Transport and Development	115.862	2.140	-2.640	-0.500	-0.43
Fire and Rescue Service	28.711	0.675	-0.755	-0.080	-0.28
Resources	56.391	0.338	-0.539	-0.201	-0.36
Finance General	-276.125	12.285	-14.658	-2.373	n/a
Totals	302.587	34.401	-34.878	-0.477	-0.16

- 2.2 Although the overall net underspend is relatively small in relation to the overall budget, the range of underlying forecast over and underspends continues to be high and continues to be the subject of detailed monitoring.
- 2.3 Chief Officers have responsibility for managing their budgets within the amounts approved by County Council. They have been charged with reviewing all of their cost centres to ensure that, where an overspend is identified, action is taken to ensure that a balanced budget is achieved for the year. The under and over spends within services are summarised below.

Revenue outturn by service

	Outturn over spend £m	Outturn under spend £m
Children's Services		
Additional Looked After Children Agency costs	2.811	
Reduced Looked After Children Transport costs		-0.165
Additional residence orders and kinship costs	0.722	
Reduced social care legal costs		-0.430
Delay in recruitment to the MASH project		-0.085
Additional Special Education Needs Home to School transport costs	1.611	
Reduced school redundancy costs		-0.559
Reduced business support costs		-0.440
Reduced cost of Early Years Services		-0.982
Reduced cost of School Crossing Patrol staff		-0.100
Reduced cost of Integrated Advice and Guidance Services		-0.207
Reduced cost of school sports facilities		-0.035
Additional homelessness costs as a result of Southwark judgement	0.110	
School Psychologist training subscription no longer required		-0.041
Clinical Commissioning Team - Delay in recruitment and reduced running costs and reduced therapy costs		-0.780
Reduced cost of Children's Centres support		-0.364
Savings on Targeted Support Team salary costs		-0.275
Reduced costs of social worker training		-0.065
Additional cost of foster caring	0.879	
Additional DSG contribution to Early Years		-0.750
Additional no OFSTED regulated accommodation for 16/17 year olds	0.800	
Savings on computing costs		-0.100
Saving from the deletion of education management posts		-0.092
Cost of joint protocol with Community Services to support families with disabilities	0.400	
Use of unconditional grants and contributions reserve		-0.526
<u>Dedicated Schools Grant</u>		
Reduced cost of school staff maternity		-0.080
Additional cost of non-maintained schools education	0.287	
Additional cost of Early Years 1-2-1 Special Educational Needs	0.424	
Additional cost of school staff redeployments	0.038	
Reduced cost of early Years 2 year old infrastructure cost		-0.850

Reduced number of Early Years 2 year old places		-1.250
Reduced number of Early Years 3 and 4 year old places	0.487	
Reduced cost of school carbon credits		-0.440
Reduced running costs of the Minority Achievement and Attainment Service		-0.100
Additional post 16 high needs funding		-0.555
Reduced cost of suspended school staff		-0.122
Contribution to schools contingency fund as a result of the above	2.161	
Outturn for Children's Services	10.730	-9.393
		1.337

	Outturn over spend £m	Outturn under spend £m
Community Services		
<u>Adult Social Services</u>		
Management, Finance and Transformation		-3.744
Commissioning, including Supporting People	1.412	
Central Services – Business Development		-0.126
Human Resources, Training and Organisational Development		-0.163
Safeguarding	3.422	
Prevention	2.119	
Income from Service users	1.280	
Use of Reserves		-2.700
Outturn subtotal for Adult Social Services (excluding Cultural Services)	8.233	-6.733
		1.500
Norfolk Libraries and Information Service – underspend through management of vacancies and control of expenditure		-0.100
Arts and recreation grants - management of vacancies and control of expenditure		-0.010
Norfolk Records Office – underspend from lower accommodation recharges		-0.050
Outturn subtotal for Cultural Services		-0.160
		-0.160
Outturn for Community Services	8.233	-6.893
		1.340

Community Services

1 Management Finance and Transformation underspend of £3.744m

The main reason for the underspending is additional s256 funding(-£3.6m) accounted for here. Also included is the ASC contribution to the Willows(£1.2m) and Big Conversation budget savings not achieved(£1.124m) offset by budgets not yet allocated to services(-£1.5m) and drawdown of Winter Pressures funding (-£1m).

2 Commissioning overspend of £1.412m

The main over/underspends are:-

Service level Agreements overspent by £1.071m. The remaining savings on Service Level Agreements from the 2011-14 Big Conversation will not be achieved in 2013/14

Aids and Adaptations overspent by £1.651m. This budget is managed jointly with Health within the Integrated Community Equipment Service(ICES). The forecast equipment spend is higher than budgeted, partly due to health initiatives such as pressure sores. Work is ongoing to fully understand the reasons for the overspend so that for 2014/15 the budget can be achieved.

Supporting People underspent by £0.770m. The Supporting People underspend represents a faster delivery of the budgeted 12% expenditure reduction over the three financial years 2011-14. It also includes some savings on Mental Health.

Learning Disabilities Partnership underspent by £0.285m. Successful outcome of disputed invoice(£0.200m), no inflation uplift to partner contracts(£0.138m) and delayed transfer to Kingswood LD provision from Mill Close (£0.050m) are the main reasons for the underspend.

3 Safeguarding overspend of £3.422m

The main over/underspends are:-

Purchase of Care for Older People overspent by £3.934m. Purchase of Care is the budget for the purchase of care from the independent sector, including residential and nursing care, supported living, home care and day care. There are financial pressures in Purchase of Care and this is being closely monitored, as usual. The overspend is mainly on residential care.

Purchase of Care for People with Physical Disabilities overspent by £3.740m. The overspend is on residential and domiciliary care.

Purchase of Care for People with Learning Difficulties underspent by £4.984 mainly due to a higher level of Continuing Health Care income and an underspend on day care.

Purchase of Care – Mental Health, Drugs and Alcohol overspent by £1.401m. The forecast on Mental Health Purchase of Care anticipates only a partial achievement in 2013-14 of budgeted savings. The overspend is on residential and nursing care.

4 Prevention Overspend by £2.119m

The main over/underspends are:-

Housing With Care tenants meals overspent by £0.313m. Overspend mainly due to slippage on achieving savings through removal of subsidy of community meals provided in Housing With Care (HWC) schemes and the associated redundancy costs from fewer meals staff.

Personal and Community Support overspent by £0.419m. Non achievement of approved savings.

Service Development overspent by £0.800m. Savings target for Assistive Technology of £0.748m not achieved in 2013/14 and work is continuing to implement the saving for 2014/15.

Community Safety underspent by £0.184m. Underspend on salaries due to fewer posts. This was previously shown under Safeguarding.

The responsibility and grant funding for Community Safety has been transferred to the Police and Crime Commissioner, in accordance with national policy. The Community Safety budget remaining under Prevention is for the policy function.

5 Income from Service Users overspent by £1.794m. The outturn was less income from service users contributions towards the cost of their care than budgeted. Budgeting income from service user contributions towards the cost of their care is difficult as peoples' contributions are based on their financial circumstances. The increase in income from service user contributions due to the growth in the number of older people budgeted for in 2011-12 and 2012-13 has not happened (£1.900m and £0.998m). Prior to 2011-12 there had been a trend of the department receiving more income than budgeted from service user contributions, largely because although the cost pressure from demographic growth was included in the budget plan there was no corresponding budgeted increase in income from service user contributions. In 2011-14 an increase in income from service users due to growth in the number of people was included in the budget plan. The risk around the budgeted income in 2013-14 (i.e.£1.108m) was highlighted as a risk in the Service and Budget Planning report presented to the Community Services Overview and Scrutiny Panel on 6 November 2012.

	Outturn over spend £m	Outturn under spend £m
Environment Transportation & Development		
Highways		-0.813
Public Protection	0.110	
Travel & Transport		-0.515
Environment & Waste	2.031	
Business support		-0.812
Review of earmarked ETD reserves: contributions to		-0.500
Residual Waste Contract termination costs		
Outturn for ETD	2.140	-2.640
		-0.500

Highways

The Highways service outturn is a net underspend. This is mainly due to additional income and service savings partially offset by the under recovery of expected income from the delayed Traffic Permitting scheme.

Public Protection

Public Protection outturn is a net overspend due to forecast additional costs within Consumer Operations – trading standards and additional costs within planning services relating to the Willows planning enquiry.

Travel and Transport Services

Travel and Transport service outturn is a net underspend. This is primarily due to additional income from developer contributions partially offset by other cost pressures.

Environment and Waste

The significant pressure within Environment and Waste relates to higher than budgeted waste tonnages. The original budget was based on previous planning assumptions of a continued reduction of residual waste tonnages. However we have seen tonnages significantly higher than expected.

Business development and support

The outturn underspend within Business Development Support is due to the management of vacancies and the control of overheads relating to the department.

Use of earmarked reserves

The following transfers from earmarked ETD reserves have been made in relation to the termination of the Residual Waste Contract:

	£m
Highways Vehicles Repairs and Renewals	0.105
Highways Road Safety Reserve	0.110
Sustainability Reserves	0.104
IT Projects Reserve	0.100
Civil Parking Reserve	0.031
Community Recycling fund	0.050
Total transferred	0.500

	Outturn over spend £m	Outturn under spend £m
Fire and Rescue Service		
Salaries – on-going vacancy management		-0.463
Unforeseen repairs to safety tower, and additional spend on Carrow training building off-set by forecast underspends in other building alteration budgets	0.015	
Hydrants – additional income from fees		-0.031
Commercial training - Increased forecast of income		-0.015
Training - Increased forecast ICT hardware charges offset by reduction in direct training costs	0.018	
Forecast underspend on legal/medical fees		-0.044
Fire prevention – delayed purchases		-0.010
Communications – new pressures relating to contractual price increases	0.064	
Fleet – equipment and maintenance costs deferred		-0.064
Supplies - Planned savings on utilities		-0.031
Central finance - Forecast underspend in leasing budget offset by other invest to save budgets		-0.097
Increases in equipment maintenance contract and purchase of specialist equipment	0.338	
Community Safety – saving on budget for smoke detector purchase	0.074	
Youth Development – shortfall in chargeable income due to a course not running earlier in the year, and higher cost of vehicles	0.055	
Additional forecast pressure on expenditure from Grants including dive vehicle	0.111	
Outturn for Fire and Rescue Service	0.675	-0.755
		-0.080

	Outturn over spend	Outturn under spend
	£m	£m
Resources		
Chief executive employment costs		-0.040
Finance – uncommitted underspend		-0.065
Procurement – uncommitted underspend		-0.093
Communications – uncommitted underspend		-0.050
Human Resources – uncommitted underspend		-0.064
Nplaw – current trading account forecast		-0.227
Democratic Services - mainly overspend on elections partly offset by underspend on Complaints Advocacy.	0.304	
Property – pressure on managed property costs	0.034	
Outturn for Resources	<u>0.338</u>	<u>-0.539</u>
		<u>-0.201</u>
Finance General		
Interest payable/receivable (details below)		-2.906
Redundancies/organisational change underspend		-1.715
Interim dividend receivable from Norse Group		-0.700
Dividend received from ESPO		-0.341
Government refund of 2012-13 amount deducted from formula grant for schools converting to academies		-2.287
Savings on debt repayment due to slippage on the capital programme		-1.319
Investment in Children's Services announced at Cabinet 5 August 2013 (details below)	4.200	
Members Allowances – savings on basic and special responsibility allowance and travel expenses		-0.200
Monies due from DCLG in respect of Small Business & Empty Property Rate Relief 2013-14		-0.814
Government Grant from DCLG re returned capitalisation top-slicing		-1.076
Housing development on council land stopped due to need to identify savings for termination of Waste contract		-0.984
Vodafone refund from contract negotiations		-0.093
Funding from underspends of the 3 March Cabinet commitment to allocate £20,000 to the Norfolk Armed Forces Community Covenant in 2014-15	0.020	
Saving on Community Construction Fund as contribution to Residual Waste Contract termination costs		-0.465
<u>Review of earmarked reserves: contributions to Residual Waste Contract termination costs</u>		
Organisation Change Reserve		-1.000
Car Lease Scheme Reserve		-0.250
Icelandic Banks Reserve		-0.290
Other net savings (reduced from £0.221m forecast reported to 12 May 2014 Cabinet)		-0.218
Transfer to Residual Waste Contract Reserve	8.065	
Net Outturn for Finance General	<u>12.285</u>	<u>-14.658</u>
		<u>-2.373</u>

Further Details for Finance General are as follow:

Interest payable/receivable

The 2013-14 interest payable/receivable budget was prepared on the basis that borrowing to support capital expenditure would be undertaken on 1 April 2013. This assumption was made due to the uncertainty/volatility in the financial markets at that time, and to ensure that, in accordance with the treasury management code of practice, treasury management activities are not impacted by short-term budget considerations.

Owing to the deferral of borrowing a net interest saving is £6.116m. This is as a result of reduced borrowing costs offset by lower interest earned on investments. As a result of a decision at 2 December 2013 Cabinet, £2m was been transferred to the new Residual Waste Treatment Contract reserve, with a further transfer of £1.210m from 2013-14 savings, resulting in a realised net forecast underspend of £2.906m. The actual under or overspend within this budget depends upon the Council's cash flow requirements and movements on short and long term interest rates.

Investment in Children's Services announced at Cabinet 5 August 2013

The Investment in Children's Services announced at Cabinet 5 August 2013 comprised:

- £2.700m to provide 40 frontline agency social workers for six months.
- £1.500m to support school improvement to include the appointment of additional Intervention Officers and Improvement Advisers.

Reserves and provisions

	Balances at 1.4.13	Forecast C'fwd per Approved Budget 2014-15	Forecast Balances 31.3.14 reported 12.5.14	Out turn Balances 31.3.14
Earmarked Reserves	£m		£m	£m
All Services				
Building Maintenance	1.071	1.186	1.672	1.672
Information Technology Reserve	9.471	6.769	10.226	10.226
Repairs and Renewals Fund	5.783	3.558	3.925	3.925
Unspent Grants and Contributions	12.255	6.951	9.538	9.538
	28.580	18.464	25.361	25.361
Children's Services				
Children's Services Improvement Fund	0.000	1.500	1.741	1.741
	0.000	1.500	1.741	1.741
Community Services				
Adult Education Income Reserve	0.018	0.018	0.160	0.160
Adult Social Services Residential Review	3.594	2.023	3.025	3.025
Adult Social Care Legal Liabilities	3.594	3.253	3.094	3.094
Archive Centre Sinking Fund	0.216	0.264	0.261	0.261
Museums Income Reserve	0.079	0.024	0.039	0.039
Prevention Fund	4.068	2.319	1.140	1.140
Residual Insurance and Lottery Bids	0.368	0.315	0.423	0.423
	11.937	8.216	8.142	8.142
ETD				
Economic Development	4.609	4.353	4.215	4.215
Highways Maintenance	4.644	3.179	4.625	4.625
Historic Buildings	0.229	0.178	0.199	0.199
NDR Reserve	2.500	2.500	2.500	2.500
Norfolk Infrastructure Fund	2.378	2.130	2.015	2.015
P & T Bus De-registration	0.082	0.082	0.064	0.064
P & T Demand Responsive Transport	0.561	0.311	0.156	0.156
P & T Park & Ride	0.107	0.012	0.012	0.012
P & T Road Safety Reserve	0.197	0.000	0.150	0.150
P & T Street Lighting Sinking Fund	7.789	6.695	7.040	7.040
ETD – Re-procurement Strategic Partnership	0.236	0.035	0.035	0.035
ETD – Transformation Reserve	0.000	0.000	0.625	0.625
Public Transport Commuted Sums	0.016	0.016	0.016	0.016
Waste Management Partnership Fund	1.075	0.440	0.397	0.397
	24.423	19.931	22.049	22.049
Fire				
Fire Operational Equipment Reserve	1.018	0.998	0.967	0.967
Fire Pensions Reserve	0.348	0.348	0.348	0.348
Fire Operational Reserve	0.542	0.377	0.542	0.542
	1.908	1.723	1.857	1.857
Resources				
nplaw Operational Reserve	0.245	0.306	0.306	0.306

Public Health Reserve	0.000	0.000	3.288	3.288
	0.245	0.306	3.594	3.594
Corporate				
Car Lease Scheme surplus	1.155	0.598	0.222	0.222
Community Construction Fund	0.072	0.000	-	-
Health and Wellbeing Board Reserve	0.000	0.000	0.195	0.195
Local Assistance Scheme Reserve	0.000	0.000	0.900	0.900
Strategic Partnership	0.486	0.016	0.016	0.016
Icelandic Banks Reserve	5.735	2.235	2.444	2.444
Industrial Estate Dilapidations	0.010	0.010	0.010	0.010
Insurance	0.017	0.017	0.017	0.027
Modern Reward Strategy Reserve	6.210	4.359	4.359	4.359
Organisational Change and Redundancy Reserve	7.277	6.318	5.605	5.605
Strategic Ambitions Reserve	1.279	1.219	1.147	1.147
Residual Waste Treatment Contract Reserve	0.000	11.000	19.065	19.065
	22.241	25.772	33.980	33.990
Non – Schools Total	89.334	75.912	96.724	96.734
Reserves for Capital Use				
Usable Capital Receipts	1.587	0.878	1.755	1.755
Schools Reserves				
Building Maintenance Non-Partnership Pool	1.523	1.061	1.197	1.197
Building Maintenance Partnership Pool	0.322	0.322	1.034	1.034
Children's Services Equalisation	0.690	0.249	0.249	0.249
LMS Balances	33.022	21.631	26.517	26.517
Norwich Schools PFI Sinking Fund	1.711	1.711	2.061	2.061
Schools Contingency	10.030	10.711	9.315	9.315
Schools non-teaching activities	1.010	1.010	1.170	1.170
Schools Playing Field Surface Sinking Fund	0.409	0.409	0.248	0.248
Schools Sickness Insurance Reserve	1.428	1.128	1.284	1.284
Schools Total	50.145	38.152	43.075	43.075
Provisions				
Community Services				
Adult Social Services Doubtful Debts	1.055	0.951	0.952	0.942
Potential pension liability arising from the transfer of staff to the Norfolk & Waveney Mental Health NHS Foundation Trust	1.270	1.270	1.370	1.370
Corporate				
Insurance	12.394	12.394	12.394	12.941
Redundancy	5.268	5.152	5.268	5.163
ETD				
Closed landfill long term impairment provision	9.244	9.189	9.189	9.189
ETD Doubtful Debts	0.046	0.050	0.050	0.050
Fire				
Retained Firefighters and Part-time Workers (Prevention of Less Favourable Treatment) Regulations	0.850	0.775	0.850	0.850
Schools Provisions				
Children's Services Provision for Holiday Pay	0.018	0.018	0.017	0.017

The main changes between 31 March 2013 and the closing position at 31 March 2014 are:

New reserves

Creation of **six new reserves** (further details are given in the body of the report):

- Children's Services Improvement Reserve
- ETD Transformation Reserve
- Public Health Reserve
- Health and Wellbeing Board Reserve
- Local Assistance Scheme Reserve
- Residual Waste Termination Contract Reserve

Exhausted reserves

The Community Construction Fund, was fully exhausted during the year

Use of reserves > £1m

There was a significant use of reserves in 2013-14. Reserves which have reduced by £1m or more, and the amount of reduction, are as follows

- Repairs and Renewals Fund (£1.858m)
- Unspent Grants and Contributions (£2.717m) – in line with expected net use of grants and contributions during the year
- Prevention Fund (£2.928m)
- Icelandic Banks Reserve (£3.291m) - approved by County Council 18 February
- Modern Reward Strategy Reserve (£1.851m) - for the purchase of equipment and vehicles at 19 Main Household Waste Recycling Centres approved by Cabinet 4 November 2013
- Organisational Change and Redundancy Reserve (£1.672m) - due to change initiatives including WorkStyle and other projects resulting from the Norfolk "Big Conversation" in 2011

Use of reserves < £1m

In addition to the reserves which have reduced by more than £1m, a number of reserves have seen significant decreases, including the following:

- Reduction in Adult Social Services Residential Review reserve to meet costs associated with the Building Better Futures transformation project, offset by £1m received from Norse Care under its contract for residential and domiciliary care provision.
- Reduction in Adult Social Care Legal Liabilities to fund aftercare under section 116 of the Mental Health Act
- Amounts released from Street Lighting sinking fund to fund planned expenditure
- Reduction in LMS balances due primarily to anticipated academy conversions plus NCC schools' forecast use of balances in-year
- Reduction of £2m in Schools Contingency to fund provision of Special Education

Policy and Resources Committee

Item No...7...

Report title:	2013-14 Capital out-turn report
Date of meeting:	14 July 2014
Responsible Chief Officer:	Head of Finance (Interim)
Strategic impact This report presents the outturn position on the Norfolk County Council capital programme 2013-14.	

Executive summary

At the end of the 2013-14 financial year:

- The final outturn of the capital programme for the Council 2013-14 was £115.517m against a programme of £117.885m, resulting in £2.368m of slippage and underspends as set out in Appendix 3.
- The prudential borrowing requirement for the Council to support the 2013-14 outturn was £12.349m against a programme of £19.472m, primarily as a result of using £6.295m of revenue contributions from services and schools towards specific schemes in 2014-15 to reduce the immediate borrowing requirement.
- The Council generated capital receipts of £6.785m in 2013-14 (including County Farms capital receipts).

Recommendations:

Policy and Resources Committee is recommended to:

1. note the final agreed capital programme and the outturn for the 2013-14 financial year, including the associated slippage and underspends.
2. note the major areas of expenditure in 2013-14 as set out in section 2.
3. note the final position on the capital receipts reserve and the use of capital receipts and 2013-14 revenue contributions to reduce the Council's borrowing requirement in the year.
4. approve the carrying forward into 2014-15 of slippage amounts and underspends on specific schemes as set out in Appendix 3.

1. Introduction

This report summarises the Authority's 2013-14 financial capital outturn.

2. Evidence

The attached capital outturn report sets out the outturn for each service and the resulting impact on the overall capital programme, including funding carried forward to future years.

The appendix also summarises:

- Actual expenditure
- Capital receipts
- Spend to save schemes and schemes in development.

3. Financial Implications

The final outturn of the capital programme for the Council 2013-14 was £115.517m against a programme of £117.885m, resulting in £2.368m of slippage and underspends as set out in the attached report.

4. Issues, risks and innovation

Risk implications

- 4.1 Risks associated with the capital programme, in terms of prioritising funding, and the timing and control of spend, are being addressed through links with Asset Management Plans and the on-going development of the Property Client function. The format and content of the capital monitoring reports is being developed and will increasingly highlight activity and risks associated with the capital programme.
- 4.2 Officers have considered all the implications which members should be aware of. Apart from those listed in the report and summarised above, there are no other implications to take into account.

5. Background

- 5.1 Having set a capital budget at the start of the financial year, the Council needs to ensure its delivery within allocated and available resources which in turn underpins the financial stability of the Council. Consequently there is a requirement to regularly monitor progress so that corrective action can be taken when required.
- 5.2 Further details are in the attached annex.

Officer Contact

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Norfolk County Council

Annex: Capital Outturn Report 2013-14

Report by the Head of Finance (Interim)

Summary

This report presents the outturn position on the Norfolk County Council capital programme 2013-14.

Highlights

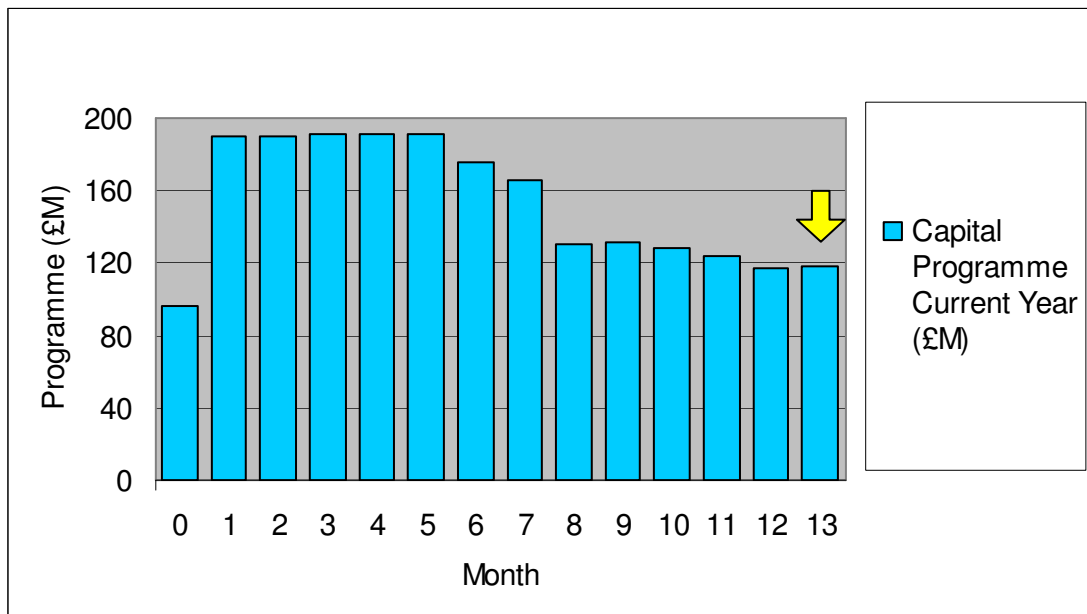
At the end of the financial year:

- The final outturn of the capital programme for the Council 2013-14 was £115.519m against a programme of £117.878m, resulting in £2.359m of slippage and underspends as set out in Appendix 3.
- The prudential borrowing requirement for the Council to support the 2013-14 outturn was £12.350m against a programme of £19.472m, primarily as a result of using £6.295m of revenue contributions from services and schools towards specific schemes in 2014-15 to reduce the immediate borrowing requirement.
- The Council generated capital receipts of £6.785m in 2013-14 (including County Farms capital receipts).

1 Outturn Capital Programme

- 1.1 The 2013-14 Capital Programme was approved by the County Council on 18 February 2013 and is published in the Council's 2013-14 Financial Strategy and Medium Term Financial Plan.
- 1.2 The initial capital programme for 2013-14 was approved at £159.756m, including £64.018m of previously approved schemes. Reprofiting, adjustments and slippage towards the end of 2012-13 added a further £30.692m to the programme resulting in an initial capital programme of £190.448m.
- 1.3 During the course of 2013-14, there has been reprofiling of £80.906m from 2013-14 to future years due to schemes not being executed within the expected timescales.
- 1.4 There have also been other changes to the capital programme of £8.336m, primarily representing further funding which has been identified to support the capital programme.
- 1.5 Together, these changes have resulted in a final capital programme of £117.878m and outturn capital expenditure of £115.517m
- 1.6 The final position of the future years capital programme is £419.333m, including £28.195m of reprofiling and slippage incurred since the new capital programme was agreed. Progress will be reported throughout 2014-15.
- 1.7 The following chart identifies the profile of these changes on the 2013-14 capital programme throughout the year.

Chart 1: Capital Programme changes profile 2013-14



- 1.8 The arrow at Month 13 shows the final position.
- 1.9 The table below summarises the revised capital programme by service and sets out changes throughout the year.

Table 1: Outturn capital programme 2013-14

Service	Original Programme 2013-14 New Schemes	Previously Approved Schemes (Approved February 2013)	Slippage, reprofiling and adjustments Jan-Mar 2013	2013-14 Opening Position	Changes During 2013-14 (see below)	Revised 2013-14 Capital Programme	Outturn 2013-14	Variance
	£m	£m	£m	£m	£m	£m	£m	£m
Children's Services	18.562	47.994	12.609	79.165	- 39.990	39.175	38.416	- 0.759
Adult Social Care	2.747	3.831	2.483	9.061	- 5.740	3.321	3.308	- 0.013
Cultural Services	0.000	0.276	0.794	1.070	- 0.355	0.715	0.544	- 0.171
ETD Highways	52.722	0.565	0.078	53.365	- 6.073	47.292	46.677	- 0.615
ETD Other	1.000	5.430	9.524	15.954	-6.045	9.909	9.909	0.000
Fire & Rescue Service	1.413	3.190	0.947	5.550	- 2.373	3.177	2.933	- 0.244
Resources	19.294	2.732	4.257	26.283	-11.994	14.289	13.732	- 0.557
Total	95.738	64.018	30.691	190.448	-72.570	117.878	115.519	- 2.359

2 Summary of Changes and Progress on the Capital Programme 2013-14

2.1 The changes on the capital programme through the year may be classified into reprofiling and other changes as follows:

Table 2: Changes to capital programme in 2013-14

Service	Changes During 2013-14	Reprofiling	Additional Funding and Other Changes
	£m	£m	£m
Children's Services	- 39.990	-42.360	2.370
Adult Social Care	- 5.740	-8.204	2.464
Cultural Services	- 0.355	-0.510	0.155
ETD Highways	- 6.073	-7.324	1.251
ETD Other	- 6.045	-7.007	0.962
Fire & Rescue Service	- 2.373	-2.985	0.612
Resources	-11.994	-12.516	0.522
Total	-72.570	-80.906	8.336

2.2 The main changes and progress on the capital programme during 2013-14 were:

2.3 Children's Services

The receipt of an additional £2m of capital maintenance funding was added to the initial capital programme.

Reprofiling of Basic Need funding has taken place as the programme of works to be funded by the grant has been refined. This funding was initially included in the programme under the year in which it was to be received. However, the Basic Need programme represents a significant investment which takes place over a number of years in response to the rate of demographic change, including housing developments.

The programme of works for 2014-15 onwards has now been largely finalised and was presented to Cabinet on 14 April 2014. Detailed profiling of the expenditure on these projects is still being refined and will result in some further reprofiling to 2015-16.

There was also reprofiling of 2013-14 Capital Maintenance funding, which was initially included in the year of receipt. The funding will be used over a number of years to address the maintenance requirements of the Council's schools assets.

There was £9m expenditure incurred in 2013-14 on completion of works at Thetford and King's Lynn Academies on behalf of the Education Funding Agency. These projects have now been completed and have moved into the defects maintenance period. Some funding has been reprofiled into 2014-15 relating to these schemes to cover costs that may arise during the defects maintenance period.

The majority of the work on the relocation of Lingwood Primary was completed during 2013-14. However, a small number of issues mean that this project is now expected to be completed early in 2014-15, ready for September occupancy.

Cringleford Primary School was completed in the year, the sale of the land on which the school was previously located is underway.

Wymondham High accommodation changes were completed during the year.

£4.7m has been spent during the year on smaller capital maintenance schemes across the county and a further £3.3m of Capital Formula Grant has been spent on schemes identified by schools.

The table below sets out in more detail the major areas of investment within the 2013-14 Children's Services capital programme.

Table 3: Children's Services Major Scheme expenditure 2013-14

Project	Expenditure £m
Modernisation and capacity increases at schools, including expenditure on smaller capital maintenance schemes	6.3
Thetford Academy	6.1
Small projects funded directly through schools, including investment of Devolved Formula Capital grant	5.3
Kings Lynn Academy	3.1
Lingwood Primary School relocation	2.4
Investment in school ICT improvements	2.0
Wymondham High School accommodation changes	1.7
Cringleford Primary School construction	1.6
Investment in Social Care including Looked After Children premises purchase	1.6
Temporary classrooms for growth	1.6
Investments to reduce emissions funded through the Carbon Energy Reduction Fund	1.1
Early Years capacity development	1.0
Other smaller schemes	4.6
Total	38.4

2.4 Adult Social Care

£1.5m of revenue was contributed to the Adult Social Care programme in 2013-14. This was to fund a major investment in the Peterhouse scheme which was completed in the year.

Additional funding was received to support dementia work in the county. This work is being carried out in conjunction with Norse Care. The majority of the funding received has been deployed in 2013-14.

Further expenditure of £0.5m was incurred in year on the continued development of Adult Social Care IT systems under the second phase of the Modern Social Care programme which has now been completed.

Further improvements have been made across the county's Homes for the Elderly with an investment of £0.485m made in the year.

Reprofiling of unallocated funding received from Department of Health. This is to support the future development of Housing With Care and the Bowthorpe development.

2.5 Cultural Services

Cultural Services has received further funding from a number of sources throughout the year including Section 106 funding for libraries schemes and various contributions towards the purchase of a painting by Joseph Stannard.

The procurement and roll out of a new stock system for the Museums service was largely completed in the year with the final stages planned for early 2014-15.

After initial delays in tendering, work is now well underway on the eco-buildings project at Gressenhall.

A further £0.128m of funding was deployed in making improvements to the county's libraries.

Some Section 106 funding has been reprofiled into future years to fund further libraries purchases in the future.

2.6 Highways

A number of schemes have been reprofiled into future years. In particular, the Postwick Hub junction works has seen significant reprofiling due to delays in works commencing. Further reprofiling has been seen on a number of schemes including the Norwich Research Park junction and the Grapes Hill bus lane as well as numerous smaller schemes.

Highways spent £24.7m on structural maintenance in 2013-14, which was broadly in line with expectations.

There was a further £8.7m spent on local road schemes to improve the county's road network.

DfT funding has now been successfully secured for the Postwick Hub junction works.

The table below sets out in more detail the major areas of investment within the Highways capital programme.

Table 4: Highways Major Scheme expenditure 2013-14

Project	Expenditure £m
Northern Distributor Road	4.0
Postwick A47 Hub	2.4
Kings Lynn A149/B1145 Hospital Roundabout	1.6

capacity development. Externally funded	
Construction of link road to access new Sainsbury's, Hardwick. Externally funded	1.1
Enhancement of Kings Lynn Tuesday Market Place, undertaken on behalf of the borough council. Externally funded.	0.8
Hardwick Road & Scania Way junction capacity improvements. Externally funded	0.5
Other local road schemes	4.7
Structural maintenance schemes	24.7
Bridge strengthening	1.6
Public transport and bus infrastructure schemes	1.1
Cycling and walking schemes	0.9
Traffic management and calming	0.9
Road crossings and safety schemes	0.6
Other smaller schemes	1.8
Total	46.7

2.7 ETD Other

Funding for two major schemes – a pilot of smart ticketing on buses and the purchase of HWRC vehicles – has been added to the programme. Both of the schemes are largely complete, with the smart ticketing rolled out at the end of the year.

Loans of £6m were made to Great Yarmouth Development Company, jointly owned with Great Yarmouth Borough Council, and Hethel Innovation Ltd, a wholly owned company. These loans have helped develop housing in Great Yarmouth and expand the engineering centre at Hethel.

Previously agreed funding for the redevelopment of Thetford Riverside was cancelled as a final agreement on funding could not be made.

The major sources of reprofiling in the ETD Other programme were the delays in completing drainage improvements within the Waste Management service and the delay of approved loan funding for Norfolk Energy Futures.

Norfolk Energy Futures are still developing plans for investing in renewable energy projects – the loan will only be called on as projects are undertaken.

Drainage improvements were delayed due to adverse weather conditions and complexities at one site in the County.

2.8 Fire and Rescue Service

Additional revenue contributions were made during the year to fund the purchase of Hazardous Materials Testing Kits and Thermal Imaging Cameras for £0.4m.

The development of Kings Lynn Fire Station was put back to 2014-15 during the year due to delays in planning and contract negotiations. However, work was underway on site at the end of February and planned for completion during 2014-15.

£1.7m was spent on new fire vehicles during the year with a further amount of funding being reprofiled into 2014-15 to support further purchases.

Further funding of £0.2m from DEFRA was invested in flood rescue equipment in a joint procurement with two other counties.

2.9 Resources

There have been significant changes to the County Hall programme in 2013-14, including reprofiling of approximately £9m in to future years. This was required to correctly align the reported programme to the progress on works. Overall, the project is still on target to be completed in the agreed timescales.

The initial roll out of the Better Broadband for Norfolk programme has been successful with the Council investing £5.8m in improving communications infrastructure working with BT. The programme is continuing in 2014-15 and 2015-16. Further available funding was announced by Central Government during the year and options are being explored to find the match funding required.

The Council completed a further £0.8m of grants through its Community Construction Fund, providing small groups with funding to undertake projects within their communities.

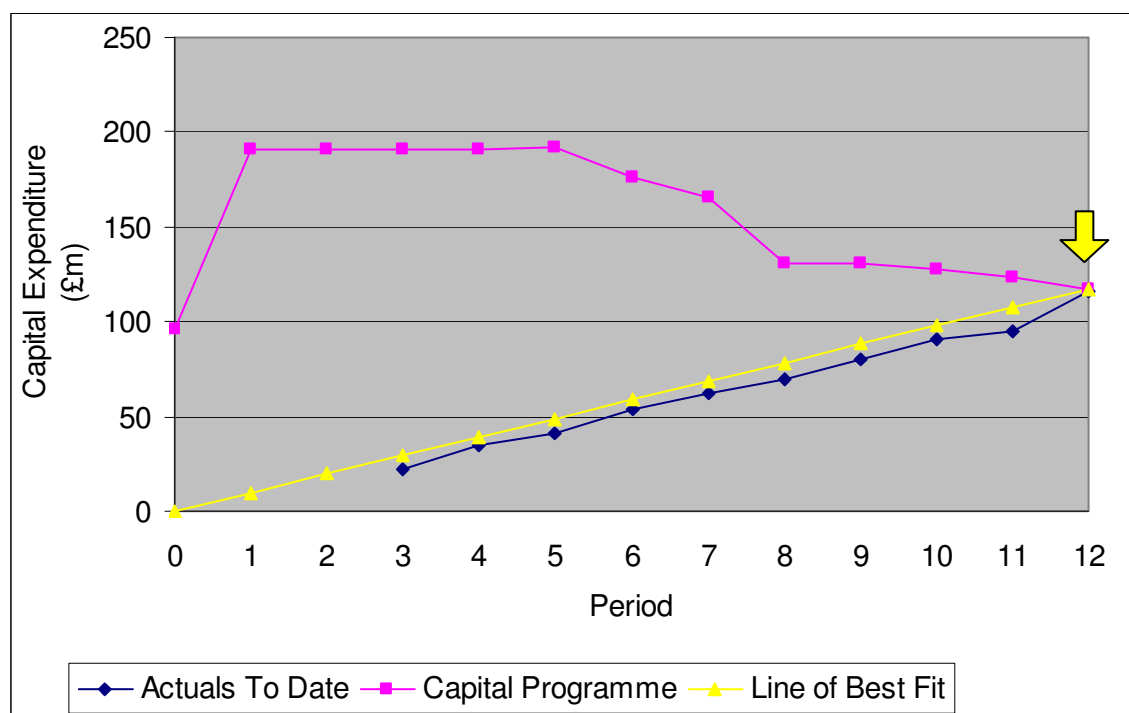
Further changes have also occurred to include a number of new IT schemes and assets to be funded on a temporary basis whilst leasing arrangements are finalised. These assets will be sold to the leasing company in 2014-15 when leases are signed, resulting in a capital receipt for the Council.

2.10 A summary of the changes to the capital programme's financing as a result of the above changes can be found in Section 4.

3 Final Outturn on the 2013-14 Capital Programme

3.1 Progress on the 2013-14 capital programme is as follows:

Chart 2: Capital programme 2013-14 and outturn



3.2 The final outturn expenditure on the capital programme for 2013-14 was £115.517m against the revised programme of £117.885m, resulting in £2.368m of slippage and underspends. The final position for each service is set out in the table below:

Table 5: Comparison of capital programme, by service, and final outturn

Service	Revised Capital Programme	Outturn	Underspend/Slippage
	£m	£m	£m
Children's Services	39.175	38.416	- 0.759
Adult Social Care	3.321	3.308	- 0.013
Cultural Services	0.715	0.544	- 0.171
Highways	47.292	46.677	- 0.615
ETD Other	9.909	9.909	0.000
Fire & Rescue Service	3.177	2.933	- 0.244
Resources	14.289	13.732	- 0.557
Total	117.878	115.519	- 2.359

3.3 The underspends and slippage are set out in Appendix 3.

4 Financing The Programme & Outturn

- 4.1 The Council uses a number of sources of funding to support its capital programme.
- 4.2 Funding comes primarily from grants and contributions provided by central government. These are augmented by capital receipts, developer contributions, prudential borrowing, and contributions from revenue budgets and reserves.
- 4.3 The below table identifies the planned funding of the revised capital programme:

Table 6: Financing of the final capital programme & outturn

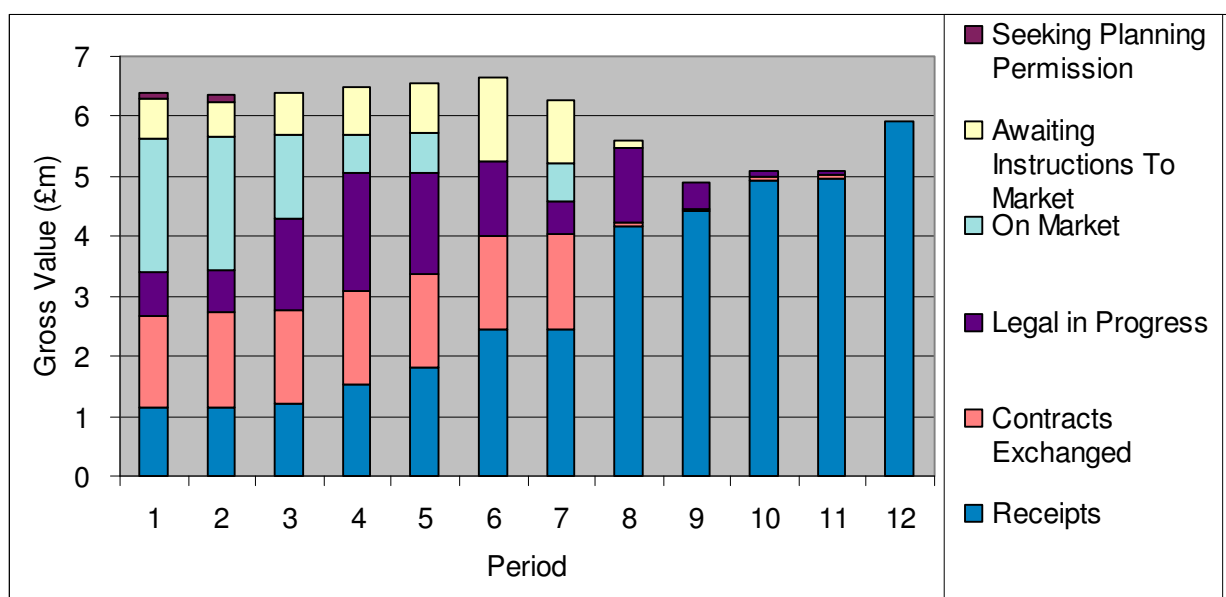
Funding Stream	Approved Capital Programme	Changes during 2013-14	Revised 2013-14 Capital Programme	Outturn 2013-14
	£m	£m	£m	£m
Prudential Borrowing	18.314	1.158	19.472	12.350
Capital Receipts	3.000	3.499	6.499	6.499
Revenue & Reserves	3.500	6.000	9.500	15.091
Grants and Contributions				
DoE	18.562	11.367	29.929	29.453
DfT	29.554	4.671	34.225	34.190
DoH	2.247	- 1.774	0.473	0.473
DCLG	1.413	0.507	1.920	1.701
DCMS	0.000	5.061	5.061	5.061
GNDP/CIF	10.000	- 9.843	0.157	0.157
Developer Contributions	3.831	2.763	6.594	6.631
Other	5.317	- 1.268	4.049	3.911
TOTAL	95.738	22.140	117.878	115.519

- 4.4 The primary difference between outturn and capital programme funding is the prudent use of £6.295m of revenue contributions received from services and schools in 2013-14 in respect of specific capital schemes to be undertaken in 2014-15 to reduce the overall borrowing requirements of the authority.
- 4.5 The funding of the outturn for the 2013-14 capital programme further differs from the programme funding due to the underspends and slippage set out in Appendix 3.
- 4.6 Further details of spend-to-save schemes and other schemes largely funded through borrowing are shown in Appendices 1 and 2.

5 Capital Receipts

- 5.1 The Council works closely with NPS Property Consultants to ensure that properties are prepared and marketed to maximise the benefits of their disposal. This may be through the generation of a capital receipt or by otherwise contributing to a strategic goal.
- 5.2 The Council generated £6.785m of capital receipts from sales of properties in 2013-14, before leasing adjustments.

Chart 3: Forecast Capital Receipts from property sales 2013-14, excluding County Farms



- 5.3 Since the beginning of the financial year, expected receipts to be generated in 2013-14 have reduced by approximately £0.8m due to sales now expected in 2014-15 and one major project put on hold.
- 5.4 Major sources of capital receipts in the year were sales of:
- Surplus land on Queens Road adjacent to Norwich bus station (£1.6m)
 - County Farms (£0.9m)
 - Great Yarmouth Ferryside and Hollies & Ivy House (£0.7m)
 - Holt Hall Cottages (£0.6m)
 - Wells Field Study Centre (£0.5m)
- 5.5 Where capital receipts are generated the Council uses these to support its general capital programme. Any unused capital receipts are retained in the capital receipts reserve to fund future projects. The below table identifies movements on the capital receipts reserve during 2013-14:

Table 7: Capital receipts reserve movements 2013-14

	General	Financial Packages	County Farms	Total
	£m	£m	£m	£m
Opening Balance	0.000	1.587	0.010	1.597
Receipts from sales of properties	4.749	1.165	0.871	6.785
Receipts from sales of assets to leasing companies	0.180	0.000	0.000	0.180
Other capital receipts	0.000	0.000	0.000	0.000
Receipts generated in year	4.929	1.165	0.871	6.965
Sales expenses	-0.248	0.000	-0.010	-0.258
Receipts repayable to third parties	0.000	-0.051	0.000	-0.051
Net receipts available for funding	4.682	2.701	0.871	8.253
Use to fund incomplete leases	-0.867	0.000	0.000	-0.867
Use to fund programme and reduce borrowing	-3.814	-1.313	-0.504	-5.631
Closing Balance	0.000	1.388	0.367	1.755

5.6 The Council has used all available general capital receipts to reduce borrowing requirements in 2013-14.

5.7 Financial packages exist where the Council has agreed to link receipts from the sale of an asset with the funding of a specific project. Balances on financial packages exist where these projects remain incomplete. County Farms capital receipts are ringfenced for reinvestment in the farms estate.

6 Spend to Save schemes

6.1 An analysis of spend-to-save schemes, Economic Development schemes, and schemes funded through the Norfolk Infrastructure Fund is set out in Appendix 2.

7 Capital schemes in development

7.1 The following capital schemes, which have been reported to previous cabinet meetings, are in development:

- former RAF Coltishall
- Further development of broadband in rural areas,
- Greater Norwich infrastructure projects.

7.2 Proposals for sales and/or land developments at Claydon, Gorleston; Sewell Park East, Norwich; and King Street are currently being worked up, and will be presented to future meetings.

Appendices

Appendix 1: Revenue Consequences of Borrowing

Appendix 2: Analysis of Spend to Save and Economic Development & NIF Funded Schemes

Appendix 3: Slippage and Underspends to Carry Forward to Future Years

Appendix 1: Revenue Consequences of Borrowing

- i. The Council is required to set aside an amount of money annually to service its debt and ensure that its actions do not impair the ability of the Council to borrow to support its capital requirements in the future. This is known as the Minimum Revenue Provision (MRP).
- ii. Additional borrowing results in an increase in the amount of interest the Council must pay each year and an increase in the MRP it must make. The table below shows the incremental effect of the current programme of unsupported borrowing on future revenue budgets:

Table A1a: Analysis of unsupported borrowing required to support the capital programme

	2013-14	2014-15	2015-16	2016-17
	£m	£m	£m	£m
Outturn programme borrowing required in year	19.472	42.828	8.212	
Use of revenue to reduce borrowing requirement	-6.295	6.295	0.000	
Slippage	-0.834	0.834	0.000	
Adjusted borrowing requirement	12.343	49.957	8.212	
Cumulative additional borrowing	12.350	62.300	70.512	70.512
Interest		0.586	2.728	3.179
MRP		0.494	2.492	2.821
Total annual revenue impact of borrowing (cumulative)		1.080	5.220	6.000

- iii. The figures are based on interest rates for borrowing of 4.75%, 5.00% and 5.50% for 2013-14, 2014-15 and 2015-16 respectively. MRP is calculated on the basis of accounting for 1/25 of capital expenditure per year, which is consistent with expenditure on buildings; where expenditure is incurred on other types of asset, MRP figures will vary from those shown above.
- iv. Unsupported borrowing, as shown in the above table, can be divided into that which results in an identifiable revenue saving or income stream in the future ("spend to save") and that which will result in an increase in the Council's overall revenue costs.

Table A1b: Analysis of unsupported borrowing

	2013-14	2014-15	2015-16
	£m	£m	£m
Spend to save (Appendix 2)	6.104	16.866	8.044
Economic Development & NIF Funded Schemes (Appendix 2)	10.638	14.711	14.797

Unsupported schemes	3.881	10.067	1.083
Deferred borrowing	4.035	3.440	0.000
Capital receipts available to reduce unsupported and deferred borrowing	-5.186	-2.258	-15.712
Use of revenue contributions to reduce borrowing requirement	-6.295	6.295	0.000
Slippage	-0.834	0.834	0.000
Total	12.343	49.957	8.212

- v. Deferred borrowing represents 2013-16 capital schemes that are nominally funded from revenue and reserves, but which are now being funded from borrowing as reserves were used in previous years to minimise the revenue costs of borrowing.
- vi. During 2013-14, the Council repaid loans of £8.525m, resulting in a reduction of £0.418m in interest costs. As a result, there will be a reduction of £0.898m in minimum revenue payments due to a reduction in the capital financing requirement for supported borrowing.
- vii. The following table identifies the breakdown of those schemes which are identified as being unsupported in the current programme:

Table A1c: Analysis of Unsupported Schemes

Scheme	2013-14	2014-15	2015-16	2016-17
	£m	£m	£m	£m
Corporate				
Corporate Minor Works	0.177	0.600	0.600	
Alterations to Offices to Comply with Disability Discrimination Act	0.000	0.123	0.130	
Asbestos Survey & Removal Programme (Chief Exec)	0.381	0.509	0.000	
NPS Volume Discount (Unallocated)	-0.172	0.000	0.000	
Reprofiled schemes				
Kings Lynn Fire Station	0.389	1.573	0.000	
Real Fire Training Unit	0.000	0.108	0.000	
New Fire Station - Boat Store & Enhanced	0.027	0.005	0.153	
Closed Landfill Site Capping	0.209	0.248	0.000	
HWRC Drainage Improvements	0.223	2.033	0.000	
Homes for Elderly People - Essential Improvements	0.132	0.000	0.000	
Modern Social Care - Phase 2	0.436	0.000	0.000	
Fire Safety Requirements	0.006	0.125	0.000	
Schools Access Initiative Post	0.037	0.175	0.200	
Compass Centre West	0.000	0.506	0.000	
Kings Lynn Academy	0.350	0.800	0.000	
Thetford Academy	0.275	0.000	0.000	
Chapel Rd site	0.004	0.150	0.000	
Sustainability	0.196	0.450	0.000	
Condition Contingency	0.000	0.448	0.000	
Thetford Replacement School	0.000	1.117	0.000	

Robert Kett, Wymondham	0.034	0.176	0.000	
Valley Primary	0.015	0.125	0.000	
Swaffham Children's Centre	0.113	0.000	0.000	
Brooke Replacement School	0.000	0.145	0.000	
Other Schemes	1.048	0.651	0.000	
	3.881	10.067	1.083	
Cumulative Borrowing	3.881	13.955	15.038	
Impact on revenue		0.340	1.256	1.429

- viii. The schemes identified in the first part of Table A1c represent corporate programmes intended to maintain Norfolk County Council assets and ensure that the Council complies with legislation.
- ix. Reprofiled schemes includes costs previously reported as being deferred borrowing, as described above.
- x. Table A1c does not include any adjustment for slippage or use of revenue contributions identified in Table A1b.
- xi. To fund or reduce the Council's unsupported borrowing detailed above, there are three options:
 - a. Amend the future capital programme to reduce the funding available to support these schemes, including an ongoing review of the Corporate Minor Works programme
 - b. Identify revenue budget to fund the capital expenditure directly.
 - c. Identify a suitable reserve from which to draw down the funding for the schemes.

Appendix 2: Analysis of Spend to Save and Economic Development & NIF Funded Schemes

- i. The total for “spend to save” schemes in Appendix 1 Table A1b in can be analysed as follows, with details of the benefits to be realised for each project.

Table A2a: Analysis of “spend to save” capital schemes 2013-16

Scheme	Financing	2013-14	2014-15	2015-16
		£m	£m	£m
Carbon Energy Reduction Fund (CERF)	Energy cost savings	0.307	1.905	
County Hall Carbon Energy Reduction Fund		1.450	0.535	0.771
County Hall Better Ways of Working	Office closures rent saving	0.095	1.919	1.274
County Hall Strategic Maintenance		2.914	12.065	5.999
North Norfolk Office Reorganisation	Office closures running cost saving and sales proceeds	0.036	0.022	
County Farms Improvements	Capital receipts from County Farms disposals	0.420		
Great Yarmouth Property Rationalisation	Capital receipts from disposal of Great Yarmouth office accommodation		0.420	
Incomplete Leased Assets	Capital receipts from sale of completed assets to leasing company	0.867		
Expenses on Capital Receipts	Capital Receipts	0.015		
Total Current and Proposed Spend To Save Schemes		6.104	16.866	8.044

- ii. The following table analyses Economic Development & NIF Funded schemes funded through borrowing and /or supported by the Norfolk Infrastructure Fund. The Norfolk Infrastructure Fund (NIF) is a fund using second homes council tax income.

Table A2b: Analysis of Economic Development and Norfolk Infrastructure funded capital Schemes 2013-16

Scheme	Financing	2013-14	2014-15	2015-16
		£m	£m	£m
Better Broadband	Telecommunications contract savings and NIF support	0.792	3.011	11.197

Northern Distributor Road	GNDP/ CIF	3.550	7.550	
Loan to Norfolk Energy Futures	Loan Repayments From renewable energy incomes generated by a wholly owned company		4.150	3.600
Loan to Hethel Innovation	Loan Repayments From rental income generated by a wholly owned company	3.770		
Loan to Great Yarmouth Development Company	Loan Repayments From property sales generated by a joint venture with Great Yarmouth Borough Council	2.276		
Nar-Ouse Regeneration Area (NORA)	Sale of properties and NIF support	0.250		
Total Economic Development and NIF funded projects		10.638	14.711	14.797

- iii. Further details of each project were included in the 6 January 2014 Capital Monitoring Cabinet Report. The additional loan of £0.250m to Hethel Innovation Ltd approved at 14 April Cabinet the purchase of loan will be added to the 2014-15 capital programme when the transfer of residual ERDF funding is confirmed.
- iv. The above tables do not include any adjustment for slippage or use of revenue contributions identified in Table A1b.

Appendix 3: Slippage and Underspends to Carry Forward to Future Years

- i. The final outturn on the capital programme resulted in underspends and slippage of £2.368m. This means that an additional £2.368m of funding will be available to fund the 2014-15 programme, including the additional costs due to the slippage of expenditure from 2013-14 into 2014-15.
- ii. The breakdown of slippage and underspends is set out in the table below on a service by service basis:

Table A3.1: Slippage and underspends

Service	Over/ (Under) spend £m	Slippage & Reprofiling £m	Total £m	Comments
Children's Services	- 0.721	- 0.038	- 0.759	Underspends due to contingencies on a number of large projects not being fully utilised at completion.
Adult Social Care	- 0.013	0.000	- 0.013	Underspends on a small number of Corporate Minor Works schemes.
Cultural Services	- 0.015	- 0.156	- 0.171	Slippage on a number of museums schemes, including Gressenhall eco-buildings and new stock system, to be completed in early 2014-15
Highways	- 0.059	- 0.556	- 0.615	The majority of slippage represents the balance of £2m additional funding for small highways improvements carried forward to 2014-15. Overspends on local road schemes and settlement of end-of-contract claims managed through underspends on general road maintenance.
ETD Other	0.000	0.000	0.000	
Fire & Rescue Service	- 0.002	- 0.242	- 0.244	Awaiting final expenditure on fire appliances to be incurred in early 2014-15.
Resources	- 0.028	- 0.529	- 0.557	Balances on Corporate Minor Works and CERF to be carried forward to fund further projects in 2014-15.
Total	- 0.838	- 1.521	- 2.359	

- iii. The slippage and underspends are requested to be carried forward for use in future years.
- iv. As can be seen above, the majority of underspends relate to Children's Services construction projects which will have been funded from Basic Need or predecessor capital grants received for the purpose of improving school provision.
- v. Overall this report identifies a net underspend of £0.721m in the Children's Services' capital budget 2013/14. In some cases, underspends are due to the contingency

element of a project budget not being required, through effective risk planning and management. Given the continuous development of the capital programme to meet emerging policy requirements and uncertainty over the timing of housing developments which put pressure on school places, the County Council's approach in previous years has been to roll underspends forward for reallocation within the Children's Services' programme.

- vi. At present the following specific pressures would suggest merit in the continuation of this approach:
- a. new Government policy on the development of 2-year old places on school sites, for which there is no national or local capital allocation;
 - b. the identification in the report to Cabinet on April 14th 2014 of three major unfunded Condition-related schemes; and
 - c. the possible acceleration of housing growth pressures across the County which have not yet been factored into scheme development.

Policy and Resources Committee

Item No...8...

Report title:	Annual Treasury Management Report 2013-14
Date of meeting:	14 July 2014
Responsible Chief Officer:	Head of Finance (Interim)
Strategic impact This Annual Treasury Management Report forms an important part of the overall management of the Council's financial affairs. The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activity. This report provides details of the 2013-14 outturn position for treasury activities and highlights compliance with policy and strategy previously approved by Members in relation to treasury management.	

Executive summary

In accordance with regulatory requirements, this report provides information on the treasury management activities of the County Council for the period 1st April 2013 to 31st March 2014.

The financial year 2013-14 presented a challenging environment in which to undertake treasury management investment activity. The Bank of England Base Rate remained at its historic low of 0.5% throughout the year, keeping deposits rates depressed. However, by delaying borrowing for capital purposes and avoiding the 'cost of carrying debt,' the Council has effectively managed its cash resources.

During 2013-14, the Council complied with all treasury management legislative and regulatory requirements.

At the 31st March 2014, the Council's external debt was £503M and its investments totalled £203M.

Recommendations:

It is recommended that Members endorse and recommend to County Council, the Annual Treasury Management Report 2013-14.

1. Introduction

The annex to this report sets out the treasury management activities of the County Council for the period 1st April 2013 to 31st March 2014.

2. Evidence

All treasury management operations detailed in the attached annex have been carried out in accordance with recognised best practice and in compliance with legislative and regulatory requirements.

The annex summarises:

- Investment Activity
- Long Term Borrowing and Debt Management Activity
- Treasury Management Benchmarking
- Leasing Activity
- Corporate Banking Services

3. Financial Implications

This report brings together information on the treasury management activities of the County Council during 2013-14. Regular treasury management performance reports have been received throughout the year; therefore there are no further financial implications to consider.

4. Issues, risks and innovation

Risk implications

- 4.2 The County Council's treasury management activities provide for the effective management of risk while pursuing optimum performance consistent with those risks. The Annual Investment & Treasury Strategy Report sets the parameters for risk management. Operationally, a risk register is maintained to monitor risks and control measures.

5. Background

- 5.1 The County Council is required by regulation issued under the Local Government Act 2003 to produce an annual treasury management review of its activities.

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Annual Treasury Management Report 2013-14

1. Introduction

- 1.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA's) Code of Practice for Treasury Management in the Public Services (the Code) requires local authorities to produce an annual report on Treasury Management activities. The County Council is required to comply with the Code through Regulations issued under the Local Government Act 2003.
- 1.2 Treasury management activities are defined as "the management of the Council's cash flows, its banking, money market and capital market transactions; the effective management of the risks associated with those activities and the pursuit of optimum performance consistent with those risks."
- 1.3 Treasury management in local authorities is extremely well regulated. Specific policy and operational guidance is contained in a variety of professional codes, statutes and government guidance.
- 1.4 The regulatory environment place responsibility on Members for the review and scrutiny of treasury management policy and activities. This report provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by Members.
- 1.5 During 2013-14 the minimum reporting requirements were that the County Council should receive the following reports:
 - an annual treasury strategy in advance of the year (County Council 18th February 2013)
 - a mid year treasury update report (County Council 20th January 2014)
 - an annual report following the year-end describing activity (this report).

In addition throughout 2013-14, the Treasury Management Panel and Cabinet received regular treasury management performance monitoring reports. In September 2013 the Audit Committee reviewed the governance arrangements of Treasury Management.

2. Economic Review 2013-14 (by Capita, TM Advisors)

- 2.1 The financial year 2013-14 continued the challenging investment environment of previous years, namely low investment returns, although levels of counterparty risk subsided somewhat. Economic growth (GDP) in the UK surged strongly during the year. Consequently there was no additional quantitative (monetary) easing during 2013-14 and Bank Rate ended the year unchanged at 0.5% for the fifth successive year. CPI inflation fell below its target of 2% in January 2014 (1.9%), ending the year at 1.6% in March 2014.

- 2.2 The Funding for Lending Scheme, announced in 2012, resulted in a flood of cheap credit being made available to banks which resulted in a significant reduction in money market investment rates. This Scheme, which supported the provision of credit for mortgages, continued until the first quarter of 2014, when it was terminated amid concerns over resurging house prices. Gilt yields (the rate at which UK Government and local authorities can borrow) while on a rising trend during 2013, were still subject to volatility as investors took ‘flight to quality’ when financial, political or economic news disappointed.
- 2.3 The EU sovereign debt crisis subsided during the year and confidence in the ability of the Eurozone to remain intact increased substantially. Perceptions of counterparty risk improved in the knowledge that the ECB would do “whatever it takes” to support struggling Eurozone countries; this led to a return of confidence in its banking system and a move away from only very short term investing. However, this is not to say that the problems of the Eurozone, or its banks, have ended as the zone faces the likelihood of weak growth over the next few years at a time when the total size of government debt for some nations is likely to continue rising. Upcoming stress tests of Eurozone banks could also reveal some areas of concern.

3. Treasury Operations in 2013-14

3.1 Investment Interest Rates in 2013-14

- 3.1.1 The Bank Base Rate remained at its historic low of 0.5% throughout the year; it has now remained unchanged for five years. The Funding for Lending Scheme (see para 2.2) resulted in deposit rates remaining depressed during the whole year. Market expectations as to the start of monetary policy tightening (increases in Bank Base rates), suggests early 2015. The table below shows that there has been little movement in money market deposit rates during the course of 2013-14.

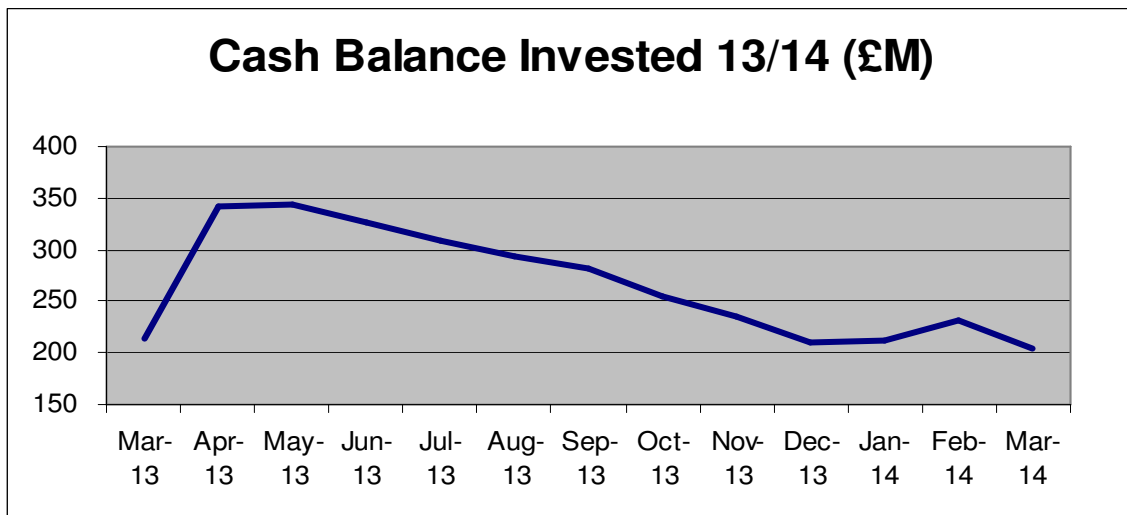
Money Market Investment Rates for 2013-14						
	Overnight	7 day	1 month	3 month	6 month	1 year
1st April 13	0.361	0.365	0.371	0.382	0.478	0.784
31st Mar 14	0.321	0.342	0.363	0.397	0.497	0.786
High	0.361	0.368	0.371	0.403	0.498	0.790
Low	0.258	0.338	0.357	0.379	0.457	0.732
Average	0.347	0.354	0.364	0.391	0.475	0.762

3.2 Investment Activity

- 3.2.1 The Council’s investment policy is governed by the Department for Communities and Local Government’s Guidance, which was incorporated within the annual investment strategy approved by the County Council on 18th February 2013. Investment activity during the year was in accordance with the approved strategy.

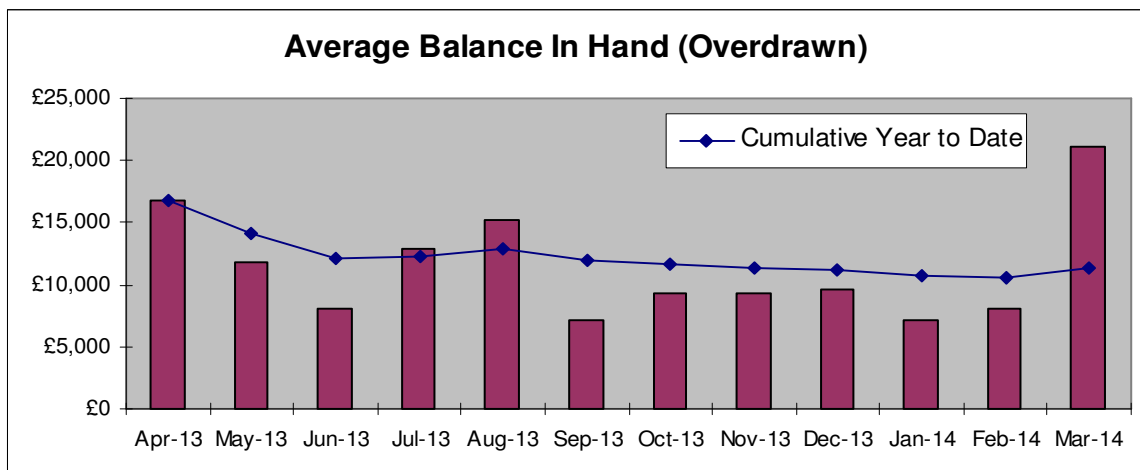
3.2.2 The Council's cash balances comprise of revenue and capital resources, such as general balances, provisions and earmarked reserves and the timing differences between the receipt and payment of monies required to meet the cost of County Council services and its capital programme.

3.2.3 Income received in 2013-14 amounted to £1,543M (£1,580M in 2012-13), while payments (including debt repayment) totalled £1,553M (£1,571M in 2012-13), resulting in an overall decrease in cash balances of £10M. Cash balances available for investment have therefore decreased from £213M at 1st April 2013 to £203M at the 31st March 2014. The average level of cash balances in 2013-14 was £271M (£251M in 2012-13).



3.2.4 Of the 560 bank accounts administered by the County Council, only 3 are principal accounts (one for income collection, general expenditure and salary payments). The remaining bank accounts are service specific, for example schools locally managing their devolved budgets. The corporate treasury management function ensures the efficient management of cash balances across all 560 accounts by aggregating and investing surplus cash balances on a daily basis.

3.2.5 A key objective of cash flow management is to minimise balances held in the Council's 560 bank accounts to within a cumulative average of plus/minus £0.025M across all accounts, thereby maximising cash balances for investment. For the period 1st April 2013 to 31st March 2014 the average daily cash balance after adjustments was £0.011M in-hand (including schools).



- 3.2.6 All cash balances are managed internally and invested in accordance with the Council's approved investment strategy. The Council works closely with its external Treasury Advisors to determine the credit rating criteria for 'high' credit rated institutions supplemented by other financial market information and intelligence.
- 3.2.7 Investment decisions are largely driven by the timing of projected cash in-flows and out-flows, the availability of high quality counterparties and the relative value of interest rates compared to the performance benchmark.
- 3.2.8 An investment profile as at the 31st March 2014 is attached at Appendix A. The oldest deposit dates back to April 2013 and the longest dated maturity was October 2014. Interest rates range from 0.65% (Barclays Bank Call Account) to 1.10% (Lloyds TSB). The profile includes only UK counterparties. Short term deposits with NPS reflect commercial overdraft arrangements for working capital.
- 3.2.9 The average interest rate earned in 2013-14 was 0.95% (1.62% in 2012-13), compared with the average 7 day London Interbank Bid (LIBID) rate of 0.35% (0.39% in 2012-13). The table below provides a month by month and a cumulative comparison against the 7 day LIBID benchmark. A comparison against other deposit benchmarks can be made using the table at para. 3.1.1 above.

2013/14	Interest for Month (%)	LIBID for Month (%)	Interest Year to Date (%)	LIBID Year to Date (%)
Apr 13	1.37	0.37	1.37	0.37
May 13	1.10	0.36	1.22	0.36
Jun 13	1.08	0.36	1.17	0.36
Jul 13	0.97	0.36	1.12	0.36
Aug 13	0.91	0.36	1.08	0.36
Sep 13	0.82	0.36	1.04	0.36
Oct 13	0.80	0.35	1.01	0.36
Nov 13	0.81	0.35	0.99	0.36
Dec 13	0.84	0.35	0.98	0.36
Jan 14	0.85	0.34	0.97	0.36
Feb 14	0.81	0.34	0.96	0.36
Mar 14	0.83	0.34	0.95	0.35

- 3.2.10 Gross interest earned for the period 1st April 2013 to 31st March 2014 is £2.568M (£4.076M in 2012-13). Net interest earned, after adjusting for internal interest bearing accounts, is £2.117M (£3.734M in 2012-13).
- 3.2.11 A year on year comparison of investment activity is summarised below. Gross Interest Earned has decreased by £1.508M year on year, largely the result of a reduction in money market deposit rates. However, the interest rate achieved in 2013-14 of 0.95% still exceeds the average LIBID 12 month deposit rate of 0.76% and this has been achieved while still maintaining daily cashflow liquidity.

	2012-13	2013-14
Average Cash Balances	£251M	£271M
Interest Rate (including prior year fixed deposits)	1.62%	0.95%
Gross Interest Earned	£4.076M	£2.568M

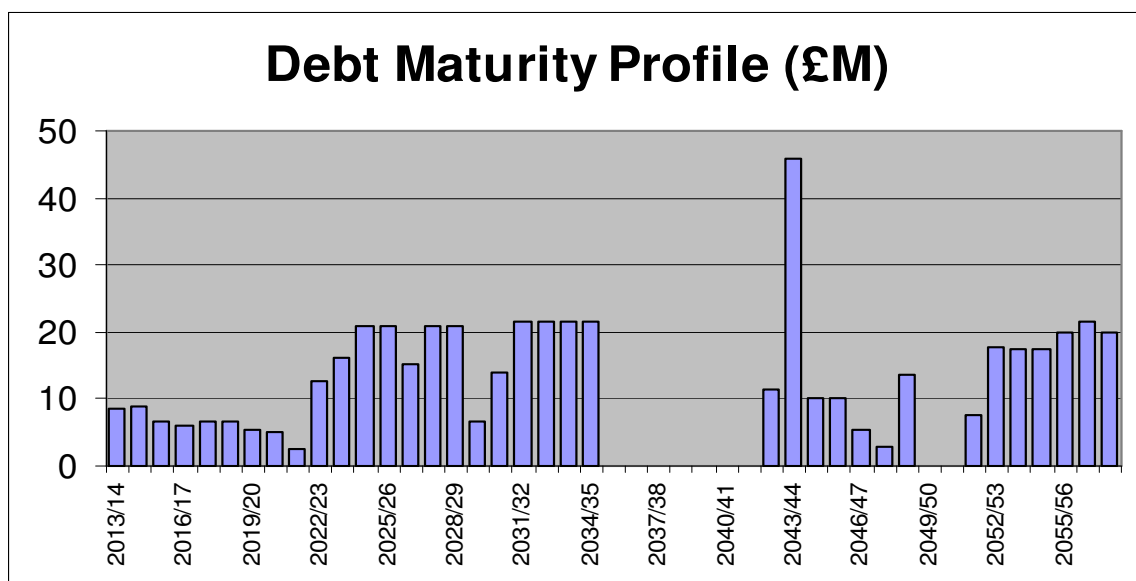
3.3 Borrowing Interest Rates

- 3.3.1 The table below presents Public Works Loans Board (PWLB) borrowing rates from 2013-14 across a selection of maturity periods. PWLB rates have risen from historically very low levels during the year.

PWLB borrowing rates for 2013-14					
	1 Year	5 Year	10 Year	25 Year	50 Year
1st April 13	1.120%	1.750%	2.840%	4.080%	4.230%
31st Mar 14	1.300%	2.500%	3.660%	4.450%	4.480%
High	1.450%	2.970%	4.100%	4.670%	4.700%
Low	1.110%	1.610%	2.580%	3.780%	4.070%
Average	1.305%	2.469%	3.584%	4.427%	4.467%

3.4 Long Term Borrowing & Debt Management Activity

- 3.4.1 The County Council undertakes capital expenditure on long-term assets. This activity gives rise to the need to borrow. Part of the Council's treasury management activity is to address this borrowing need, either through long term borrowing from external bodies (PWLB or commercial banks) or utilising cash resources on a temporary basis within the County Council.
- 3.4.2 In accordance with the approved 2013-14 Investment and Treasury Strategy, the County Council has postponed any new borrowing for capital purposes, using cash balances on a temporary basis to avoid the cost of 'carrying' debt in the short term. "Cost of carry" is the difference between interest paid and interest earned on borrowed monies while temporarily held as cash balances until used to fund capital expenditure. Delaying borrowing and running down the level of investment balances also reduces the County Council's exposure to investment counterparty risk. By avoiding the "cost of carrying" debt the County Council is currently saving over £4M pa (assuming a net interest rate differential of 3.5%).
- 3.4.3 At the 31st March 2014, the Council's external borrowing (debt outstanding) totalled £503M (£511M at 31st March 2013). The average life of the Council's debt is 34 years.



3.4.4 Interest paid on external borrowings in 2013-14 was £26.6M (£27.6M in 2012-13). The average rate of interest was 5.25%.

3.4.5 The debt position at the 31st March 2014 compared to the previous year is shown below:

Actual Borrowing Position	31 st March 2013		31 st March 2014	
	Principal £M	Rate%	Principle £M	Rate%
Fixed Interest Debt	£469M	5.30%	£461M	5.30%
Variable Interest Debt	£42M	4.75%	£42M	4.75%
Total Debt	£511M	5.24%	£503M	5.25%

3.4.6 The County Council maintained its total gross borrowing level within its Authorised Limit of £755M during 2013-14. The Authorised Limit being the 'affordable borrowing limit' required by section 3 of the Local Government Act 2003.

3.4.7 The PWLB provides a facility to restructure debt, including early repayment of loans. This can result in net savings in overall interest charges. No early repayments were made in 2013-14 as the current low level of PWLB rates would result in 'premiums' being payable. Prevailing PWLB interest rates will be monitored in order to identify future repayment opportunities.

4. Treasury Management Benchmarking

4.1 The Council's treasury management performance is benchmarked against other local authorities annually as part of the Council's membership of CIPFA's benchmarking clubs. The provisional results for 2013-14 have just been published and show that Norfolk's treasury performance remains above club average (NCC investment return of 0.95% compared with club average of 0.84%) with costs (£k per £m Managed) below average (NCC costs £0.19 compared with club costs £0.53).

5. Leasing Activity

5.1 In 2013-14 leasing facilities totalling £5.3M were arranged by Capita Asset Services Ltd. Leased assets included Highways and ETD vehicles, Community Services Mobile Libraries and a variety of vehicles for Norse Commercial Services under a subleasing arrangement.

6. Corporate Banking Services

6.1 The Co-op Bank, which provides transactional bank clearing services to the County Council, has announced its intention to withdraw from the local authority market. It will not be seeking to renew its existing contract when it expires in 2016.

- 6.2 The County Council is leading a joint procurement exercise on behalf of the Districts, Police and Crime Commissioner for Norfolk and other bodies such as the Norfolk Pension Fund and Independence Matters. The East of England Local Government Association has provided sponsorship of the project. In return, the project will be used as a case study for joint working.
- 6.3 Having drafted a service specification for banking services, an Invitation to Tender was published at the end of May. Tenders were received from 3 Banks at the end of June. Following evaluation in July, contract award will be made on 1st August.
- 6.4 A report will be brought to the September meeting of Policy and Resources Committee providing details of the appointment.

Outstanding Deposit Profile @ 31st March 2014				Appendix 1
Counterparty Name	Deal Date	Maturity Date	Interest Rate %	Principal £M
Barclays Bank Group				
Barclays Bank Call Account	Instant	Liquidity	0.65*	53.743
				53.743
Lloyds Banking Group				
Lloyds TSB	05-Apr-13	04-Apr-14	1.10	5
Lloyds TSB	11-Apr-13	10-Apr-14	1.10	5
Lloyds TSB	12-Apr-13	11-Apr-14	1.05	50
Lloyds TSB	08-May-13	07-May-14	1.05	5
Lloyds TSB	05-Jun-13	04-Jun-14	1.05	5
Lloyds TSB	05-Jul-13	04-Jul-14	1.01	10
				80
Royal Bank of Scotland Group				
National Westminster Bank	11-Apr-13	10-Apr-14	0.73	10
National Westminster Bank	10-Jul-13	09-Jul-14	0.70	25
National Westminster Bank	21-Aug-13	20-Aug-14	0.69	20
National Westminster Bank	04-Oct-13	03-Oct-14	0.69	10
				65
The Norse Group				
NPS Property Consultants	25-Feb-14	07-Apr-14	2.50	1
NPS Property Consultants	19-Mar-14	10-Apr-14	2.50	1
NPS Property Consultants	21-Mar-14	16-Apr-14	2.50	1
NPS Property Consultants	28-Mar-14	24-Apr-14	2.50	1
NPS Property Consultants	31-Mar-14	28-Apr-14	2.50	1
				5
Total Deposits				203.743
* Latest rates as at 31 st March 2014				

In addition deposits of £38.523m were held on behalf of other bodies:

Office of the Police and Crime Commissioner for Norfolk, Norfolk Pension Fund, Norse Commercial Services Ltd, Norse Care Ltd, NPS Property Consultants Ltd, Norfolk & Suffolk Probation Trust and Independence Matters.

Policy and Resources Committee

Item No...9...

Report title:	2014-15 Revenue monitoring report month 2
Date of meeting:	14 July 2014
Responsible Chief Officer:	Head of Finance (Interim)
Strategic impact This report gives details of the forecast outturn position for the 2014-15 Revenue Budget, General Balances, and the Council's Reserves at 31 March 2015, together with related financial information.	

Executive summary

On 17 February 2014, the County Council agreed a net revenue budget of £308.397m. At the end of each month, officers prepare financial forecasts for each service showing forecast expenditure and the impact this will have on earmarked reserves.

Members are recommended to note the following:

- **Revenue expenditure is forecast to overspend by £1.793m on a net budget of £308.397m.**
- **General Balances are forecast to be £19.000m at 31 March 2015, before taking into account the forecast overspend by £1.793m.**
- **The Council has earmarked revenue reserves forecast to be £69.536m at 31 March 2015. The Residual Waste Treatment Contract Reserve, currently £33.7m, are forecast to be fully exhausted as a result of contract termination. The Council separately holds Reserves in respect of Schools estimated to be £36.469m at 31 March 2015.**

1. Introduction

The annex to this report summarises the Authority's 2014-15 financial position at the end of month 2: May 2014.

2. Evidence

The attached annex summarises forecasts for each service and the resulting impact on reserves and provisions.

The annex also summarises:

- Changes to the approved budget
- The impact of planning assumptions
- Performance against savings targets Savings
- A subjective analysis
- Treasury management
- Payments, debt and purchase order performance

3. Financial Implications

As stated above, revenue expenditure is forecast to overspend by £1.793m on a net budget of £308.397m. Chief Officers have responsibility for managing their budgets within the amounts approved by County Council. They have been charged with reviewing all of their cost centres to ensure that, where an overspend is identified, action is taken to ensure that a balanced budget is achieved for the year.

4. Issues, risks and innovation

Risk implications

- 4.1 Officers have considered all the implications which members should be aware of. Apart from those listed in the report (above), there are no other implications to take into account.

5. Background

- 5.1 Having set a budget at the start of the financial year, the Council needs to ensure its delivery within allocated and available resources which in turn underpins the financial stability of the Council. Consequently there is a requirement to regularly monitor progress so that corrective action can be taken when required.

Officer Contact

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Norfolk County Council

2014-15 Revenue Finance Monitoring Report Month 2

Report by the Head of Finance (Interim)

1 Introduction

1.1 This report gives details of:

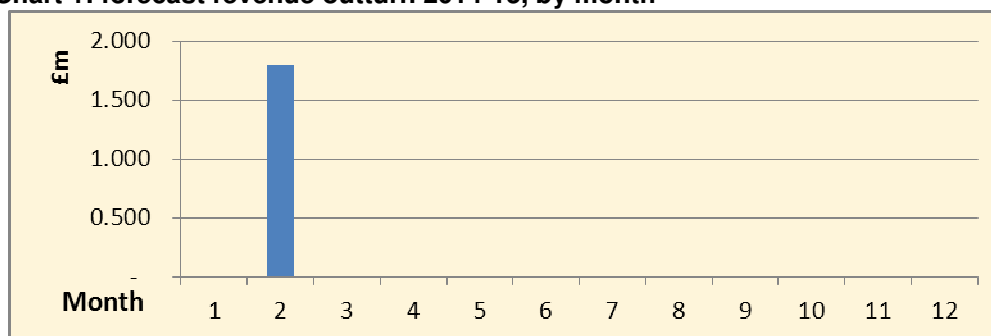
- the latest monitoring position for the 2014-15 Revenue Budget
- forecast General Balances and Reserves at 31 March 2015 and
- other key information relating to the overall financial position of the Council.

2 Summary of financial monitoring position

2.1 At the end of May:

- Revenue expenditure is forecast to overspend by £1.793m on a net budget of £308.397m. The chart below shows the month by month trend.

Chart 1: forecast revenue outturn 2014-15, by month



- General Balances are forecast to be £19.000m at 31 March 2015, before taking into account the forecast overspend by £1.793m.
- The Council has earmarked revenue reserves forecast to be £69.536m at 31 March 2015 assuming the Residual Waste Treatment Contract Reserve is fully exhausted. The Council separately holds Reserves in respect of Schools estimated to be £36.469m at 31 March 2015.
- Cabinet resolved to terminate the Willows Energy from Waste contract on 7 April 2014, resulting in termination costs estimated at £33.7m of which a reserve of £19m had been set aside at 31 March 2014. The contract was formally terminated on 16 May 2014, and the Residual Waste Treatment Contract reserve has been increased to a current value of £33.7m. Further details are given in section 6.7.

3 Agreed budget, changes and variations

- 3.1 The 2014-15 budget was agreed by Council on 17 February 2014 and is summarised in Appendix 1. The budget has been monitored in accordance with the timetable at Appendix 2.

Table 1: 2014-15 original and revised net budget by service

Service	Approved net budget	Changes to budget Apr/May 2014	Revised budget
	£m	£m	£m
Children's Services	161.903	0.063	161.966
Community Services	264.923	-	264.923
Environment, Transport and Development	108.840	0.145	108.985
Fire and Rescue Service	27.804	-	27.804
Resources	55.457	- 0.063	55.394
Finance General	-310.675	- 0.145	-310.675
Total	308.397	0	308.397

- 3.2 The Council's total net budget has not changed during the year to date, and only minor re-allocations have taken place to date.
- 3.3 The approved net budget shown has taken into account discussions at County Council on 17 February resulting in a one-off £1m allocation not reflected in the papers prepared in advance of the meeting. This allocation is for supporting personal care/wellbeing services for older people and is funded from revenue saving on deferring borrowing for 2014-15 only.
- 3.4 Significant new in-year revenue grants over £0.100m are listed in Appendix 3. Since 1 April, the Council has received a PE and Sports Grant of £1.174m.

4 Control of growth, cost pressures and savings targets

- 4.1 **Planning assumptions:** The key planning assumptions made during the preparation of the 2014-15 budget are shown in Appendix 4 along with a brief narrative showing the status in each of these areas.
- 4.2 All the areas listed in Appendix 4 remain areas of budgetary pressure, with further pressures forecast in relation to Looked After Children.
- 4.3 **Savings targets:** The key savings targets required for the preparation of a balanced 2014-15 budget are shown in Appendix 5.
- 4.4 Forecast savings of £65.225m are £3.042m short of the budgeted £68.267m savings target. Savings in Community Services – Cultural, ETD, Fire, Resources and Finance General are all on track. However, the number and cost of Looked After Children are not reducing as planned leading to a forecast saving shortfall of £2.704m, with Community Services – Adults £0.750m short relating to reviews of agreements for mental health and care services. A full analysis is shown in Appendix 5
- 4.5 **Termination of Willows Energy from Waste contract:** As reported to County Council on 27 May, Cabinet of 7 April 2014 resolved to allow the Willows Energy from Waste contract to terminate for planning failure. The contract was formally terminated on 16 May 2014 incurring contractual termination costs estimated at £33.7m. The movement on reserves resulting from this decision are shown in section 6.

5 Revenue outturn – forecast over/underspends

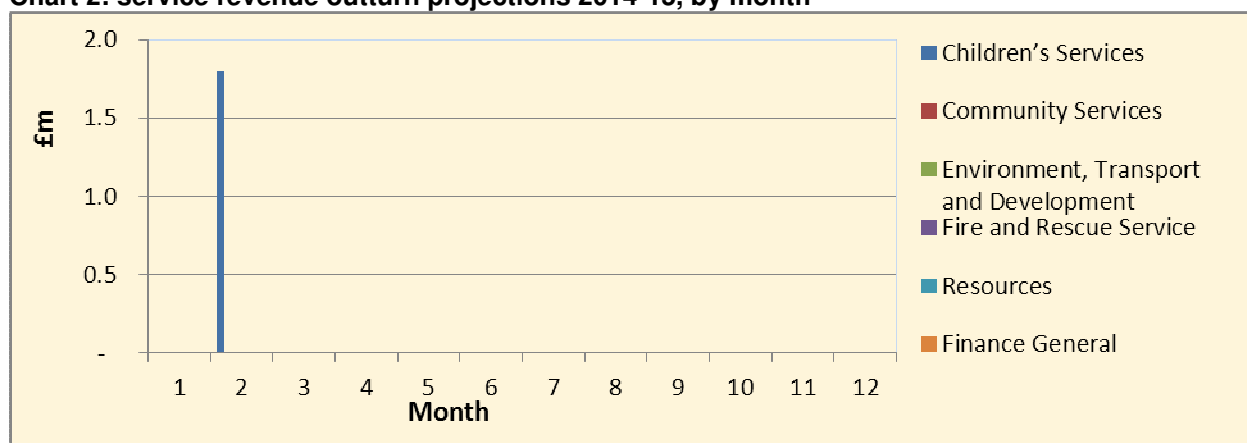
- 5.1 Chief Officers have responsibility for managing their budgets within the amounts approved by County Council. They have been charged with reviewing all of their cost centres to ensure that, where an overspend is identified, action is taken to ensure that a balanced budget is achieved for the year.
- 5.2 Based on the position at the end of May 2014 the latest projection for the 2014-15 revenue outturn shows a net projected overall overspend of £1.793.
- 5.3 Details of all projected under and over spends for each service, together of areas where mitigating action is being taken, are shown in Appendix 6, and are summarised in the following table:

Table 2: 2014-15 projected budget variations by service

Service	Revised Budget £m	Projected outturn £m	Projected (under)/over spend £m	%	RAG
Children's Services	161.966	163.759	1.793	1.11	A
Community Services	264.923	264.923	0.000	0	G
Environment, Transport and Development	108.985	108.985	0.000	0	G
Fire and Rescue Service	27.804	27.804	0.000	0	G
Resources	55.394	55.394	0.000	0	G
Finance General	-310.675	-310.675	0.000		G
Totals	308.397	310.190	1.793	0.58	

- 5.4 The following chart shows service outturn projections by month:

Chart 2: service revenue outturn projections 2014-15, by month



- 5.5 The main increases in forecast net overspend are in Children's Services, and relate primarily to the numbers of Looked After Children.

- 5.6 The following table shows outturn projections analysed by subjective analysis of expenditure and income:

Table 3: 2014-15 projected budget variations by subjective

<i>Subjective analysis</i>		Projected (under)/ over spend £m	%
Expenditure	£m		
Employees	529.601	-0.725	-0.1
Premises	44.531	0.154	0.3
Transport	52.143	-0.021	0.0
Supplies and services	154.176	-1.567	-1.0
Agency and contract services	455.408	6.224	1.4
Transfer Payments	24.681	0.414	1.7
Support Services	1.596	0.790	49.5
Departmental recharge	43.503	0.000	0.0
Capital Financing	106.240	0.000	0.0
Income		0.000	
Government Grants	-789.646	0.224	0.0
Other Grants, Reimbursements etc.	-87.754	0.056	-0.1
Customer & Client Receipts	-103.673	-0.100	0.1
Interest Received	-1.832	0.000	0.0
Corporate Recharges including Capital Finance	-72.085	0.000	0.0
Departmental Recharge	-48.492	0.000	0.0
Use of reserves		-3.656	
Council Tax / Total	-308.397	1.793	

- 5.7 The main pressures relate to the cost of agency and contract services, with a large percentage interest in “support services” a large part of which relates to hired transport costs.
- 5.8 A more detailed analysis of over and underspends by subjective and service is shown in Appendix 7.

6 General balances and reserves

- 6.1 On 17 February 2014 Council agreed the recommendation from the Head of Finance that a minimum level of General Balances of £19m be held in 2014-15. General Balance levels at 31 March 2015 are estimated as follows.

Table 4: forecast general balances

	£m
General Balances 31 March 2014 – Outturn report	17.288
Transfer to Residual Waste Treatment Contract Reserve (Table 6)	(1.288)
General Balances at 1 April 2014	16.000
Use of released funds for one-off purposes: Increase in General Balances, agreed County Council 17 February 2014	3.000
Latest forecast General Balances at 31 March 2015	19.000

The forecast does not take into account the projected overspend of £1.793m.

- 6.2 A reserve is an amount set aside for a specific purpose in one financial year and carried forward to meet expenditure in future years. The Council carries a number of reserves with totals as follows:

Table 5: budget, actual and forecast reserves

	Forecast balance 1.4.14 Approved budget	Actual balances b'fwd 1.4.14	Forecast balance 31.3.15 Approved budget	Current forecast 31 March 2015
	£m	£m	£m	£m
Earmarked reserves - non schools	64.912	77.669	32.931	69.536
Residual Waste Treatment Contract Reserve	11.000	19.065	11.000	0.000
Reserves for Capital Use	0.878	1.755	6.270	3.550
Earmarked reserves - schools	38.152	43.075	37.661	36.469
Total	114.942	141.564	87.862	109.555

- 6.3 As part of the budget setting process, non schools reserves were forecast to reduce significantly during the year. Significant changes include .
- Forecast exhaustion of the Residual Waste Treatment Contract Reserve following the Council's decision to terminate the Willows Energy from Waste contract (see Table 7 below).
 - Significant forecast Reduction in Adult Social Care Legal Liabilities reserve and the prevention fund reserve to support anticipated cost pressures.
- 6.4 The decrease in forecast schools' reserves is accounted for by a reduction in LMS balances due primarily to anticipated academy conversions and forecast use of balances in-year.
- 6.5 A full list of reserves can be found in Appendix 8. This appendix also lists the Council's accounting provisions, which are amounts put aside to fund future liabilities

or losses which are certain or very likely to occur, but where the amounts or dates when they will arise are uncertain.

6.6 Residual Waste Treatment Contract Reserve

The following additions to the Residual Waste Treatment Contract Reserve were approved at Cabinet on 12 May 2014 and following County Council on 27 May 2014.

Table 6: budget, actual and forecast reserves

Transfers to Residual Waste Treatment Contract Reserve	£m
<i>Savings in 2013-14 – Approved by Cabinet</i>	
Outturn 2013-14 – excess of general balance over minimum requirement	1.288
	1.288
<i>Savings in 2014-15 – Approved by Cabinet</i>	
Norse contributions	1.000
Sale of property – substituted for current revenue funding of capital project	0.700
Waste procurement arrangements	0.650
Household waste reserve	1.000
<i>Savings in 2014-15 – Approved by County Council</i>	
Reduction in funding set aside for redundancies based on past trends	1.000
Service reductions - Libraries	0.140
Service reductions – Road maintenance	0.860
Total transferred	5.350

The outcome is as follows:

Table 7: budget, actual and forecast reserves

Residual Waste Treatment Contract Reserve	£m
Opening balance 1 April 2014, before transfer of excess general balances	19.065
Outturn 2013-14 – excess of general balance over minimum requirement	1.288
Balances transferred following County Council 27 May 2014 (above)	5.350
Budget 2014-15 cost pressure: Willows Power and Recycling Centre planning uncertainty (ref Appendix 4)	8.000
Current balance	33.703
Estimated use July 2014	(33.703)
Estimated balance 31 March 2015	-

It is anticipated that the Residual Waste Treatment Contract reserve will be fully exhausted as a result of Cabinet's decision on 7 April 2014 to terminate the Willows Energy from Waste contract.

Treasury management, payment performance and debt collection

- 6.7 Treasury management: the corporate treasury management function ensures the efficient management of all the authority's cash balances. A detailed update is included as Appendix 9.
- 6.8 Payment performance: approximately 460,000 invoices are paid annually. In May 2014, 97.4% were paid within a target of 30 days from receipt, against a target of 90%. An analysis is shown in Appendix 10.
- 6.9 Outstanding debt: the value of outstanding debt is continuously monitored and recovery procedures are in place to ensure that action is taken to recover all money due to Norfolk County Council. An analysis of the amounts due to the Council, including average debtor days, is included at Appendix 11.
- 6.10 For the period 1 April 2014 to 31 May 2014, 80 debts less than £10,000 were written off following approval from the Head of Finance. These debts totalled £43,729.28. No debts over £10,000 have been written off.

7 Purchase order performance

- 7.1 Whenever a commitment is made to purchase goods or services, a purchase order should be raised in advance. The Council's objective is that ultimately there should be no 'retrospective' purchase orders – orders raised after the invoice has been received with a target of no more than 5% by April 2015.
- 7.2 Performance against this objective is measured in two ways:
- by value – the value of spending via retrospective orders as a percentage of total spending; and
 - by volume – the number of retrospective orders as a percentage of all orders.
- 7.3 As can be seen in Appendix 12, performance on both measures has improved. Compared to the same month last year, retrospective spending has reduced from 67% to 38% by value, whilst the proportion of orders which are retrospective has fallen from 52% to 35%. The tables in Appendix 12 also set out the performance by directorate.

8 Medium Term Financial Strategy

- 8.1 The Council's Medium Term Financial Strategy 2014-17, includes the following policy objectives:

Table 8: MTFS 2014-17 status

MTFS 2014-17 action	Current status
County Farms: To review the economic case for the investment in and returns from County Farms	A report to Economic Development Sub-Committee on 24 June 2014 proposed the setting up of a working group to review County Farms Policy.
Carbon – to consider the stretch target proposed by the October 2013 Corporate Resources Overview and Scrutiny Panel for the 2015-18 MTFS.	Base line data, based on 2013-14 energy usage, is currently being collated and analysed to determine whether the target has been met and cost reductions obtained. Known risks and costs, including the carbon tax escalator, are being identified, and links with transformation projects and budget management are being considered in relation to managing future energy use and cost reductions.

Officer Contact

If you have any questions about the matters contained in this paper please get in touch with:

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If you need this report in large print, audio, Braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.



Appendices

Appendix 1: Approved budget

Appendix 2: Monthly timetable

Appendix 3: In-year grant funding

Appendix 4: Planning assumptions

Appendix 5: Savings

Appendix 6: Projected outturn for each service

Appendix 7: Revenue projections by subjective

Appendix 8: Projected reserves and provisions

Appendix 9: Treasury management

Appendix 10: Payment performance

Appendix 11: Debt collection

Appendix 12: Purchase order performance

Approved budget 2014-15

Agreed by Council 17 February 2014

	Approved budget
Analysis by service	£m
Children's Services	161.903
Community Services - Adult	248.597
Community Services - Cultural	15.326
Environment, Transport and Development	108.840
Fire and Rescue Service	27.804
Resources	55.457
Finance General	-309.530
Total net expenditure	308.397

Funded by	
Council tax	-308.397
Total	-308.397

Subjective analysis	
Expenditure	
Employees	529.601
Premises	44.531
Transport	52.143
Supplies and services	154.176
Agency and contract services	455.408
Transfer Payments	24.681
Support Services	1.596
Departmental recharge	43.503
Capital Financing	106.240
Total Expenditure	1,411.879
Income	
Government Grants	-789.646
Other Grants, Reimbursements etc.	-87.754
Customer & Client Receipts	-103.673
Interest Received	-1.832
Corporate Recharges including Capital Finance	-72.085
Departmental Recharge	-48.492
Council Tax	-308.397
Total Income	-1,411.879

Budget monitoring timetable 2014-15

Accounting Period	Accounting Month Period End	Finance report prepared	MEMBERS & PUBLIC circulation	Meeting
April	30-Apr			
May	31-May	Fri 27/06/2014	Fri 04/07/2014	Mon 14/07/2014
June	30-Jun	Fri 25/07/2014	Thu 28/08/2014	Fri 05/09/2014
July	31-Jul	Fri 29/08/2014	Fri 19/09/2014	Mon 29/09/2014
August	31-Aug	Thu 25/09/2014		
September	30-Sep	Mon 27/10/2014	Fri 21/11/2014	Mon 01/12/2014
October	31-Oct	Thu 27/11/2014		
November	30-Nov	Fri 02/01/2015	Fri 16/01/2015	Mon 26/01/2015
December	31-Dec	Wed 28/01/2015		
January	31-Jan	Thu 26/02/2015	Fri 13/03/2015	Mon 23/03/2015
February	28-Feb	Thu 26/03/2015	Mon 20/04/2015	Tue 28/04/2015
March	31-Mar	Thu 30/04/2015		
	Outturn	Tue 02/06/2015	tbc	tbc

In-year Grant Funding

The following table summarises revenue grants greater than £0.100m announced since the budget was approved, due to be received in 2014-15

Table A3: New grant funding > £100,000 since 1 April 2014

New Grant Funding	Details	£m
PE and Sports Grant	New unconditional DfE grant for the improvement of PE and sports in schools	1.174
	Total in-year grants > £100,000 to date	1.174

Financial Plan – 2014-15 planning assumptions

In preparing the 2014-15 financial plan, the following key risk areas have been taken into account (Cost Pressures, Budget Book page 10).

Table A4: key financial planning assumptions 2014-15

Planning assumption 2014-15	Financial impact	Latest position
	£m	
Significant funding pressures		
Government funding reductions	24.786	No change in assumption. Note: the council tax freeze grant listed in Appendix 3 was anticipated in the 2014-15 base budget.
Significant cost pressures		
Pay inflation	1%	National Employers have made a full and final pay offer of a 1% increase for those on salaries starting at £14,880 per annum, with those on salaries below this getting a slightly higher increase. At the time of writing three unions have rejected the offer and are balloting their members about going on strike.
Price inflation	14.260	Price inflation has only been forecast where there is a contractual need or where it is known that price increases will occur. Rates of inflation applied to budgets differ between 0% where inflationary increases have been withheld, to an expected 7% rise in the contract price for electricity. Some budgets will experience price rises linked to CPI which was forecast at 2.34%. CPI annual inflation (the Government's target measure) was 1.5% in May 2014, down from 1.8% in April (Source: ONS 20 June 2014). RPI 2.4% in 12 months to May 2014.
Demographics – primarily increases in Looked after Children and Adult Community Services demographic growth	11.590	Community Services – Adult demographic pressure of £6.934m was based on the latest ONS statistics for population growth (2.18% in over 65s and 0.36% in 18-64 year olds) and 2013/14 expenditure trends. Learning Difficulties demographic pressures were calculated by forecasting the number of service users transitioning from Children's Services and estimates of expected growth in adult service users. These forecast pressures are reviewed again in the Autumn when sufficient new trend data can be gathered.” Children's Services original demographic pressure of £2.081m was based on being 40 Looked After Children above target. The demographic pressure was revised to £3.931m in November 2013 taking into account being 84 LAC above target and revised average LAC costs. The demographic pressures are inextricably linked with budgeted savings in place to change the services we provide to prevent children coming into care. At present, the forecast number of Looked After Children is approximately 60 above the assumptions above.
Willows Power and Recycling Centre planning uncertainty	8.000	The County Council resolved to terminate the Willows Energy from Waste contract on 7 April 2014, resulting in termination costs estimated at £33.7m. The Residual Waste Treatment Contract reserve has been increased to a current value of £33.7m and it is anticipated that this budget pressure will be fully realised.

Financial Plan 2014-15 savings

Budgeted savings	Children's Services	Community Services - Adults	Community Services - Cultural	ETD	Fire	Resources	Finance General	Total
Categorisation of Saving	£m	£m	£m	£m	£m	£m	£m	£m
Organisational Change - Staffing	0.375	0.460	0.260	1.250	0.499	2.769	0.000	5.613
Organisational Change - Systems	8.725	1.340	0.212	3.340	0.381	3.174	0.000	17.172
Procurement	0.790	4.150	0.000	6.400	0.000	0.094	0.000	11.434
Shared Services	0.000	2.004	0.260	0.050	0.000	0.000	0.000	2.314
Capital	0.000	0.000	0.000	0.200	0.724	0.000	0.000	0.924
Terms & Conditions of Employees	0.126	0.108	0.000	0.038	0.000	0.019	0.000	0.291
Income & Rates of Return	0.000	0.000	0.361	1.623	0.043	0.411	5.138	7.576
Assumptions under Risk Review	0.000	0.000	0.000	0.150	0.036	3.201	7.220	10.607
Reducing Standards	2.670	4.000	0.931	1.151	0.000	0.073	0.000	8.825
Cease Service	0.474	2.640	0.010	0.300	0.087	0.000	0.000	3.511
Budgeted Savings	13.160	14.702	2.034	14.502	1.770	9.741	12.358	68.267
P02-15 Forecast Savings	10.968	13.852	2.034	14.502	1.770	9.741	12.358	65.225
Variance	-2.192	-0.850	0.000	0.000	0.000	0.000	0.000	-3.042

Forecast savings variance	Children's Services	Community Services - Adults	Total
Categorisation of Saving	£'000	£'000	£'000
Organisational Change - Staffing	0.000	0.000	0.000
Organisational Change - Systems	-2.704	0.000	-2.704
Procurement	0.000	-0.750	-0.750
Shared Services	0.000	-0.100	-0.100
Capital	0.000	0.000	0.000
Terms & Conditions of Employees	0.000	0.000	0.000
Income & Rates of Return	0.000	0.000	0.000
Assumptions under Risk Review	1.400	0.000	1.400
Reducing Standards	-0.888	0.000	-0.888
Cease Service	0.000	0.000	0.000
Total	-2.192	-0.850	-3.042

Forecast savings of £65.225m are £3.042m short of the budgeted £68.267m savings target:

- Savings in Community Services – Cultural, ETD, Fire, Resources and Finance General are all on track.
- The number and cost of Looked After Children are not reducing as planned leading to a forecast saving shortfall of £2.704m.
- There is also a £1.000m shortfall on the saving to change how the Council supports childminders, nurseries and other childcare providers.
- These shortfalls in Children's Services have been offset slightly by an additional £0.400m saving for reduced retirement costs for teachers, achieving a saving of £0.112m early to reduce funding for school crossing patrols, and the use of £1.000m in one-off reserves.
- Community Services – Adults are £0.250m short on a saving to review the agreement with the Mental Health Trust, and £0.500m short on the saving to review the Norse Care agreement for the provision of residential care.
- The remaining £0.100m shortfall in Community Services – Adults is on the saving for joint senior management posts with Health. Work is underway, but this will not have a full year effect for 2014/15.

Projected revenue budget outturn by service analysis

Latest Revenue Projections by service

The latest projection for the 2014-15 revenue budget shows a net projected overall underspend analysed as follows:

Table A4: projected revenue over and (under) spends by service

Service	Revised Budget £m	Service total projected overs spend £m	Service total projected (under) spend	Net total over / (under) spend	%
Children's Services	161.966	3.478	-1.685	1.793	1.11
Community Services	264.923	5.755	-5.755	0.000	0
Environment, Transport and Development	108.985	0.000	0.000	0.000	0
Fire and Rescue Service	27.804	0.000	0.000	0.000	0
Resources	55.394	0.000	0.000	0.000	0
Finance General	-310.675	0.000	0.000	0.000	
Totals current month	308.397	9.233	-7.440	1.793	0.58
Previous month	n/a				

Chief Officers monitor their cash limited budgets throughout the year and report the position through the Head of Finance.

The net overspend is a result of a range of underlying forecast over and underspends which are the subject of detailed monitoring.

Chief Officers have responsibility for managing their budgets within the amounts approved by County Council. They have been charged with reviewing all of their cost centres to ensure that, where an overspend is identified, action is taken to ensure that a balanced budget is achieved for the year.

Reconciliation between current and previously reported underspend

	£m
Forecast 2014-15 underspend previous month	n/a
Movements in current period (see following pages)	
Children's Services	1.793
Community Services	-
Environment, Transport and Development	-
Fire and Rescue Service	-
Resources	-
Finance General	-
Latest forecast over / (under) spend	1.793

Projected revenue budget outturn by service - analysis

Children's Services	Projected over spend	Projected under spend	Change this month
	£m	£m	£m
Additional Looked After Children agency costs	2.704		2.704
Savings on Looked After Children legal costs		-0.430	-0.430
Savings on Looked After Children transport costs		-0.190	-0.190
Savings no school crossing patrols		-0.120	-0.120
Reduced school pension/redundancy costs		-0.565	-0.565
Reduced Education Support Grant due to schools becoming academies	0.224		0.224
Additional cost of SEN transport	0.550		0.550
Clinical commissioning team		-0.380	-0.380
<u>Dedicated Schools Grant</u>			
No over/(underspends reported) under this heading			
Cont'n to schools contingency fund as a result of the above	0	0	0
Forecast outturn for Children's Services	3.478	-1.685	1.793
		1.793	

Community Services	Projected over spend	Projected under spend	Change this month
	£m	£m	£m
<u>Adult Social Services</u>			
Management, Finance and Transformation		-1.963	-1.963
Commissioning, including Supporting People	2.658		2.658
Central Services – Business Development		-0.036	-0.036
Human Resources, Training and Organisational Development		0.000	0.000
Safeguarding	2.216		2.216
Prevention	0.881		0.881
Income from Service users		-0.100	-0.100
Use of Reserves		-3.656	-3.656
Forecast subtotal for Adult Social Services (excluding Cultural Services)	5.755	-5.755	0.000
		0.000	
Norfolk Libraries and Information Service		0.000	
Museums and Archaeology Service		0.000	
Norfolk Records Office		0.000	
Arts Service		0.000	
Adult Education Service		0.000	
Norfolk Guidance Service		0.000	
Active Norfolk		0.000	
Forecast subtotal for Cultural Services	0.000	-0.000	0.000

		-0.000	
Forecast outturn for Community Services	5.755	-5.755	0.000
		0.000	

Further details and narrative for Community Services over and underspends can be found in the "Adult Social Care Finance Monitoring Report Outturn 2013-14 and Period 2 2014-15" reported to the Adult Social Care Committee.

Environment Transportation & Development	Projected over spend	Projected under spend	Change this month
	£m	£m	£m
<i>No forecast net over / (under) spends at end period 2</i>			
Highways		-	
Public Protection		-	
Travel & Transport		-	
Environment & Waste		-	
Business support		-	
Forecast out-turn for ETD	0.000	-0.000	0.000
		0.000	

Fire and Rescue Service	Projected over spend	Projected under spend	Change this month
	£m	£m	£m
<i>No forecast net over / (under) spends at end period 2</i>		-	
Forecast outturn for Fire and Rescue Service	0.000	-0.000	0.000
		0.000	

Resources and Finance General	Projected over spend	Projected under spend	Change this month
	£m	£m	£m
<i>No forecast net over / (under) spends at end period 2</i>		-	
Net forecast outturn for Resources	0.000	-0.000	0.000
		0.000	
Finance General			
<i>No forecast net over / (under) spends at end period 2</i>		-	
Net forecast outturn for Finance General	0.000	-0.000	0.000
		0.000	

Latest Revenue Projections by subjective analysis

<i>Subjective analysis</i>	<i>Budget by subjective</i>	<i>Children's Services</i>	<i>Community Services</i>	<i>ETD</i>	<i>Fire & Rescue</i>	<i>Resources</i>	<i>Finance general</i>	<i>Total variance</i>
		Forecast (under)/over spend						
Expenditure	£m	£m	£m	£m	£m	£m	£m	£m
Employees	529.601	-0.685	-0.040					-0.725
Premises	44.531		0.154					0.154
Transport	52.143		-0.021					-0.021
Supplies and services	154.176	-0.380	-1.187					-1.567
Agency and contract services	455.408	2.274	3.950					6.224
Transfer Payments	24.681		0.414					0.414
Support Services	1.596	0.360	0.430					0.790
Departmental recharge	43.503							0.000
Capital Financing	106.240							0.000
Income								0.000
Government Grants	-789.646	0.224						0.224
Other Grants, Reimbursements etc.	-87.754		0.056					0.056
Customer & Client Receipts	-103.673		-0.100					-0.100
Interest Received	-1.832							0.000
Corporate Recharges including Capital Finance	-72.085							0.000
Departmental Recharge	-48.492							0.000
Use of reserves			-3.656					-3.656
Council Tax / net expenditure	-308.397	1.793	0	0	0	0	0	1.793

Reserves and provisions

	Forecast 1.4.14 Approved Budget £m	Actual Balances 1.4.14 £m	Forecast 31.3.15 Approved Budget £m	Forecast Balances 31.3.15 current £m
Earmarked Reserves				
All Services				
Building Maintenance	1.186	1.672	1.186	1.186
Information Technology Reserve	6.769	10.226	2.934	9.133
Repairs and Renewals Fund	3.558	3.925	2.157	3.407
Unspent Grants and Contributions	6.951	9.538	4.789	7.576
	18.464	25.361	11.066	21.302
Children's Services				
Children's Services Improvement Fund	1.500	1.741	-	0.241
	1.500	1.741	0.000	0.241
Community Services				
Adult Education Income Reserve	0.018	0.160	0.018	0.159
Adult Social Services Residential Review	2.023	3.025	2.023	3.330
Adult Social Care Legal Liabilities	3.253	3.094	2.253	0.133
Archive Centre Sinking Fund	0.264	0.261	0.274	0.264
Museums Income Reserve	0.024	0.039	0.024	0.040
Prevention Fund	2.319	1.140	1.267	0.533
Residual Insurance and Lottery Bids	0.315	0.423	0.100	0.410
	8.216	8.142	5.959	4.869
ETD				
Economic Development	4.353	4.215	2.649	4.615
Highways Maintenance	3.179	4.625	1.930	4.177
Historic Buildings	0.178	0.199	0.178	0.244
NDR Reserve	2.500	2.500	-	2.500
Norfolk Infrastructure Fund	2.130	2.015	0.491	2.130
P & T Bus De-registration	0.082	0.064	-	0.064
P & T Demand Responsive Transport	0.311	0.156	-	0.156
P & T Park & Ride	0.012	0.012	0.012	0.012
P & T Road Safety Reserve	-	0.150	0.000	0.226
P & T Street Lighting Sinking Fund	6.695	7.040	5.595	6.550
ETD – Re-procurement Strategic Partnership	0.035	0.035	-	-
ETD – Transformation Reserve	-	0.625	-	0.625
Public Transport Commuted Sums	0.016	0.016	0.016	0.014
Waste Management Partnership Fund	0.440	0.397	-	0.569
	19.931	22.049	10.871	21.882
Fire				
Fire Operational Equipment Reserve	0.998	0.967	0.298	0.967
Fire Pensions Reserve	0.348	0.348	0.273	0.348
Fire Operational Reserve	0.377	0.542	0.177	0.542
	1.723	1.857	0.748	1.857
Resources				
nplaw Operational Reserve	0.306	0.306	0.306	0.306

Public Health Reserve	-	3.288	-	3.329
	0.306	3.594	0.306	3.635
Corporate				
Car Lease Scheme surplus	0.598	0.222	0.798	0.455
Health and Wellbeing Board Reserve	-	0.195		0.275
Local Assistance Scheme Reserve	-	0.900	0.016	0.871
Strategic Partnership	0.016	0.016	0.790	0.016
Icelandic Banks Reserve	2.235	2.444	0.010	2.235
Industrial Estate Dilapidations	0.010	0.010	0.017	0.010
Insurance	0.017	0.027	-	0.017
Modern Reward Strategy Reserve	4.359	4.359	-	4.359
Organisational Change and Redundancy Reserve	6.318	5.605	1.535	6.365
Strategic Ambitions Reserve	1.219	1.147	0.815	1.174
Residual Waste Treatment Contract Reserve	11.000	19.065	11.000	-
	25.772	33.990	14.981	15.777
Non – Schools Total	75.912	96.734	43.931	69.563
Reserves for Capital Use				
Usable Capital Receipts	0.878	1.755	6.270	3.550
Schools Reserves				
Building Maintenance Partnership Pool	1.061	1.197	1.061	1.197
Building Maintenance Non-Partnership Pool	0.322	1.034	-	1.034
Children's Services Equalisation	0.249	0.249	-	0.655
LMS Balances	21.631	26.517	21.631	20.505
Norwich Schools PFI Sinking Fund	1.711	2.061	1.711	2.061
Schools Contingency	10.711	9.315	10.711	8.315
Schools non-teaching activities	1.010	1.170	1.010	1.170
Schools Playing Field Surface Sinking Fund	0.409	0.248	0.409	0.248
Schools Sickness Insurance Reserve	1.128	1.284	1.128	1.284
Schools Total	38.152	43.075	37.661	36.469
Provisions				
Community Services				
Adult Social Services Doubtful Debts	0.951	0.942	0.851	0.952
Potential pension liability arising from the transfer of staff to the Norfolk & Waveney Mental Health NHS Foundation Trust	1.270	1.370	-	1.270
Corporate				
Insurance	12.394	12.941	12.000	12.394
Redundancy	5.152	5.163	-	5.093
ETD				
Closed landfill long term impairment provision	9.189	9.189	9.132	9.189
ETD Doubtful Debts	0.050	0.050	0.050	0.050
Fire				
Retained Firefighters and Part-time Workers (Prevention of Less Favourable Treatment) Regs	0.775	0.850	0.775	0.850
Schools Provisions				
Children's Services Provision for Holiday Pay	0.018	0.017	0.018	0.017

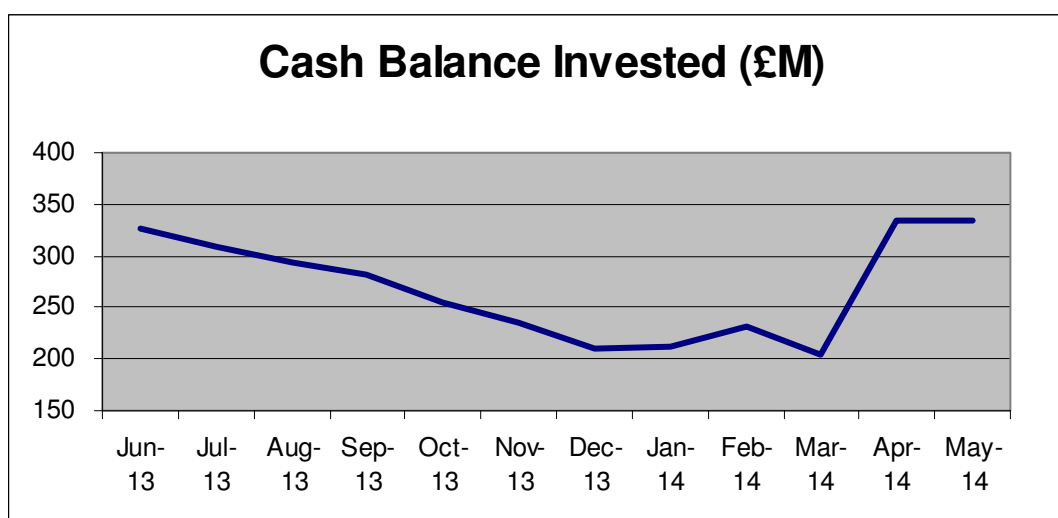
The main changes between 31 March 2014 and the estimated position at 31 March 2015 are:

- Residual Waste Treatment Contract Reserve – Following the Council's decision to terminate the Willows Energy from Waste Contract, this reserve will be fully exhausted.
- Significant forecast Reduction in Adult Social Care Legal Liabilities reserve and the prevention fund reserve.
- Increase of £1m in the residential review reserve, offset by an equivalent decrease in ASC unspent grants and contributions in respect of the social care reform grant which is being used to fund the transformation programme.

A9 Treasury Management Performance Monitoring

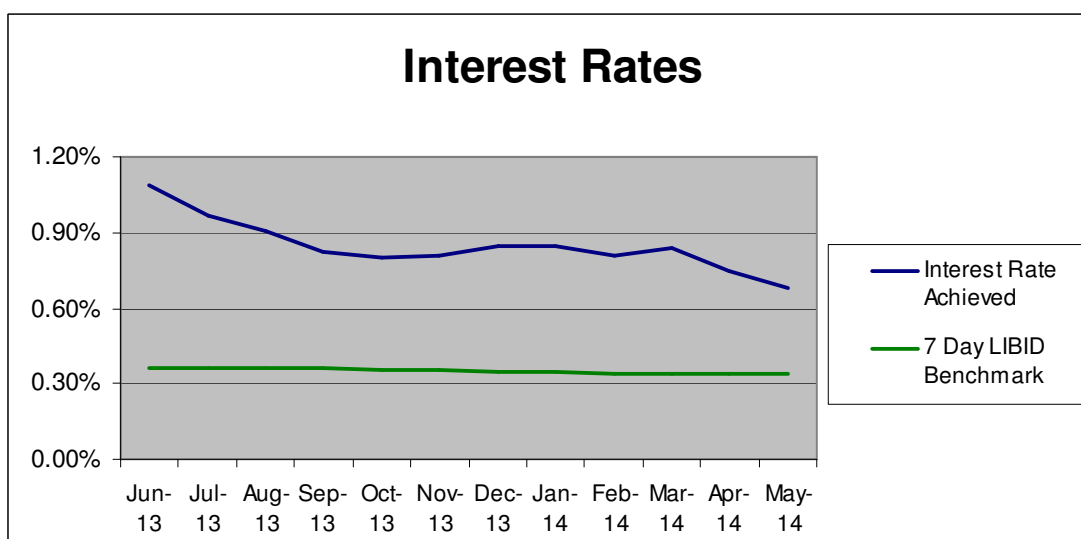
A9.1 Cash Flow Management

A9.1.1 Income received amounts to £387m, while payments (including debt repayment) total £256m, resulting in an overall increase in cash balances of £131m. Cash balances available for investment have therefore increased from £203m at 1st April 2014 to £334m at the 31st May 2014. The cumulative average balance un-invested has remained within the tolerance of plus/minus £0.025m across all 560 bank accounts.



A9.2 Interest Earned on Cash Balances

A9.2.1 All monies invested by the County Council in the money markets are placed with institutions on the Council's Authorised Lending List.

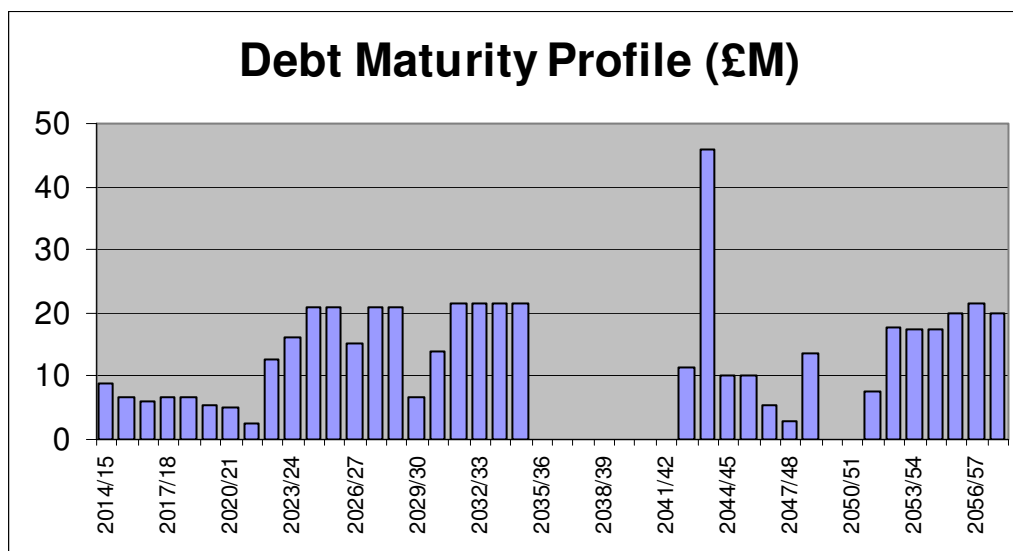


A9.2.2 Gross interest earned for the period 1st April 2014 to 31st May 2014 is £0.354m.

A9.3 Long term borrowing

A9.3.1 In accordance with the approved 2014-15 Investment Strategy, the County Council continues to delay new borrowing for capital purposes, using cash balances on a temporary basis to avoid the cost of 'carrying' debt in the short term. Delaying borrowing and running down the level of investment balances also reduces the County Council's exposure to investment counterparty risk.

A9.3.2 The Council's debt portfolio at 31st May 2014 is £501m.

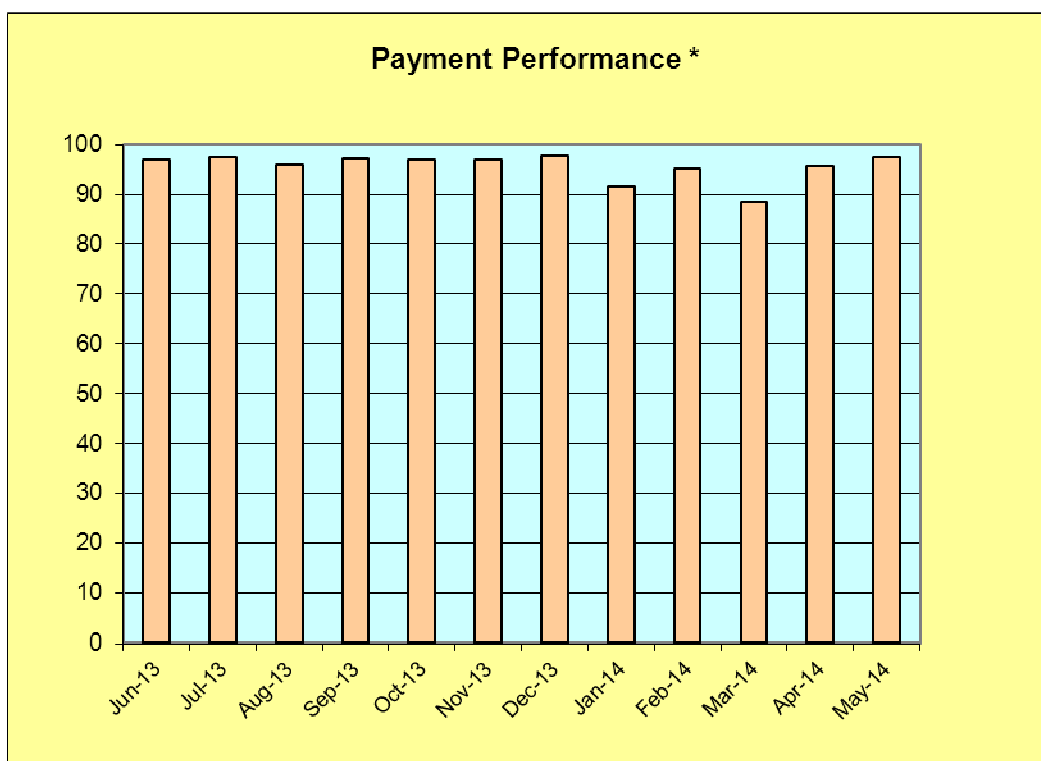


A9.4 Icelandic Banks

A9.5 The latest projected cash recovery from all 3 banks is £31.325m.

Payment Best Value Performance Indicator**May 2014****BVPI8 – Payment Performance**

This BVPI is a measure of our timely payment of invoices – specifically, the percentage of invoices for commercial goods and services that were paid by the authority within 30 days of such invoices being received by the authority. The target is 90%. Some 460,000 invoices are paid annually. 97.4% were paid on time in May 2014.



*The figures include an allowance for disputes/exclusions.

Analysis of Outstanding Debt 31 May 2014

1. The value of outstanding debt is continuously monitored and recovery procedures are in place to ensure that action is taken to recover all money due to Norfolk County Council. In the 12 months to 31 March 2014 the County Council raised 126,678 invoices of which 100,980 were for services provided to customers of Community Services.
2. The table below shows an analysis of the County Council's outstanding debt at 31 May 2014 compared with the outstanding debt at 30 April 2014.

NCC Debt Analysis	NCC Debt 31/05/2014	NCC Debt 30/04/2014
	£m	£m
Total Unsecured Debt	28.23	34.56
Aged Debts (days): -		
1- 30	11.05	12.8
31- 60	3.34	9.1
61- 90	3.15	1.6
91-180	3.16	3.5
181+ Referred to NP Law	0.42	0.403
181+ Awaiting estate finalisation	1.98	1.972
181+ On hold pending investigation	0	0
181+ Instalments and other debt	5.12	5.19
Total Secured Debt	8.73	8.57
Awaiting estate finalisation	2.13	2.07
Residential care	6.6	6.50
Total Debt	36.96	43.13

3. Customers of Community Services have certain rights when it comes to paying for residential care. If they declare an interest in a property they can elect to defer payment (all or part) until the property is sold. If the client defers payment the debt is secured by a deferred payment agreement and it may be some time before the debt can be collected. Secured debts amount to £8.73m at 31 May 2014. Within this total £2.13m relates to estate finalisation where the client has died and the County Council is in the hands of the executors.
4. Approximately £1.263m of the unsecured debt aged 181+ days that Credit Control is collecting and managing is being paid off by regular instalments. Of the balance the most material amounts relate to invoices due to the Council from the NHS, these total £2.18m and continue to be actively chased.

5. A test used by the Audit Commission to indicate the effectiveness of income collection is “debtor days”. The Council’s debtor days at 31 May 2014 and 30 April 2014 are shown in the table below.

Debtor days		
Type of debt	31/05/2014	30/04/2014
Unadjusted	22.35	26.05
Excluding secured and estate finalisation debts	15.85	19.6
Excluding current month debt	15.45	18.03
Excluding current month, secured and estate finalisation debts	8.95	11.6

6. In accordance with Financial Regulation and Financial Procedures, Cabinet is required to approve the write-off of debts over £10,000. The Head of Finance approves the write off of all debts up to £10,000. This value is reviewed regularly and adjusted in line with inflation, as appropriate.
7. Before writing off any debt all appropriate credit control procedures are followed. Where economically practical the County Council’s legal position is protected by court proceedings being issued and judgment being entered. For a variety of reasons, such as being unable to locate the debtor, it is sometimes not appropriate to commence legal action.
8. For the period 1 April 2014 to 31 May 2014, 80 debts less than £10,000 were written off following approval from the Head of Finance. These debts totalled £43,729.28.
9. Given the above factors the level of outstanding debt is considered reasonable.

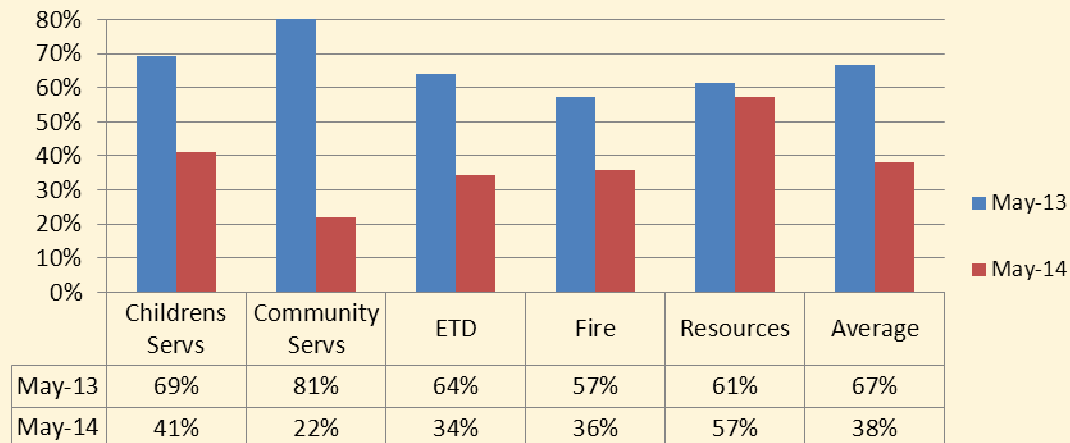
Purchase order performance – retrospective purchase orders

- 1.1 Whenever a commitment is made to purchase goods or services, a purchase order should always be raised in advance, for a number of reasons:
- raising a purchase order creates a commitment against the relevant budget – this leads to more accurate forecasting;
 - sending a purchase order to the supplier ensures that the purchase is made
 - against the Council's terms and conditions, which reduces legal risk;
 - the purchase order process enables the purchase to be approved (or rejected) before it is too late to influence it – this improves financial controls, and enables the number of suppliers to be reduced and better deals to be negotiated.
- 1.2 The Council's objective, therefore, is that ultimately there should be no 'retrospective' purchase orders – orders raised after the invoice has been received.
- 1.3 Performance against this objective is measured in two ways:
- by value – the value of spending via retrospective orders as a percentage of total spending; and
 - by volume – the number of retrospective orders as a percentage of all orders.
- 1.4 The first of these measures focuses on the contribution to forecasting accuracy and to reducing legal risk; the second on administrative costs and supplier rationalisation.
- 1.5 Performance on both measures has improved. Compared to the same month last year, retrospective spending has reduced from 67% to 38% by value, whilst the proportion of orders which are retrospective has fallen from 52% to 35%.
- 1.6 Despite the improvement since last year, there is still room for significantly reducing retrospective ordering. Therefore an internal target has been set such that the performance measures for each of the targets should be no more than 5% by April 2015.

The tables below reflect the progress made against the Council's objective to minimise and ultimately eradicate retrospective purchase orders: ie orders raised after the invoice has been received.

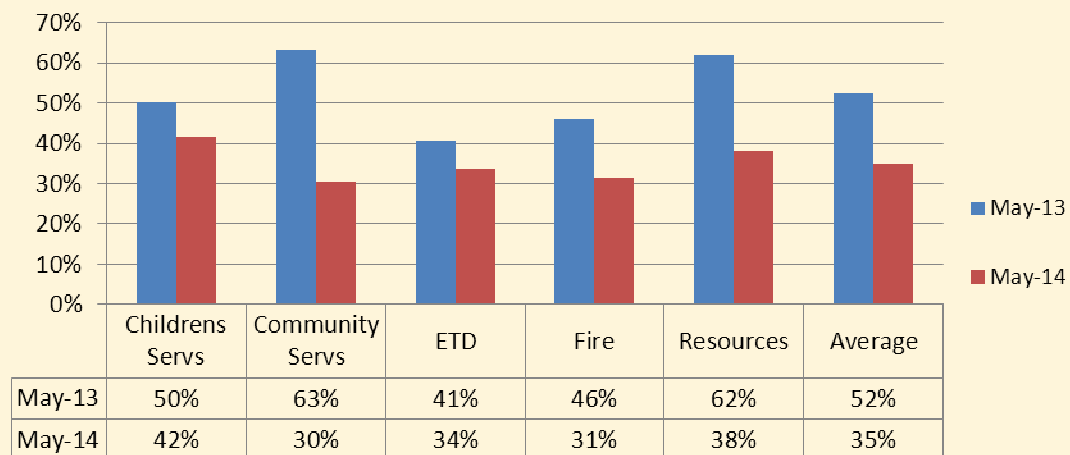
Value of spending via retrospective purchase orders as a percentage of total spending via purchase orders

Performance in May 2014 compared to May 2013



Number of retrospective purchase orders as a percentage of total number of purchase orders

Performance in May 2014 compared to May 2013



Policy and Resources Committee

Item No...10...

Report title:	Capital Monitoring Month 2
Date of meeting:	14 July 2014
Responsible Chief Officer:	Head of Finance (Interim)
Strategic impact This report provides a monthly update on the progress towards the achievement of the capital programme set by the Council in January 2014. It is necessary to provide regular monitoring on this progress in order to ensure that Members are aware of any developments in the delivery of the programme.	

Executive summary

On 17 February 2014, the County Council agreed a 2014-15 capital programme of £202.462m with further future years' funding of £188.676m. Following the agreement of that programme, there have been a number of adjustments to the programme as a result of reprofiling from 2013-14 and further announcements of funding allocations. This report summarises those changes to give an opening 2014-15 programme of £237.935m.

There have been a number of changes to the disposal schedule set out in January increasing the total identified capital receipts for 2014-15 by £3.9m. This report sets out the primary changes on the disposal schedule and the proposed impact on the capital receipts reserve, including a revised figure of £6.772m of capital receipts now forecast to be used to reduce borrowing incurred through financing the 2014-15 capital programme.

The annex to this report also looks at the proposed funding of the programme, including the impact of these proposals on future revenue budgets.

Recommendations:

Members are recommended to:

- note the revised opening position and funding of the 2014-17 capital programme and the changes which have occurred following the approval of the programme in January, as set out in Sections 1 and 2 of Annex A.
- note the progress towards the achievement of the 2014-15 programme, as set out in Section 3 of Annex A
- note the proposed changes to the disposals schedule and the impact on the capital receipts reserve, detailed in Section 5 of Annex A
- note the impact of using borrowing to finance the programme on future revenue budgets, as identified in Appendix 1
- note the urgent decision taken by officers in respect of the sale of a former highways depot in Watton.

1. Introduction

- 1.1 This report sets out the revised 2014-17 capital programme opening position incorporating changes agreed since the approval of the original programme on 27 January 2014.

2. Evidence

- 2.1 The Council set an initial 2014-15 capital programme of £202.462m in January 2014.
- 2.2 There was further reprofiling and adjustments of £35.473m in the period following the agreement of this programme, as set out in the attached report. This has resulted in a revised opening position of £237.935m.

3. Financial Implications

- 3.1 The revised opening position of the 2014-15 capital programme is £237.935m.
- 3.2 This is to be funded by £47.394m of borrowing; £8.534m of capital receipts; £1.007m of revenue & reserve funding; and £181.000m of grants and contributions.
- 3.3 The impact of the additional borrowing on future revenue budgets as a result of interest and setting aside amounts for the repayment of the borrowing is £4.266m, as set out in Appendix 1.

4. Issues, risks and innovation

- 4.1 Risks associated with the capital programme, in terms of prioritising funding, and the timing and control of spend, are being addressed through links with Asset Management Plans and the on-going development of the Property Client function. The format and content of the capital monitoring reports is being developed and will increasingly highlight activity and risks associated with the capital programme.
- 4.2 Officers have considered all the implications which members should be aware of. Apart from those listed in the report and summarised above, there are no other implications to take into account.

5. Background

- 5.1 Having set a capital budget at the start of the financial year, the Council needs to ensure its delivery within allocated and available resources which in turn underpins the financial stability of the Council. Consequently there is a requirement to regularly monitor progress so that corrective action can be taken when required.
- 5.2 Further details are given in Annex A to this report.

Officer Contact

If you have any questions about matters contained or want to see copies of any assessments, eg equality impact assessment, please get in touch with:

If you have any questions about matters contained in this paper please get in touch with:

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Howard Jones	01603 222832	howard.jones@norfolk.gov.uk



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Annex A: Norfolk County Council Capital Monitoring Month 2

Introduction

This report gives details of:

- the opening capital programme for 2014-15, based on the approved capital programme plus amounts re-profiled from 2013-14
- future capital programmes
- forecast and actual income from property sales
- how the programme is funded and
- other key information relating to capital expenditure.

On 17 February 2014, the County Council agreed a 2014-15 capital programme of £202.462m with further future years' funding of £188.676m. Following the agreement of that programme, there have been a number of adjustments to the programme as a result of reprofiling from 2013-14 and further announcements of funding allocations. This report summarises those changes to give an opening 2014-15 programme of £237.935m.

There have been a number of changes to the disposal schedule set out in January increasing the total identified capital receipts for 2014-15 by £3.9m. This report sets out the primary changes on the disposal schedule and the proposed impact on the capital receipts reserve, including a revised figure of £6.772m of capital receipts now forecast to be used to reduce borrowing incurred through financing the 2014-15 capital programme.

This report also includes a note of an urgent decision taken by officers in respect of the sale of a Former Highways Depot in Watton. Appendix 4 gives the nature of and reasons for the decision.

1 Capital Programme 2014-15 Opening position

- 1.1 The 2014-15 Capital Programme was approved by the County Council on 17 February 2014 and is published in the Council's 2014-15 Financial Strategy and Medium Term Financial Plan.
- 1.2 Subsequent to the agreement of the 2014-15 Capital Programme, there has been further reprofiling and other changes reported to Cabinet in 2013-14, slippage, and adjustments to funding which were not anticipated at the time of the Capital Programme's publication. These changes have now been incorporated to form the opening position of the 2014-15 programme.
- 1.3 The table below provides a high level view of how the 2014-15 programme is made up for each service:

Table 1: Opening capital programme 2014-15

Service	Approved Capital Programme	Reprofiling and other changes following approval of the 2014-15 Programme	Slippage	Other Adjustments, including new grant funding	Opening Position
	£m	£m	£m	£m	£m
Children's Services	69.460	9.025	0.759	11.916	91.160
Adult Social Care	9.060	1.493	0.014	-0.014	10.552
Cultural Services	0.460	0.250	0.170	0.239	1.119
ETD Highways	80.101	4.366	0.616	5.410	90.492
ETD Other	10.026	-2.299	0.000	0.000	7.727
Fire and Rescue	2.583	0.013	0.244	0.000	2.841
Resources	30.772	5.030	0.557	-2.315	34.044
TOTAL	202.462	17.878	2.359	15.236	237.935

1.4 Reprofiling and Other Changes

The reprofiling and other changes were reported to and approved by Cabinet as part of the capital programme reporting during 2013-14. The primary reasons for these changes towards the end of 2013-14 were:

1.4.1 Children's Services

Recognition of the addition of £2.4m of revenue contributions, taken from the Dedicated Schools Grant, towards SEN provision

Addition of £0.6m from Education Funding Agency to support demographic growth at Sidestrand Hall Sixth Form

Recognition of a further £1.2m of developer contributions receivable to support the growth programme

Addition of £2.4m of revenue contributions and Devolved Formula Capital grant towards school based schemes

Reprofiling of £2.5m of funding from 2013-14 relating to the development of Cringleford and Lingwood Primary Schools

1.4.2 Adult Social Care

Reprofiling £0.4m of Housing Development Fund money from 2013-14

Reprofiling of £0.2m for the Great Yarmouth Dementia Day Care project as the start of work was delayed until February

Reprofiling of £0.4m of NCC contributions to partnership schemes as these schemes prioritised the use of other funding over NCC contributions in 2013-14.

1.4.3 Highways

Reprofiling of £1.1m from 2013-14 as part of the Cycle Ambition programme

Reprofiling of £1.2m of transport schemes from 2013-14, primarily Thetford Bus Interchange

Reprofiling of £2.1m of works to the Postwick Hub junction as a result of delays in starting work earlier in 2013-14. Work has now commenced on the site.

1.4.4 ETD Other

Reprofiling of £3.6m of loans for Norfolk Energy Futures to 2015-16 as plans for the funding are further developed

£0.7m of closed landfill capping and drainage schemes moved forward from 2013-14 where conditions on site did not allow work to proceed as a result of adverse weather

Reprofiling of £0.5m from 2013-14 relating to RAF Coltishall - expenditure delayed whilst a full plan for the site was being developed.

1.4.5 Resources

The reprofiling into 2014-15 for resources was largely for the County Hall project. This had previously been reported on the basis of the value of work packages agreed with the contractor rather than the expected profile of spend for when the works would be completed. Overall, there was no change to the projected costs for the project.

1.5 Slippage

Slippage accounts for late reprofiling and underspends to be carried forward from the 2013-14 programme into 2014-15. This is being reported as part of the outturn report for 2013-14.

1.6 Other Changes

The other adjustments to the 2014-15 programme are:

- 1.6.1 £11.5m of Capital Maintenance funding which was unannounced at the time of the capital programme being produced. This funding was subsequently added to the Children's Services Cabinet paper presented on 14 April 2014. There has also been a small increase in contributions from schools revenue budgets towards the capital programme.

- 1.6.2 There has been a slight reduction in the reported funding available for Free School Meals as part of the funding announced by DfE and reported in the programme will go directly to VA schools.
- 1.6.3 £0.25m of funding for Gressenhall sewerage improvements which was agreed by Cabinet in 2013-14 but not subsequently added to the Capital Programme.
- 1.6.4 £5.41m has been added to the Highways capital programme following the announcement of additional funding for road maintenance and pothole repairs.
- 1.6.5 £2.85m of borrowing which was originally in the Capital Programme to fund the Digital Norfolk Ambition project for the procurement of new ICT hardware. A subsequent option appraisal has resulted in the equipment being procured under lease. As a result this no longer appears in the main capital programme.
- 1.6.6 £0.700m of reserve funding from the Norfolk Infrastructure Fund for RAF Coltishall has been exchanged for capital receipts funding.
- 1.6.7 There have been some minor adjustments between services relating to underspends on Corporate Minor Works schemes in 2013-14.

2 Opening Future Years Capital Programme

2.1 The opening programme for 2015-17 is as follows:

Table 2: Opening capital programme 2015-17

Service	Agreed Capital Programme £m	Reprofiling and other changes following agreement of the 2014-15 Programme £m	Opening Position £m
Children's Services	43.958	2.614	46.572
Adult Social Care	0.000	0.000	0.000
Cultural Services	0.000	0.000	0.000
ETD Highways	123.722	0.000	123.722
ETD Other	0.000	3.600	3.600
Fire and Rescue	1.769	0.000	1.769
Resources	19.227	1.744	20.971
TOTAL	188.676	7.958	196.634

2.2 The original budget was approved in February by Council alongside the 2014-15 programme.

2.3 Reprofiling

Since the programme was originally agreed there have been a number of changes to the future years budget as set out below:

2.3.1 Children's Services

£1.8m reprofile of budget on Drake Infant school provision.

£0.9m reprofiling for the Little Plumstead extension works.

2.3.2 ETD Other

£3.6m of reprofiling on Norfolk Energy Futures Loans as identified in section 1.4.4

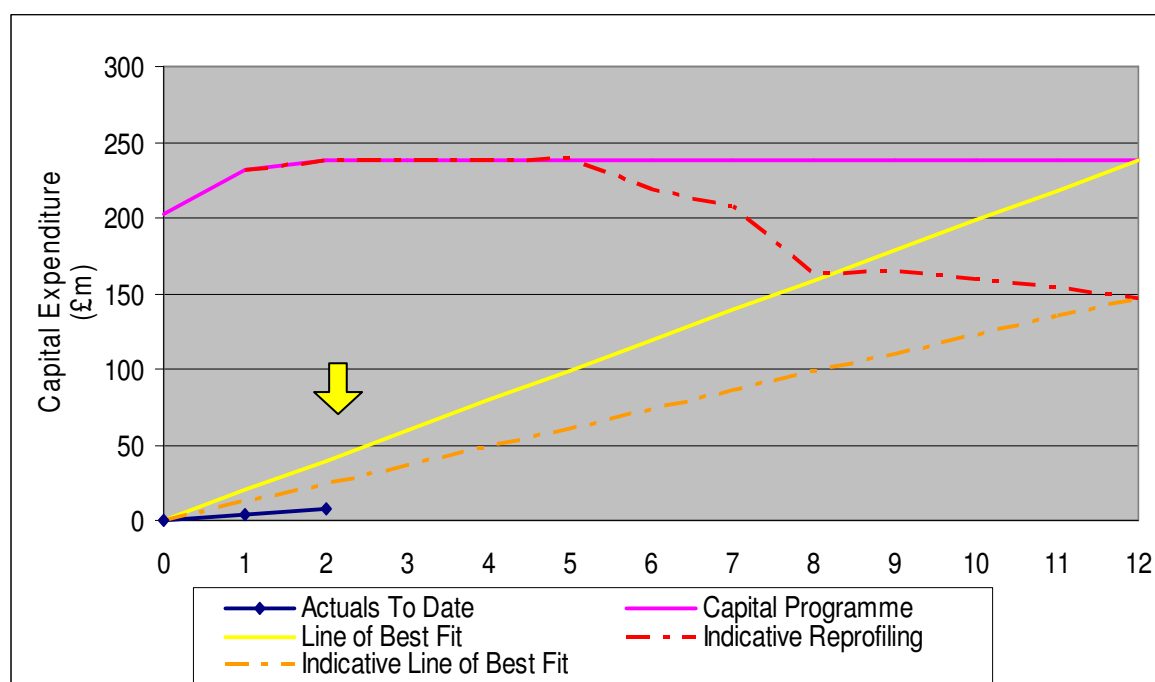
2.3.3 Resources

This reprofiling was identified as a result of the work undertaken to profile County Hall expenditure according to when works would take place rather than when work packages were agreed as per section 1.4.5

3 Actual Spend on Capital Programme

3.1 Progress on the overall capital programme is as follows:

Chart 1: Capital programme 2014-15 and cumulative actual expenditure



- 3.2 Capital projects by their nature do not lend themselves to evenly profiled expenditure. A number of reasons may result in higher expenditure during certain parts of the year. In particular, major construction and infrastructure projects would expect to incur greater expenditure during the summer and autumn. There may be other reasons for delays in projects such as difficulties in obtaining planning permission.
- 3.3 The graph above suggests that there may be some re-profiling of expenditure into future year's programmes. The difference between the current profile and actual at Month 2 is 13.3%.
- 3.4 The dotted lines on Chart 1 present an indicative pattern of reprofiling based on last year's capital programme. If there is similar reprofiling in this year then the outturn capital programme would be £143.5m and expenditure to date would represent 5.5% of the outturn, 11.2% below expected progress.
- 3.5 Progress towards the completion of the current capital programme by each service is as follows:

Table 3: Comparison of capital programme, by service, and expenditure to date

Service	Capital Programme £m	Expenditure To Date £m	% Capital Expenditure Incurred	RAG
Children's Services	91.160	2.446	2.7%	G
Adult Social Care	10.552	0.176	1.7%	G
Cultural Services	1.119	0.176	15.7%	G
Highways	90.492	3.054	3.4%	G

ETD Other	7.727	-0.035	-0.5%	G
Fire & Rescue Service	2.841	0.044	1.5%	G
Resources	34.044	2.212	6.5%	G
Total	237.935	8.072	3.4%	G

- 3.6 The expenditure to date figures include an accrual for £3m of expenditure on Better Broadband which has been incurred but not yet charged to the capital programme.
- 3.7 It should be noted that at the end of 2013-14 there were capital expenditure creditors of £9.5m on the Council's balance sheet. These will have been reversed into 2014-15 but will not have been fully paid and will continue to show as negative expenditure in 2014-15 until they are cleared. Therefore, caution should be applied when looking at the expenditure figures in the early stages of the financial year as they may not be representative of activity in the year. For this reason all services are being rated green until there is further clarity in the position of the capital programme.

4 Financing The Programme

- 4.1 The Council uses a number of sources of funding to support its capital programme.
- 4.2 Funding comes primarily from grants and contributions provided by central government. These are augmented by capital receipts, developer contributions, prudential borrowing, and contributions from revenue budgets and reserves.
- 4.3 The below table identifies the planned funding of the revised capital programme:

Table 4: Financing of the capital programme

Funding Stream	Approved Capital Programme	Previously Approved Changes	Changes To Be Approved	Revised 2014-15 Capital Programme	Revised Future Years Capital Programme 2015-17
	£m	£m	£m	£m	£m
Prudential Borrowing	44.884		2.510	47.394	52.530
Capital Receipts	2.258		6.276	8.534	1.894
Revenue & Reserves	3.567		-2.559	1.007	0.000
Grants and Contributions					142.208
DfE	58.463		13.300	71.763	
DfT	48.760		3.437	52.197	
DoH	7.482		0.848	8.330	
DCLG	0.406		0.496	0.902	
DCMS	10.378		0.000	10.378	
GNDP/CIF	0.000		0.000	0.000	
Developer Contributions	0.000		0.000	0.000	
Other	26.265		11.165	37.430	
TOTAL	202.462	0.000	35.473	237.935	196.632

- 4.4 Other grants and contributions includes developers contributions. The exact split of these will be clarified in the next report.
- 4.5 There has been a reduction in the amount of capital receipts allocated to reduce borrowing in future years due to the removal of a significant land disposal whilst options for disposal or development are being explored.
- 4.6 The table above shows forecast prudential borrowing requirement for the Council to support the 2014-15 programme of £47.394m.

The revenue consequences of borrowing are shown in Appendix 1. The key issues continue to be:

- To evidence that spend-to-save schemes generate savings to fund their costs; and
- That unsupported borrowing schemes are reviewed to identify alternative revenue funding.

Further details of spend-to-save schemes and other schemes largely funded through borrowing are shown in Appendices 1 and 2.

5 Capital Receipts

- 5.1 In the capital programme approved in February, disposals of £10.163m were identified for 2014-15.
- 5.2 Since then, there have been a significant number of changes to the draft disposal schedule as a result of identifying further general disposals to reduce borrowing across the capital programme. The current revised schedule for disposals is:

Table 5: Revised disposal schedule £m

	2014-15 Approved	2014-15 Revised	Change in year
General Capital Receipts Available	2.258	6.205	3.947
Financial Packages	1.485	1.135	- 0.350
County Farms Capital Receipts	6.420	2.425	- 3.995
Estimated Total Capital Receipts	10.163	9.765	- 0.398

- 5.3 Changes on expected capital receipts following the agreement of the capital programme are as follows:
- 5.3.1 Twelve new disposals generating an expected total receipt of £4.954m have been identified since the programme was drawn up. These include Claydon High School at £2.400m and the Unthank Centre for £0.700m. A number of other sites in the original disposal schedule are now expected to exceed their initial valuation.
- The Herondale Home for the Elderly in Acle is no longer being considered for disposal. This was in the original programme at £0.900m.
- 5.3.2 The reduction in Financial Packages receipts is primarily due to the early sale of three properties worth £0.812m. These were disposed of in 2013-14 alongside

two other smaller properties which had originally been in the programme with a combined value of £0.710m. The sale of land at Sewell Park College, worth £0.450m, has been brought forward from 2015-16 and is now expected to take place this year.

- 5.3.3 County Farms receipts have reduced as a result of the sale of development land at Acle and South Walsham, originally scheduled at £4.500m in this year, being moved back to future years. A number of other sites are not expected to meet their original estimates. This is partially offset by the additional sale of Hall Farm in Thorpe Market which is expected to bring a further £0.900m in 2014-15.

Table 6a: Reconciliation of Disposal Schedule Estimates

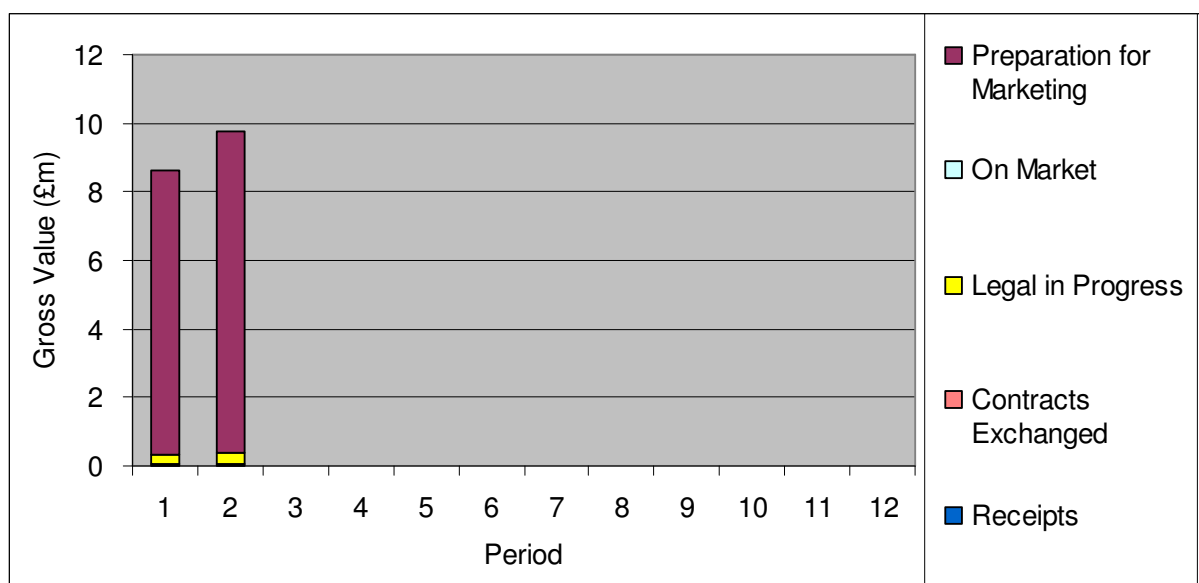
	£m
Original Budget 2014-15	10.163
Additions	3.094
Upward revaluations of estimates	0.626
Brought forward from future years	2.854
Removals	-1.052
Downwards revaluations of estimates	-0.280
Disposals in 2013-14	-0.710
Delayed until future years	-4.930
Revised Estimate 2014-15	9.765

- 5.4 Sales to date are as follows:

Table 6b: Property sales, year to date (as at 24 June 2014) £m

Items in 2014-15 capital programme sold in 2013-14 Hillington - Former highway depot Swaffham - Former sixth form centre Great Yarmouth - The Hollies and Ivy House Plus two smaller properties Sub-total (at estimated value shown in 2014-15 budget)	0.710
Gross receipts from these properties (before sales costs) amounted to £0.987m of which £0.075m was used to reduce borrowing, £0.100m applied to Farms purchases, and the balance used to fund previously agreed financial packages.	
Properties sold in April 2014	None
Properties sold in May 2014	None
Properties sold in June 2014 to date – two properties	0.428
Sub-total receipts to date in 2014-15	0.428
Total sales relating to 2014-15 budgeted disposals	1.138

Chart 2: Forecast Capital Receipts from property sales 2014-15



- 5.5 Where unallocated capital receipts are generated the Council uses these to support its general capital programme. Anywhere capital receipts have been allocated as part of a financial package, but are still to be used, they are retained in the capital receipts reserve to fund future projects. The below table identifies expected movements on the capital receipts reserve:

Table 7: Capital receipts reserve forecast 2014-15

	General	Financial Packages	County Farms	Total
	£m	£m	£m	£m
Opening Balance	0.000	1.385	0.367	1.752
Forecast receipts from sales of properties	6.205	1.135	2.425	9.765
Receipts from sales of assets to leasing companies	0.867	0.000	0.000	0.867
Other capital receipts	0.000	0.000	0.000	0.000
Forecast receipts generated in year	7.072	1.135	2.425	10.632
Sales expenses	-0.300	0.000	0.000	-0.300
Receipts repayable to third parties	0.000	0.000	0.000	0.000
Forecast net receipts available for funding	6.772	2.520	2.792	12.084
Forecast use to fund incomplete leases	0.000	0.000	0.000	0.000
Forecast use to fund programme and reduce borrowing	-6.772	-1.228	-0.535	-8.534
Forecast Closing Balance	0.000	1.293	2.257	3.549

- 5.6 Financial packages exist where the Council has agreed to link receipts from the sale of an asset with the funding of a specific project. Balances on financial packages exist where these projects remain incomplete.

6 New capital scheme proposals requiring borrowing

- 6.1 £0.700m of reserve funding from the Norfolk Infrastructure Fund which was to have supported the development of RAF Coltishall has been exchanged for capital receipts following the addition of the Unthank Centre to the disposals schedule at this amount. This has allowed the funding in NIF to be released to meet some of the Residual Waste Treatment contract exit costs.

7 Spend to Save schemes

- 7.1 An analysis of spend-to-save schemes, Economic Development schemes, and schemes funded through the Norfolk Infrastructure Fund is set out in Appendix 2.

8 Capital schemes in development

- 8.1 The following capital schemes, which have been reported to previous cabinet meetings, are in development:

- Land developments at former RAF Coltishall,
- Further development of broadband in rural areas,
- Greater Norwich infrastructure projects.

- 8.2 Norfolk County Council has joined a consortium of local authorities to support the upgrade of the A14. DfT has announced its commitment to the project on the basis of a £100m local contribution. This has been allocated across members of the consortium of which Norfolk County Council's contribution is £1m.

Terms with DfT are currently being reviewed by NPLaw.

The financial implications of this area cost of approximately £0.040m per annum payable between 2020 and 2044.

Appendices

Appendix 1: Revenue Consequences of Borrowing

Appendix 2: Spend to Save and NIF-Supported Schemes

Appendix 3: Norfolk Infrastructure Fund Update

Appendix 4: Note of urgent decision in respect of the sale of a Former Highways Depot in Watton

Appendix 1: Revenue Consequences of Borrowing

- i. The Council is required to set aside an amount of money annually to service its debt and ensure that its actions do not impair the ability of the Council to borrow to support its capital requirements in the future. This is known as the Minimum Revenue Provision (MRP).
- ii. Additional borrowing results in an increase in the amount of interest the Council must pay each year and an increase in the MRP it must make. The table below shows the incremental effect of the current programme of unsupported borrowing on future revenue budgets:

Table A1a: Analysis of unsupported borrowing required to support the capital programme

	2014-15	2015-16	2016-17	2017-18
	£m	£m	£m	£m
Forecast additional borrowing required in year	47.394	32.640	19.890	N/A
Cumulative additional borrowing	47.394	80.034	99.924	99.924
Interest		2.370	4.165	5.259
MRP		1.896	3.201	3.997
Total annual revenue impact of borrowing (cumulative)		4.266	7.366	9.256

- iii. The figures are based on interest rates for borrowing of 5.00%, 5.50% and 5.50% for 2014-15, 2015-16 and 2016-17 respectively. MRP is calculated on the basis of accounting for 1/25 of capital expenditure per year, which is consistent with expenditure on buildings; where expenditure is incurred on other types of asset, MRP figures will vary from those shown above.
- iv. Unsupported borrowing, as shown in the above table, can be divided into that which results in an identifiable revenue saving or income stream in the future ("spend to save") and that which will result in an increase in the Council's overall revenue costs.

Table A1b: Analysis of unsupported borrowing

	2014-15	2015-16	2016-17
	£m	£m	£m
Spend to save (Appendix 2)	20.532	9.530	0.000
Economic Development & NIF Funded Schemes (Appendix 2)	14.712	24.297	20.000
Deferred borrowing	9.446	0.000	0.000
Other schemes	10.011	0.596	0.000
Capital receipts available to reduce deferred and other borrowing	-7.307	-1.784	-0.110
Total	47.394	32.639	19.890

- v. Deferred borrowing represents 2014-17 capital schemes that are nominally funded from revenue and reserves, but which are now being funded from borrowing as reserves were used in previous years to minimise the revenue costs of borrowing.

- vi. During 2013-14, the Council will be repaying loans of £9.000m, resulting in a reduction of £0.479m in interest costs.
- vii. The following table identifies the breakdown of those schemes which are identified as being unsupported in the current programme:

Table A1c: Analysis of Other Schemes

Scheme	2014-15	2015-16	2016-17	2017-18
	£m	£m	£m	£m
Corporate				
Corporate Minor Works	0.313	0.113		
Alterations to Offices to Comply with Disability Discrimination Act	0.124	0.130		
Asbestos Survey & Removal Programme (Chief Exec)	0.509			
Fire Safety Requirements	0.125			
Unsupported schemes				
Kings Lynn Fire Station	1.573			
Real Fire Training Unit	0.108			
New Fire Station - Boat Store & Enhanced	0.005	0.153		
Closed Landfill Site Capping	0.248			
HWRC Drainage Improvements	2.034			
Education schemes initially funded through supported borrowing				
Schools Access Initiative Post	0.165	0.200		
Compass Centre West	0.506			
Kings Lynn Academy	0.800			
Chapel Rd Site	0.150			
Sustainability	0.468			
Condition Contingency	0.448			
Thetford Replacement School	1.117			
Robert Kett, Wymondham	0.176			
Valley Primary	0.136			
Brooke Replacement School	0.145			
Other education schemes	0.228			
Other small schemes				
Other Schemes	0.633			
	10.011	0.596	0.000	
Cumulative Borrowing	10.011	10.607	10.607	
Impact on revenue		0.901	1.008	1.008

- viii. The schemes identified in the first part of Table A1c represent corporate programmes intended to maintain Norfolk County Council assets and ensure that the Council complies with legislation.

- ix. Reprofiled schemes includes costs previously reported as being deferred borrowing, as described above.
- x. To fund or reduce the Council's unsupported borrowing detailed above, there are three options:
 - a. Amend the future capital programme to reduce the funding available to support these schemes, including an ongoing review of the Corporate Minor Works programme
 - b. Identify revenue budget to fund the capital expenditure directly.
 - c. Identify a suitable reserve from which to draw down the funding for the schemes.

Appendix 2: Analysis of Spend to Save and Economic Development & NIF Funded Schemes

- i. The total for “spend to save” schemes in Appendix 1 Table A1b in can be analysed as follows, with details of the benefits to be realised for each project.

Table A2a: Analysis of “spend to save” capital schemes 2014-17

Scheme	Financing	2014-15	2015-16	2016-17
		£m	£m	£m
Carbon Energy Reduction Fund (CERF)	Energy cost savings	2.050		
County Hall Carbon Energy Reduction Fund		0.535	0.771	
County Hall Better Ways of Working	Office closures rent saving	2.462	1.760	
County Hall Strategic Maintenance		13.555	6.999	
North Norfolk Office Reorganisation	Office closures running cost saving and sales proceeds	0.022		
County Farms Improvements	Capital receipts from County Farms disposals	0.535		
Great Yarmouth Property Rationalisation	Capital receipts from disposal of Great Yarmouth office accommodation	0.420		
Gressenhall Sewerage Works	Increased capacity for visitor numbers	0.253		
RAF Coltishall	Identified capital receipt used to replace direct funding from NIF	0.700		
Total Current and Proposed Spend To Save Schemes		20.532	9.530	0.000

- ii. The following table analyses Economic Development & NIF Funded schemes funded through borrowing and /or supported by the Norfolk Infrastructure Fund. The Norfolk Infrastructure Fund (NIF) is a fund using second homes council tax income.

Table A2b: Analysis of Economic Development and Norfolk Infrastructure funded capital Schemes 2013-16

Scheme	Financing	2014-15	2015-16	2016-17
		£m	£m	£m
Better Broadband	Telecommunications contract savings and	3.012	11.197	

	NIF support			
Northern Distributor Road	GNDP/ CIF	7.550	9.500	20.000
Loan to Norfolk Energy Futures	Loan Repayments From renewable energy incomes generated by a wholly owned company	4.150	3.600	
Total Economic Development and NIF funded projects		14.712	24.297	20.000

- iii. Updates on Better Broadband, the Beach Coach Station and NORA are included in Appendix 3.

Appendix 3: Norfolk Infrastructure Fund Update

- i. The Norfolk Infrastructure Fund is a reserve funded by Second Homes receipts and created to support investment in economic development and infrastructure schemes undertaken by the Council.
- ii. This support is in the form of either:
 - a. one-off funding from the reserve, whereby the Council does not incur future revenue costs related to borrowing, or
 - b. through support for borrowing, providing an annual contribution to mitigate the future effects of interest and MRP.
- iii. An annual update detailing progress on the fund was presented to Cabinet on 3 March 2014.
- iv. The commitments on the fund at that point were reported in the last capital monitoring report. A revised list of commitments following the closure of 2013-14 will be included in the next report.
- v. The following provides an update on the position of the current schemes within the Norfolk Infrastructure Fund:

NORA (Nar Ouse Regeneration Area) Housing Project

Progress update

- Pre-commencement planning conditions and associated works were completed and signed off in July 2013. The expected surplus from phase one was £0.392m (outline business case May 2012).
- There have been significant issues in regard to ground conditions and a pumped sewer main across the site which have now been resolved. Compared to the plan, a further contribution may be necessary.
- Infrastructure works commenced in August 2013 and piling commenced in October 2013.
- Construction of the first 54 dwellings (Phase 1) commenced in November 2013 with the first of these properties programmed to be completed in May 2014 with the whole of Phase 1 being handed over by October 2014.
- William H Brown has been appointed as agent for the site, interest from potential purchasers is strong. A number of offers have already been accepted “off-plan”. To help generate sales there will be a show home on the site and the scheme is registered with the Help to Buy scheme.
- The business plan for phase 1 is being refreshed. Later phases cannot commence until a business plan has been agreed.
- After each phase of development is finalised, a report analysing the results of that phase will be completed (Cabinet April 2010).

Royal Britannia Crescent (formerly Beach Coach Station Car Park, Great Yarmouth)

Sales update

- All 19 homes have been built. Sales activity to date is as follows:
 - Four completed and sold at the end of May 2014, including three to the Saffron Housing Association
 - One further completion in June 2014
 - Seven subject to contract or where offers have been accepted

Scheme estimates

- Current estimates for the scheme outturn are as follows:

	Original estimate	Change from Original Estimate	Current estimated spend to end of project
	£m	£m	£m
Total Budgeted Costs	2.076	0.344	2.420
Estimated Sales	-2.440 +/- 5%	-0.041	2.481
Estimated surplus (-)	-0.364	0.303	-0.061

The surplus has dropped compared to the original estimates and there is a risk that the surplus may not be realised.

Once the properties are sold the initial investment will be returned to the fund and will be available to fund future projects.

Supporting better broadband access in rural areas

Progress update

- On 21 December 2012, using the Broadband Delivery UK (BDUK) Framework Contract, Norfolk County Council signed a contract for the delivery of improved broadband infrastructure across Norfolk
- Once complete in late 2015, the combination of commercial deployments and the 'Better Broadband for Norfolk' project should mean that 89% of Norfolk premises to have access to 'next generation access' infrastructure and 83% of all Norfolk premises have access to speeds of 24Mbps+
- All premises are expected to have access to a minimum of 2Mbps (enough to run BBC iPlayer).
- Implementation commenced three months ahead of plan, and at the end of December 2013, over 20,000 premises have access to Superfast (24 Mbps+) broadband

- Further funding of £5.590m was announced by central government subject to the provision of match funding. A further £4m was requested from DCMS and agreed subject to the entire £9.590m being matched with local funding.

A report was presented to the Environment, Development and Transport committee on 8 July 2014 detailing options for procurement and match funding. Currently, Norfolk County Council proposes to make a £1m contribution with the remaining being sought from District Councils and the Local Enterprise Partnership.

The programme is still on schedule to be complete by the end of 2015.

Former RAF Coltishall site

One-off funding for RAF Coltishall from Norfolk Infrastructure Fund has been reduced by £0.700m in 2014-15. This money will now be used to support the payment of exit costs on the Residual Waste Treatment Contract. The resulting shortfall in funding for the RAF Coltishall project will be met by a capital receipt.

Note of urgent decision in respect of the sale of a Former Highways Depot in Watton

1. The decision

- 1.1 A former highways depot in Watton was declared surplus to the Council's requirements on 23 July 2013. An urgent decision has been taken to sell the site, which will be by invited offer on the open market or, failing that, by Private Treaty subject to a suitable offer being received.
- 1.2 The acting Managing Director took the decision on following consultation with the Chair and Deputy Chair of Policy and Resources Committee on 3 June 2014, in accordance with a recommendation made by the interim Head of Finance made in accordance with Council Constitution 7.7 - Financial Regulations.

2. Reasons for the decision and urgency

- 2.1 The site was formerly used by ETD as a highways depot. A section of the site remains leased out to Salt Union and is excluded from this sale. The site area measures approximately 4 Acres and was declared surplus to the Council's requirements on 23 July 2013.
- 2.2 The site is shown in the Breckland Council Core Strategy within a larger area allocated for general employment use. Policy DC6 seeks to protect these areas for continuing employment use. Given the up to date development plan policy and surrounding uses it is considered that there is little or no potential for an alternative use in the foreseeable future.
- 2.3 Failure to take this decision quickly would have delayed the sales process and put the Council at risk of suffering financial loss on the basis that the development value of the property is likely to diminish towards winter.
- 2.4 Decisions regarding property disposals up to £500,000 can be made by the Managing Director following consultation with the Chair of Policy and Resources Committee. The estimated value of this property is below this threshold, but there is the possibility that proceeds will exceed £500,000. As a result this urgent decision is being reported to this committee in accordance with part 7.1 of the Constitution - Procedure for Taking Urgent Decisions.
- 2.5 The site is being marketed by 'Invited Offer' on the Open Market with a guide price of £460,000 as land for light industrial use. If the site fails to attract a suitable offer, then it will be marketed for sale by Private Treaty.

Policy and Resources Committee

Item No...11...

Report title:	Performance monitoring report
Date of meeting:	14 July 2014
Responsible Chief Officer:	Head of Business Intelligence and Performance Service & Corporate Planning & Partnerships Service
Strategic impact Performance monitoring and management information helps committees undertake some of their key responsibilities – informing Committee Plans and providing contextual information to many of the decisions that are taken.	
Executive summary <p>This paper sets out a framework to enable Policy and Resources (P&R) to undertake its responsibilities for providing a ‘whole council view’ of performance, as set out in the Constitution. It proposes continuing with a balanced approach which aims to give a rounded view of performance, using four themes:</p> <ul style="list-style-type: none"> • Managing change • Managing resources • Service performance • Outcomes for individuals and communities <p>The paper provides a brief summary of the overall end of year position for the Council, highlighting areas where there are challenges. It explains that this summary is drawn from individual performance reports to Committees. It is a starting point that enables the Committee to determine the approach to performance monitoring.</p> <p>In addition to its responsibilities for an overview of council performance, P&R Committee also has responsibility for a number of key cross-cutting services, including ICT, human resources, finance, property and asset management. The report gives an assessment of current performance of these shared services.</p> <p>Committee Members are asked to:</p> <ol style="list-style-type: none"> 1) Review and comment on the performance information 2) Consider future performance reporting arrangements for the Committee. Specifically it is asked to: <ol style="list-style-type: none"> a) Agree any specific priorities or areas of performance that it wants to cover in the future b) Agree a quarterly schedule for receiving performance reports – and any relevant amendments to the Committee’s Forward Plan c) Agree to receive any updated data at the beginning of each regular Performance discussion. 	

1 Background

- 1.1 Within the Committee system of governance, individual committees are responsible for monitoring their performance, and taking corrective action where this is needed. However, it is important that there is an overview of performance across the Council, and this responsibility rests with the Policy and Resources Committee. The relevant section from the Constitution says:

“The Policy and Resources Committee provides a ‘whole council’ view of performance, budget monitoring and risk. In addition the Committee has responsibility for developing and monitoring the specific enabling corporate services, including ICT, finance and risk management, property and asset management, human resources and organisational development, legal and governance, communications and public affairs and business continuity.”

2 Performance Monitoring Approach

Performance management framework

- 2.1 For the last three years, the Council has used a performance reporting framework which aims to give a balanced view of the different elements that contribute to the overall performance of the Council. Our approach has been to provide performance reports which are a combination of narrative and data, focusing on issues where there is change to report or exceptions to highlight. Regular performance reports to Members have covered the following themes:

- Managing change
- Managing resources
- Service performance
- Outcomes for individuals and communities.

- 2.2 **Managing change** - the Council has a significant change programme, managed and overseen by the Corporate Programme Office. The current programme is made up of a range of service specific programmes and projects and is key to delivering efficiencies, savings and change. The delivery of key changes through corporate programmes and transformation programmes within departments is a critical activity for the Council. The reporting to date has included:

- A red/amber/green rating of progress against each element of the corporate change programme
- A red/amber/green rating of progress against each department’s transformation programme
- Details of closed or new projects and programmes.

- 2.3 **Managing resources** - this element of the framework aims to assess how well we are using resources, both financial and non-financial. It also addresses measures associated with staffing, productivity, and risks. Whilst the detail budget monitoring and budget forecasting will be reported separately to Policy and Resources, this performance reporting framework allows Members to view financial performance alongside service performance, and to consider to what degree our resources are following priorities.

- 2.4 **Service performance** - this element highlights key ‘output’ and ‘process’ indicators which can help measure and evaluate how effectively and efficiently we are working. When viewed alongside other themes, these measures may prompt questions about how well we are delivering key service improvements through our change programmes, and help assess whether budget savings, or scale of change, are having an impact on frontline services.

- 2.5 **Outcomes for Norfolk people and communities** - this section aims to capture the impact the Council's services have on individuals and on communities. As such, it has been the most challenging to measure but has nonetheless maintained an important touchstone to assess whether services are improving people's experiences and whether our resources and efforts are delivering the right improvements for citizens.

Frequency of reporting

- 2.6 It is the intention to continue to provide an overall analysis of performance against these themes for P&R Committee on a quarterly basis. This would mean working to the following schedule:
- September (Quarter 1 results)
 - November (Quarter 2)
 - March (Quarter 3)
 - June (End-of-year results).
- 2.7 Irrespective of the frequency of reports, the lead-in time for Committee Papers means that Members often receive most up to date information at meetings. In short, because some indicators can be updated every month, and because the formal lead-in times for papers can be a month before the meeting, there is newer information available by the time the meeting takes place.
- 2.8 It is recommended that as an alternative, Members agree to a short amount of time at the beginning of each performance discussion for officers to update the Committee on any new information.
- 2.9 Alternatives to also consider include:
- An updated dashboard being published on the web site at an agreed time closer to the meeting
 - An updated dashboard being made available at the meeting.

Development

- 2.10 This first performance report to Policy and Resources is an opportunity for Members to identify any specific areas that they want to cover routinely or any items that they want to see as the subject of a more in-depth analysis for future meetings. Such items could then be included in the Policy and Resources Forward Plan.
- 2.11 There are a large number of performance indicators that are regularly reviewed by Committees, Chief Officers and Senior Management Teams. Those that are on the Committee performance dashboards are high level indicators that open up performance discussions and lines of inquiry that can then be followed up by Committee. There is a balance to be struck between inclusivity and enabling a focussed performance discussion that does not become lost in minutiae.
- 2.12 Detailed financial reporting, 2014-15 Revenue Finance Monitoring Report, is being presented to this Committee on a monthly basis. To avoid duplication, only data on the performance of the Finance Service is provided here.

3 Overview of Performance 2013/14

- 3.1 Using the framework set out in section 2, a brief summary follows on the overall performance of the Council for 2013/14. The performance dashboard is presented in Appendix A. This contains key relevant information that previously went to Cabinet along with key performance information that has gone to the four service committees in July 2014.

Managing Change

3.2 The Council has a significant change programme, managed and overseen by the Corporate Programme Office (CPO). The current programme is made up of a range of service specific programmes and projects and is key to delivering efficiencies, savings and change. The delivery of key changes through corporate programmes and transformation programmes within departments is a critical activity for the Council.

3.3 Through projects overseen and managed by the CPO a total of £75.12 million of savings have been achieved over 3 years.

2011/12	2012/13	2013/14	Total over 3 years
£31.24m	£29.44m	£14.44m	£75.12m

3.4 The savings have been achieved through a number of change programmes and initiatives and can be categorised under the following outcomes:

- **Reduced workforce and management layers** with a total reduction of 2,648 employees since April 2011. This represents a reduction of over 29%.
- **Efficiency and cost control** through the relentless driving down of our own costs. Through restructuring and the reshaping of services using self-service models the shared services have delivered £6.8m of savings.
- **Integrated working** with partners to remove cost and reshape services.
- **Reshaping services** which saw, during the three years of the transformation, all statutory and non-statutory services reviewed with many fundamentally reshaped, redesigned or closed.
- **Rationalising our accommodation and estates** by ending costly leases, transferring ownership, scaling back properties and shifting unwanted properties off our books.
- **Income generation and maximising trading** through which we have continued to increase external income, seized opportunities to invest in longer term income generation opportunities and implemented changes to trading enablers. This has seen income increase from £92m to £101m (+10%).
- **Reducing our overheads and changing working practices** achieved by reducing and streamlining pay and terms and conditions of our employment framework, introducing flexible and mobile working, to reduce business mileage and staff travel time, realising staff productivity improvements and reducing our carbon footprint.

3.5 For 2014/15 onwards, it is proposed that progress with the overall NCC change programme is reported to this committee on a quarterly basis as part of the NCC Performance monitoring.

Managing our resources

3.6 Detailed financial reporting, 2014-15 Revenue Finance Monitoring Report, is being presented to this Committee on a monthly basis. To avoid duplication financial data is not reported here.

3.7 Work to reduce our carbon dioxide emissions includes things like reducing the energy use of our buildings (including schools), business travel, street lighting, and traffic signals. It is important as it helps to reduce our energy use and so costs (the property portfolio energy cost for 2012/13 was £14,413,247), limit the Council's carbon tax liability (£12/tonne or £678,102 for 2012/13) and helps to reduce our environmental impact.

3.8 The existing target for the reduction of carbon dioxide emissions is 25% by the end of 2013/14, based upon a 2008/09 baseline. At the end of March 2014 figures show that the organisation is unlikely to meet that target. The final end of year position and

performance against the 25% reduction target will be confirmed in the annual Carbon Reduction Commitment submission and report in late summer 2014. A programme of activity to reduce our CO² emissions will continue to 2020, as we work to achieve the recently agreed 50% reduction target.

- 3.9 The monthly performance data provided in the appendices relates to Automated Meter Readings (AMRs) on buildings. These enable the amount of gas and electricity being used in metered buildings to be monitored and a carbon dioxide emissions estimate derived. AMRs do not cover all buildings and buildings themselves only account for 61.3% of the overall carbon footprint of the authority. The remainder is made up from business travel, street lighting, and traffic signals.
- 3.10 A new indicator was adopted in 2014/15 to enable the costs associated with business travel to be measured and so targets set for its reduction across all NCC departments. Total spend for the Council in the first 2 months of 2014/15 is £679,310.67. If this continues then the end of year target of £3,089,043 will not be achieved. Apart from cost reduction, another benefit to performance managing this indicator is that reductions in business mileage will help to reduce NCC's carbon dioxide emissions.
- 3.11 The average number of days sickness absence per FTE (Full Time Equivalent) recorded for the whole Council (including schools) has reduced each year since 2009/10 reaching a low of 7.06 days in 2012/13. The target for 2013/14 was set 0.25 days lower than 2012/13 at 6.81 days per FTE. The end of year figure is 6.96 days per FTE, which is slightly above the 2013/14 target but better than performance in the previous year and better than the outcome that had been predicted at Q3 of 7.10 days per FTE. HR continues to work closely with managers to make reductions in sickness absence a priority.
- 3.12 Our 2014 Employee Survey closed on 25 June 2014. The survey provides an insight into the changing needs of our workforce, their morale during a period of change and offers insight into how we can work more efficiently as an organisation. The results are currently being analysed by the HAY Group, who administered this survey on our behalf, and will be released in September 2014. A series of workshops will be held for managers to help them interpret and apply the results, using the on line analytical tools that will be available.

Service performance

- 3.13 Self-directed support enables adult social care service users to gain more control over and choice about which packages of care and support they use to meet their assessed needs. Typically, self-directed support is delivered through personal budgets. Since 2011/12 the percentage of people accessing self-directed support increased steadily from 43.8% to 60.9%. Whilst good progress has been made, this falls short of the 70% end of year target. One of the main reasons for not meeting the target is the inclusion of carers in our calculations for this indicator for the first time this year. Carers have not previously been the focus of work around the promotion of self-directed support and take up is considerably less than for service users.
- 3.14 Another aspect of self-directed support that is monitored is the percentage of people using self-directed support that receive cash payments. Direct payments of cash to a service user or a third party, following an assessment, enables greater freedom for people to purchase their own care. In 2013/14 the 37% target was exceeded with 38.9% of people receiving case payments.
- 3.15 The way in which people access some of our cultural services is changing. In the case of Norfolk's libraries, the number of virtual visits, including internet access to library services, contact via social media and e book borrowing, has increased steadily over the past three years from 4,317,964 in 2011/12 to 4,756,609 in 2013/14. Similarly, an increasing number of people access the Norfolk Record Office (NRO) using the

internet. This reflects the work that has been done over the past three years as part of the change programme to enable people to access our services in ways other than physical visits to a building.

- 3.16 Maintaining a safe and efficient road network in Norfolk helps ensure that we have the necessary quality of transport infrastructure in place to encourage economic growth and development. This remains a challenge as the Council maintains a road network of 9,800 kilometres that is subject to adverse and sometimes extreme weather conditions and for which the maintenance budget is under pressure. Throughout 2013/14, the response times to the most serious and hazardous highway defects reported (known as category 1 defects) remained good, with over 95% being responded to within the target times. However, this fell short of the 100% required to meet the target. Latest data for May 2014 shows an improvement to 99.2%.
- 3.17 The work to implement the Children's Services Improvement Plan continues under the oversight of the Children's Services Improvement Board and the Children's Services Committee. The Improvement Plan demonstrates the commitment to achieve the very best outcomes possible for Children and Young People. This will be done through embedding 4 key principles:
- Getting the basics right
 - Leading and managing well
 - Effective performance management
 - Productive and purposeful partnership working.
- 3.18 A key aim of the Improvement Plan is to increase the proportion of schools judged good or better by Ofsted. Children's Services monitor the outcome of school inspections on a weekly basis and a report is provided to the Assistant Director of Children's Services showing the impact of Norfolk inspections on our trajectory towards the 2014 targets. The report covers four key areas of improvement:
- Early Years settings
 - Primary phase schools
 - Secondary phase schools
 - Special schools.
- 3.19 The outcomes from Ofsted inspections indicate a continued improvement. Since July 2012 there has been an improvement of 10% of Norfolk primary schools and 18% of secondary schools judged good or better by Ofsted.
- 3.20 The termly Local Authority targets for Norfolk, based on the likelihood of inspection and the trajectory set for every Norfolk school to be judged good or better by Ofsted, have largely been met. The number of schools inspected to date by Ofsted, however, is not sufficient to enable us to reach the ambitious targets that we have set for July 2014.
- 3.21 A priority for the Council as a whole is to improve GCSE attainment. Indications from schools suggest that 58% of pupils are on track to achieve 5 A* to C GCSE grades, including English and Mathematics, this summer. If achieved, this would be an improvement upon last year (54%).

Outcomes for Norfolk people and communities

- 3.22 The annual NCC/Ipsos MORI Tracker Survey is underway and due to report in September 2014. This provides a wide range of data and information on how Norfolk's residents experience and perceive the services that we deliver. Customer Services and Communications co-ordinates the Tracker Survey on behalf of the Council. A report will be brought back to this Committee, once the results of the 2014 survey are known.

- 3.23 The 2011 Census suggests that there are probably 94,700 carers providing unpaid care in Norfolk. The value that these carers, typically family members who may have social care or health needs of their own, add to the existing health and social care system is recognised by Government. The Care Act 2014 will increase the requirements upon local authorities to support unpaid carers. Whilst the current level of support to carers provided by NCC adult social care is on target, responding to changing requirements will mean that this becomes more challenging in the future.
- 3.24 The long term trend for the number of people killed and seriously injured (KSI) on the county's roads is downward and the performance indicator is currently RAG rated green. The data for KSI can be broken down to look at particular types of vehicles or groups of people who have been involved in road traffic accidents. Over the past year, we have seen an increase in the number of people on motorbikes and mopeds being killed or seriously injured, increasing from a low of 74 in the year to end March 2013, to 108 to end March 2014 (rolling 12 average). There have been similar fluctuations to the long term downward trend over the last twenty years.
- 3.25 ETD continues to lead and support the work of the multi-agency Norfolk Road Casualty Reduction Partnership. NCC's work on road safety falls within the Highways and Transportation Group and so is covered by the EDT Committee. However, issues relating to road safety will be of interest to both the Adult Social Care Committee and Children's Committee.
- 3.26 In 2013/14 there were 428 accidental dwelling fires in Norfolk, compared to a target of 481. During the same period, there were 25 injuries in accidental dwelling fires against a target of 19. This compares to 28 injuries in 2012/13. NFRS works closely with Adult Social Services to identify those people most at risk of injury from an accidental fire in their home, typically vulnerable older and disabled people, and then put preventative and protective measures in place through Home Fire Risk Checks. In 2013/14, working with partner agencies and by using NFRS volunteers and operational staff, the Service carried out 4,357 home fire risk checks, exceeding the target of 3,500.

4 Performance of cross-cutting services 2013/14

- 4.1 As well as P&R's responsibility for maintaining an overview of the whole council's performance, it is also responsible for some specific services – those 'enabling' services which support all departments. These are: ICT and Information Management, Property and Asset Management, Legal and Governance, Business Continuity, Corporate Planning and Partnerships, Programme Office, Communications and Public Affairs, Business Intelligence and Performance, Human Resources – organisational development, Finance, risk management and procurement.
- 4.2 Using the framework set out in section 2, a brief summary follows on the performance of cross cutting services for 2013/14. The performance dashboard is presented in Appendix B. The dashboard contains key relevant information from the previous Corporate Resources Overview & Scrutiny Panel, along with other end-of-year data and some more recent where it is available.

Managing change

- 4.3 The change programme for Resources for the three year period 2011/12 to 2013/14 is complete. As of March 2013/14 the overall rating was Green.
- 4.4 Over the last quarter (Q4 2013/14) the main area of focus has been supporting departments in developing solutions to deliver savings and strategies for the next three years (2014/17), however a number of initiatives have also progressed and delivered as follows:

- Great Yarmouth Integration - staff moving from Ferry House to Northgate Hospital

end February 2014

- Staff moves from County Hall to Independence Matters HQ in Dereham Community hub
- The changes to the RAS (Resource Allocation System) were implemented on 1 April 2014
- The required legislative changes to the LGPS (Pension Scheme) were implemented for 1 April 2014
- New Committee Management System went live January 2014.

Managing our resources

- 4.5 Detailed financial reporting, 2014-15 Revenue Finance Monitoring Report, is being presented to this Committee on a monthly basis. To avoid duplication, only data on the performance of the Finance Service is provided here.
- 4.6 The performance data for business travel costs in April and May 2014 shows that Resources spent over £600,000. As part of the change programme new ways of working are being adopted, which will help reduce the need for business travel.
- 4.7 NPS Property Consultants Ltd previously submitted its 2013 annual report on property and asset management to CROSP in January 2014. The 2014 annual report is scheduled for the meeting of this Committee in Q1 of 2015. The 2013 report highlighted that the number of properties had been reducing. The reductions had been achieved through actions like the closure and disposal of Youth Centre buildings and Connexions offices, school reorganisation between 2006-2010 and the move to academies, the transfer of 75 Care Homes to Norse Care and disposals and terminations of leases from third parties by Service Departments to achieve savings targets.
- 4.8 The average number of days employees of Resources were sick, per Full Time Employee, was 8.91 days in 2012/13. This dropped to 7.71 days in 2013/14, slightly above the target of 7.47. The improvements that had been made were due to more effective management of long term sickness absence.

Service performance

- 4.9 NCC pays about 460,000 invoices per year. In May 2014, 97.4% were paid within a target of 30 days from receipt, against a target of 90%. Over the past 12 months performance has only fallen below target once, in March 2014.
- 4.10 A total of five new indicators are being developed for ICT and Information Management Services. These cover both the performance of the service itself, through measures like the average response times for customer service requests, and changes to the way we work that are being achieved as part of Digital Norfolk Ambition, such as the percentage of laptop users accessing info remotely. It is anticipated that performance data for these indicators will be made available to the September meeting of the Committee.

Outcomes for Norfolk people and communities

- 4.11 The Communications and Public Affairs Team monitor the percentage of press releases taken up by at least one media outlet. This helps them to ascertain the both quality of the press releases that they are issuing and their working relationship with key media outlets in Norfolk. In both April and May of this year, performance was above our target of 90% with uptake of all releases at 98% and 93% respectively.
- 4.12 The impact on Norfolk County Council's reputation of articles in the printed media and some on line is monitored. Stories in the local press and national media, which involve the authority, are recorded and an assessment made as to whether the coverage is positive, negative or neutral. The target for positive articles is 30%. In April and May of

this year performance was above target, being 38% and 40% respectively.

4.13 The annual NCC/Ipsos MORI Tracker Survey includes a question as to how well people are informed of our services. This helps us to better understand the effectiveness of our communication and engagement with the public on the services that we provide. The 2012/13 survey showed 56% of respondents felt well informed by Norfolk County Council. The 2013/14 survey is underway and due to report in September 2014.

4.14 At present, there are only a limited amount of outcome measures for the services that are covered by this Committee. Further work will be done ahead of the September meeting to develop these.

4.15 **Recommendations**

Committee Members are asked to:

- 1) Review and comment on the summary performance information
- 2) Consider future performance reporting arrangements for the Committee. Specifically it is asked to:
 - a) Agree any specific priorities or areas of performance that it wants to cover in the future
 - b) Agree a quarterly schedule for receiving performance reports – and any relevant amendments to the Committee's Forward Plan
 - c) Agree to receive any updated data at the beginning of each regular Performance discussion.

5 **Financial Implications**

5.1 There are no significant financial implications arising from performance dashboards or the suggested approach to performance monitoring.

6 **Issues, risks and innovation**

6.1 Performance reporting brings together complex information in order to assist members with decision making and understanding of issues facing the organisation. Over time these will develop, alongside Committee plans to drive a number of complex issues. They will help to monitor and manage issues and risks to the services we deliver.

7 **Background**

7.1 Overview and Scrutiny Panel Reports 2013/14 available on the NCC website - http://www.norfolk.gov.uk/Council_and_democracy/index.htm

8 **Officer Contact**

8.1 If you have any questions about matters contained or want to see copies of any assessments, e.g. equality impact assessment, please get in touch with:

Officer Name: Daniel Harry **Tel No:** 01603 222568

Email address: daniel.harry@norfolk.gov.uk



If you need this Agenda in large print, audio, Braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.

Note - a key to the symbols used is provided at the end of the dashboard.

Managing change				
		Date	Rating	Target
A progress report on the NCC change programme 2011/12 to 2013/14 is in the main body of the report.		March 2013/14	BLUE	BLUE
Managing our resources				
Measure	Value	Date	Rating	Target
Premises related costs per FTE (excluding schools) (£3110.68 2011/12) [A]	£3164.77	March 2013	SURV	SURV
% of total spend on contract (where systems permit this to be measured) [M]	74.5%	May 2014	SURV	SURV
% CO ² emissions from automatically metered buildings compared to 08/09 baseline [M]	83.11%	Mar 2014	SURV	25% reduction
Business Travel Savings – Travel expenses paid	£679,310.67	May 2014	▲	£3,089,043
Average number of days employee sickness per FTE (Resources) [Q]	6.96	March 2014	●	6.81
Service performance				
Measure	Value	Date	Rating	Target
% Pupils achieving 5 GCSEs grades A*-C inc. English & Maths [A]	58%	July 2014	●	60%
% People using self-directed support (including carers grants) during the year	60.9%	March 2014	▲	70%
% of People using self-directed support that receive cash payments	38.9%	March 2014	★	37%
Library and Information Services – actual and virtual visitors	9,107,379	March 2014	SURV	SURV
Museums - actual visitors	379,579	March 2014	SURV	SURV
% of dangerous highway defects dealt with within agreed timescale	99.2%	May 2014	●	100%
% of journeys undertaken using Demand Responsive Transport (DRT) against all subsidised bus services	9.2%	March 2014	★	9%
Improve % Early Years settings judged good or better	78% (700/894)	April 2014	●	81%
	78% (700/894)	July 2014	●	82%
Improve % Primary phase schools judged good or better	70% (237/345)	April 2014	★	69%
	70% (237/345)	July 2014	▲	79%
Improve % Secondary phase schools judged good or better	65% (28/43)	April 2014	★	63%
	65% (28/43)	July 2014	▲	75%
Improve % Special schools judged good or better	82% (9/11)	April 2014	★	82%
	82% (9/11)	July 2014	★	82%
Outcomes for individuals and communities				
Measure	Value	Date	Rating	Target
Satisfaction with services (annual tracker survey)	52%	July 2013	SURV	#
Satisfaction with the way in which we handled customer complaints (annual tracker survey)	44%	2012	SURV	#
% residents who feel they can influence decision affecting their local area (annual tracker survey)	35%	July 2013	SURV	#

% of carers supported following an assessment or review	46.8%	March 2014	★	46%
Number of people killed and seriously injured on the roads	387	May 2014	★	389
Number of accidental fires in the home	428	March 2014	★	481

★	Performance is on target, no action required.
●	Performance is slightly off-track.
▲	Performance is worse than the target, action required.

Notes

- Targets are as at March 2015 unless otherwise stated. Some targets will be profiled - thus performance in a month, whilst lower than the year-end target, may be on track.
- All performance indicators are reported monthly, unless otherwise noted by 'Q' (denotes quarterly reporting) or 'A' (denotes annual reporting).
- SURV – denotes an indicator where no target is set but trends in performance are reported. In some cases this may be because the indicator is new and there is limited data available to enable a target to be set.
- # - Satisfaction data for Norfolk is gathered by Ipsos Mori and used with national data to determine our relative position, therefore a local target is not set
- BLUE – rating for change projects that indicates that a project has been successful completed.

Appendix B

Cross-cutting services performance 2103/14

Note - a key to the symbols used is provided at the end of the dashboard.

Note: a key to the symbols used is provided at the end of the dashboard.

Managing change				
	Date	RAG	Target	
Shared Services – 13 programmes with an overall rating of Green. <ul style="list-style-type: none">• HR Transformation Phase 2• Finance Transformation• Finance SSR Phase 2 (Invoice Scanning)• Single Contracts Register• Budget Manager System• Data & Voice Contract Extension• Redesign of ICT Services• Registration Service Redesign• Public Service Network (PSN) Compliance Health Check (2013)• PRMS (Portfolio & Resource Management Solution)• Hybrid Mail• Corporate Banking Service• Committee Management System.	Q4	GREEN	GREEN	
County Hall (Workstyle)	Q4	GREEN	GREEN	
Managing our resources				
Measure	Value	Date	Rating	Target
Percentage of spend on contract (where systems permit this to be measured) [M]	74.48%	May 14	SURV	SURV
Business Travel Savings – Travel expenses paid	£45,688.73	May 14	▲	£207,326
% CO ² emissions from AMR metered buildings compared to 2008/09 baseline	76.4%	March 2014	SURV	25% reduction
Average number of days employee sickness per FTE (Resources) [Q]	7.71	March 2014	▲	7.47
Service performance				
Measure	Value	Date	Rating	Target
Percentage of invoices paid by authority within 30 working days of receipt [M]	97.4%	May 2014	★	90%
ICT&IM - % laptop users accessing info remotely	These performance indicators are under development and it is anticipated that definitions, data and targets will be made available to the next meeting of the Committee.			
ICT&IM – number of phone calls made through Microsoft Lync				
ICT&IM - Call abandonment rate for ICT services				
ICT&IM - Average response times for customer service requests				
ICT&IM - % of FOI responded to within timescale				
Outcomes for individuals and communities				
Measure	Value	Date	Rating	Target
Percentage of people who felt that they were well informed of our services (through tracker survey) [A]	56%	July 2013	SURV	SURV
Percentage of press releases taken up by at least one media outlet.	98%	May 2014	★	90%

Percentage of positive news articles in the printed media	40%	May 2014	★	30%
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★	Performance is on target, no action required.
●	Performance is slightly off-track.
▲	Performance is worse than the target, action required.

Notes

- Targets are as at March 2015 unless otherwise stated. Some targets will be profiled - thus performance in a month, whilst lower than the year-end target, may be on track.
- All performance indicators are reported monthly, unless otherwise noted by 'Q' (denotes quarterly reporting) or 'A' (denotes annual reporting).
- SURV – denotes an indicator where no target is set but trends in performance are reported. In some cases this may be because the indicator is new and there is limited data available to enable a target to be set.

Policy & Resources Committee

Item No...13...

Report title:	Developing the County Council Plan 2015/16
Date of meeting:	14 July 2014
Responsible Chief Officer:	Debbie Bartlett, Head of Business Intelligence & Performance Service, and Corporate Planning & Partnerships Service
Strategic impact The County Council Plan ensures that tax payers, stakeholders and partners understand the Council's aims and challenges and enables Policy and Resources Committee to maintain a 'whole-council' view of performance, budget and risk.	

Executive summary

The County Council has always had a corporate plan, which sets out its overall aims and priorities. The plan has served two purposes – to communicate the Council's core objectives and challenges to members of the public, stakeholders and staff, and to enable the Council to monitor progress against stated aims. Policy & Resources Committee is responsible for developing the County Council Plan and coordinating this across service committees.

This report sets out the initial first steps of an approach to develop a new County Council Plan which best fits the Council's committee governance structure and contributes to the robustness of governance arrangements:

- In a committee governance system, a council plan plays a heightened role. It enables committees to work towards a common goal and promotes policy coherence.
- A comprehensive, relevant council plan ensures stakeholders, tax payers and service providers understand the Council's vision and direction of travel in a time of change and transformation.
- In a context of diminishing resources, a council plan is key to effective performance management. It enables the authority to hold itself to account and continually assess finances and liabilities.
- At an operational level, a council plan is critical in communicating Council strategy throughout organisation, empowering frontline staff to deliver agreed priorities.

The report also recognises that service committees are key in developing the plan and that this work should be fully integrated with the Council's new budget setting process.

Recommendations:

1. That the County Council Plan 2015/16 be revised to develop the areas set out in this report;
2. That development of the plan be integrated with the annual budget setting process and, as part of this, committees identify outcomes for their services;

Proposal (or options)

1. The County Council has always had a corporate plan, which sets out its overall aims and priorities. In recent years the Council has moved away from a formal paper-based published document to an online streamlined document setting out a high-level vision, key priorities for improvement and signposts to departmental service plans. The move to a committee system of governance is a timely opportunity to review the overall purpose and content of a County Council Plan, and ensure that it provides the right framework for the business of the Council.
2. The overarching strategic framework for the County Council Plan already exists, and this has been reflected in the Council's new committee plans. This is the Council's agreed **ambition** for Norfolk and **three strategic priorities** (see Annex 1).
3. In going forward however, it is recommended that the new plan be explicit about the Council's **wider** outcomes it wishes to achieve and broker for customers and citizens in relation to the following core areas:
 - Children & young people
 - Disabled, older & vulnerable adults
 - Health
 - Growth & economic development
 - Highways, travel & transport
 - Environment
 - Fire, rescue & community protection
 - Culture and community
 - Managing resources & democracy
4. To accomplish this it is recommended that P&R Committee ask service committees to identify appropriate outcomes covering their service areas for inclusion in the new County Council Plan. This can be undertaken as part of the budget setting process to ensure alignment with financial governance arrangements and avoid duplication. Alignment with the budget setting process also provides a mechanism for reviewing the County Council Plan annually.
5. It should be noted that, in some areas, priorities and measures have already been identified. For example, in the case of children and young people, a clear outcome has been agreed for children and young people as part of the improvement strategy and appropriate actions and targets identified against these.
6. In addition to strengthening the Council's existing strategic framework, there is also an opportunity for the new plan to play an enhanced role in how the Council manages the many significant challenges it faces - such as:
 - Unprecedented financial constraints;
 - Increased customer demand that cannot be fully met;
 - The inevitable rationing of services that will result from rising customer demand combined with financial austerity; and
 - Major public policy changes with the Government's localism initiative at the core.
7. With P&R Committee's approval, the plan could be developed further in a range of areas, to reposition it as the template for how the Council wants to run its business: For example, the plan could:

- Demonstrate a clear understanding of the Council's underlying cost base, cash flows and cost drivers of its business, to further strengthen financial grip over its operations;
 - Reflect, through enhanced business intelligence, the actual needs, demands and choices of local people;
 - Illustrate further areas for transformation, modernisation and income-generation – recognising that traditional budgetary mechanisms may not be sufficient to meet the medium- term financial challenge; and
 - Focus relentlessly on the core business of the organisation, taking the opportunity to stop doing or securing alternative sources of provision for non-core activities.
8. Feedback from P&R Committee on these points – or any additional points to be covered by the new plan - would be helpful.
9. In terms of next steps, the first phase of developing the plan would be to ask service committees to identify the key outcomes they wish to achieve for customers and citizens in relation to their service areas. Following feedback from service committees, a draft framework for a revised County Council Plan 2015/16 would be brought back to the Policy and Resources Committee in the autumn for further consideration. It will need to align with early discussions around the budget setting process.

Evidence

10. Successful organisations, whether local authorities, multi-national corporations or small independent charities, have a clear, central plan which clearly articulates the organisation's purpose, strategy and role, and against which performance, finances and liabilities can be continually assessed. This reflects best practice from industry experts.

Financial Implications

There are no significant financial implications arising from publication of a County Council Plan. The cost can be met within existing budgets and this is confirmed with the Chief Finance Officer.

Officer Contact

If you have any questions about matters contained in this report or want to see copies of any assessments, eg equality impact assessment, please get in touch with:

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Email address: jo.richardson@norfolk.gov.uk



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Norfolk County Council Plan

Norfolk County Council is the democratically elected body representing everyone living in Norfolk.



We will fulfil these priorities by:

- Standing up for the interests of people in Norfolk
- Promoting prosperity by championing the best practices, ideas and innovation for local economic success
- Working to increase life opportunities so that everyone can fulfil their potential
- Listening to and learning from our communities so local solutions can improve the quality of life
- Ensuring people get high quality services⁶ and clear information about them
- Improving the effectiveness of the Council by being more open and getting bigger input from your local representatives

Policy and Resources Committee

Item No...14...

Report title:	Health, Safety and Well-Being Annual Report
Date of meeting:	14 July 2014
Responsible Chief Officer:	Head of HR and OD
<p>Strategic impact</p> <p>As an employer NCC is required to have in place a management system to ensure the health and safety of our employees and others affected by our business undertaking including anyone we provide services to (either directly or through a 3rd party), school pupils, contractors and members.</p> <p>Health and Safety legislation is criminal law which means there are criminal sanctions in place when the law is not adhered to. In addition civil law requirements mean we also owe a 'duty of care' to those affected by our business. However the law is not a never ending responsibility and it does allow for us to make judgements on what measures are 'reasonably practicable' to be provided. This judgement is very much founded in the law and allows proportionality regarding risk versus cost.</p> <p>The Health, Safety and Well-Being Team provide the authority with expert support and advice on the law and its limits, managing and maintaining a framework for a sensible approach to health and safety. This enables everyone in the authority to carry out their legal responsibilities, making sensible and proportionate decisions that support us to meet our key service priorities without exposing the authority, our employees or others to unnecessary risks.</p> <p>As part of the NCC health and safety management system the Health, Safety and Well-Being Manager (HSWM) is required to report to the Chief Officers Group and the Policy and Resources Committee annually on progress on meeting the stated health, safety and well-being objectives and to provide an overall summary of health and safety management within the organisation.</p> <p>The purpose of this report is to ensure that senior officers and members have an overview of the health, safety and well-being activities and issues from the last year, an indication of the plan for next year and the information necessary to satisfy themselves of the effectiveness of the NCC health and safety management system.</p> <p>This report does not cover or include the work of the Health and Well-Being Board or the Public Health responsibilities of NCC.</p>	

Executive summary

This report provides an overview of the activities of the Health Safety and Well-being (HSW) Service during 2013/14, Norfolk County Council's (NCC) health and safety performance for 2013/14 and the forward plan for 2014/15.

The HSW team have developed or refreshed policies in relation to a number of key areas this year including the overarching health and safety policy.

Support has been provided to services in relation to various areas of specific risk to help ensure these are managed and controlled appropriately and proportionately; examples include lone working, investigation of violent incidents, new tender processes and individual well-being support.

The Occupational Health contract has been re-tendered this year, a year early due to concerns around performance of the previous providers. Early indications are that the new providers are performing well.

The number of reportable injuries has reduced slightly again this year building on the success of previous years, the percentage of absence attributed by employees as being work related has also reduced this year and is now less than 2% of all absence, although most departments have seen a small rise in their figures but an improved picture in Norfolk Fire and Rescue Service (NFRS) has kept the overall figure low.

The use of our employee assistance programmes such as the Musculoskeletal Rehabilitation Scheme (MIRS) and Norfolk Support Line (NSL) continue to provide valuable services for employees and good value for money for NCC with the MIRS in particular estimated to provide a cost avoidance of over £1,000,000.

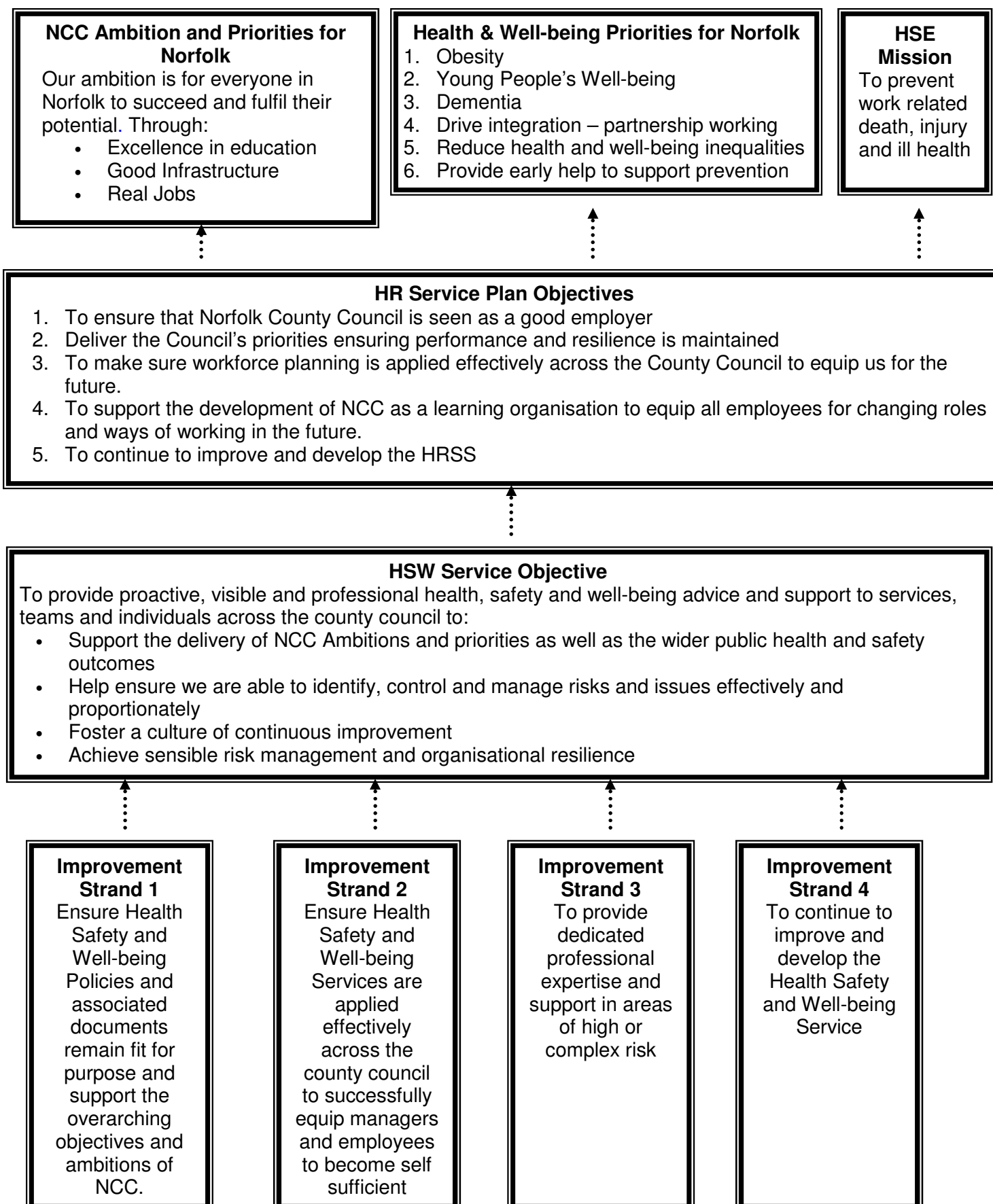
A forward plan for 2014/15 aimed at key health and safety improvements is provided.

Members are asked to:

- **Consider and comment on the Health, Safety and Well-Being Annual Report for 2013/14**
- **Consider the actions outlined throughout the report and specifically the improvement strand detail in section 5.0.**

1. Overview of the HSW Service

- 1.1 The diagram overleaf illustrates the role and functions of the HSW Service in relation to the strategic direction of NCC and national objectives.
- 1.2 Details of how the service intends to deliver specific areas of improvements under each strand are provided in section 5.



2. Key Activities undertaken for 2013/14

2.1 Improvement Strand 1: Ensure Health, Safety and Well-being Policies and associated documents remain fit for purpose and support the overarching objectives and core roles

- 2.1.1 Policies and procedures are identified for review and update for a number of reasons including: changes in statutory requirements, national guidance and case law; organisational direction of travel or service changes; as a result of learning from incidents; or as a result of trend and gap analysis.
- 2.1.2 A number of policies and procedures have been reviewed and updated this year including:
- Our Commitments and Organisation and Responsibilities Policy
 - Fire safety policy and procedure
 - Risk assessment policy and procedure
 - Work Experience guidance
 - Workplace conditions
 - Incident reporting policy and guidance
 - Infection Control Policy and procedure
 - Some of the school Curriculum Codes of Practice including Art, Drama, Science and PE
 - Volunteer policy and guidance
 - Portable Appliance Testing
 - Work Equipment
 - First Aid Policy
 - Driving for Work Policy and associated guidance
 - Asbestos Policy
 - Food Safety policy and procedure
 - Procurement and Commissioning Policy
 - Equalities related policies including Personal Emergency Evacuation Plan Guidance and guidance on undertaking risk assessments for people with a disability
 - Guidance on management of and working in shared occupancy premises
- 2.1.3 Following reorganisation of the Well-Being Team due to budget reductions the review of the Well Being Policy was suspended, this has now been redrafted and will be published by 1st July 2014.

2.2 Improvement Strand 2: Ensure Health, Safety and Well-being Services are applied effectively across the County Council to successfully equip managers and employees to become self sufficient

- 2.2.1 The occupational health contract was re-tendered a year earlier than necessary because of ongoing issues regarding the service from the provider Atos Healthcare. Following a re-tendering exercise which attracted 7 bidders, the contract was awarded to People Asset Management (PAM) Occupational Health who commenced with the new contract in April 2014. Early signs with the new providers are very positive, feedback suggests the quality and value of reports are much improved.
- 2.2.2 After a very positive initial pilot of the Display Screen Equipment Module of the OSHENS system an extended pilot with a different group of employees led to some negative feedback from managers involved, who felt the process was unwieldy and over cumbersome. As a result we are reviewing the manager

process with the software providers with a view to identifying possible improvements.

- 2.2.3 Following the partnership agreement being set up to deliver Digital Norfolk Ambition (DNA) we are exploring the possibilities this presents regarding the development of a violent warning marker system that can be used across the authority. In the interim an adviser has been working with care first trainers to agree a single consistent location for storing risk related information such as this on service user records.
- 2.2.4 The Health and Safety Learning and Development Consultant has successfully developed and delivered a managers course in partnership with Norfolk Fire and Rescue Services (NFRS) bespoke to their service needs.
- 2.2.5 All NCC services employees were enrolled on 2 core e-learning packages, introduction to health and safety and fire safety; to ensure everyone has a basic level of understanding regarding their own responsibilities for health and safety. This has resulted in 2673 and 2885 employees respectively, undertaking the courses this year.
- 2.2.6 A number of courses have been refreshed and adapted to ensure the training offer remains fit for purpose. An example of this is the general risk assessment training that now incorporates a blended learning approach utilising the existing e-learning module combined with a shorter tutor led session. A new line managers refresher course has also been launched to reduce the time commitment to attend this course whilst still providing all the relevant updates and refreshing information needed for managers to be competent in their responsibilities.

2.3 Improvement Strand 3: To provide dedicated professional expertise and support in areas of high or complex risk

- 2.3.1 Dedicated support has been provided to the County Hall Refurbishment Project this year. This includes an input into designs, ensuring the contractor is delivering a safe project and advising on the impact of the construction works in an occupied building. This support will continue throughout the life of the project.
- 2.3.2 Over the last 2 years the team have been working with procurement employees and commissioners throughout the organisation to improve the processes involved to ensure health and safety risks are considered in a timely way. As a result this has been an area of significant activity growth with the team involved in many tender evaluations. In addition, advice and support has been provided to improve the performance of a number of existing service providers.
- 2.3.3 Lone working remains one of our most significant risk activities for NCC employees. It therefore features in the activities of the team every year to ensure it remains appropriately managed. As in previous years lone working workshops were delivered to high risk teams across the authority to discuss and review lone working procedures to ensure they remained valid, workable and teams are risk aware. Management Information has been utilised to target the provision of personal safety training resulting in an additional 5 courses being delivered direct to teams this year. In addition support was provided to Independence Matters to review their lone working procedures.
- 2.3.4 Support has been provided to the DNA project as it develops to advise on the health, safety and well-being implications for example to review the proposed

hardware and updating Display Screen Equipment guidance to reflect changes regarding increased mobility of the workforce.

- 2.3.5 The well-being team worked with other colleagues in HR to ensure appropriate well-being support was offered in a timely way to teams affected by organisational change.
- 2.3.6 A review and analysis of violent incidents has been undertaken this year as these remain the single biggest cause of incidents across the authority. Trend analysis identified the teams and premises where these incidents were most prevalent and an adviser then worked with these areas to ensure:
- all reasonable preventative measures are in place
 - training is up to date for employees
 - employees are appropriately supported following an incident occurring
 - incidents are appropriately investigated and remedial actions taken where necessary
- 2.3.7 It is important to note that due to the nature of the work undertaken by NCC the complete prevention of violent incidents is not practicable and in some settings the high level of incidents are attributable to a small number of service users. However we must continue to ensure that we do all that we can to prevent incidents and that when they do occur they are investigated and appropriate action taken.

2.4 Improvement Strand 4: To continue to improve and develop the Health Safety and Well-being Service

- 2.4.1 Following the identification of service savings required within the HSW team to be delivered by April 2014, activities and procedures have been reviewed to ensure we continue to provide appropriate risk based support to NCC services this year. As a result changes will be made to how policies are managed, monitoring is undertaken and well-being support is provided.
- 2.4.2 The team continue to provide a traded service to a number of organisations including academies, district councils, and other authorities. A cost analysis and review of this service has been undertaken this year to ensure the recharge rate reflects the true costs of providing the service.
- 2.4.3 During 2013/14 there was an increase in collaborative working with Public Health. This included advising on the Norfolk Public Health objectives and how they may be applied to workplace health, providing feedback from employees who had received a NHS Health Check, supporting Public Health's "Healthy Towns" initiative, and promoting NCC's well-being work with Public Health England.

2.5 Norfolk Audit Service (NAS) Audits

- 2.5.1 The audit programme for 2013/14 was due to review:
- Partnership and Commissioning
 - Building Contractors (non NPS managed)
- 2.5.2 However the building contractors audit was reviewed and it was considered more appropriate to combine this with a future audit on NPS managed building contractors due to the overlap.

2.5.3 The review of partnership and commissioning activity concluded the management of this area overall to be acceptable, however there were some medium risk findings identified:

- Improvement is required in the links made between general procurement process guidance and the health and safety requirements to ensure employees have ease of access to all information.
- Linked to this there is some evidence that some employees involved in procurement and commissioning remain unaware of all of the health and safety guidance and requirements, particularly in relation to the risk assessment and monitoring processes.
- Better clarity is needed for the varying terms used to define contracted services in particular 'partnerships'

2.5.4 Work to improve these areas is underway, but the overall positive nature of the report reflects the considerable work undertaken by both the procurement team and HSW over the past 2 years to improve processes.

2.5.5 In 2014/15 it is planned that the whole Health and Safety Management System and Driving for Work will be audited.

2.6 Major Investigations

2.6.1 Last year it was reported that a tragic accident had occurred at Taverham High School resulting in the death of a pupil following a fall during a PE lesson. The HSE and Police opened an investigation into the incident. This has now concluded with no formal action being taken against NCC or the school, in fact the HSE inspector involved praised the school for their approach to health and safety management.

2.6.2 A number of instances of uncontrolled releases of asbestos continued to occur throughout the year. In all cases these related to maintenance or construction work being undertaken which revealed asbestos containing material in a manner that caused a release.

2.6.3 The team assisted a school with HSE liaison when a construction project being managed by the school resulted in poor quality works leaving new equipment in an unsafe condition. The result was that the installation company was required by the HSE to make significant improvements in their work practices.

2.6.4 Following an alert from the HSE on the dangers of fuel stores for Bio-mass boilers the team reviewed all such boilers installed in NCC premises to ensure safe working procedures are in place. The nature of the fuel used in these stores can create anaerobic conditions which, has in some cases led to fatalities due to asphyxiation. Guidance on the safe management of these stores has now been produced to assist premises managers ensure the risks are controlled.

2.7 Traded Services

2.7.1 The number of converting academies that purchase the traded health and safety service remains high. In addition we have successfully agreed with two academy sponsors that they will continue to use our services for all of their converting academies.

2.7.2 From 2014/15 the HSW service will take over the management of the traded school science service to academies and LA schools from 2015/16. Reshaping of this service will save around £15,000 per year whilst still maintaining a quality service to schools.

2.7.3 The HSW Service continues to provide traded service to Breckland District Council, Norwich City Council Eastern Inshore Fisheries and the Society of Local Parish Clerks. New trading possibilities are also being explored.

2.8 Norfolk Fire and Rescue Service (NFRS)

2.8.1 The 2013/14 improvement strategies have continued to evolve and are supporting improved ownership of; and engagement in active health and safety management.

2.8.2 Health and Safety related achievements during 2013/14 include:

- The IOS 9001 Quality Systems certificate that includes health and safety was subjected to an interim audit during 2103/14. The outcome was defined as performing well and no actions were required following audit.
- An operationally focused manual handling training course has been delivered across the Service to all operational crews to target reduction of the most significant primary cause of workplace injury. The success of this training and its impact is being reviewed on a quarterly basis.
- In January 2014, the NFRS invited a team of peer assessors to provide external challenge and look at how the service is managed, how well it works with partners, how it performs compared to other services and the outcomes it achieves for the communities in Norfolk. Key lines of enquiry around Health, Safety and Welfare were pursued as part of the audit. The findings included significant strengths with regard to the health and safety management system including the activities and improvements made within the health and safety team. A number of areas to focus on were also highlighted, these will be included in the NFRS improvement plan this year.

2.9 Occupational Health Activity

2.9.1 There was no significant changes in the level of occupational health referrals over 2013/14 compared with previous years. 12 complaints were received regarding the service, in line with 2012/13, which affirmed the decision to re-tender the contract, since the complaints reflected systemic problems (e.g. training of administrative staff).

2.9.2 The occupational health contract was re-tendered in consultation with HR, managers and Trade Unions. The new provider, People Asset Management (PAM), is a national occupational health provider, which already has a presence in Norfolk and provides services for other county councils. Their service is provided through an on-line referral system, ensuring fast and secure referral and reporting. However, unlike the previous provider, every referral is triaged by an occupational health nurse to ensure the most effective route is followed, and the manager has the opportunity to discuss the referral with the clinician before and after an employee's appointment. It is hoped that this approach will bring added value and improved outcomes from the service. Early indications are that this is the case.

2.10 Musculoskeletal Injury Rehabilitation Scheme (MIRS)

2.10.1 During 2013/14, 971 employees were referred for treatment. It is estimated 11,965 days absence has been prevented, equating to a cost avoidance of £1,017,025.

2.10.2 Schools and academies were the greatest users of the service, accounting for 34% of all referrals. This has been due to a sustained effort to increase

awareness of the scheme through training managers in schools to make referrals, rather than referring through HR Direct, and by offering MOT days in schools and academies. Schools are also made aware of the service during health and safety inspections where musculoskeletal injuries have been identified as a risk to staff.

2.10.3 After an initial telephone assessment with a physiotherapist, employees can be referred for hands-on or remote (telephone) management. Following a review of the way in which employees are assessed, there has been a significant reduction in the number of employees referred to remote management, but subsequently needing hands-on treatment. As a result employees are getting faster access to appropriate treatment and reduced the average time on the scheme from 39.4 days to 37.2 days.

2.10.4 A survey following treatment is completed for qualitative feedback. 34% of respondents felt the treatment met their expectations, whilst 53% felt it exceeded their expectations. 51% felt the treatment greatly helped them continue at work, or return earlier if they were absent. By way of endorsement, 95% of respondents would recommend the scheme to their colleagues, and the following comment demonstrates the objective of the scheme is being met:

“I have not only received immediate relief from my condition but also learnt a great amount about how to manage the pain with certain exercises and other advice. Thank you so much for your help.”

2.10.5 Functional Capacity Evaluations (FCEs) provide an objective assessment of an employee’s musculoskeletal health in relation to their work, and are an integral part of the contract. During 2013/14 19 employees were referred for FCEs. As a result of the assessments, 4 employees were dismissed because they were unable to undertake their job, 2 were redeployed, 9 had adjustments to the workplace and were able to continue to undertake their role, and 4 had further treatment that resolved their symptoms. During 2014/15 a comprehensive questionnaire will be completed by the referrer following the assessment to better understand the impact of the assessments.

2.10.6 27 “MOT days” where up to 20 employees can request an assessment with a physiotherapist regarding any concerns they have about their musculoskeletal health took place throughout Norfolk, with 17 at schools or academies. The table below shows the outcome of the assessments for the 328 employees assessed:

Recommendation	
Given exercises/advice and no further treatment required	126
Given exercises/advice along with a “timescale” to monitor improvements	65
Advised to seek a referral for IPRS Remote Management only	19
Advised to seek a referral for IPRS Hands’ On Treatment	92
Advised to undertake a workstation assessment	54

TABLE 1. MOT ASSESSMENT RESULTS

2.11 Norfolk Support Line (NSL)

2.11.1 6% of eligible employees used NSL during 2013/14, the same level as 2012/13.

2.11.2 The level of work issues being raised as the primary problem increased with the ratio of work to personal issues at 49%:51% compared to 32%:68% in 2012/13. This is thought to reflect the announcements in April 2013 regarding NCCs reducing budget over the following 3 years, and reflects the trend following the

budget announcements in 2010. The table shows the top personal and work related issues compared to last year.

Personal Issues	2012-13	2013-14	Work related Issues	2012-13	2013-14
Health – Mental	104	134	WRS – Role	80	97
Family / Child / Maternity	95	98	WRS – Demands	82	86
Relationships	103	92	Work – Life Balance	55	58
Distress	51	45	WRS – Support	55	53
Bereavement	47	41	WRS – Relationships	52	44
Divorce / Separation	30	37	Work Overload	30	40
Health – physical	31	27	WRS – Change	28	20
Financial	13	16	WRS – Control	15	19

TABLE 2. REASONS FOR ACCESSING NSL SERVICES

- 2.11.3 During 2013/14, 146 employees were referred for face to face counselling with 81 of those completing a feedback questionnaire at the end of treatment. Feedback was positive regarding the benefits the service provides, with 53% stating it improved their productivity and effectiveness, 62% stating it improved their concentration and focus, and self-confidence, and 73% reporting it reduced their stress levels. The following comment regarding the experience of an employee reflects the benefits the service to NCC as well as the individual:

“Counselling was extremely useful to me. After having been extremely low about going to work in the morning I have had 100% attendance since starting the one-to-one sessions”.

- 2.11.4 A trial of psychological assessments to help resolve complex management cases concluded this year, with 23 employees being offered assessments. The outcome found that the assessments were a cost-effective way of enabling managers to resolve long-standing issues confidently. As a result psychological assessments have become part of the “tool box” for managers and HR. A report on the trial has also been published nationally, promoting NCC as a progressive and fair employer.

2.12 NHS Health Checks for Employees

- 2.12.1 During 2013/14 The well-being team continued delivering the NHS Health Check programme, with 317 employees being seen at 26 sites throughout Norfolk. The programme assesses an individual's risk of developing cardiovascular disease (CVD) or diabetes in the next 10 years. 24 employees had a 10 – 20% risk, implying they needed to make lifestyle changes to reduce their risk, and 3 had a risk greater than 20% which implies medical intervention is required.
- 2.12.2 In order to assess the impact of the NHS Health Check, participants are sent a survey to complete 4 weeks after their appointment. Of those who completed to survey (113), 51 stated they had made 1 or more lifestyle change as shown on the table below, despite not being at medium or high risk.

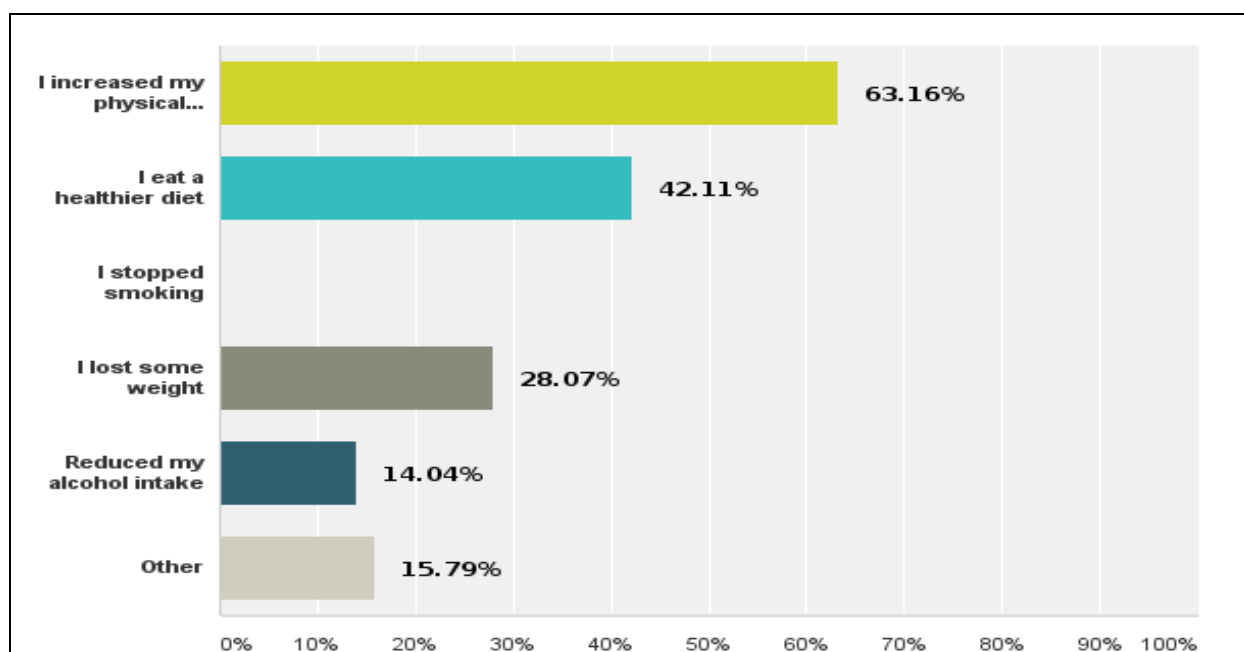


TABLE 3. LIFESTYLE CHANGES MADE BY EMPLOYEES FOLLOWING A HEALTH CHECK

2.12.3 Public Health view the way NCC Well-Being Team undertake NHS Health Checks as an exemplar and have requested the manager to provide training in how the assessment is undertaken for GP practices.

2.12.4 The Well-Being team will continue to work collaboratively with Public Health in 2014/15, trialling new CVD risk assessment tools, supporting Public Health Objectives, and obtaining evidence of the impact of NHS Health Checks.

2.13 Well-being Programme

2.13.1 2013/14 saw a change in emphasis to the support provided by the Well-Being Programme. There was a reduction in the number of teams completing Well-being Questionnaires, from 110 in 2012/13 to 86. However, there was an increase in the number of individuals provided with support from 21 employees in 2012/13 to 72. This support includes completion of Stress Action Plans, completion of Wellness Recovery Action Plans, and bullying & harassment support.

2.13.2 Although fewer teams completed well-being questionnaires, the ratio of low and medium risk remained the same as shown in the table below:

	2012/13	2013/14
Children's Services	43	24
Community Services	25	25
ETD	3	22
Customer Service & Communication	0	11
Resources	30	4
Total Teams	101	86
Response percentage rate:	76%	76%
Response range:	38%-100%	36%-100%
Average team scores:		
1.0-2.6 = High Risk	0	0
2.7-4.3 = Medium Risk	60	54
4.4-6.0 = Low Risk	41	32

TABLE 4. WELL-BEING QUESTIONNAIRE RESULTS SUMMARY

- 2.13.3 The well-being questionnaire explores the key areas of stress in the workplace: relationships, support, role, change, demands and communication. Compared to 2012/13 there were slight improvements in team scores for relationships and change, this mirrors the NSL trend information. Employees are also asked which specific aspects of work they would like to improve regarding their well-being. Whilst improving team morale remained the top issue employees wanted to address, there was a significant increase in employees wanting to address making better use of people's qualities, giving people power to influence change in the workplace, providing better information and reasoning around planned changes, and providing relevant information and resource to do their job.
- 2.13.4 During 2013/14, the Well-Being Team undertook a review of how it could deliver services in light of budget reductions and a consequential reduction in staffing by 25% (1 fte well-being officer). As a result reports will be tiered, with basic results being provided for low risk teams, and the more comprehensive report being provided for teams at medium and high risk.
- 2.13.5 The increase in individual support occurred across all types as can be seen in the table below. Anecdotally, feedback from employees regarding support has been positive. From April 2014 all employees who access individual well-being support will be sent a questionnaire approximately 4 weeks after the end of the support to establish the impact.

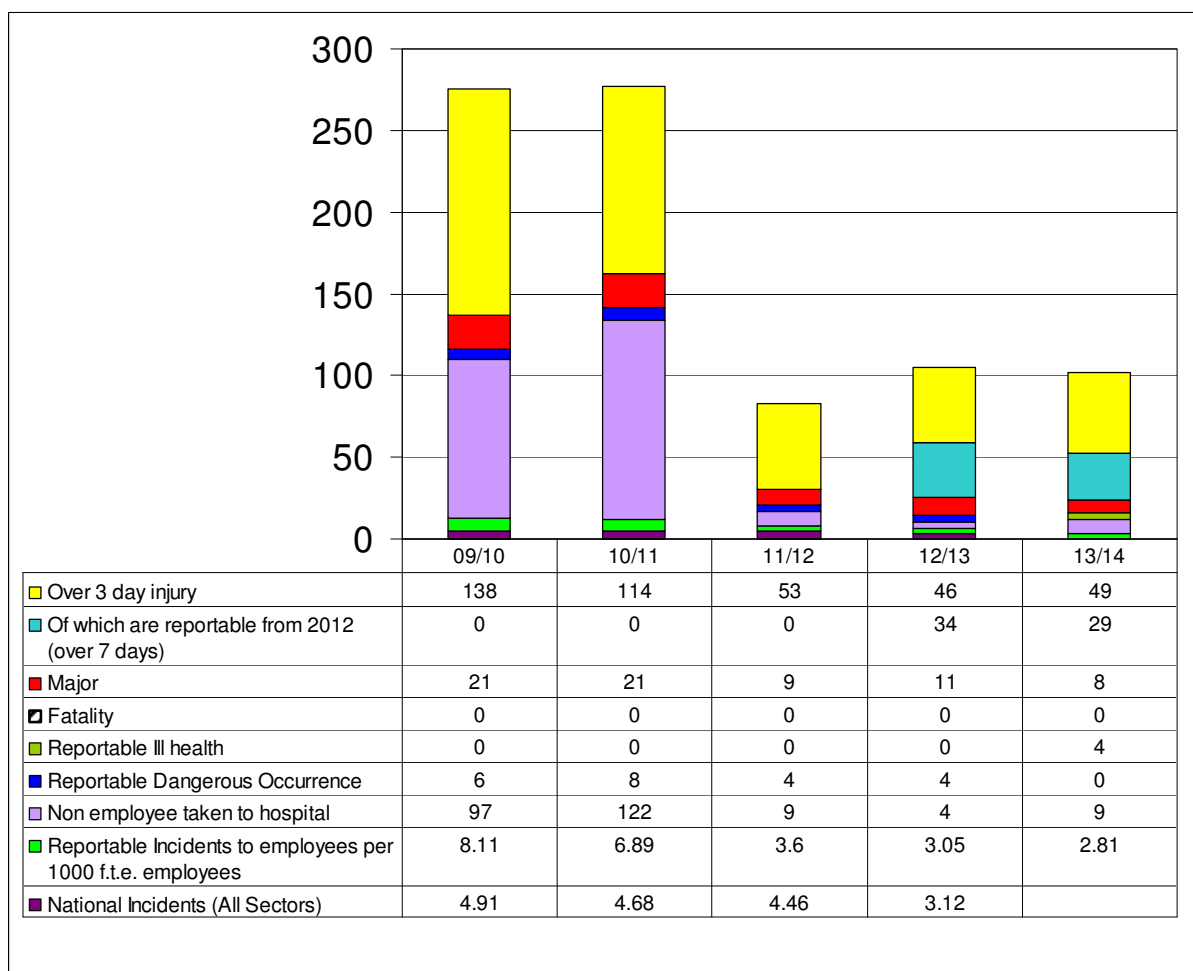
Type of case:	2012-13	2013-14
Bullying & Harassment support	1	9
Stress Action Plans	3	22
Stress Action Plan & Wellness Recovery Action Plan	3	4
Wellness Recovery Action Plan	7	20
Other	7	22
Total cases:	21	77

TABLE 5. INDIVIDUAL CASES SUPPORTED BY WELL-BEING OFFICERS

- 2.13.6 Well-being officers undertook training in mediation skills to compliment their existing skills and to provide dispute resolution for NCC employees and teams. As a consequence they have undertaken 10 dispute resolutions with teams/employees at the request of the manager or HR officer during 2013/14.

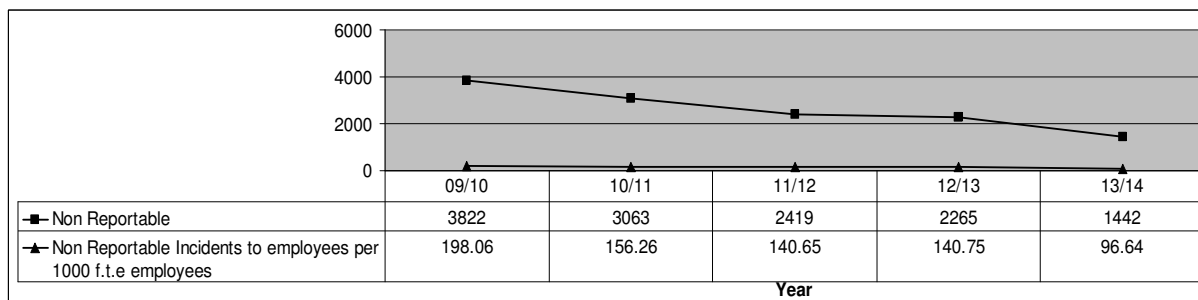
3. Health and Safety Performance for 2013/14

- 3.1 The below tables and graphs provide an overview of the health and safety performance for the organisation. More detailed tables and graphs are provided in the appendix for information. Please note that NFRS data has now been fully integrated into NCC data, but due to the retained fire fighters within the service the full time equivalent (f.t.e.) numbers are estimated which may impact on the figures provided.
- 3.2 The figures this year show a mixed picture, the most significant reportable incidents (major) continue to reduce in number as do reportable days lost incidents; but reportable incidents to non employees have increased slightly and over 3 day incidents, which were previously required to be reported have also increased. However the number of incidents per 1000 employees continues to marginally reduce.



GRAPH 1. NUMBER OF REPORTABLE INCIDENTS BY YEAR

- 3.3 Graph 2 shows that the non reportable incidents continue to fall; overall these are continued positive indicators of the relative health of the health and safety management system.



GRAPH 2. NUMBER OF NON REPORTABLE INJURIES

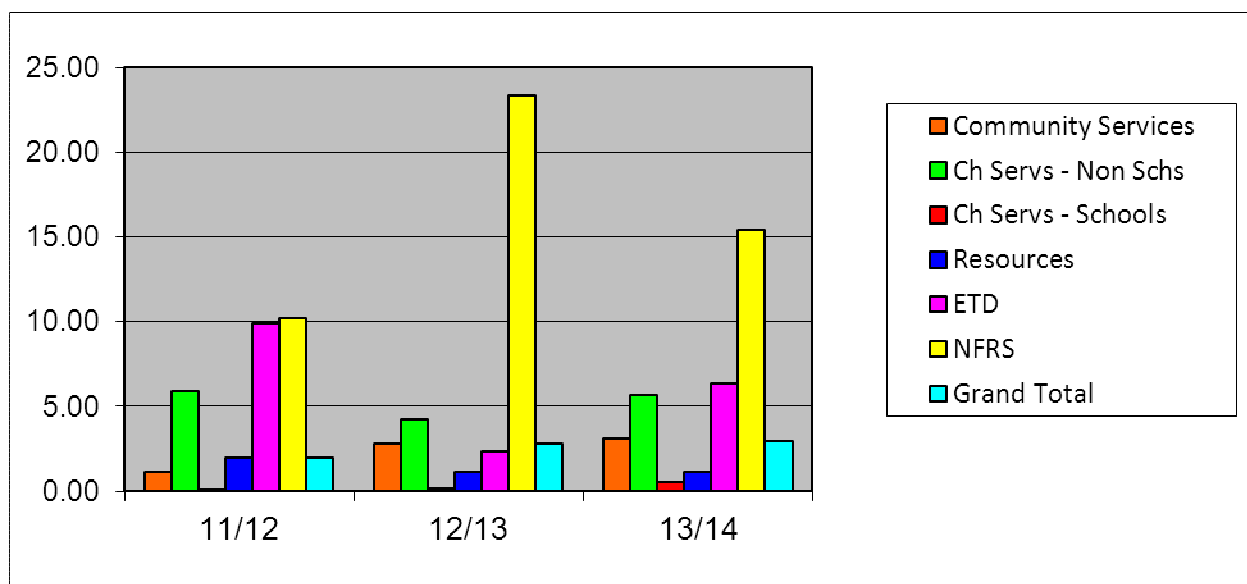
- 3.4 Tables and graphs containing further information with a breakdown per department are provided in the appendix.
- 3.5 The top 5 causes of incidents have changed slightly this year from the previous 3 year trend. Whilst violent incidents remain the single largest cause of incidents this figure has reduced significantly from 835 to 433. This may in part be due to the creation of Independence Matters who provide services to a number of clients with challenging health and behavioural conditions; however the work analysing and investigating incidents followed by the provision of support to the services with the highest level of incidents may also have had a positive effect on these figures.
- 3.6 Road Traffic Incidents appear in the top 5 this year for the first time. This may in part be due to the work undertaken to refresh and promote the Driving for Work

Policy. This work will continue this year with the development of an e-learning package to support employee understanding in the risks in this area.

Cause	Number
Violence	433
Ill Health	212
Slip, trip, fall	138
Road Traffic	128
Manual Handling	89

TABLE 6. TOP 5 CAUSES OF INCIDENTS

- 3.7 Caution must be taken when considering the causes of incidents as there are a significant number of incidents that have not been reviewed and signed off by managers and cannot therefore be categorised. The HSW team will work with managers this year to ensure incidents are closed in a timely way to improve management information and ensure control measures are improved where necessary.
- 3.8 Graph 3 indicates the percentage of total sickness absence that has been identified by employees as being work related. For all departments this remains a low percentage of the total absence, although for most departments the work related proportion has increased slightly. The only exception to the is NFRS, the service has improved the accuracy of reporting work related ill health this year, particularly in relation to stress and this may have impacted positively on the reporting figures.



GRAPH 3. PERCENTAGE OF SICKNESS ABSENCE IDENTIFIED BY EMPLOYEES AS BEING RELATED TO WORK

- 3.9 The top 3 causes of work related sickness absence this year remain the same as previous years: circulatory or organ related, mental well-being and musculoskeletal. Despite this circulatory or organ related and mental well-being total days absence have both reduced this year as has musculoskeletal absence in services with access to the rehabilitation scheme.
- 3.10 There were no enforcement notices issued this year despite investigations and enquiries by the HSE into some incidents reported to them, this is a positive endorsement of our robust health and safety management system.

- 3.11 222 monitoring inspections were completed in 2013/14 against a target of 220. This is very pleasing and reflects some temporary additional resource that was secured for a period of 6 months.
- 3.12 When monitoring visits take place the health and safety advisers risk rate a premises/service area according to a number of criteria: hazards (activities, equipment etc with the potential to cause harm), risks (are hazards being controlled), public risk (are the public exposed to any risk of harm), confidence in management (how well are issues being managed). The lower the rating the less frequently we will visit the premises/service area. 'A' represents the premises/service area with the biggest risk and 'C' the lowest. It should be noted that some premises/service areas will be higher risk by the nature of the activities that they undertake even if they are well managed. 169 of the visits made were revisits based on the risk score given at a previous visit, of which 42 increased their risk category, 75 lowered it and 52 saw no change. This is a positive trend building on the last 2 year's success and demonstrates an improvement in standards of management.
- 3.13 The overall risk profile of NCC premises/teams continues to be positive with the number of higher risk premises continuing to reduce. The team has also been able to conduct monitoring visits to many of the 76 premises that were unrated in 2012/13 (they have not received a risk rating visit by the team). The target for 2014/15 is 252.

Risk Band	2010/11	2011/12	2012/13	2013/14
A	34	27	28	21
B ¹	94	82	54	42
B ²	100	115	123	123
B ³	153	72	195	219
B ⁴	95	103	104	111
C	81	79	78	68
Unrated	159	137	76	38
Total	716	615	658	622

TABLE 7. CURRENT RISK PROFILE OF PREMISES/TEAMS

- 3.14 Table 8 below shows the training uptake for the year compared to previous years. There has been a small decrease in uptake of training this year. This may, in part, be due to the departure of the Learning and Development Consultant for Health and Safety. The post is now being covered on a temporary basis and will be recruited to full time in the near future.
- 3.15 The number of attendees to the DSE assessors course has significantly reduced this year. This will be investigated to understand the cause of this and if the offer needs refreshing.

Training Course	No. trained				
	2009/10	2010/11	2011/12	2012/13	2013/14
Premises Managers Pt 1	68	177	146	132	130
Premises Managers Pt 2	81	128	99	101	72
Premises Managers Pt 3	146	51	93	117	85
Premises Manager Refresher	N/A	N/A	19	28	30
Introduction to CDM	N/A	N/A	7	41	25
Risk Assessment	31	147	53	34	29
Kinetic Handling	57	96	35	98	39
Line Managers	62	91	40	81	82
Personal Safety	16	74	108	165	188
DSE Assessor	27	44	27	101	18
Dealing with Stress	66	58	19	No longer available	No longer available
Sub Total	554	866	646	898	698
e-Introduction to H&S	N/A	553	309	408	2673
e-Risk Assessment	N/A	293	194	220	163
e-Manual Handling	N/A	516	249	320	169
e-DSE	N/A	590	543	776	413
e-Hazardous Substances	N/A	206	180	134	113
e-Fire Safety	N/A	517	368	488	2885
e-Slips and Trips	N/A	386	139	162	92
e-Personal Safety	N/A	N/A	156	114	298
e-understanding mental health	N/A	N/A	278	304	286
Sub Total	N/A	3061	2416	2926	7092
Total	N/A	3927	3062	3824	7790
Senior Managers	6 teams	9 teams	6 teams	5	3

TABLE 8. NUMBER OF CORPORATELY PROVIDED TRAINING COURSE ATTENDED

4. New Legislation and Forthcoming Challenges

4.1 Health and Safety Legislation

4.1.1 As a result of governmental reviews of legislative requirements health and safety legislation is currently the subject of scrutiny, and proposals for changing legislative requirements are a regular feature of the calendar. These proposals often come without notice however; there are no announced legislative reviews that are likely to impact on NCC at this time.

4.1.2 The EU publishes a table of legislative reviews each year. Health and safety reviews that may impact on NCC policies and procedures include:

- Working Time Directive
- Pregnant Workers Directive
- Basic safety standards for Radiological Protection

4.2 The Health and Safety Executive Priorities

4.2.1 Many of the HSE's priorities have not changed from last year as they formed part of a long term strategy due to be refreshed in 2015. These therefore include:

- waste and recycling,
- management of construction contractors particularly in relation to small works,
- management of asbestos,
- legionella management
- competence of workers in the health and safety aspects of their role,
- the prevention of work related ill health
- the prevention of injury to members of the public affected by work activities
- proactive management of commissioned services to deliver safe services no matter the provider

4.2.2 The next Healthy Workplaces European campaign, organised by the European Agency for Safety and Health at Work, is entitled 'Healthy workplaces manage stress'. This launched on 7 April 2014, and will run until late 2015. The target audience for the campaign is primarily SMEs, but NCC will take the opportunity to utilise the publicity and resources of the campaign with our employees.

5 Improvement Plan for 2014/15

5.1 In section 2 an overview of the key improvement strands for HSW and how these support NCC strategic direction is provided. This section outlines the main improvement success actions that will be used to measure the achievements against for the forthcoming year. This work has been developed with management teams across NCC as well as reviewing data and other information and resources. It should be noted that these strands do not represent all of the work of the HSW team; in particular it does not specify any proactive or reactive 'business as usual' activity or involvement in wider HR projects.

Improvement Strand 1

Ensure Health Safety and Well-being Policies and associated documents remain fit for purpose and support the overarching objectives and core roles.

Success Actions

1. Review the suite of published guidance and policies that relate to procurement, commissioning and partnership working to ensure it is appropriate, simple to understand and aligns with documents managed by the procurement team.
2. Review all other policies as required in line with legislative and NCC demands

Improvement Strand 2

Ensure Health Safety and Well-being Services are applied effectively across the county council to successfully equip managers and employees to become self sufficient

Success Actions

1. Target promotion of training opportunities in areas of highest risk and lowest take up.
2. Review the feedback on the DSE module of the online health and safety management system and consider other modules that may support managers and employees in improving health and safety management*
3. Review the use of the online incident reporting system and support managers to reduce the number on incidents not reviewed and completed at any one time
4. Review the training offer to ensure it remains fit for purpose and covers all high risk areas taking into account changes in the organisations workforce
5. Develop the management information gathered through various electronic systems to target activity to areas where manager and employee approach to preventing and limiting risks can be most improved e.g. improving the quality of incident investigations

Improvement Strand 3

To provide dedicated professional expertise and support in areas of high or complex risk

Support Activity

- Continue to work with the Procurement Team to ensure a robust approach to health and safety management in procurement
- Continue to support services to review their commissioned and partnership activities to ensure health and safety elements are appropriately managed and monitored.
- Review with the programme office the approach to health and safety risk identification during project management
- Continue to review lone working systems and arrangements with teams
- Work with ETD to develop HSW support services that assist improved management of non work related mental health absence, with a view to making any successes available across the organisation and better promoting the preventative nature of services
- Work with change management teams to ensure managers and employees are proactively dealing with health, safety and well-being issues relating to office moves and new ways of working
- Assist ETD and Community Services to complete the Senior Managers Risk Matrix to assist their management and monitoring of complex and high risk activities
- Assist Community Services to ensure appropriate health, safety and well-being management is in place for employees transferring into the organisation
- Develop a single health and safety management system for the integrated service supplied with partners NCHC
- Review the current system in place for Library Services to ensure the risk of violence and anti social behaviour are appropriately controlled
- Work with the Resources Management Team to develop HSW support services to Resources employees regarding well-being and musculoskeletal health to improve their resilience enabling them to better to support other service changes whilst also managing their own

Improvement Strand 4

To continue to improve and develop the Health Safety and Well-being Service

Success Actions

1. Following the reduction of resources available in the HSW team, review the changes made to ensure NCC continues to be appropriately supported to manage health, safety and well-being risks
2. Review the traded services provided to ensure they continue to add value and provide value for money for both NCC and our customers.
3. Review the production of management information to ensure the process is efficient and effective whilst still providing useful quality information to managers.

The full implementation of the Electronic Health and Safety Management System is a long term action with numerous phases that will continue to appear in the plan over a number of years.

6. Recommendations

6.1 Members are asked to:

- Consider and comment on the Employee, Health, Safety and Well-being Annual Report for 2013/14
- Consider the actions outlined throughout the report and specifically the improvement strand detail in section 5.

7. Financial Implications

There are no financial implications to bring to the attention of members.

8. Issues, risks and innovation

8.1 Equality Impact Assessment (EqIA)

An EqIA is undertaken when developing all new and updated health and safety strategies and policies. The HSW team work closely with Equalities colleagues to ensure a joined up approach to cross cutting issues.

8.2 Section 17 – Crime and Disorder Act

Some violent incidents reported to NCC are also classified as crime and disorder incidents and as such anonymised statistical information is provided to Norfolk Police in relation to these incidents.

8.3 Risk Implications/Assessment

If the Authority does not have a robust and proactive health and safety management system there are legal, reputational and financial risk implications for example there is a risk that the Authority will be exposed to enforcement action and ultimately prosecution. There is also a risk of an increase in successful civil claims made against the authority. The current health of the health and safety management system is good and continues to improve as indicated by the performance information outlined in 4. The improvement plan actions outlined in 5. aim to strengthen the system and keep the risks to NCC at an acceptable level.

Officer Contact

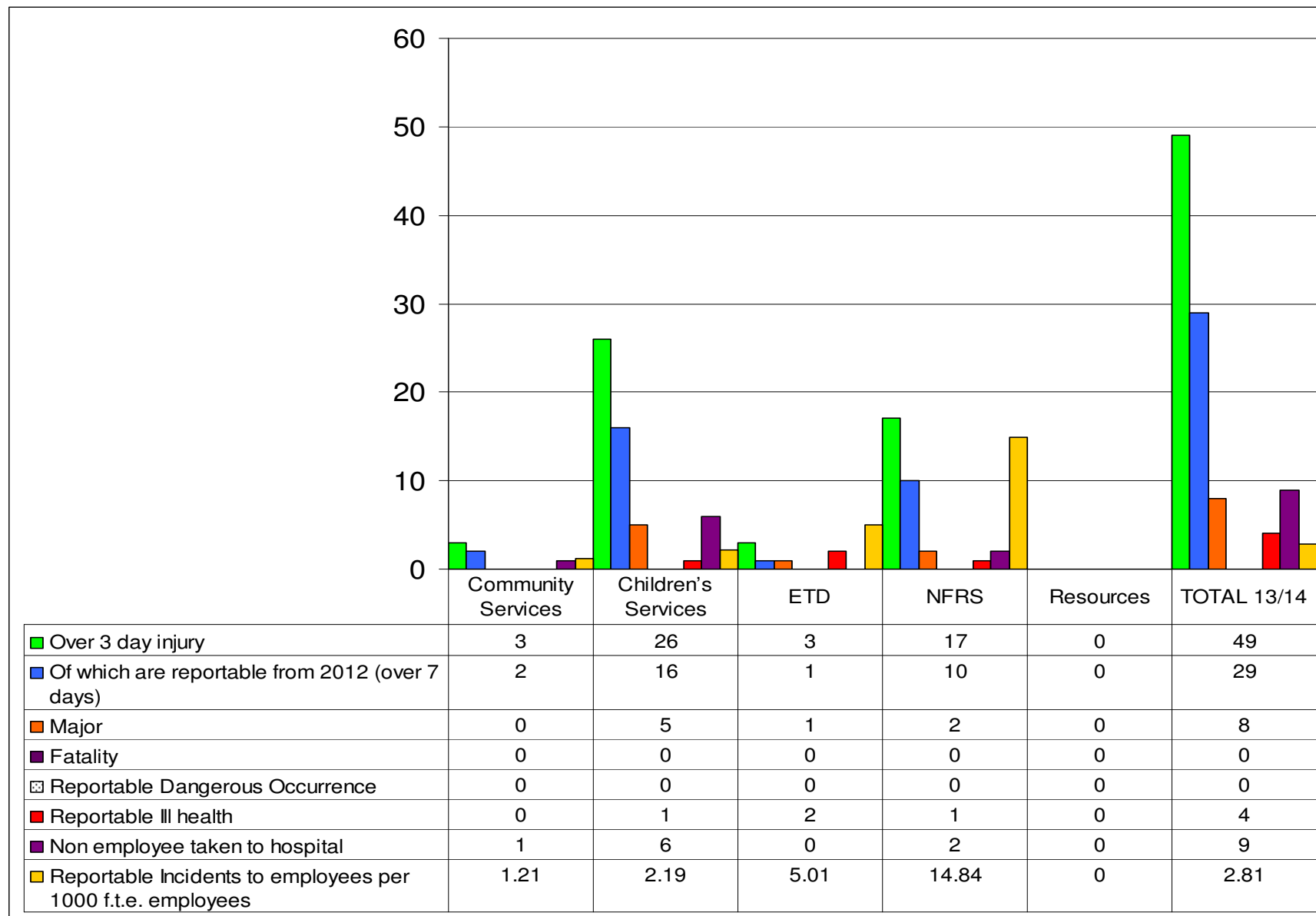
If you have any questions about matters contained in this paper please get in touch with:

Officer Name: Derryth Wright **Tel No:** 01603 222912

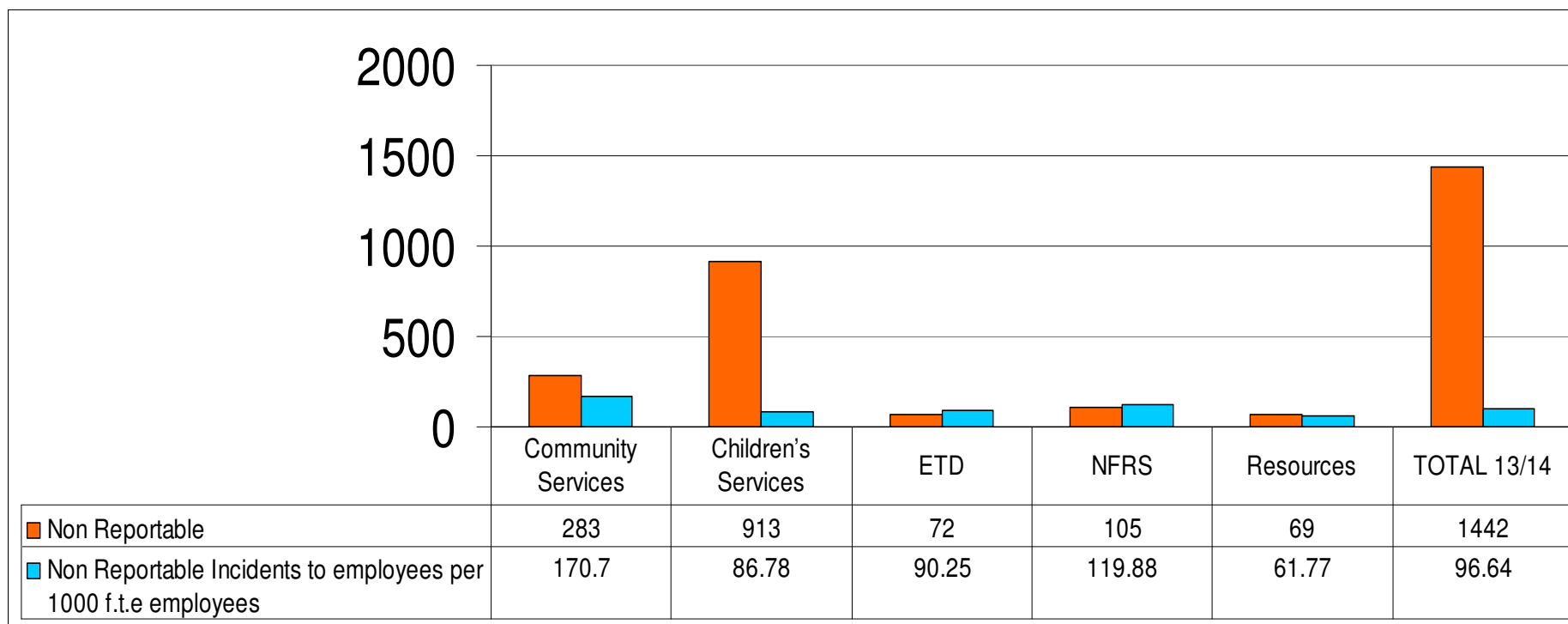
Email address: Derryth.Wright@norfolk.gov.uk



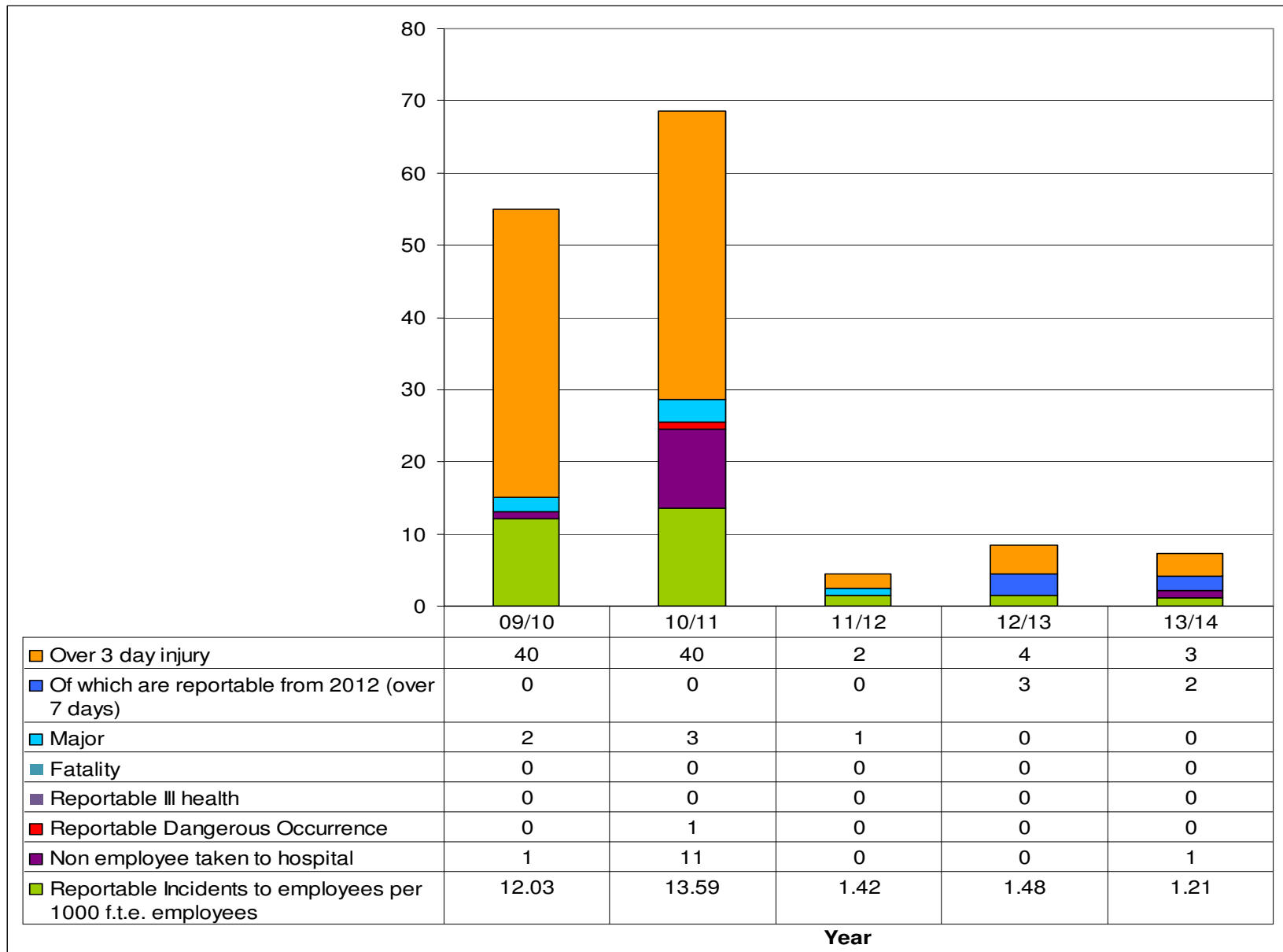
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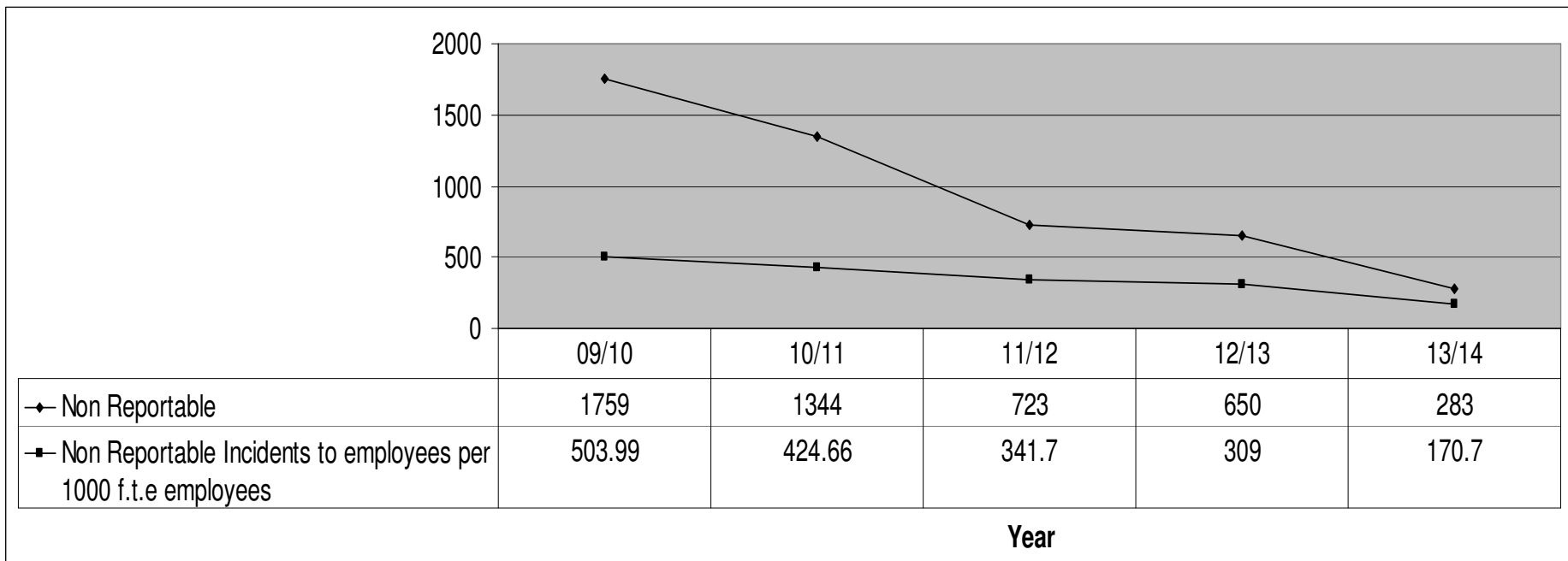
NUMBER OF REPORTABLE INCIDENTS (RIDDOR) FOR 2013/14 BY DEPARTMENT



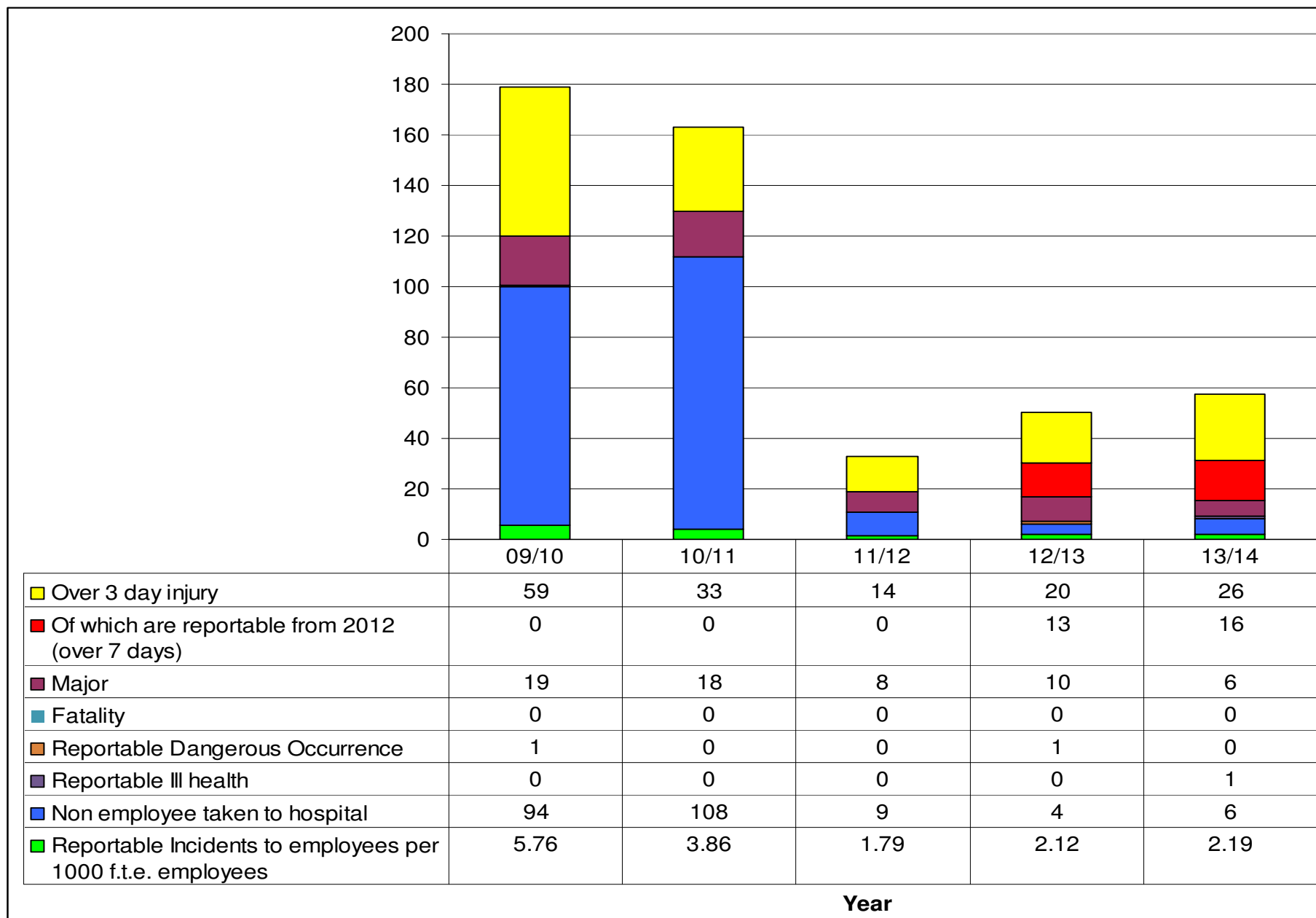
NUMBER OF NON REPORTABLE (RIDDOR) INCIDENTS FOR 2013/14 BY DEPARTMENT



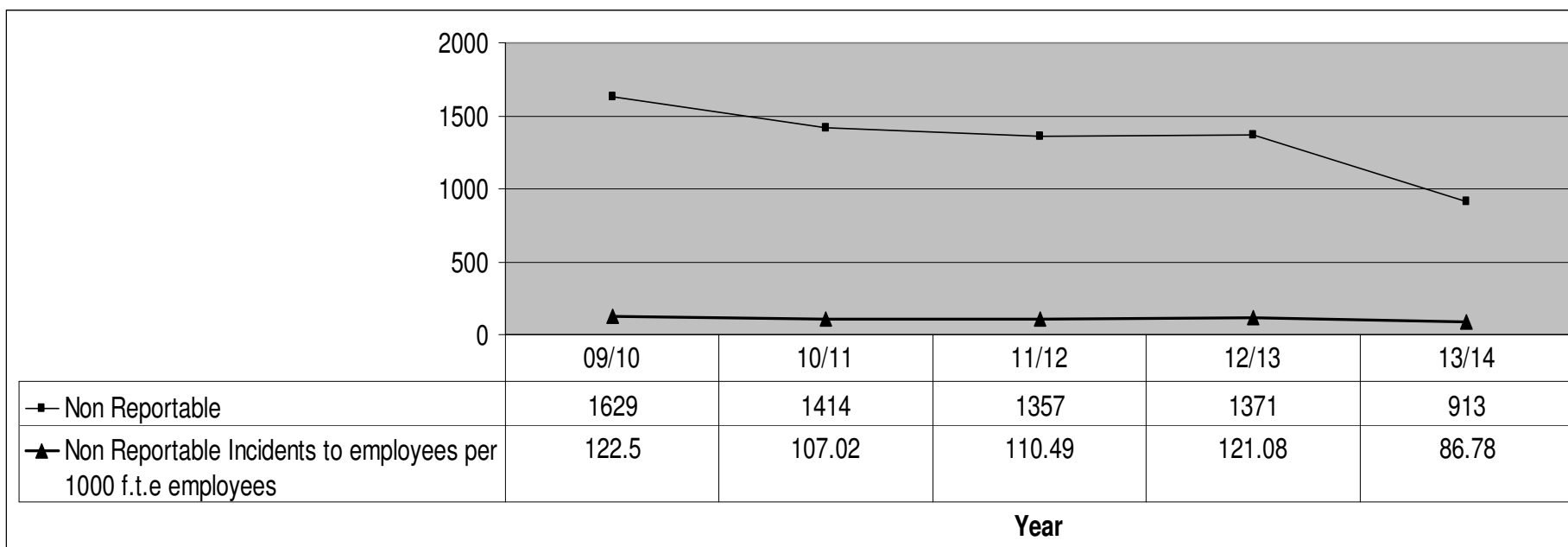
NUMBER OF REPORTABLE INCIDENTS (RIDDOR) PER YEAR FOR COMMUNITY SERVICES



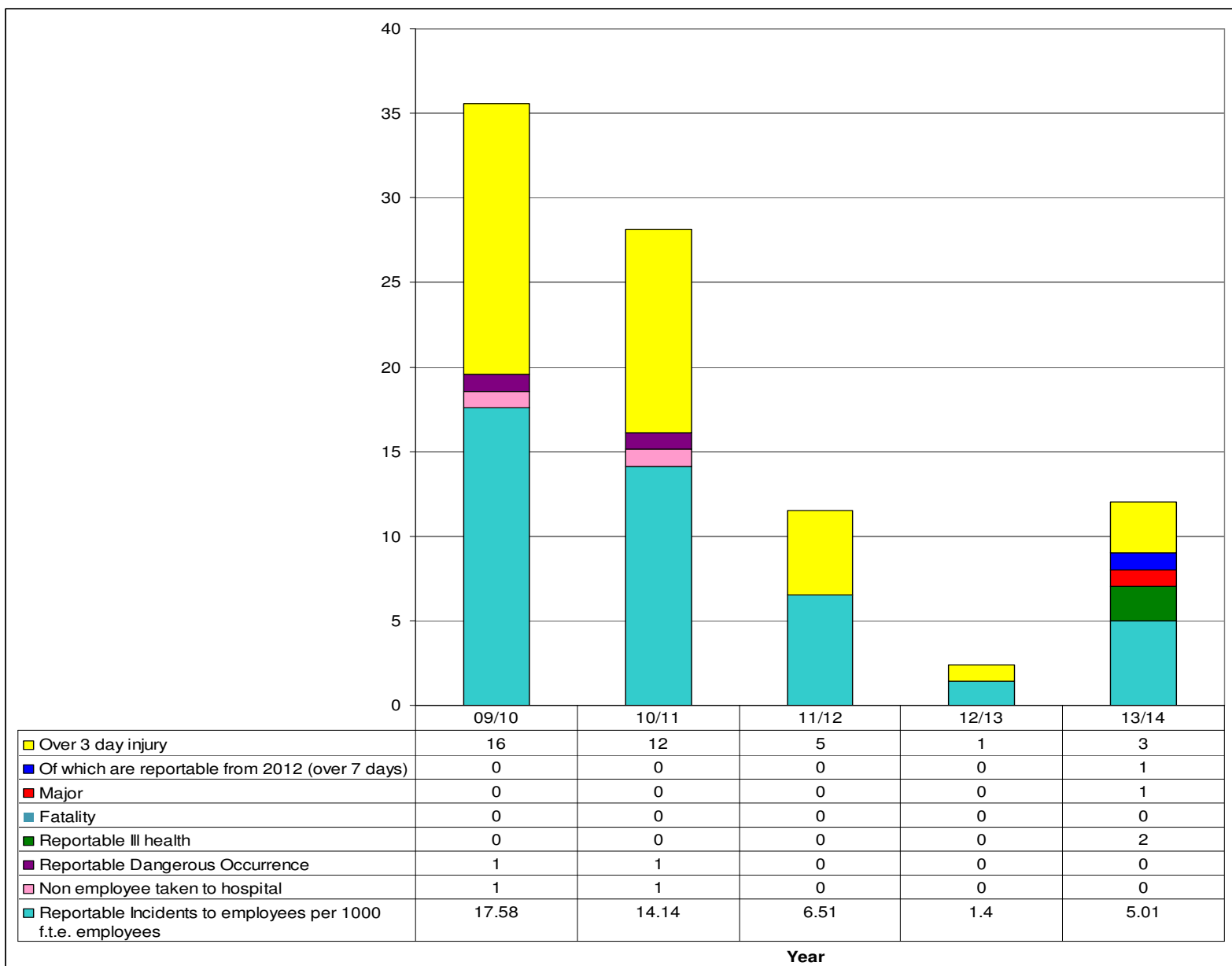
NUMBER OF NON REPORTABLE (RIDDOR) INCIDENTS PER YEAR FOR COMMUNITY SERVICES



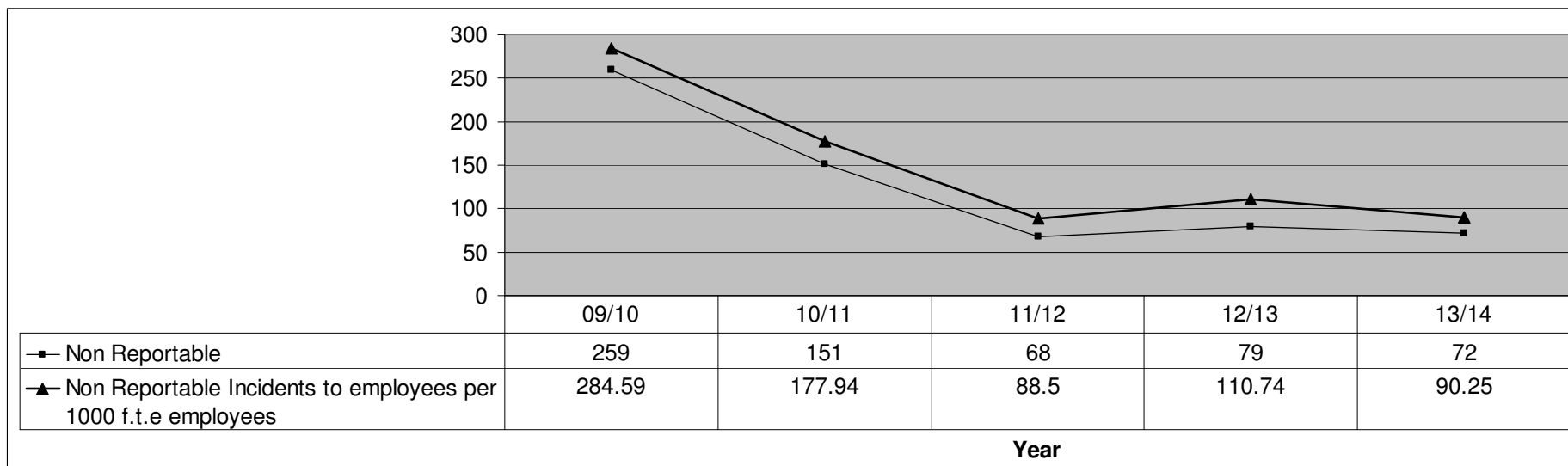
NUMBER OF REPORTABLE INCIDENTS (RIDDOR) PER YEAR FOR CHILDREN'S SERVICES



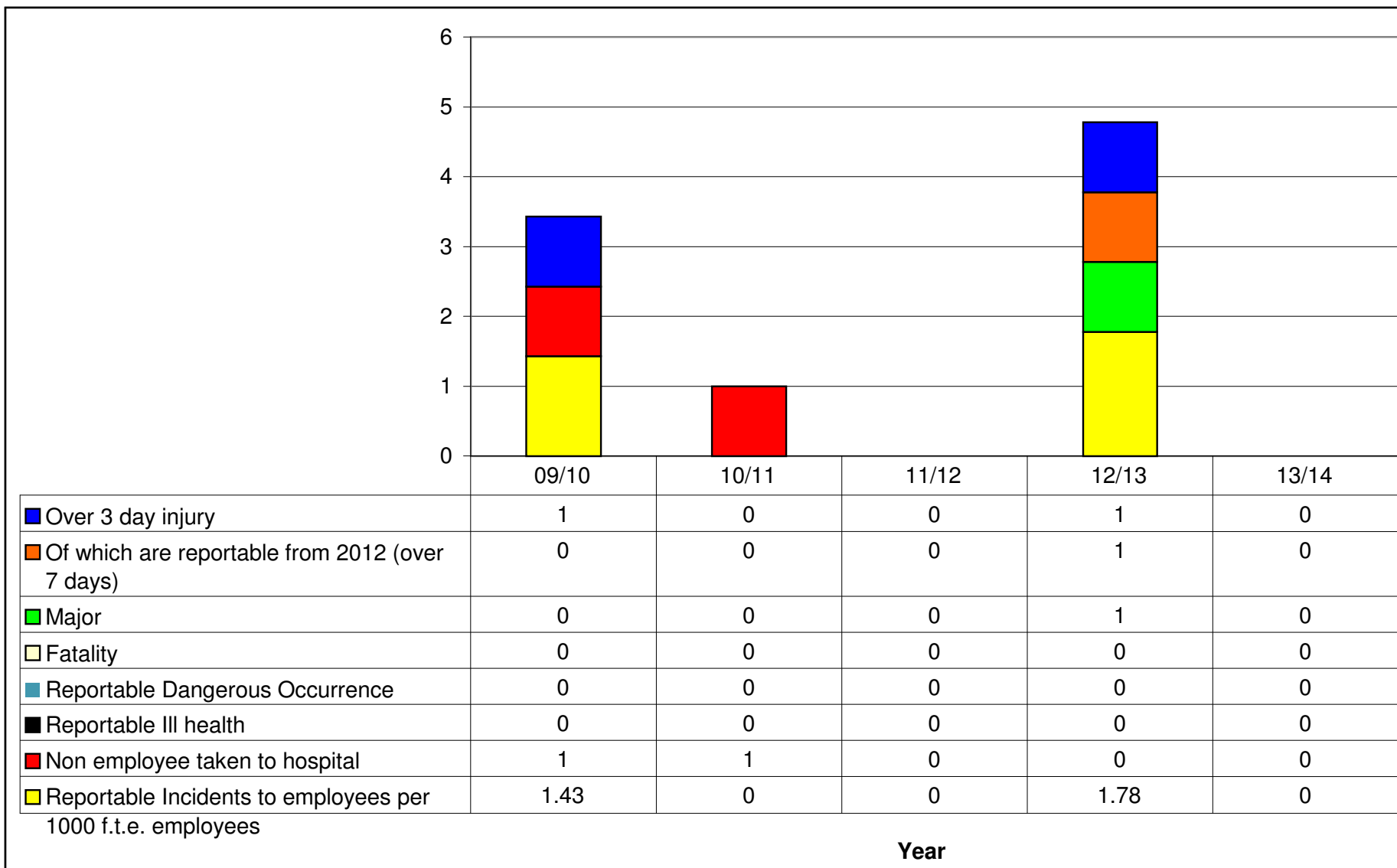
NUMBER OF NON REPORTABLE (RIDDOR) INCIDENTS PER YEAR FOR CHILDREN'S SERVICES



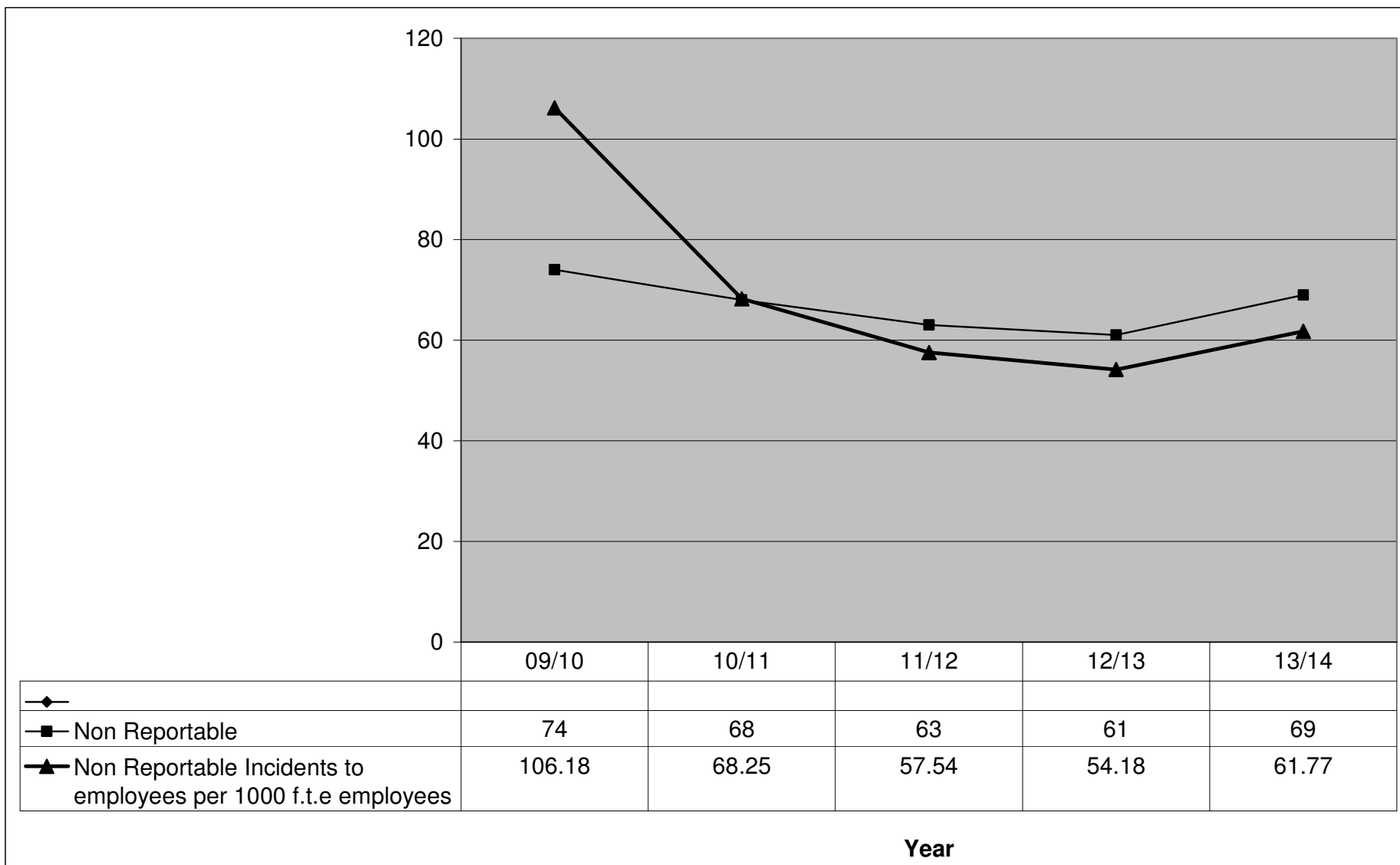
NUMBER OF REPORTABLE INCIDENTS (RIDDOR) PER YEAR FOR ETD



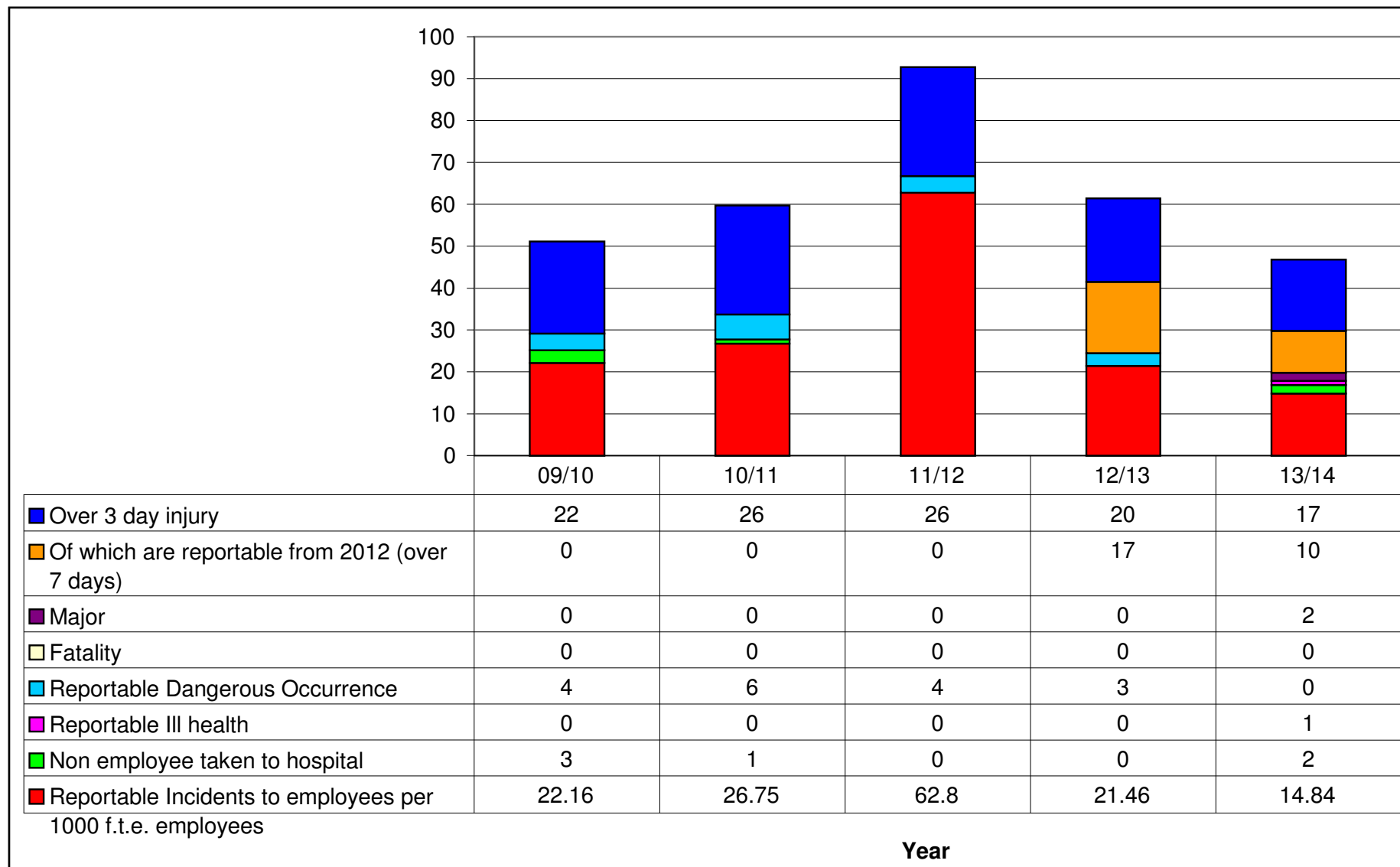
NUMBER OF NON REPORTABLE (RIDDOR) INCIDENTS PER YEAR FOR ETD



NUMBER OF REPORTABLE INCIDENTS (RIDDOR) PER YEAR FOR RESOURCES

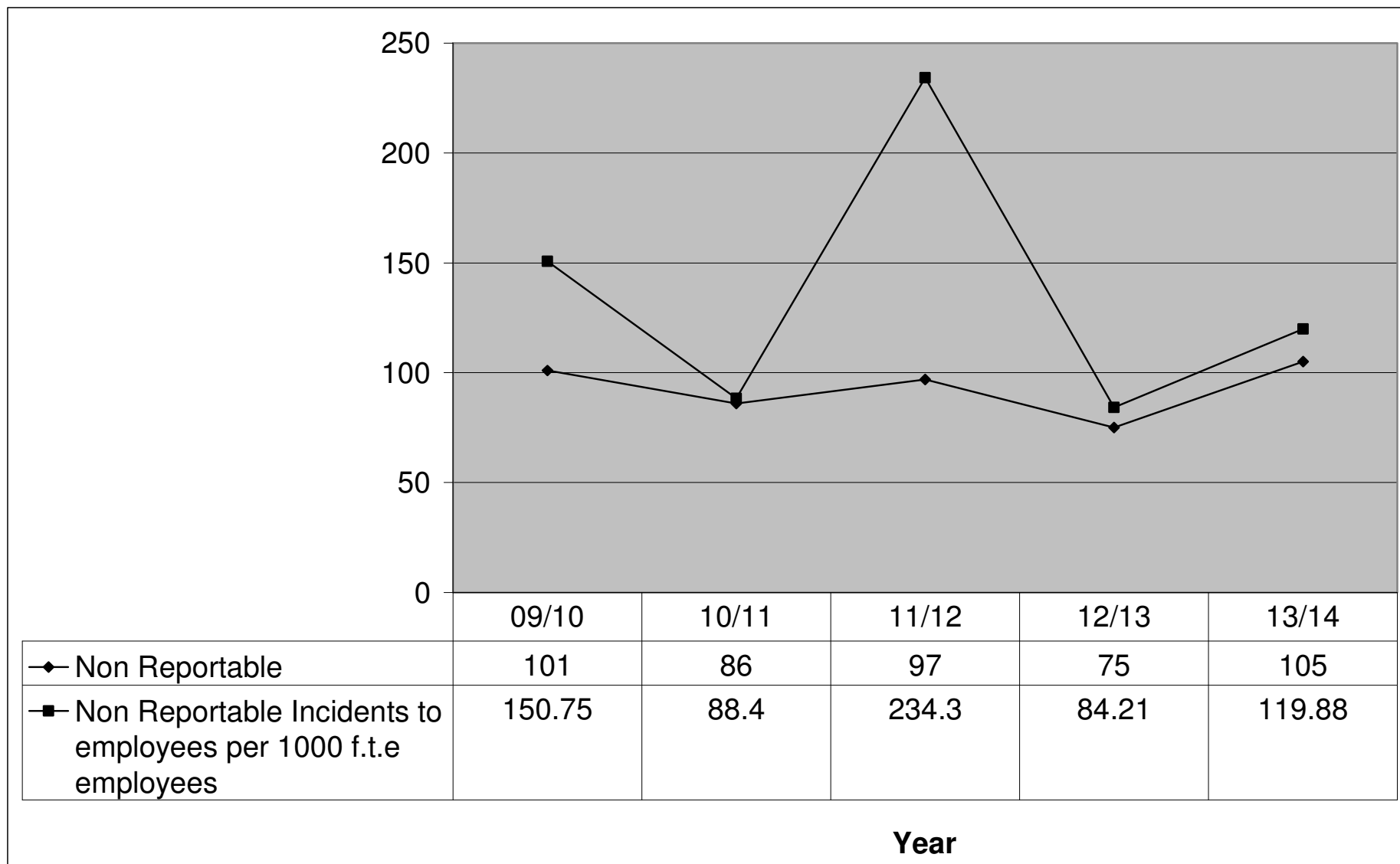


NUMBER OF NON REPORTABLE (RIDDOR) INCIDENTS PER YEAR FOR RESOURCES



NUMBER OF REPORTABLE INCIDENTS (RIDDOR) PER YEAR FOR NFRS

* Please note due to the number of retained fire fighters the f.t.e. for NFRS is estimated which may impact on the figures



NUMBER OF NON REPORTABLE (RIDDOR) INCIDENTS PER YEAR FOR NFRS

	10/11						11/12						12/13						13/14					
	Comm Services	Children's Services	ETD	NFRS	Resources	TOTAL	Comm Services	Children's Services	ETD	NFRS	Resources	TOTAL	Comm Services	Children's Services	ETD	NFRS	Resources	TOTAL	Comm Services	Children's Services	ETD	NFRS	Resources	TOTAL
slip trip fall	190	569	25	27	13	824	49	258	13	19	8	347	57	305	15	7	12	396	11	105	3	15	4	138
manual handling	500	361	75	23	9	968	87	187	7	25	7	313	63	122	8	19	3	215	18	40	8	23	0	89
physical assault	1070	884	3	3	1	1961	271	341	0	0	0	612	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
hit fixed object	129	156	4	4	8	301	26	90	5	10	3	134	25	80	0	17	3	125	3	26	1	19	1	50
hit moving object	137	372	12	8	2	531	28	202	8	6	5	249	16	105	1	7	1	130	6	31	0	5	2	44
Contact with moving plant	10	11	1	0	0	22	2	6	1	0	0	9	0	6	0	0	0	6	2	8	2	0	0	12
Fall from height	6	29	2	1	1	39	3	9	2	1	0	15	3	20	3	1	1	28	1	11	1	0	0	13
Trapped by something collapsing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Drowned or asphyxiated (lack of oxygen)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Exposed to heat/fire/explosion	41	54	0	10	2	107	17	33	2	7	2	61	2	11	1	4	2	20	1	10	0	13	0	24
Exposed to or contact with a harmful substance	18	15	1	2	0	36	0	13	0	6	0	19	1	2	0	2	0	5	1	4	0	1	1	7
Electric shock	2	7	0	0	0	9	2	7	2	2	0	13	0	0	0	0	0	0	1	0	0	0	0	1
Injured by an animal	11	12	2	3	0	28	1	4	2	6	0	13	0	2	0	1	0	3	1	2	0	1	0	4
Threatened assault/verbal abuse	219	86	12	0	0	317	47	28	3	0	2	80	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Antisocial behaviour	99	20	1	0	0	120	59	24	0	0	0	83	38	18	0	0	0	56	37	11	0	0	0	48
Near miss/no physical injury	167	39	92	39	10	347	51	22	13	34	4	124	46	48	10	17	5	126	16	44	23	31	4	118
Dangerous occurrence	3	2	8	6	0	19	1	0	0	4	0	5	0	4	0	0	0	4	0	1	0	3	0	4
Work related ill health	152	202	59	0	33	446	68	88	21	14	34	225	83	104	16	15	38	256	53	86	28	19	45	231
Road traffic accident	32	11	29	69	0	141	12	5	7	116	2	142	10	4	3	72	1	90	22	6	6	93	1	128
Damage to building, property or equipment	41	15	40	0	2	98	6	2	2	13	0	23	7	2	19	0	1	29	12	4	6	18	0	40
Violent Incident	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	299	530	4	2	0	835	78	346	3	6	0	433
Other	54	41	13	16	6	130	39	50	19	12	4	124	23	64	9	0	1	97	16	75	6	0	1	98
Not yet reviewed (accident resulting in injury)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3	16	0	n/a	0	19	22	170	12	n/a	14	218
TOTAL	2881	2886	379	211	87	6444	769	1369	107	275	71	2486	676	1443	89	164	68	2440	301	980	99	247	73	1700

INCIDENTS BY TYPE OVER TIME

Dept	Work related				w.r. per 1000 f.t.e.				Non Work Related				n.w.r. per 1000 f.t.e.				Grand Total				% Work Related			
	10/11	11/12	12/13	13/14	10/11	11/12	12/13	13/14	10/11	11/12	12/13	13/14	10/11	11/12	12/13	13/14	10/11	11/12	12/13	13/14	10/11	11/12	12/13	13/14
Community Services	191.50	249.7	546.93	420.21	61.14	118.0	269.52	253.47	36111	21535.2	19126.92	12941.72	11410	10178.1	9427.69	7806.37	36302.5	21784.91	19673.85	13361.93	0.53	1.15	2.78	3.14%
Ch Servs - Non Schs	752.80	903.7	540.28	735.41	341.47	481.1	334.82	497.02	18987.4	14412.0	12126.86	12315.04	8578.5	7672.5	7515.36	8323.00	19740.2	15315.72	12667.14	13050.45	3.83	5.90	4.27	5.64%
Ch Servs - Schools	21.50	17.6	89.19	309.92	1.95	1.7	9.17	34.28	75687.8	65534.0	60757.50	57930.77	6881.9	6299.1	6251.22	6407.09	75709.3	65551.59	60846.70	58240.69	0.03	0.03	0.15	0.53%
Resources	492.60	166.3	114.20	105.39	583.00	151.9	101.43	94.35	5025	8147.0	9912.32	9354.36	5921.5	7441.3	8803.67	8374.01	5517.6	8313.26	10026.53	9459.75	8.96	2.00	1.14	1.11%
ETD	563.10	439.7	97.34	234.00	581.87	572.2	136.45	293.31	8120.8	4007.3	4017.27	3457.31	8347	5215.3	5631.48	4333.61	8683.9	4446.97	4114.61	3691.31	6.52	9.89	2.37	6.34%
NFRS	194.70	670.5	1878.00	1308.81	195.41	1620	2108.69	1494.28	7931.9	5912.59	6169.76	7195.83	7961.1	14282	6927.64	8215.54	8126.6	6583.09	8047.76	8504.64	2.4	10.19	23.34	15.39%
Grand Total	2216.20	2447.5	3265.95	3113.74	113.57	146.8	202.95	2666.70	151863.9	119548.05	112110.64	103195.03	7747.3	7169.2	6967.08	43459.63	154080.1	121995.55	115376.58	106308.77	1.44	2.01	2.83	2.93%

SICKNESS ABSENCE IDENTIFIED AS BEING RELATED TO WORK

Absence Description	Work related				Non Work Related				Grand Total				% Work Related			
	10/11	11/12	12/13	13/14	10/11	11/12	12/13	13/14	10/11	11/12	12/13	13/14	10/11	11/12	12/13	13/14
Cancer	0	0.0	0.00	0.00	5593.5	3858.30	3294.28	3981.99	5593.5	3858.3	3294.28	3981.99	0	0.00	0.00	0.00%
Circulatory or Organ Related	0	5.0	306.92	365.00	4583.34	3937.23	3429.84	4402.18	4583.34	3942.2	3736.76	4767.18	0	0.13	8.21	7.66%
Diarrhoea and Vomiting	0	3.0	20.50	2.00	7621.9	5795.54	4640.91	4744.04	7621.9	5798.5	4661.41	4746.04	0	0.05	0.44	0.04%
Genito-Urinary	8	0.0	0.00	0.00	1861.7	1585.96	1182.77	819.71	1869.7	1586.0	1182.77	819.71	0.43	0.00	0.00	0.00%
Hospitalisation	0	11.0	3.41	1.14	12316.3	9632.90	8117.37	7667.20	12316.3	9643.9	8120.78	7668.33	0	0.11	0.04	0.00%
Mental Well-being (Including Stress, Depression and Anxiety)	1177	1141.6	1884.83	1704.48	29785	25844.80	23376.19	22612.60	30962	26986.4	25261.02	24317.08	3.8	4.23	7.46	7.01%
Musculoskeletal	999.6	1010.2	1036.73	922.91	27506	20737.65	21477.01	18196.72	28505.6	21747.9	22513.74	19119.64	3.51	4.65	4.60	4.83%
Neurological (Including Headaches and ME)	0.8	192.0	3.63	48.71	6374.46	4820.28	4369.37	4004.64	6375.26	5012.3	4373.00	4053.35	0.01	3.83	0.08	1.20%
Pandemic Flu	0	0.0	0.00	0.00	199.8	18.95	92.23	49.59	199.8	19.0	92.23	49.59	0	0.00	0.00	0.00%
Pregnancy Related	0	18.4	0.00	0.00	1237.2	1241.20	1062.65	910.36	1237.2	1259.6	1062.65	910.36	0	1.46	0.00	0.00%
Respiratory	3	25.2	0.00	0.00	4477.4	3713.27	4160.82	2982.48	4480.4	3738.5	4160.82	2982.48	0.07	0.67	0.00	0.00%
Short-Term/Viral Infection	12.4	41.1	9.92	54.50	49084.1	36768.26	34827.87	27265.31	49096.5	36809.4	34837.79	27319.81	0.03	0.11	0.03	0.20%
Skin Conditions	3	0.0	0.00	15.00	403	394.51	286.47	449.01	406	394.5	286.47	464.01	0.74	0.00	0.00	3.23%
(blank)	12.4	0.0	0.00	0.00	820.2	1199.20	1792.86	5109.21	832.6	1199.2	1792.86	5109.21	1.49	0.00	0.00	0.00%
Grand Total	2216.20	2447.50	3265.95	3113.74	151863.90	119548.05	112110.64	103195.03	154080.10	121995.55	115376.58	106308.77	1.44	2.01	2.83	2.93%

SICKNESS ABSENCE BY CAUSE

*Please note NFRS changed the way they record work related mental well-being absence in 2012/13 and this has further been refined this year