

The Report of the Executive

The Executive met on 22 May 2012. Present: County Councillor John Weighell in the Chair. County Councillors Arthur Barker, Gareth Dadd, Tony Hall, Carl Les and Chris Metcalfe.

Also in attendance: County Councillors David Jeffels and Paul Richardson

The Executive met on 12 June 2012. Present: County Councillor John Weighell in the Chair. County Councillors Arthur Barker, Gareth Dadd, Tony Hall, Carl Les, Chris Metcalfe, John Watson OBE, and Clare Wood.

The Executive met on 19 June 2012. Present: County Councillor John Weighell in the Chair. County Councillors Arthur Barker, Gareth Dadd, Tony Hall, Carl Les, Chris Metcalfe, John Watson OBE, and Clare Wood.

Also in attendance: County Councillors Keith Barnes, John Blackburn, Jim Clark, David Jeffels, and Patrick Mulligan.

The Executive met on 3 July 2012. Present: County Councillor John Weighell in the Chair. County Councillors Arthur Barker, Tony Hall, Carl Les, Chris Metcalfe and John Watson OBE.

Also in attendance: County Councillors John Fort BEM, Roger Harrison-Topham and Patrick Mulligan.

1. Revenue Budget Outturn 2011/12. The Accounts of the County Council for 2011/12 have now been closed and are being finalised for external audit. The figures are therefore still provisional at this stage and it is possible that some amendments may have to be made before the Final Accounts are signed off by the External Auditor. However, it is not envisaged that any significant amendments will be required.

The County Council approved a total net expenditure budget of £374.6m in February 2011. This was subsequently reduced by £5.9m to £368.7m following the Budget 2 exercise in May 2011 and the identification of further savings. In July 2011 the County Council agreed the carry forward of 2010/11 net underspendings of £15.1m, so the final revised total net budget for 2011/12 was £383.8m.

A full analysis of the final 2011/12 Revenue Budget, by Directorate, is attached as Appendix 1A. The Budget included savings targets of £36.864m which were effectively deducted from Directorate budgets at 'day 1' of the financial year, so that the outturn positions for each Directorate that are presented in this report automatically reflect any net under / over achievement of these savings targets. The overall revenue outturn position of the County Council for 2011/12 is:

Item	£000
Original Net Expenditure Budget approved by County Council in February 2011	374,586
- Additional savings agreed at 'Budget 2' in May 2011	-5,916
= Net Expenditure Budget agreed in May 2011	368,670
+ net underspending in 2010/11 approved for carry forward to 2011/12 by Executive in June 2011	15,113
= Revised Budget for 2011/12 (per Appendix A)	383,783
- Net expenditure outturn 2011/12	356,512
= Total Saving	£ 27,271

A summary analysis of the year end outturn saving of £27.271m is provided below with a more detailed breakdown and narrative analysis, Directorate by Directorate, provided in Appendix 1B.

Directorate	Appendix	Type of Budget	Final 2011/12 Budget	Actual Outturn	Variation
			£000	£000	£000
Health and Adult Services	C	PIP	2,070	2,009	-61
		Base	143,435	140,585	-2,850
		Total	145,505	142,594	-2,911
Business and Environmental Services	D	PIP	3,179	3,179	0
		Base	76,534	71,936	-4,598
		Total	79,713	75,115	-4,598
Chief Executive's Group	E	PIP	610	438	-172
		Base	21,503	19,613	-1,890
		Total	22,113	20,051	-2,062
Children and Young People's Service	F	PIP	3,338	3,068	-270
		Base	78,274	72,791	-5,483
		Total	81,612	75,859	-5,753
Finance and Central Services	G	PIP	2,232	1,068	-1,164
		Base	20,787	17,243	-3,544
		Total	23,019	18,311	-4,708
Corporate Miscellaneous	H	PIP	6,534	2,625	-3,909
		Base	21,304	21,088	-216
		Funds	3,983	869	-3,114
		Total	31,821	24,582	-7,239
Total		PIP	17,963	12,387	-5,576
		Base	361,837	343,256	-18,581
		Corp Misc Funds	3,983	869	-3,114
		Total	383,783	356,512	-27,271

The single largest component of the overall outturn variation of £27,271k is against the base budget (£18,581k). This is a reassuring position, given the financial challenges that lie ahead for the County Council, but the reasons for this net aggregate underspend do vary between Directorates and, therefore, it is important to understand these reasons if a correct picture of the financial outturn position at the end of the financial year is to be constructed. There are a range of reasons for this outturn and many of the underspends will be recommended for carry forward for specific reasons. Several Directorates have managed to accelerate their savings programmes and effectively achieved one-off cash savings of £3.506m in 2011/12. The future financial prospects of the County Council are challenging, so the Management Board has taken an aggressive approach to budgetary control in 2011/12, in order to generate funds that will help ameliorate problems in future years. All requests from Directorates for carry forwards have been scrutinised by the Chief Executive and Corporate Director – Finance and Central Services for materiality and appropriateness in the current financial conditions.

Two other components identified in the table above are PIP funds (£5,576k) that are not fully spent at the year end and so need to be carried forward to complete the purpose for which they were intended and, within Corporate Miscellaneous, funds totalling £3,114k, which have been set up to defray specific costs on a multi year basis (including unallocated PIP funds).

A full analysis of the various components of the year end outturn position and their proposed treatment at the year end is provided below and in **Appendix 1B**. Attached as **Appendices 1C to 1H** are statements prepared by each Corporate Director setting out the final outturn position for their Directorate compared with the final revised budgets for 2011/12. A commentary for each Directorate follows.

The year end saving in the Health and Adult Services Directorate is £2,911k (2% of the budget) which compares with a projected saving of £2,094k at Q3. Adjusting for the one-off slippage on the PIP allocations gives a net saving of £2,850k on the base budget. Management action, in particular around strict 'gatekeeping' of care packages, vacancy management, aggressive cost reduction in support services, service and contract reviews and general downward pressure on costs by managers and frontline staff were all major contributing factors in producing this improved financial situation. In addition to delivering the required savings of £8.9m in 2011/12, the Directorate has sought to control spending and maximise income wherever possible. By planning for future organisational changes the Directorate has held staffing vacancies, where possible, and this has created a one off cash saving of nearly £2m in 2011/12. This has also provided opportunities for staff being displaced and, by doing so, reduced the potential cost of redundancies. The Directorate has also been successful in recovering backdated costs from Health in respect of those people meeting the continuing health care criteria. However, it should also be noted that the 'headline' underspend masks continuing long-term pressure on the HAS budget. In particular the figures in **Appendix 1C** include PIP monies to support the ongoing roll out of re-ablement services across the County. Without this temporary funding the reported underspend would have been reduced by over £1.8m. The financial pressure for 2013/14, once this temporary funding ceases, will be to improve productivity sufficiently to ensure that these ongoing costs can be absorbed into the base budget.

A number of one-off savings (£650k) also contributed to the final underspend and these will not be available to support the Budget in subsequent years. In particular, as budget transfers take place during 2012/13 in relation to support services, IT and training the Directorate's base budget will contract, which in turn will reduce the internally controllable areas of spend which have traditionally contributed to the overall financial management of the

Directorate. A remaining concern is the impact of 'ordinary residence' cases and, as part of the finalisation of the outturn position, a provision was made to meet the estimated backdated costs of potential cases.

The £2.85m underspend is requested for carry forward to enable HAS to fund a number of budget pressures (eg pay protection arising from staff restructures, shortfall on night care savings) that would otherwise necessitate further service reductions in 2012/13.

In the Business and Environmental Services Directorate (**Appendix 1D**) the final outturn position is a saving of £4,598k. This is an increase of £0.4m since the Q3 report which highlighted a saving of £4.2m.

The winter service overspend for 2011/12 was £0.2m. This is £0.3m lower than the provision included in the Q3 report of £0.5m and this accounts for an equivalent increase in the underspend noted above. Based on this, no drawdown from the Reserve is required for 2011/12. BES is proposing to fund a contribution to the Winter Service Reserve of £1m from the budget provision saving for the winter service for 2011/12 of £0.3m, and a further £0.7m from other one-off balances and savings available within BES. The £1m is therefore being requested as a carry forward for contribution to the Winter Service Reserve in 2012/13. The table below summarises the proposed position on the Winter Service Reserve.

Item	£000	£000
Reserve carried forward at 31 March 2011		2,000
2011/12 Budget	6,401	
2011/12 Expenditure	6,563	
Overspend during 2011/12	-162	
Provision allowed for in BES	162	
Net change to Reserve in 2011/12		0
Reserve as at 31 March 2012		2,000
Proposed contribution 2012/13		1,000
Reserve available in 2012/13		3,000

In addition, the base budget for the winter service in 2012/13 has been increased by £0.5m, funded from expected savings resulting from the Highways Maintenance Contract 2012 procurement. Assuming the proposed increase of the Reserve is agreed this would, along with the base budget increase, provide a sound financial position when taking into account the history of expenditure on this service and other priorities in BES.

Certain responsibilities and duties in respect of the Flood and Water Management Act (2010) and the Flood Risk Regulations (2009) have passed to the County Council. The nature of the activities means that future expenditure is unpredictable and likely to have an uneven spend profile. Activities include investigating flooding events in the County, providing full or top up funding to flood alleviation projects (part funding from the Regional Flood and Coastal Committee Levy) and responding to a number of regulatory requirements which vary from year to year. As the expenditure profile is unpredictable in nature a Flood Risk Management Reserve is proposed as the best and prudent approach to support the management and delivery of this service. The funding source for this Reserve is the base budget of the service plus the annual government grant. The 2011/12 outturn position shows funding not spent of £332k, which is proposed as the initial contribution to the Reserve in 2012/13. Future contributions to and drawdowns from the Reserve will be based on a flood management plan.

The Waste Management Strategy budget is zero based each year as part of the MTFs process. As the growth in the base budget for the Strategy is funded on a year by year basis from the PIP, it has been agreed that any subsequent in-year underspend is returned to the PIP. The outturn position is an underspend of £1m. This is reduced from a forecast of £1.4m at Q3 and is predominantly due to changes in waste volumes with a particular increase in green waste / composting due to good weather conditions. The £1m underspend consists of £0.5m savings from the delayed closure of the Seamer Carr site and £0.5m savings from lower waste volumes than budgeted for and cheaper mix of waste - £0.5m

The Q3 report indicated potential savings on the concessionary fares service totalling £0.8m. This has increased to a saving of £1m, due to lower additional cost claims to operators and other miscellaneous savings. This underspend will be transferred to the General Working Balance. The 'Directorate Initiatives & Transformation' Reserve has been partially utilised during 2011/12 to the sum of £0.2m to fund the specific programme of activities for which the Reserve was earmarked. This programme will be completed over the next two financial years. After allowing for carry forwards to deal with specific commitments, the remaining £0.5m one off saving has been used as a revenue contribution in 2011/12 to the streetlighting capital programme to offset additional works in two locations (Harrogate and Tadcaster) where an additional 215 columns required replacement.

The summary position for BES is therefore:

Item	£000
Waste Management Strategy underspend to be returned to PIP	1,050
Concessionary Fares – transfer to General Working Balance	993
Requested for carry forward to 2012/13:	
• Proposals for contribution to Winter Service (£1m) and Flood Risk Management (£332k) Reserves	1,332
• Other items, primarily highways related, requested for carry forward to 2012/13 BES budget	1,223
Total	4,598

The net base budget saving on the Chief Executive's Group (**Appendix 1E**) is £1,411k. This is based on a saving of £2,062k adjusted for reprofiling of one-off projects funded by the PIP, of £172k, and £479k funding ring-fenced to support the One Council initiative. The saving is predominantly due to CEG taking deliberate early measures to deliver the 2012/13 savings target resulting in significant, one-off, part year savings in 2011/12. There are a number of requests for carry forward for specific initiatives, many of which will help to achieve future budget savings targets. The main items making up the overall net saving are:

Chief Executive's Office - £218k saving mainly arises from the costs of Public Sector Mapping Agreements which have been funded in-year by DCLG (£154k). It is not yet clear whether any element of this saving will be recurring. £67k is earmarked to be carried-forward for the ongoing costs of the Customer Complaints, Commendations & Comments system. Other specific items requested for carry-forward to 2012/13 are: £15k to support the costs of integrating the Lagan and 'Blue Badge' systems; £60k to support the Community Broadband initiative in 2012/13, £9k to support the Local Involvement Network / Healthwatch transition; £27k invest to save photographic equipment for the Archives Service.

Legal and Democratic Services – a combined saving of £305k mainly arises as a result of vacancies being held in advance of the 2012/13 savings programme, temporary vacancies in senior posts and income achieved in excess of target. Specific items requested for carry-forward to 2012/13 are £40k to introduce e-governance software and £30k to fund case management software in 2012/13, both of which are required to deliver future years' savings.

Community Initiatives - £198k saving is as a result of a reduced contribution to partnerships and savings in supporting the NYSP. £70k is requested to be carried forward to support the first year of operation of community libraries in 2012/13.

Emergency Planning - £120k saving mainly arises from savings in staffing and supplies and services costs and income achieved in excess of budget.

HR Services - £351k saving relates to the timing of a number of initiatives / changes which contribute to the achievement of future savings targets including the removal of transactional work around staffing processes and the move to greater self service. This, plus a further £95k from savings elsewhere in CEG, is requested for carry-forward to help fund more of this work in 2012/13.

Communications - £105k saving as a result of the timing of recruitment to a temporary post and the establishment of contracts with local newspaper companies, together with ring-fenced funding for the periodic staff survey brought forward from 2010/11. The saving is requested to be carried-forward to support the costs of the staff survey and the development of the intranet / web in 2012/13.

Member's Services - £137k saving, which is largely as a result of staffing savings achieved in advance of the 2012/13 target and additional savings on mileage.

Overspends of £67k and £25k on the volatile Coroners and Legal Expenses budgets, together with £61k overspend on the Libraries budget (reduced from a forecast of £96k at Q3). The Libraries variance is due to slippage in the start dates for some savings proposals (due to timing of formal decisions on revised library provision) and one-off transition costs, which has resulted in a lower in-year savings figure. These overspends have been contained within the CEG budget and the budgeted savings will be realised in full in 2012/13.

One Council - £479k had previously been earmarked for invest to save projects related to the implementation of One Council over the life of the initiative. Expenditure in 2011/12 has been contained within other budgets. It is proposed that the £479k be carried forward into 2012/13 and then merged with the corporately held PIP fund.

The remaining net saving, after taking into account the requests for carry forward mentioned above, and off-setting the overspends highlighted, is a sum of £542k. It is proposed that this is transferred to the General Working Balance. The summary position for CEG is therefore:

Item	£000
Transfer to PIP	479
Transfer to GWB	542
Requested for carry forward for specific commitments etc	869
Unspent PIP allocations to be carried forward	172
Total	2,062

In the Children and Young People's Services Directorate (**Appendix 1F**) the local authority block outturn shows an overall saving of £5,753k. This compares with a projected saving at Q3 of £4,929k. Within this figure £270k refers to unspent PIP funding for ICT resilience which is managed by FCS and a further £244k is earmarked to the Youth Justice Service. Acceleration of the Directorate's MTFS savings programme by over £2.6m will provide a one-off cash benefit (although the overall 4-year target does not change) and will also begin to contribute to the One Council savings. £2.356m of this refers to accelerated MTFS savings projects. The remaining amount of £250k is recurring savings from Home to School Transport and will be available to contribute to the One Council Procurement Workstream in 2012/13. Therefore, the Directorate is not requesting that any of this £2,606k in 2011/2 is carried forward and it will therefore be transferred to the General Working Balance. The amount requested to be carried forward is £2,633k, which is largely non-recurring savings as outlined below, in addition to the £270k PIP and £244k Youth Justice funding. A common theme has been the significant reconfiguration of services and restructuring of staffing teams which have contributed to the underspending through careful management of temporary vacancies and assimilation processes – particularly in relation to: Strategic Services (£799k), Youth Support Service (£415k), Business Support (£393k) and Quality & Improvement (£276k). A rigorous approach to managing demand-led social care budgets has resulted in a non-recurring underspend of £332k. There are currently 465 looked

after children compared with 467 at the start of the year. Reductions in the number of looked after children reported at Q2 and Q3 have been offset by a recent trend for young people with challenging behaviour requiring therapeutic input and external residential placements.

MTFS savings totalling £11.506m have therefore been achieved against a budgeted target of £9.150m. Early realisation of savings have been achieved in relation to Home to School Transport (£1,323k) arising from a combination of discretionary policy changes, rigorous procurement and transport management and identification of contract efficiencies. Savings have also been accelerated in relation to Integrated Services (£370k) and Children's Social Care (£266k) through tight budget management and a reassessment of contracts and vacancies that do not impact on the front-line delivery of services. Excluding the Youth Justice and PIP items, a total of £2.633 is requested for carry forward to fund a range of known and anticipated budget pressures (eg Troubled Families, Family and Friends Foster Care, transformation of the Music Service, Post Ofsted Inspection costs) that will otherwise necessitate other service reductions. The summary position for CYPS is:

Item	£000
Transfer to GWB	2,606
Youth Justice Service to be carried forward	244
Requested for carry forward to fund specific commitments etc	2,633
Unspent PIP allocations to be carried forward	270
Total	5,753

Dedicated Schools Grant (DSG) is used to fund Schools Block activities. The year-end unallocated DSG is £1.355m, which is effectively an underspend of £731k or 0.19% of the gross budget (£388,293k). The total of all individual school year end balances for 2011/12 have reduced by £1.8m. However, after adjusting for the transfer of eight schools to become academies, overall school balances have, in comparative terms, increased by £1m.

There is an overall saving of £4,708 k in the Financial Services Directorate (**Appendix 1G**), of which £1,164k relates to the re-profiling of funding for one-off projects funded by PIP (£840k relates to Harrogate BOS and £324k to Strategic Transformation and Integration Capacity). The remaining £3,544k mainly relates to variances against, and funding earmarked for, multiyear projects. This includes funding that has been provided by F&CS taking deliberate steps to make in-year savings in 2011/12, including the early achievement of 2012/13 savings totalling £600k. There are a number of requests for carry forward for specific initiatives, many of which will support the achievement of future budget savings targets. The main items making up the overall net saving are:

Financial Services - the net cash saving is £698k, made up of a number of items. This includes in year savings in Financial Services (£171k) and Corporate Procurement (£56k) arising across a number of budget areas, including additional ad-hoc income. There is a £318k saving against the one-off Finance project budget of £352k, which has been set up to meet costs including the upgrade of the Oracle finance system, finance management information system and provision for a procure to pay system. Of this £698k saving, £384k is requested to be carried-forward to fund specific initiatives (£225k development of financial systems; £73k for additional information security support; £60k for telephony resilience and £26k for other items). The remaining £314k will be transferred to the PIP Fund.

ICT Services – the net cash saving is £1,668k (£1,344 excluding PIP variances). This is mainly £1,294 for ICT developments which is primarily being held pending the approval of the Corporate ICT Strategy and has been accumulated from a range of savings in ICT and other FCS budgets in the knowledge that the ICT Strategy will identify non-recurring costs for necessary infrastructure upgrades etc. The £1,344k is requested for carry-forward to 2012/13 to assist this process.

Corporate Property Management – the net cash saving is £2,342k (£1,502k excluding PIP variances). The main items include £304k of funding that had been ear-marked to support strategic property initiatives. There is a £779k saving on corporate accommodation allocated alongside the remaining £840k Harrogate PIP funding, to support further potential BOS schemes including County Hall (East Block). There are savings of £90k and £114k in relation to Corporate Repairs & Maintenance and Procurement projects, together with a number of other minor variances. Of the net £1,502k underspend, it is proposed that £800k be transferred to the PIP on the understanding that F&CS can bid for the funds if the anticipated projects subsequently materialise. The remaining £702k will be used to support a number of property initiatives, including property procurement projects (£114k); dilapidations provision (£150k); corporate repairs & maintenance (£90k); One Council office moves (£137k); corporate accommodation minor works (£58k); carbon reduction pilots (£74k) ; other items (£79k). The summary position for F&CS is:

Item	Finance	ICT	Property	Total
	£000	£000	£000	£000
PIP allocations not spent		324	840	1,164
Transfer to PIP	314		800	1,114
Request for carry forward	384	1,344	702	2,430
Total	698	1,668	2,342	4,708

There is an overall bottom line saving of £7,239k in Corporate Miscellaneous (**Appendix 1H**). A significant element of this, however, (£7,008k) relates to funds such as the Pending Issues Provision, which are set up to manage one-off issues across a number of financial years. If these funds are excluded, because the variations are automatically carried forward, the net variation on annual budgets which automatically transfers to the General Working Balance is £231k. The year end variations are:-

	£000	£000
(i) Variations remaining in 2011/12 and therefore impacting on the GWB		
• residual balance of Budget 2 (May 2011) savings held in Corporate Miscellaneous		1,916
• Treasury management savings arising principally from slippage in capital borrowing requirements, the continued use of internal cash balances rather than borrowing to fund the capital plan and continuing high levels of cash balances		-1,119
• unspent central contingency		-360
• additional YPO surplus		-272
• increased bad debts provision		299
• reassessment (reduction) of other corporate provisions		-450
• additional New Homes Bonus Grant		-182
• other variations (net)		-63
Sub-Total		<u>-231</u>
(ii) Variations on funds to be carried forward to 2012/13		
• Transformation Fund		-506
• Area Committees		-23
• Pay & Reward Fund		-137
• Community Fund		-672
• Pension Fund Deficit funding		-300
• PIP - HAS Reablement	} funding claimed on incurred basis	409
• - Microsoft transition		500
• - Unallocated		461
		<u>-5,370</u>
Sub-Total		<u>-7,008</u>
Total		<u>-7,239</u>

The significant feature of this outturn is that the residual balance of the Budget 2 exercise that was allocated to Corporate Miscellaneous (£1,916k) has been offset by compensatory one-off items. The concern going forward into 2012/13 is that, although merged into the Corporate Miscellaneous budget as part of the MTFs process, it cannot be assumed, at this stage of the 2012/13 financial year, that the budgeted cost reductions, particularly on Treasury Management, will be achieved.

Appendix 1B shows, at Directorate level, the various components and proposed year end treatment making up the headline 2011/12 budget saving of £27.271m which are:-

Item	£000	£000	Column in Appendix B
Savings not proposed to be carried forward and therefore transferred into the General Working Balance			
(a) Cash savings			}
BES Concessionary Fares	-993		
CEG Accelerated Savings	-542		
CYPs Accelerated Savings	-2,606	-4,141	6
(b) Corporate Miscellaneous net savings		-231	}
(c) Net increase in the General Working Balance (a + b)		-4,372	
Savings proposed for carry forward to 2012/13			
(d) PIP allocations not spent in year		-5,576	9
(e) Funds to be transferred to the PIP in 2012/13			}
BES (Waste Strategy)	-1,050		
FCS	-1,114		
CEG	-479	-2,643	10
(f) Funds earmarked for specific projects			}
CEG HR modernisation	-446		
Other	-423		
Finance Financial Services	-384		
ICT Services	-1,344		
Corporate Property Management	-702		
CYPs Youth Justice Service	-244	-3,543	11
(g) Corporate Funds			}
Unallocated PIP	-1,461		
Transformation Fund	-506		
Community Fund	-672		
Pension Deficit Funds	-300		
Area Committee Budgets	-23		
Pay and reward fund	-137	-3,099	12
(h) Proposed transfer into Earmarked Reserves in 2012/13			}
BES Winter Service	-1,000		
BES Flood Risk Management	-332	-1,332	13
(i) Funds to finance service needs and other known commitments			}
HAS	-2,850		
BES	-1,223		
CYPs	-2,633	-6,706	14
(j) Total proposed carry forward to 2012/13		22,899	15
(k) = Total budget outturn saving in 2011/12 (c+ j)		-27,271	16

There are essentially three categories into which the underspend can be analysed:

- (a) service related and requested for carry forward
- the three Service Directorates have essential service requirements going forward which they are seeking approval to fund from savings in 2011/12 (total requested £6.706m)
 - sums held by CEG and FCS for a range of specific projects – these have been accumulated from accelerated savings targets and other underspends in order to finance a range of “corporate” items that would otherwise need to be bids for PIP etc funding (total £3.299m)
- (b) certain sums will be transferred to either the GWB or the PIP (total £7.015m) plus other sums are earmarked for specific Service Directorate initiatives (total £1.576m)
- (c) corporate funds
- PIP allocations not spent in year (£5.576m)
 - corporate funds to be carried forward (£3.099m)

Given the financial pressures in future years identified in the approved Revenue Budget 2012/13 and MTFS 2012/15, a rigorous review of all the various components of the underspend has been undertaken. The aim of this review was to ensure that funds are only carried forward for those items that are service priorities and/or necessary. Following this review the Corporate Director – Finance and Central Services is satisfied that the carry forward proposals in this outturn report comply with these aims. The saving not proposed for carry forward to 2012/13 and, therefore, transferrable to the General Working Balance total £4,372k. Savings proposed for carry forward to 2012/13 total £22,899k, analysed by Directorate as follows:

Directorate	PIP Allocations (a)	Other (b)	Total (a + b)
	£000	£000	£000
Health and Adult Services	61	2,850	2,911
Business and Environmental Services	0	2,555	2,555
Children and Young Peoples' Service	270	2,877	3,147
Chief Executive's Group	172	869	1,041
Finance and Central Services	1,164	2,430	3,594
Total	1,667	11,581	13,248
Corporate Miscellaneous (Funds)			
PIP	3,909	1,461	5,370
Returned to PIP from BES	0	1,050	1,050
Transferred to PIP from CEG	0	479	479
Transferred to PIP from CEG	0	1,114	1,114
Transformation Fund	0	506	506
Community Fund	0	672	672
Pension Deficit Funds	0	300	300
Area Committee Budgets	0	23	23
Pay and Reward Fund	0	137	137
Total	3,909	5,742	9,651
Total Proposed Carry Forward to 2012/13	5,576	17,323	22,899

The Executive has approved the transfer of the Transformation Fund into the PIP in 2012/13 to consolidate all funds relating to promoting change and/or invest to save initiatives. There are no Directorate write-off requests in 2011/12.

Although budget allocations to Area Committees were discontinued from 2011/12, the Executive agreed, as part of last year's Revenue Outturn report, that unspent balances at 31 March 2011 could be retained by the Area Committee. The unspent balances at 31 March 2011 that were carried forward to 2011/12 totalled £70k. At 31 March 2012 £23k of the £70k carry forward from 2010/11 had still not been spent and the Executive has agreed that these remaining funds be carried forward to 2012/13 and made available for allocation by the respective Area Committee up to 30 June 2012. Any balances which remain uncommitted after this date will be taken into Corporate funds. Area Committee members were informed of this proposal in March 2012.

The Central Contingency Fund is a provision for unforeseen, unpredicted and/or emergency expenditure and is held as part of the overall Corporate Miscellaneous budget. The total fund for 2011/12 was agreed at £500k with the outturn position being:-

Item	£000
Budget approved	500
Less allocations made in 2011/12	140
Balance to GWB	360

The year end saving of £360k is not proposed for carry forward to 2012/13 and therefore is added to the General Working Balance at 31 March 2012.

The Pending Issues Provision (PIP) was set up in 2008/09 as part of the MTFs process, to underpin a financial strategy which would ensure sufficient recurring funds are available in future years to meet the predicted year on year additional costs of the Waste Strategy. In addition to providing long term funding for the Waste Strategy, the "cash" paid into the PIP but not yet required by the Waste Strategy is available to fund non-recurring items, with significant sums having been allocated to date by the Executive. Since the PIP was created, its use has been widened in terms of the sources of contributions paid in and the range of allocations paid out. The PIP has been used recently to fund the introduction of reablement in HAS; Bright Office schemes in Craven and Harrogate; the transition of ICT systems to a Microsoft infrastructure and top-up funding for the Bedale Bypass. A summary of the current position reflecting allocations agreed by Executive, to date, together with updated indicative sums required to fund the Waste Strategy, is:

Item	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
	£000	£000	£000	£000	£000	£000
Funding Available						
- Initial budget allocations	14,394	14,394	14,394	14,394	14,394	14,394
- subsequent inflationary increases	2,606	3,856	5,356	6,856	8,356	9,856
- allocations to Waste Strategy	-5,265	-7,367	-9,192	-	-20,532	-24,077
- transfer from Community Fund	400	300		12,432		
- net underspend carried forward from 2010/11	5,153					
= funding available	17,288	11,183	10,558	8,818	2,218	173
Allocations previously agreed by Executive including some rephasing between years	-16,147	-9,437	-295			
Bedale Bypass (Executive 17 January 2012)				-733	-1,964	-997
STIC provisions for related projects and priorities		-885				
Returned from HAS (Electronic Home Care Monitoring system)	200					
Returned from CYPS (ICT Transformation projects)	120					
Returned from BES (Waste Strategy)		1,050				
Returned from CEG		479				
Returned from FCS		1,114				
= total PIP remaining to be allocated	1,461	3,504	10,263	8,085	254	-824

22,743

In relation to the STIC provision of £885k, a further report will be submitted to Executive once the necessary business case(s) to substantiate the allocation of these additional funds have been prepared. For the time being provision has been made for these items in 2012/13. In cash terms the remaining PIP budget in Corporate Miscellaneous at 2011/12 outturn is £1,461k. This represents unallocated PIP Budget which will be carried forward into 2012/13 to finance further future allocations. Based on the allocations and earmarked provisions there is currently £22,743k available in future years for one-off issues. This is until such time as the Waste Strategy draws down its full and final requirement (currently scheduled for 2016/17). **Appendix 1I** provides full details of the agreed allocations and their progress to date. A number of these allocations are committed but underspent in 2011/12 and these funds are requested for carry forward as part of Directorate net year end variations. This net underspend totals £5,576k. The Appendix also provides initial revised assumptions of expenditure on PIP approved projects up to 2014/15.

A key feature of the Revenue Budget 2012/13 and Medium Term Financial Strategy 2012/15 approved by the Executive and County Council in February 2012 is a policy to maintain the General Working Balance (GWB) at a defined minimum acceptable level, which has been set as 2% of the net Revenue Budget of the County Council. This target has been achieved at the end of the 2011/12 financial year. The level of the GWB is directly affected by any year end under or overspending on the various Corporate Miscellaneous budgets which are not rolled forward between years, plus any unforeseen in-year factors arising on Service Budgets which need to be funded corporately. A statement of the GWB at 31 March 2012, reflecting the draft outturn position, is attached as **Appendix 1J**, which shows that the year on year movement in balances is:

Item	£000
Balance at 31 March 2011	23,949
+ Total funding income received in year	368,670
– net expenditure by Directorates in 2011/12	-356,512
= General Working Balance at 31 March 2012	36,107

This overall balance of £36,107k, however, includes the Corporate/Directorate variations in 2011/12 proposed for carry forward to 2012/13. For financial planning purposes, it is assumed that the GWB will be reduced during 2012/13 by the consumption of these carry forwards, as they are in effect earmarked balances. The overall level of 'free' GWB at 31 March 2012 after adjusting for these £22,899k proposed carry forwards is therefore £13,208k, equal to 3.6% of net revenue expenditure. This £13,208k level of 'free' GWB at 31 March 2012 represents an increase of £2,666k compared to the projected figures reported during the 2012/13 Budget/MTFS process (£10,542k) and an increase of £1,635k compared to the projection reported at Q3 (£11,573k). An analysis of the reasons for the increase is identified in **Part 3 of Appendix 1J** with a summary as follows:

Item	Q3	Outturn	Difference
	£000	£000	£000
Free GWB at 31 March 2011	8,836	8,836	-
2011/12 transactions impacting on the GWB			
Corporate Miscellaneous outturn position reflecting Budget 2 savings target of £1.9m	-441	+231	+672
Concessionary Fares underspend	+822	+993	+171
CEG accelerated savings not required for carry forward in 2012/13	-	+542	+542
CYPS accelerated savings not required for carry forward to 2012/13	+2,356	+2,606	+250
= Position at 31 March 2012	11,573	13,208	+1,635

The improved GWB position at 31 March 2012 compared to the 2012/13 Revenue Budget/MTFS assumption is £2,666k. It is proposed to utilise £2.4m of this sum to fund the additional investment in 2012/13 approved by Executive on 24 April 2012. This treatment is fully reflected in the projections set out in **Appendix 1J**. The forecast level of the General Working Balance for the next four years is:

Item	£000	% of Net Revenue Budget
• actual free balances at 31 March 2012	13,208	3.6
• estimated at 31 March 2013	13,309	3.7
• estimated at 31 March 2014	10,565	2.9
• estimated at 31 March 2015 *	7,449	2.0

(* assumes contribution if necessary from PIP of £1.303m)

The County Council has adopted a set of 'good practice rules' as part of its MTFS which is to achieve and maintain a policy target of 2% of the net Revenue Budget of the County Council.

- (a) that any underspending on the Corporate Miscellaneous budget at the year end should be allocated to the GWB
- (b) that should there be any call on the GWB during a year, such that the MTFS targets will not be achieved at the respective year ends, then:

- (i) that shortfall be addressed in the next Budget cycle and/or
 - (ii) that revenue or capital expenditure reductions be effected in either the current or following financial year, in order to offset the shortfall
- (c) that in order to implement (b) the Executive should review the position of the GWB on a regular basis as part of the quarterly budget monitoring report process.

Following the approval of the 2012/13 MTFS and Revenue Budget by the County Council the targets referred to are:

Year	MTFS Target		2% of Net Revenue Budget
	£000	% of Net Revenue Budget	
31 March 2012	10,542	2.9	£000 7,373
31 March 2013	13,043	3.6	7,268
31 March 2014	10,299	2.8	7,407
31 March 2015	7,449	2.0	7,449

In relation to item (b) in the rules set out above, the target for 31 March was £10,542k and the draft outturn position is £13,208k, which is £2,666k above the target and represents 3.6% of the 2011/12 base net revenue budget. However £2.4m of the £2,666k improvement has been allocated by the Executive for funding additional investment in 2012/13; £2m on the repair of potholes and £0.4m for the provision of apprenticeships.. By utilising £2.4m of the £2.666m increase in the GWB since the 2012/13 Revenue Budget/MTFS was agreed, the latest projections to 31 March 2015 marginally exceed the Budget/MTFS figures agreed. As can be seen in Section 3 of **Appendix 1J**, however, there is a shortfall of £1,303k below the 2% minimum of £7,449k by 31 March 2015, as a result of funding MTFS 'funding gaps' in both 2013/14 and 2014/15 from the GWB. If no recurring savings or increased levels of GWB are identified by 2014/15, this shortfall will have to be met from the PIP.

In addition to the GWB and Directorate underspends carried forward, the County Council holds a number of other earmarked reserves and balances. These represent funds that have been set aside for a specific initiative or liability and, therefore, are not available to fund recurring costs that would otherwise be part of the base budget of a service. Since the introduction of International Financial Reporting Standards (IFRS) to local authority accounts in 2010/11, there is a new category of earmarked reserve to be included in the County Council's balance sheet. This revenue income reserve consists mainly of grants and contributions which now have to be fully recognised within the revenue account, when any conditions attached to the grant/contribution have been generally met. This is different to the previous practice of matching such grant/contributions income to in-year spending and carrying forward unspent grant/contributions income to the following year, as income in advance. The effect of this accounting change has been to release grant/contribution income to the revenue account in advance of being spent in the following financial year. This unspent income can, however, continue to be rolled forward to fund expenditure in a subsequent financial year, via an earmarked reserve. Accordingly this unspent grant and contribution income, where conditions attached to the income have in general been met, is now being carried forward as an earmarked reserve, rather than the previous treatment as income in advance amounting to £15.2m at 31 March 2011 and £21.2m at 31 March 2012. **Appendix 1K** shows the overall position of all the County Council Reserves and Balances, at

the start and end of the 2011/12 financial year, together with the forecast submitted as part of the 2012/13 Budget and MTFs report. A summary of the variation in reserves between 31 March 2011 and 31 March 2012 is:

Type of Reserve	2010/11	2011/12	Variation
	£m	£m	£m
Working Balances	24.0	36.1	+12.1
Earmarked Reserves			
for Schools	37.9	37.9	0
NYCC	28.6	32.2	+3.6
Sub-total	90.5	106.2	+15.7
Unspent grant and income reserves	15.2	21.2	+6.0
Total reserves at 31 March	105.7	127.4	+21.7

The 2011/12 increase in the level of reserves of £21.7m (from £105.7m to £127.4m) is due to a combination of factors with the main variations being:-

Reserve	31 March 2011	31 March 2012	2011/12 Variation
	£m	£m	£m
Working Balances			
Directorate underspends carried forward	15.1	22.9	+7.8
General Working Balance	8.9	13.2	+4.3
Sub-Total	24.0	36.1	+12.1
Earmarked for Schools			
Schools balances (LMS reserve)	27.1	25.4	-1.7
Schools Block / DSG	10.8	12.5	+1.7
Sub-Total	37.9	37.9	0
Other Earmarked Reserves			
Winter Service	2.0	2.0	0
Area Based Grant (ABG)	1.8	0	-1.8
Insurance Reserve	5.9	6.3	+0.4
Corporate Redundancy reserve	0.9	2.3	+1.4
Redundancy costs in schools	2.0	3.9	+1.9
CYPS Special Education needs	1.9	1.3	-0.6
BES Initiatives and Transformation	0.8	0.6	-0.2
BES Advance payments	1.6	0.7	-0.9
ICT Future Developments	1.4	2.0	+0.6
ICT – Microsoft / Broadband	0.9	0.7	-0.2
BES Local Development framework / minerals	0.6	0.5	-0.1
BES Selby Swing Bridge	0.6	0.8	+0.2
Trading Unit accumulated surpluses	3.8	5.5	+1.7
Contractors Reserve	0.8	0.7	-0.1
CYPS Service transformation	1.6	1.7	+0.1

Reserve	31 March 2011	31 March 2012	2011/12 Variation
HAS Supporting People	0	1.2	+1.2
Other smaller reserves	2.0	2.0	0
Sub-total	28.6	32.2	+3.6
Revenue Income Reserves (mainly grants and contributions)			
CYPS School Capital Grants	4.7	0.5	-4.2
CYPS – Other Grants	3.5	0.8	-2.8
BES Grants	1.2	4.3	+3.2
HAS Grants	0.1	1.7	+1.6
HAS Health Funding	0	9.3	+9.3
CEG Grants	0.1	0.1	0
LAA Performance Reward Grant	5.6	4.5	-1.1
Sub-total	15.2	21.2	+6.0
= Total Earmarked Reserves	105.7	127.4	+21.7

The Local Government Act 2003 and associated guidance received from CIPFA requires a formal review, and regular report as part of the budgetary control process, on the level and adequacy of reserves, balances and provisions. These requirements were incorporated into the 2012/13 Budget/MTFS report. **Appendix 1K** continues this process.

This Revenue Outturn report, together with the accompanying Capital Outturn, Budget Savings and Treasury Management reports, are based on the County Council's organisational and budgetary management arrangements. A comprehensive Statement of Final Accounts (SoFA), that conforms in format and content to the statutory Code of Practice on Local Authority Accounting, is, however, required to be formally approved by Members and certified by the external auditor. The current statutory requirements (Accounts and Audit Regulations 2011) are that the SoFA is certified by the Section 151 (Chief Finance) Officer by 30 June each year and approved by Members in advance of the external audit opinion and certificate and publication of the accounts by 30 September each year. Responsibility for considering and approving the County Council's SoFA rests with the Audit Committee. Following completion of the external audit in July and August 2012, the final SoFA will, therefore, be submitted to the Audit Committee for approval on 27 September 2012, immediately before the external auditor presents his opinion and certificate in relation to the SoFA. Although there is now no longer a requirement for the draft/unaudited SoFA to be approved by Members by 30 June each year, both the DCLG and CIPFA suggest that good practice would be for the draft SoFA still to be presented to Members for review and comment prior to external audit. Thus, following on from last year, the County Council's draft SoFA for 2011/12 will be submitted to the Audit Committee on 28 June 2012 but this will be for review and comment only, not formal approval. The final SoFA, after external audit, will subsequently be resubmitted to the Audit Committee for formal approval, but will be markedly different to the management accounts presented in this report because:

- (a) CIPFA's required service structure is very different to the County Council's organisational structure. The service structure in the SoFA must follow the Service Reporting Code of Practice (SeRCOP) – which was formerly known as the Best Value Accounting Code of Practice (BVACOP)

- (b) the SoFA must comply with CIPFA's Code of Practice on Local Authority Accounting (successor to the old SORP) thereby requiring many technical adjustments to our management accounts for such items as depreciation of assets and pensions costs and liabilities
- (c) the impact of the introduction of IFRS into local authority accounts in 2010/11

Explanations of the key differences between the two sets of figures will be provided to the Audit Committee.

The Carbon Reduction Resources Fund, set up in its current form in 2008/09, provides funding on an Invest to Save basis to any NYCC property, including schools, that wishes to undertake a carbon reduction project. The Fund was originally "floated" by an internal loan facility up to £750k from the Insurance Fund and, to date, projects to a total value of £325k have been funded. The Invest to Save repayments are recycled within the Fund to provide fresh funds for further projects. All loans/repayments are approved on the basis of explicit payback periods linked to the project proposed. The Energy Team in Corporate Property Management are currently organising a programme of fuel conversion projects, primarily in schools, together with implementing the roll out of the Automatic Meter Reading (AMR) and Energy Management System (EMS) programmes which are necessary to minimise the 'tax' implications of the Government's Carbon Reduction scheme. Taking into account a combination of current commitments and the anticipated drawdown for these new initiatives, a financial modelling of the probable 'loans out/repayments in' cashflow indicates a maximum potential overdrawn position in 2012/13 of approximately £700k with a return to neutral by 2018/19. The Executive has, therefore, approved a further loan facility of £750k (up to a maximum of £1.5m) to the Fund from the Insurance Fund, subject to the same terms and conditions as the current loan.

Members will be aware from the Budget/MTFS reports considered in February 2012 that future funding prospects are not favourable, whilst issues arising in services will still need to be addressed. The narrative provided in this report points to many of these issues. On the funding side there are principal uncertainties regarding:

- localisation of Business Rates and the review of formula grant components
- localisation of Council Tax benefits and the potential impact of the 10% cut in grant currently provided to District Councils
- uncertainties regarding Years 3 and 4 of the current CSR and the impact of the Council Tax freeze grant

The service pressures that may manifest themselves as potential financial issues include

- continued demand pressure arising from an ongoing and increasingly frail population
- the need to modernise learning disability services at a time of increasing family expectations
- challenge to integrate health and social care provision allied to the continuing uncertainties relating to transfer/availability of health funds
- the uncertain financial risk associated with the transfer of the public health function
- impact of school funding reforms and the national academies programme on local budgets
- continuing transfer of duties and funding responsibilities from central government to the local authority (eg cost of remand)
- introduction of new statutory duties and regulatory requirements which increase/extend local authority obligations to provide childrens' services (eg Troubled Families, Family and Friends Foster Care)
- pressure to place teenagers in high cost/service establishments as a reaction to sexual exploitation/community vulnerabilities
- cost of Waste Strategy (if it exceeds funding earmarked in the PIP)
- long term impact of budget reductions on the condition of the highways network
- risk of cost overrun on the BALB project
- low interest rate return on cash balances currently offset by healthy cash balances – as the earmarked balances are consumed over the next few years this will create an interest shortfall in Corporate Miscellaneous.

Recognising these pressures the Management Board has adopted a very aggressive approach to budgetary control in 2011/12 that has not only achieved the MTFS savings targets, but also generated further savings that are, in many cases, recommended in this report for carry forward to address identified issues. Other funds have been recycled into the GWB and/or PIP in order to bolster corporate 'cash' reserves that may be needed, on a one off basis, to ameliorate possible funding reductions in the immediate future years whilst further savings are implemented.

The Executive RECOMMENDS:

That unspent budgets at Corporate and Directorate level totalling £22,899k, as detailed in the report, be carried forward.

2. Capital Expenditure Outturn and Financing 2011/12. The Capital Plan is split into a Capital Programme of schemes that have passed the necessary Gateways and are proceeding to construction - slippage on these schemes should be negligible because experience shows that most slippage takes place in the preparatory stages of a scheme - and a Capital Forecast of schemes for which the preparatory process has not progressed to the point where they can enter the Capital Programme. Analysis has shown that it is these schemes that suffer slippage due to a wide range of internal and external factors.

The movement in the Capital Plan for 2011/12 between February 2011 and February 2012 has been:-

em	£m	£m
Gross Spend of Capital Plan approved on 22 February 2011 (Capital programme of £107.3m + Capital forecast of £13.5m)		120.8
Rephasing of expenditure between years		
(i) net underspend in 2010/11 rolled forward to 2011/12		
CYPS health & safety schemes	2.4	
OCS company loans	2.4	
BES Scarborough integrated transport	-1.5	
BES structural maintenance of roads	1.3	
Other	3.4	8.0
(ii) Self funded variations in 2010/11 rolled forward to 2011/12		
CYPS school self help scheme	-3.7	
CYPS Primary Capital Programme	-2.8	
CYPS health & safety schemes	-2.3	
CYPS devolved capital funding	-2.1	
CYPS Malton school self help scheme	1.8	
Other	0.7	-8.4
(iii) 2011/12 rephasing which is funded from grants and contributions		
CYPS devolved capital funding	-1.6	
CYPS Pupil Referral Units and Special Schools	1.5	
Other	-3.7	-3.8
(iv) 2011/12 rephasing funded from borrowing and capital receipts		
HAS valuing people	-4.1	
CYPS basic needs schemes	-2.9	
CYPS capital maintenance 2011-14	2.2	
CYPS PIP funded schemes	-1.9	
HAS our future lives extra care schemes	-1.5	
CYPS major capital projects	-1.5	
Other	-10.7	-20.4
Other variations in schemes funded from grants and contributions		
BES structural maintenance of roads	6.7	
BES integrated transport block	1.2	
CYPS national digital infrastructure (now revenue)	-5.9	
CYPS self help schemes	-1.8	
CYPS health and safety schemes	3.1	
CYPS capital planned maintenance	2.7	
CYPS primary capital programme	1.7	
CYPS 14-19 development plan	1.5	
Other	-1.9	7.3
Variations in schemes funded from Prudential Borrowing		
OCS company loans	-2.0	
Other	-0.4	-2.4
Total variations		-19.7
= latest Capital Plan approved on 28 February 2012 (Capital Programme of £101.0m + Capital Forecast of £0.1m)		101.1

Capital expenditure in 2011/12 is:

	Gross Capital Spend	Less Capital Grants and Contributions	Net Capital Spend
	£m	£m	£m
Original Capital Plan (22 February 2011) (a)	120.8	92.6	28.2
Latest Capital Plan (22 February 2011) (b)	101.1	87.6	13.5
Outturn for 2011/12 (c)	98.6	88.2	10.4
Year End Variation compared Original (a – c)	-22.2	-4.4	-17.8
Latest Plan (b – c)	-2.5	+0.6	-3.1

The 2011/12 gross capital spending of £98.6m represents a £2.5m underspend compared with the last Q3 Capital Plan update of £101.1m. A summary of the outturn position is set out below, for gross capital spend at Directorate level, with a more detailed summary being provided in **Appendix 2A** and an individual statement for each Directorate at **Appendices 2B to 2E**. These Appendices also show the outturn position for related capital income from grants, contributions and revenue contribution, and a net spend which is funded principally from borrowing.

Service	Appendix	Gross Latest Plan (Feb 12)	Gross Outturn	Variation to Latest Plan
		£m	£m	£m
Health and Adult Services	B	2.4	2.1	-0.3
Business and Environmental Services	C	51.5	48.7	-2.8
Children and Young People's Service	D	41.7	41.7	0
Other County Services	E	5.5	6.1	+0.6
Total		101.1	98.6	-2.5

A summary of the main outturn variations are shown in the table below

Item	Gross Spend Variation £m	Grant/Contribution Variation £m	Net Spend Variation £m
Health and Adult Services			
<i>Maintaining Fabric/Facilities of Properties</i> – a combination of rephasing of expenditure on several refurbishment schemes and fire precautions work completed at a lower cost than expected	-0.1	0	-0.1
<i>Valuing People LD Schemes</i> – rephasing of expenditure as a result of bad weather/planning delays and difficulty identifying suitable sites	-0.2	0	-0.2
	-0.3	0	-0.3
Business and Environmental Services			
<i>Local Transport Plan</i> – rephasing of grant funded works in relation to the detrunked A63 and A65 as well as rephasing due to weather delays and the end of the Highways Maintenance Contract	-2.6	-0.8	-1.8
<i>New and Replacement Road Lighting</i> – additional works undertaken, above PIP allocation, funded from a one off saving in the BES revenue budget	+0.5	+0.5	0
<i>Waste Management Service</i> – contingency not required to offset any additional costs of the HWRC project, to be carried forward and earmarked for the waste infrastructure strategy	-0.3	-0.3	0
<i>Rationalisation of Depots</i> – all depot construction completed. Costs are based on works estimates and will be finalised when the final accounts are received and processed	-0.2	-0.2	0
<i>Other Schemes</i>	-0.2	+0.1	-0.3
	-2.8	-0.7	-2.1

Item	Gross Spend Variation	Grant/ Contribution Variation	Net Spend Variation
	£m	£m	£m
Children and Young People's Service			
CYPS Management Projects			
<i>Capitalised Repairs and Maintenance</i> – programme progressing well and delivered slightly ahead of budgeted profile	+0.8	+0.8	0
<i>SureStart, Early Years & Childcare Capital</i> – a combination of rephased expenditure on delayed schemes as well as schemes where costs have been lower than anticipated	-0.5	0	-0.5
<i>Health and Safety</i> – Regulatory schemes proceeding ahead of schedule resulting in expenditure being brought forward from 2012/13	+0.3	+0.4	-0.1
<i>Primary Capital Programme</i> – rephasing of expenditure due to initial delays on Norton CP project	-0.3	0	-0.3
<i>Building Schools for the Future</i> – the Richmond School project is nearing completion with only minor works to be finalised in 2012/13	-0.3	-0.1	-0.2
<i>Pupil Referral Units / Special Schools</i> – additional costs incurred on the Foremost School project resulting in expenditure being brought forward from 2012/13	+0.3	-0.4	+0.7
<i>Other Schemes</i>	+0.3	-0.2	+0.5
	+0.6	+0.5	+0.1
School Managed Projects			
<i>Devolved Capital</i> – Schools' expenditure on devolved capital projects was lower than expected.	-3.6	-3.6	0
<i>Self Help Schemes</i> – expenditure was much higher than forecast	+3.0	+3.0	0
	-0.6	+0.6	0
CYPS Total	0	-0.1	+0.1
Other County Services			
<i>Material Damage Provision</i> – in order to ensure damage to school property as a result of the severe winter weather in 2010/11 was repaired as soon as possible, the County Council agreed to meet the cost of repairs and claim back costs from insurers. This has resulted in additional expenditure/income in 2011/12	+1.4	+1.3	+0.1

Item	Gross Spend Variation	Grant/Contribution Variation	Net Spend Variation
	£m	£m	£m
<i>Affordable Housing</i> – rephasing of expenditure on Affordable Housing Scheme to 2012/13	-0.3	0	-0.3
<i>Loans to Limited Companies</i> – NYnet loan take up at 31 March 2012 was lower than forecast	-0.4	0	-0.4
<i>Standard Desktop Refresh</i> – additional PC purchases funded from revenue	+0.3	+0.3	0
<i>Other Schemes</i>	-0.4	-0.2	-0.2
	+0.6	+1.4	-0.8
= Total Variation in 2011/12 compared with the update in February 2012	-2.5	-0.6	-3.1

The County Council's Financial Procedure Rules incorporate an automatic carry forward facility for under/overspends both for approved capital expenditure and scheme specific capital income. There was a £2.5m gross underspend compared with the latest Capital Plan for 2011/12, however, after accounting for grants and contributions income, there is a net bottom line underspend of £3.1m. The various components of this net £3.1m underspend and the proposed carry forward to 2012/13 are:-

Item	£000
Latest Q3 Capital Plan update (gross spend)	101,127
2011/12 outturn	98,601
= gross capital underspend	2,526
+ increased grants and contributions	582
= net capital underspend	3,108
'Corporate' Capital Plan variations not proposed for carry forward to 2012/13	-411
= adjusted net underspend proposed for carry forward to 2012/13	2,697

The split of the proposed £2,697k carry forward underspend between Directorates is:-

Directorate	£000 underspend
Health and Adult Services	361
Children and Young People's Service	-157
Business and Environmental Services	2,138
Other County Services	355
Total net underspend carried forward	2,697

This proposed carry forward will not impact on the long term capital financing arrangements for the Capital Plan as borrowing and use of capital receipts can be used flexibly between years.

Total capital expenditure of £98,601k in 2011/12 has been financed as follows:-

Item	£000	£000
New borrowing		
• external sources as adjusted for debt repayment and statutory charges to revenue	0	
• internal capital borrowing	6,547	6,547
Capital Grants and Contributions		65,735
Schemes financed from Revenue		22,464
Capital Receipts		
• receipts received in 2011/12 from property sales	3,293	
• company loan repayments	562	3,855
= Total capital spending to be financed in 2011/12		98,601

The balancing figure in the above table is effectively the increased level of borrowing for capital purposes from internal sources of £6,547k. A more detailed comparison of the above funding package with that underlying the original Capital Plan approved in February 2011 and the last update approved in February 2012 is provided at **Appendix 2F**.

The table above shows that new borrowing of £6,547k was needed to finance capital spending in 2011/12. This consisted wholly of internal borrowing from cash balances, with no external borrowing being taken in 2011/12. In considering this figure, it should be noted that a breakdown of the total capital borrowing requirement of £6,547k into constituent elements and compared with the original and latest Capital Plan is:-

Item	Original Estimate (Feb 2011)	Latest Estimate (Feb 2012)	2011/12 Outturn
	£m	£m	£m
Government Supported Borrowing (none after 2010/11)	0	0	0
Unsupported Prudential Borrowing approved by the County Council	1.3	1.5	0.5
Slippage of net capital expenditure and capital receipts between years	18.9	9.8	7.6
Temporary use of surplus capital resources (mainly capital receipts) and other financing arrangements	-0.5	-1.3	-1.6
Total Capital Borrowing requirement	19.7	10.0	6.5

The outturn position on capital receipts is:

Item	£000
Receipts achieved in 2011/12	
• sale of County Farms	770
• sale of other land and buildings	2,523
	3,293
Used to fund capital expenditure in 2011/12	-3,293
Capital Receipts carried forward to 2012/13	0

Total capital receipts of £3.3m compare with an estimate of £3.5m used for the last updated Capital Plan. The shortfall of £0.2m relates mainly to the minor slippage into 2012/13 of some receipts expected in 2011/12. The £3.3m is, however, considerably less than the forecast at the start of the financial year as a result of several factors, but principally

- planning consent has been delayed for several sites, moving the expected capital receipt into 2012/13
- the Executive has approved transfer for two sites to support the HAS Extra Care Programme at a sum below their full value if sold on the open market

- delays in the construction of two new highway depots meant that it has not been possible to market Pateley Bridge or West Ayton as originally anticipated
- continuing poor market conditions, especially in the housing sector, which is relevant to the majority of NYCC disposals as they are potential development sites. This has resulted in receipts realised throughout the year not achieving the expectations at the start of the financial year.

All available Capital Receipts at 31 March 2012, £3.3m, have been used to fund capital spending in the year. This approach is advantageous in terms of treasury management activities and reducing capital financing costs in 2012/13. A reduction in the NYnet loan balance during 2011/12 of £562k (from £7,629k at 1 April 2011 to £7,067k at 31 March 2012) is classed technically as a loan repayment and capital receipt for capital financing purposes. This is not included in the table above, where the figures relate solely to the sale of surplus land and properties. In terms of County Farms capital receipts, the County Council agreed on 15 May 2002 a flexible policy on the utilisation of capital receipts. This policy was to use receipts as appropriate to either finance the Capital Plan, to reduce debt or for other purposes, in accordance with the financial demands on the County Council, and with its policies, at the time when the receipts became available. Following a review of the County Farms Sales Policy the Executive agreed, on 6 May 2008, that this policy should remain unchanged.

The Capital Plan therefore utilises all expected County Farms receipts achieved in the financial years 2011/12 to 2014/15 to fund capital spending, rather than for debt repayment or other purposes. Therefore all such receipts in 2011/12, totalling £770k, have been used for the funding of capital spending. Looking ahead, the future direction of the property market remains uncertain and any improvements to values and / or the speed of sales are dependent on improvements to the overall state of the economy. Property continues to be one of the areas hardest hit by the country's economic problems and this is expected to continue well into 2012/13. The County Council's property requirement will continue to shrink as a result of current service reviews, the implications of flexible working and the One Council Property Management workstream. Furthermore, two Central Government initiatives – Community Right to Buy and arrangements for accommodation for free schools - may affect, and will certainly delay, the County Council's ability to deliver some planned disposals in future years and combined with the economic downturn it is, therefore, difficult to predict with any degree of certainty the level of capital receipts that will be achieved over the next couple of years. The County Council adopts a proactive approach to asset management and in conjunction with the retained property consultants, Bruton Knowles, will continue to react in the most appropriate manner. Thus, in the past year, the authority has made more use of auctions as a means of realising sales of properties that were proving difficult to sell on the open market. It is likely that this approach will need to be continued for 2012/13 at least.

The Capital Plan update report submitted to Executive on 28 February 2012 identified a potential £2.4m of unallocated capital funding that might become available in the four year period to 2014/15. This sum arose mainly from additional capital receipts that had been identified, net of additional capital funding allocations approved by Executive. As a result of the 2011/12 outturn position and a more recent updated forecast of capital receipts up to 2014/15 this surplus capital resources forecast has now increased to £2.8m. This increase is principally due to the net impact of variations in the expected value of existing surplus land and properties and additional land and properties being identified for sale. The Executive has again agreed to retain any surplus capital funding for the time being.

The One Council Vision envisages a single co-ordinated approach to the management of property assets. It also implies a 'whole life costing' approach to the use of funds, revenue or capital, to maintain/improve/refurbish the asset portfolio. For these reasons the aspect of the One Council Property workstream that will review property needs on an area by area basis will be co-ordinated with a review of all uncommitted (Capital Forecast) schemes in the Capital Plan.

The Executive RECOMMENDS:

That the proposed carry forward to 2012/13 of the net underspend totalling £2,697k, as set out in the report, be approved.

3. Corporate Risk Management Policy. The County Council formally adopted a revised Corporate Risk Management Policy on 16 December, 2009, with a provision that it be reviewed and updated every two years. The Audit Committee, on 19 April 2012, considered a report which recommended revision of the Corporate Risk Management Policy. The effect of the revision is to reflect the latest International Standard on Risk Management (ISO 31000:2009) together with best practice. There are a number of revised principles and benefits, but the objectives and how they will be achieved are substantially unchanged. The Audit Committee expressed support for the revised Policy which is attached as **Appendix 3**.

The Policy is supported by a Strategy which is undergoing fundamental review overseen by the Corporate Risk Management Group. A report on the outcome of that process, together with an Action Plan, will be submitted to a future meeting of the Audit Committee.

The Executive RECOMMENDS:

That the revised Corporate Risk Management Policy, as set out at Appendix 3, be approved.

4. Youth Justice Service Strategic Plan. Under Section 40 of the Crime and Disorder Act 1998 it is a statutory requirement to have an annual Youth Justice Plan. The Youth Justice Board issues the template and guidance for completing the plan, which must be signed by members of the Youth Justice Management Board and submitted to the Regional Youth Justice Board Manager by 30th June 2012. The final draft North Yorkshire Youth Justice Strategic Plan 2012-13 is attached as **Appendix 4**. In preparing the Plan there has been consultation across the Youth Justice Service, with senior managers in Children's Social Care, with Children and Young People's Leadership Team members, and with key partners, through the Youth Justice Services Management Board. Whilst the service seeks to promote consultation with children, young people, parents and carers in respect of services delivered by the YJS, and this is taken account of in the Plan, there has been no direct consultation about the Plan itself. It is recognised that the YJS needs to explore ways in which this may be achieved in future.

The Executive RECOMMENDS:

That the Youth Justice Strategic Plan 2012-13, a copy of which is attached as Appendix 4 to this report, be approved.

5. Ethical Framework Developments. The Localism Act, 2011, abolishes the current standards regime and makes provision for a new framework, which came into effect on 1 July 2012. The implications of the Act for the standards regime has been the focus of the Standards Committee's work programme for some time. The County Council, on 15 February 2012, received a report in relation to the Standards Committee's recommendations for development of a new ethical framework for the Council. The Council deferred consideration of the proposals pending more detailed consideration of the matter by a Members' Working Group on the New Ethical Framework. The Council was also advised of work to be undertaken by the Monitoring Officer in conjunction with the Monitoring Officers for the District Councils and the City of York Council ('the Officer Group'), which aimed to achieve a consistent approach to the ethical framework, as far as possible. The aim was that Members working with different authorities should not be subject to different requirements in relation to ethical standards in their various roles. There has been regular liaison between officers in the development of new local standards regimes. Work has been undertaken to develop a common approach, as far as possible, particularly in relation to a new Members' Code of Conduct. However, authorities have different preferences and approaches in a number of areas.

The Standards Committee has considered the LGA template Code of Conduct (**Appendix 5A**) and CLG illustrative text for a code (**Appendix 5B**) which were substantially different from the draft new Code which had been prepared by officers. The Committee's view was that the NYCC draft was more appropriate for the Council than either of the two new models. The Members' Working Group on the New Ethical Framework has discussed the proposals for a new Members' Code of Conduct and supporting standards regime for the Council and has considered the LGA template Code of Conduct and CLG illustrative text and the draft new Code prepared by officers. The Working Group also took the view that the NYCC draft Code was more appropriate for the Council and the Working Group's views are reflected in the recommendations in this report. Since the Standards Committee and Members' Working Group finalised their views as set out in this report, the outstanding regulations regarding the transitional provisions and disclosable pecuniary interests have been made, bringing the new standards regime into force from 1 July 2012. CLG has issued a letter from Bob Neill MP to all local authority Leaders regarding the introduction of new standards and conduct arrangements for members, and the latest regulations. A copy of the letter is attached as **Appendix 5C**. The letter states that CLG intends to issue guidance on the new pecuniary interests regime 'shortly'.

At its meeting in May, the Council agreed to carry over the current Members' Code of Conduct until this meeting, subject to any interests' changes being implemented as they were enacted, and to commencement of the independent person recruitment, which is currently underway.

The County Council is obliged, under the Localism Act 2011, to demonstrate how it will continue to promote and maintain standards of conduct. The Act has removed the requirement for authorities to have statutory standards committees, however authorities may choose to establish a standards committee which would be a committee of the authority, rather than a mandatory statutory committee. The usual proportionality and access to information requirements will therefore apply to any new standards committee established. Authorities are approaching this issue in a variety of ways, some replicating the current arrangements with the Standards Committee and others are arranging for the ethical standards requirements under the new legislation to be undertaken by a Sub-Committee of another Committee, such as Audit. The prospect of a joint committee between councils is not considered feasible, other than between parish councils and the district councils for their area. It is considered, on balance, preferable that authorities should be directly involved in the handling of complaints against members of their authority. Standards Committee Members favoured the establishment of a Standards Committee, as there will still be a need to deal with standards issues and complaint handling case-work, but the Committee also considered that the processes of any new Standards Committee should be much less bureaucratic and more proportionate than those currently followed.

It is recommended that the Council's duty to promote and maintain high standards of conduct be discharged as listed below and from time to time in such other ways as the Monitoring Officer, in consultation with any Standards Committee established by the Council, may deem appropriate:-

- (i) Appoint a non-statutory Standards Committee.
- (ii) Adopt new/revise existing, ethical statements.
- (iii) Continue to promote ethical issues through planned and monitored Member training, including Member induction training.
- (iv) Continue to produce Standards Bulletins.
- (v) Continue to monitor wider policies, protocols and indicators which point to the ethical health of the Authority.
- (vi) Use of the Authority's website to promote the standards regime ultimately put in place.
- (vii) Publicise when the new/revised Code and supporting standards regime is established by the Authority and from time to time as appropriate.
- (viii) Work together with neighbouring authorities, where possible and appropriate, in order to discharge the statutory duty.

These arrangements are already largely in place and can be maintained with minimum input and a low key, proportionate approach, on the basis that the local ethical framework is considered twice annually by the new Standards Committee. It is anticipated that the input from officers and Members into this process will be significantly reduced, whilst enabling the demonstration of the Council's maintenance of good standards. There are also opportunities for authorities to work together to reduce duplication. The Officer Group agreed that authorities could look to share training and other materials, but agreed that there was probably limited scope for joint training given the size of the area.

The current ten General Principles of Conduct and national model Members' Code of Conduct, on which the Authority's current Code is based, will be repealed and Members will no longer have to give an undertaking to comply with the Code of Conduct. The Council will, however, be required to adopt a new Code governing elected and voting co-opted members' conduct when acting in that official capacity, but not their conduct in private life. The new Code must, viewed as a whole, be consistent with the following seven principles:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

and must contain such provision as the Council thinks appropriate in relation to the registration of interests in the Register of Members' Interests and the disclosure of pecuniary and non-pecuniary interests. Otherwise, the scope and content of the Code is a matter for the Council, although nothing in an authority's code will prejudice the operation of the Act's provisions regarding the registration and disclosure of interests, dispensations and offences.

Following the publication of the regulations on disclosable pecuniary interests, the draft new Code has been amended to reflect the new statutory interests regime which will apply from 1 July 2012. A copy of the updated draft Code is attached to this report as **Appendix 5D**. Members' attention is drawn to the following issues within the draft Code:

- (a) provision is made requiring consultation with the Monitoring Officer and/or Chief Executive Officer before any disclosure of confidential information;
- (b) no provisions regarding predetermination have been included in the Code (a view supported by the discussions of the Officer Group);
- (c) provision is made for Members to keep the Register of Members' Interests up to date. (Under the Localism Act 2011, Members must register their interests within 28 days of election/appointment, but there is no specific provision under the Act for them to register any changes within 28 days of the change occurring); and
- (d) provision is made requiring Members to sign an undertaking to comply with the new Code. Contrary to the view of the Officer Group, but in accordance with the previous view of the Standards Committee, the Members' Working Group felt there *should* be a requirement for Members to sign an undertaking to comply with the Code as this demonstrates a willingness on the part of the Member to comply with high ethical standards.

The Authority must publicise its adoption/revision of the Code in such manner as it considers is likely to bring it to the attention of persons who live in its area. The Standards Committee and Members' Working Group were advised that opportunities for joint publicity after the adoption of new Codes was probably limited, but the wording of a statement for all authorities to include on their websites could be developed jointly and the Monitoring Officer will undertake work in relation to this. This corresponds with the Standards Committee's earlier views that the Council should publicise its adoption/revision of the Code on the Council's website and Intranet and in any other ways the Standards Committee deems appropriate.

The Act prohibits Members with a Disclosable Pecuniary Interest (DPI) from participating in Council business. The Act does not allow Members with such an interest to speak but there is no requirement on a Member with such an interest to withdraw from the meeting room. The Council can, if it wishes, adopt a Council Procedure Rule requiring Members to withdraw from the meeting room. If no such provision is included in the Constitution, a Member with a DPI (the equivalent of a current prejudicial interest) could remain in the meeting room during the discussion and voting and potentially be able to

influence those Members participating in the discussion and voting. The Standards Committee took the view that the Council should be recommended to adopt a Council Procedure Rule requiring a member with a DPI to leave the meeting and the Members' Working Group agreed. The Code must also include whatever provision the Authority considers appropriate in respect of the registration in its Register of Members' Interests, and disclosure, of pecuniary interests and interests other than pecuniary interests. As mentioned above, further detail on interests has only very recently been provided in new regulations

The Council must put in place arrangements for the investigation of, and decisions about, allegations of breaches of the Code of Conduct. These arrangements must involve the appointment of at least one Independent Person. The Council must therefore consider arrangements enabling written allegations of a breach of the Code to be investigated, and under which decisions on allegations can be made. If the Council finds that a Member has failed to comply with its Code of Conduct, whether or not the finding is made following an investigation, it may have regard to the failure in deciding whether to take action in relation to the Member, and, if so what action to take. The Independent Person's views are to be sought, and taken into account, by the Council before it makes its decision on an allegation that it has decided to investigate, and may be sought by the Council in relation to an allegation in circumstances other than where being investigated, or by a subject member or co-opted member. The arrangements for the investigation and determination of complaints under the current regime have been the subject of much criticism, because of the bureaucracy involved in prescribed processes. This is an opportunity to redesign the process so that complaints are fairly and effectively dealt with in a timely manner. The Monitoring Officer has drafted a process for the handling of complaints with the following features and the draft procedure, incorporating the comments of the Standards Committee and Members' Working Group, is attached as **Appendix 5E**.

- (a) On the receipt of a written complaint, initial assessment by the Monitoring Officer in consultation with the Independent Person as to whether the complaint requires investigation or whether it could be resolved informally. This would enable the filtering out of vexatious and trivial matters and enable matters where, for example, there has been a misunderstanding, or the need for a simple apology, to be dealt with swiftly and effectively. This would apply to the majority of the complaints that have been received by the Council to date.
- (b) The procedure at (a) would be subject to the matter being referred to the Committee if the Monitoring Officer considered it inappropriate that s/he should deal with the matter at that stage, for example if there was a conflict of interest.
- (c) If it is considered that the matter merits investigation, the complainant be invited within a set timescale to submit all information they wish to submit. The Member subject to the complaint would then be invited to submit all information they wish to be considered in response. The Monitoring Officer would consider whether any further information is needed and take steps so far as possible to secure its production. A report would be prepared.
- (d) The report would be referred to a panel of three Members from the Committee. They would consider whether there has been a breach of the Code. The Independent Person's views would need to be taken into account at this stage and the Monitoring Officer or her representative would advise. The Panel may consider that the complainant and subject Member could be invited to attend the meeting of the Panel. The Panel would then decide upon the matter.

The Member Working Group considered that the framework at (a) to (d) above could provide a satisfactory basis for the handling of complaints. Members felt that should there be any disagreement between the Independent Person and the Monitoring Officer as to whether a matter should be investigated, then the matter would be referred to the Standards Committee. The Monitoring Officer will develop draft criteria for the initial filtering and assessment of complaints.

There is no longer a requirement to have Independent Members of the Standards Committee under the new regime, but each authority must appoint at least one "Independent Person". There is no requirement that they should be co-opted on to the Committee: they may simply be called upon to undertake the functions set out in the Act in relation to potential breaches of the Code of Conduct as and when the circumstances arise. As the Independent Person could be involved in more than one role, which could give rise to conflicts of interests, the Standards Committee and Member Group considered that two Independent Persons should be appointed, to be involved on a rota basis. The possibility of appointing Independent Persons in conjunction with other authorities in the area has been explored, but it was concluded that the process would be very complex. It is recommended that:

- (a) the two new Independent Persons should be invited to Standards Committee meetings but should not be formally co-opted on to the Committee;
- (b) the Independent Persons be paid expenses in accordance with the Council's Members' Allowances Scheme (1/2 unit (currently £772) plus travel expenses at Member rate) and that this be considered by the Independent Remuneration Panel in due course;
- (c) the Independent Person vacancies having been advertised on the Council's website and through a press release via the Council's arrangements with the local press, the Chairman of the Standards Committee with the Monitoring Officer should undertake short-listing of applicants;
- (d) the tasks in relation to the short listing and interviewing of Independent Person candidates be delegated to the Standards Committee.

The Council, at its meeting in May, authorised the commencement of the Independent Person recruitment process and the Monitoring Officer is currently implementing the process.

The provisions on dispensations are changed by the Localism Act. Previously a Member who had a prejudicial interest could apply to the Standards Committee for a dispensation on the grounds that at least half of the Members of a decision-making body have prejudicial interests; or that so many members of one political party have prejudicial interests in the matter that it will upset the result of the vote on the issue. Under the new provisions, the Council may, on a written request made to the proper officer of the Council by a Member, grant him/her a dispensation relieving him/her from either or both of the restrictions upon participation in the discussion and/or participation in the vote only if, after having had regard to all relevant circumstances, the Council considers that:

- without the dispensation the number of persons prohibited from participating in any particular business would be so great a proportion of the body transacting the business as to impede the transaction of the business;

- without the dispensation the representation of different political groups on the body transacting any particular business would be so upset as to alter the likely outcome of any vote relating to the business;
- granting the dispensation is in the interests of persons living in the authority's area;
- without the dispensation each Member of the Authority's Executive would be prohibited from participating in any particular business to be transacted by the Executive; or
- it is otherwise appropriate to grant a dispensation.

The dispensation must specify the period for which it has effect, the maximum period being four years, as now. The dispensation process commences with a written request by the Member to the Proper Officer. The Standards Committee felt that it would be appropriate for the Monitoring Officer to be designated as Proper Officer for this purpose, and the Member Working Group agreed. Currently, the Local Government Act 2000 requires that dispensations be granted by a Standards Committee. The Localism Act provides for dispensations to be granted by the Council, but gives discretion for this power to be delegated. The Standards Committee took the view that the power to grant dispensations should be delegated to the Standards Committee, after consultation with the Independent Person. The Members' Working Group agreed with this approach, but also felt that power should be delegated to the Monitoring Officer to grant dispensations where the timescales were such that a Standards Committee meeting could not be convened and where the Monitoring Officer has consulted every available Member of the Standards Committee, all of whom consent to the granting of the dispensation.

The Executive RECOMMENDS:

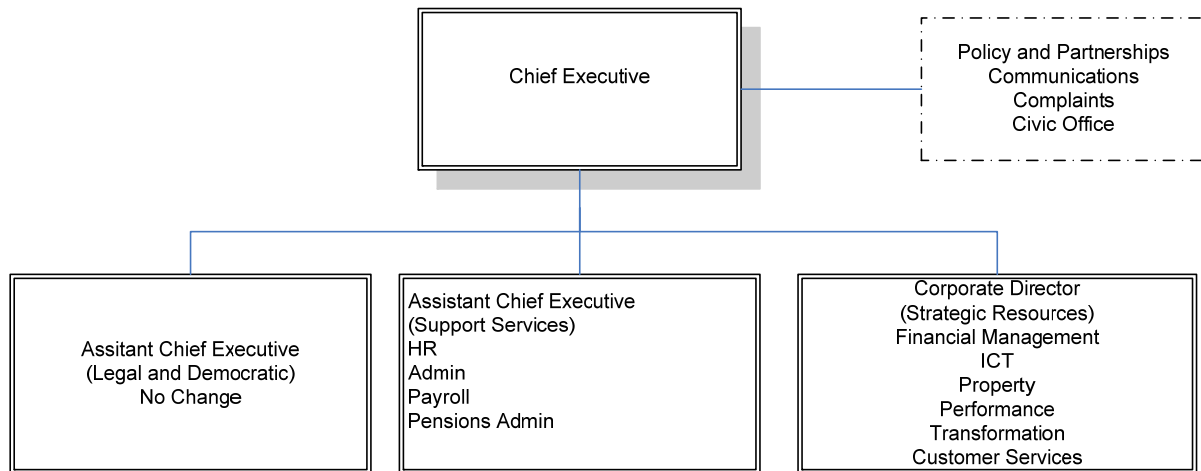
- (a) That the Authority's duty to promote and maintain high standards of conduct be discharged as listed below and from time to time in such other ways as the Monitoring Officer, in consultation with any Standards Committee established by the Authority, may deem appropriate:-
- (i) Appoint a non-statutory Standards Committee.
 - (ii) Adopt new/revise existing, ethical statements.
 - (iii) Continue to promote ethical issues through planned and monitored Member training, including Member induction training.
 - (iv) Continue to produce Standards Bulletins.
 - (v) Continue to monitor wider policies, protocols and indicators which point to the ethical health of the Authority.
 - (vi) Use of the Authority's website to promote the standards regime ultimately put in place.
 - (vii) Publicise when the new/revise Code and supporting standards regime is established by the Authority and from time to time as appropriate.
 - (viii) Work together with neighbouring authorities, where possible and appropriate, in order to discharge the statutory duty.

- (b) That a politically balanced Standards Committee be established comprising not more than five Members (with one named Substitute from each Group represented on the Committee), meeting twice per annum, with a panel of Members from the Committee meeting on an ad hoc basis to deal with any alleged breach of the new Members' Code of Conduct, with effect from 1 July 2012;
- (c) That the draft new Members' Code of Conduct for the Council attached at **Appendix 5D** to this report be adopted and be effective from 1 July 2012;
- (d) That, under the new standards regime effective from 1 July 2012, Members and voting co-opted Members are required to sign an undertaking to comply with the Code before acting in such capacity;
- (e) That the Council's adoption of the new Code be publicised on the Council's website and Intranet and in any other ways the Standards Committee deems appropriate;
- (f) That provision be made in the Council Procedure Rules requiring Members to withdraw from the meeting room where they have a disclosable pecuniary interest;
- (g) That the complaint handling procedure, attached as **Appendix 5E** to the report, be approved and be effective from 1 July 2012;
- (h) That two Independent Persons be appointed, to be involved on a rota basis;
- (i) That the Independent Persons be invited to meetings of the new Standards Committee, but not formally co-opted on to the new Committee;
- (j) That the Independent Persons be paid expenses in accordance with the Council's Members' Allowances Scheme (1/2 unit plus travel expenses at Member rate) and that this be considered by the Independent Remuneration Panel in due course;
- (k) That the Independent Person vacancies having been advertised on the Council's website and through a press release via the Council's arrangements with the local press, the tasks in relation to the short listing and interviewing of Independent Person candidates be delegated to the Standards Committee, with the Chairman of the Standards Committee and the Monitoring Officer undertaking short-listing of applicants;
- (l) That all functions in respect of the publication of Standards Committee Independent Person vacancies be delegated to the Standards Committee and that the Committee then delegates such functions to the Monitoring Officer, in consultation with the Chair of the Committee;
- (m) That the power to assist in the recruitment of Standards Committee Independent Persons (but not to approve individual appointments) be delegated to the Standards Committee;

- (n) That the Monitoring Officer be designated as Proper Officer to receive written requests for a dispensation by Members and voting co-opted Members, effective from 1 July 2012;
- (o) That, with effect from 1 July, 2012, the power to grant dispensations to Members and voting co-opted Members be delegated to the Standards Committee, after consultation with the Independent Person; and that power be delegated to the Monitoring Officer to grant dispensations (after consultation with the Independent Person) where the timescales are such that a Standards Committee meeting cannot be convened and where the Monitoring Officer has consulted every available Member of the Standards Committee, all of whom consent to the granting of the dispensation;
- (p) That, under the power delegated to the Monitoring Officer in Article 15.02(d)(iv), the Monitoring Officer make consequential amendments to the Constitution to reflect the new Members' Code of Conduct and supporting local ethical framework adopted by the Council.

6. Management Board Restructuring. The County Council's services and workforce have undergone significant change as a result of national policy and budget reductions. In overall terms the County Council's workforce has reduced by 8% and this will continue. To date staffing reductions have focused on the service areas which have changed, alongside a fundamental review and ongoing restructuring of back office and business support services. The Chief Executive, as Head of Paid Service, has presented to the Executive proposals for revisions to the Council's senior management structure as part of the ongoing review of the organisation, including a related proposal to provide management services to NYnet. The current structure is shown in **Appendix 6**. The Management Board structure and remit of the various post holders has been reviewed and a new structure is proposed as follows:

- a) The posts of Director of Finance and Central Services and Assistant Chief Executive (Policy, Performance and Partnerships) are disestablished and a new single post created of Corporate Director (Strategic Resources). The duties of this post will include the statutory responsibilities for the proper administration of the authority's financial affairs in accordance with Section 151 Local Government Act 1972. The creation of the new post of Corporate Director (Strategic Resources) brings the two existing posts and functions together, delivering immediate savings of approximately £175k, with the opportunity for further restructuring of management and support structures providing further opportunities to generate significant savings.
- b) Some of the responsibilities of the Assistant Chief Executive (Policy, Performance and Partnerships) will move to be the direct responsibility of the Chief Executive.
- c) Other responsibilities for administrative and business support services have already moved to Assistant Chief Executive (HR & OD) as part of the One Council changes.
- d) There are no proposed changes to the remaining 3 Director and the Assistant Chief Executive (Legal and Democratic Services) posts and remits at this time.



It is also proposed to create a new post of Director - Strategic Projects to provide strategic and managerial support services, particularly:

- a) to be responsible for the overview and strategic development of NYCC's wholly or partly owned companies;
- b) to provide strategic and managerial support services to NYnet;
- c) to develop and implement strategic projects at a senior level reporting directly to the Chief Executive.

This post will be for a fixed term, until the end of April 2015, when the need for the remit and role will be reviewed and will be extended if still needed. This post would be graded at Director 1 (£87,877 - £99,250). Part of the proposal is that NYnet should pay for any management support services provided to it by the Council, which would be offset against the costs of the new post. NYnet will be considering this matter imminently.

These proposed changes will largely combine the current directorates of Chief Executive Group (CEG) and Finance and Central Services (FCS); provide new leadership for NYnet and the NYCC group companies; and increased capacity at a senior strategic level to develop and implement key projects. The proposed salary levels for the posts fall within the levels for chief officers contained in the Pay Policy Statement agreed by the Council in February this year. However, the Localism Act 2011 requires that the determination of remuneration and other terms and conditions applying to each chief officer post be contained within the Statement. As there are new posts, the changes need to be approved by full Council and the Statement republished.

It is proposed that the current Corporate Director, Finance and Central Services will undertake the post of Director - Strategic Projects from 1 October 2012 until April 2015, by agreement with him, the arrangements to be finalised by the Chief Executive. The Corporate Director, Finance and Central Services has been instrumental in establishing and developing the NYnet Company and is in a position to provide the appropriate level of support which the Company needs to assist in the crucial delivery of the project work, as well as strategic managerial support to the Company and other Council companies, and support to other major Council projects. In these circumstances the current Assistant Chief Executive (Policy, Performance and Partnerships) would be eligible for the new post of Corporate Director (Strategic Resources). In accordance with the Council's procedures, the Chief Officers Appointments and Disciplinary Committee would need to consider his suitability for appointment in terms of meeting the essential criteria for the post. The procedures require full Council to be notified when a formal appointment has taken place. These changes are subject

to the usual staff consultation and require an appointment process in accordance with the County Council's Redundancy and Redeployment Policy, with the appointment being made following a suitability process considering only the post holder at risk of redundancy.

The Executive has recently received reports about the current development phase for NYnet and the selection of a partner for the Connecting North Yorkshire project. It is essential for the objectives of the Council and the Company, in terms of broadband development, that this project should be successfully delivered. There are currently opportunities for the Council to provide strategic management services to the Company at this crucial stage and the Executive has agreed to the provision of management services to NYnet by the County Council and has delegated authority to agree the terms for this arrangement to the Chief Executive in consultation with the Assistant Chief Executive (Legal and Democratic Services).

Periodically, in accordance with Company procedural requirements, the Council, as shareholder in its companies, may have cause to give notice to carry out actions in relation to a certain issues. It has come to light recently that there is no specific delegation in place to enable that notice to be given on behalf of the Council, as shareholder, to enable the procedure to be followed. The Executive has therefore delegated authority to the Chief Executive to give notice on behalf of the County Council as shareholder of companies in which the Council has an interest, in any matters where the shareholder is empowered to do so, and where the Council as shareholder has agreed that notices should be given.

The Executive RECOMMENDS:

- 1) That the senior management structure be changed as set out in this report and particularly that:
 - a) the posts of Corporate Director (Finance and Central Services) and Assistant Chief Executive (Policy, Performance and Partnerships) be disestablished, and,
 - b) the post of Corporate Director (Strategic Resources) be established, and that post, in addition to the duties set out in the report, be designated to undertake the statutory function of responsibility for the proper administration of the authority's financial affairs in accordance with Section 151 Local Government Act 1972 and that the process for appointment to that post in accordance with the Council's procedures be undertaken, and,
 - c) the post of Director - Strategic Projects be established for a fixed period until April 2015, to be reviewed at that time, and that appointment to that post be made in accordance with the proposals in this report, and the finalisation of the agreement with the postholder of arrangements relating to the disestablishment of his current post and appointment to the new post be delegated to the Chief Executive.
 - d) the Pay Policy Statement be amended to reflect the changes to chief officer posts.
- 2) That consequential amendments to the Constitution be made, including amending the scheme of delegation to include the authority delegated to the Chief Executive to give notice on behalf of the County Council as shareholder of companies in which the Council has an interest in any matters where the shareholder is empowered to do so, and where the Council as shareholder has agreed that notice should be given

7. Appointments to Committees and Outside Bodies. The Executive makes recommendations below relating to appointments to Committees, together with the usual recommendation that any proposals for the re-allocation of seats, if necessary to achieve political proportionality, or for changes to memberships or substitute memberships of committees, or other bodies to which the Council makes appointments, put forward by the relevant political group, prior to or at the meeting of the Council, be agreed.

The Executive RECOMMENDS:

That Councillor John K Roberts be appointed as Craven District Council's representative on the Scrutiny of Health Committee, with Councillor Linda Brockbank as substitute; that Councillor David Blades be appointed as Hambleton District Council's substitute member on the Scrutiny of Health Committee; that Councillor Rob Johnson be appointed as Richmondshire District Council's substitute member on the Scrutiny of Health Committee in place of Councillor Linda Curren; and that Mr Michael Clarkson be appointed as the Primary Teacher representative on the Young People Overview and Scrutiny Committee.

That any proposals for the re-allocation of seats, if necessary to achieve political proportionality, or for changes to memberships or substitute memberships of committees, or other bodies to which the Council makes appointments, put forward by the relevant political group, prior to or at the meeting of the Council, be agreed.

JOHN WEIGHELL
Chairman

County Hall,
NORTHALLERTON.
10 July 2012

2011/12 FINAL REVENUE BUDGETS AT 31 MARCH 2012

	Original Budgets agreed by City Cncl on 16-Feb-11 £000s (i)	Budget 2 Adjustments May-11 £000s (ii)	Updated Budget Post Budget-2 £000s (iii)	Approved carry forwards from 2010/11 £000s (iv)	Directorate Restructure From 1 July 2011 £000s (v)	Pending Issues Provision £000s (vi)	Terms & Conditions Savings £000s (vii)	Corporate Accommodation Budget Adjustments £000s (viii)	Other agreed transfers and adjustments £000s (ix)	Final Revised Budgets £000s (x)
DIRECTORATE										
Children & Young Peoples' Service	82,937	-500	82,437	890		-120	-303	-666	-627	81,612
Business & Environmental Services	77,172		77,172	1,145		1,250	-45	-573	764	79,713
Health & Adult Services	155,957	-3,000	152,957	392	-8,334	1,627	-277	-548	-312	145,505
Chief Executive's Group	12,657		12,657	1,197	8,334	122	-18	-568	388	22,113
Finance & Central Services	15,952		15,952	4,434		-820	-23	2,355	1,121	23,019
Corporate Miscellaneous										
Contingency - general provision	500		500						-140	360
Contingency - Pay Award provision	500	-500	0							0
Contribution to Pension Fund Deficit	300		300							300
Pending Issues Provision	2,401		2,401	5,153		-2,184			57	5,370
Capital Financing charges	32,475		32,475							32,532
Interest earned	-1,663		-1,663							-1,663
Community Fund / Second Homes	380		380	1,057		125			-30	1,532
Council Tax										
Transformation Fund	570		570	273					-271	572
DSG Contribution to Corporate Overheads	-1,073		-1,073						-479	-1,552
Pay & Reward Initiative	-259		-259	502					-70	173
Employee Cost Savings	-750		-750						735	-15
Contribution to Redundancy Reserve	2,500		2,500							2,500
Council Tax Freeze Grant	-6,149		-6,149							-6,149
Budget 2 - Balance of Savings required	0	-1,916	-1,916							-1,916
Other (net)	179		179	70					-472	-223
	29,911	-2,416	27,495	7,055		-2,059	665	0	-1,335	31,821
Net Revenue Budget	374,586	-5,916	368,670	15,113	0	0	0	0	0	383,783
FINANCING Externally										
Revenue support grant	28,866		28,866							28,866
National non domestic rates	93,386		93,386							93,386
Precept on District Councils current year	245,954		245,954							245,954
previous years arrears	464		464							464
=Net Budget Requirement Internally from Revenue Balances	368,670	0	368,670	0	0	0	0	0	0	368,670
	5,916	-5,916	0	15,113						15,113
= Net Revenue Budget	374,586	-5,916	368,670	15,113	0	0	0	0	0	383,783

COMPARISON OF REVISED ESTIMATE AND ACTUAL EXPENDITURE FOR 2011/12

DIRECTORATE	APPENDIX	YEAR END VARIATION		ANALYSIS OF YEAR END VARIATION						Total under(-) or over (+) spending in year					
		Final revised budget	Actual net Spending 2011/12	Not proposed to be carried fwd & impacting on the GWB	Proposed carry fwd to 2012/13	PIP allocations not spent in year	Funds to be transferred to PIP	Corporate Funds, including the PIP reserves in 2012/13	Funds to finance service needs & other known commitments (base)		Total Proposed carry forwards				
		£000s	£000s	(base) £000s	(base) £000s	(PIP) £000s	(base) £000s	(Funds) £000s	(base) £000s	(base) £000s	£000s				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Health and Adult Services	C	145,505	142,594	0	-61	-61	-61	-61	-61	-61	-61	-61	-61	-61	-2,911
Business and Environmental Services	D	79,713	75,115	-4,598	-993	(Concess Fares)	-993	-993	-1,050	(Waste - back to PIP)	-1,050	-1,332	-1,223	(winter 1,000) (floods 332)	-4,598
Chief Executive's Group	E	22,113	20,051	-2,062	-542	(accel. Savings)	-542	-542	-479	-869	-479	-479	-869	-1,520	-2,062
Children and Young People's Service	F	81,612	75,859	-5,753	-2,606	(accel. MTFS savings 2,356) (recurring transport savings 250)	-2,606	-2,606	-244	(Youth Justice Service)	-244	-244	-2,633	-3,147	-5,753
Finance and Central Services	G	23,019	18,311	-4,708	0	0	0	-1,164	-1,114	-2,430	-1,114	-1,114	-2,430	-4,708	-4,708
Corporate Miscellaneous	H	31,821	24,582	-7,239	-231	-231	-231	-3,909	(Reablement / Microsoft)	-3,099	(includes PIP 1,461)	-3,099	-3,099	-7,008	-7,239
Total Net Expenditure		383,783	356,512	-27,271	-4,372	0	-4,372	-5,576	-2,643	-3,543	-3,099	-1,332	-6,706	-22,899	-27,271

= Appendix A

This net underspend of £4,372k is not proposed for carry forward and will therefore impact positively on the General Working Balance

Summary of above reconciling with analysis at paragraph 6.0 of main report
 PIP allocations (column 9)
 Corporate Funds (column 12)
 Base budgets (columns 6,7,10,11,13 &14)
 Total year end variation

-5,576
 -3,099
 -18,596
 -27,271

HEALTH AND ADULT SERVICES

2011/12 REVENUE BUDGET OUTFURN

BUDGET HEAD	HIGH RISK?	REVISED BUDGET 2011/12 £000	ACTUAL OUTFURN 2011/12 £000	VARIANCE (-) = under spend £000	COMMENTS
Social Care Operations - Area Budgets					
Central	Y	36,744	36,493	-251	Savings from staff vacancies and the reorganisation of the central area, partially offset by demand pressure on services for older people
Harrogate/Craven	Y	44,817	44,634	-183	The major budget pressure in the West area remains services for adults with learning disabilities but this has been more than offset by underspends on other client categories
Scarborough/Whitby/Ryedale	Y	34,098	33,664	-433	A significant underspend on services for older people, including in-house provision, has been partially offset by overspending against the budgets for adults with physical and learning disabilities
Mental Health		6,146	5,888	-258	Underspend has arisen from reduced funding for a PCT Director, contract reductions, vacancy savings and reduced residential placements
Telecare		496	228	-268	Management of stocks/level of usage did not require major purchases in this financial year
Assistant Director/Cross-area budgets		2,722	2,972	250	Impact of pay protection on budgeted savings from staff reorganisations offset by savings on contract values and staff vacancies
SUB-TOTAL		125,023	123,879	-1,144	

2011/12 REVENUE BUDGET OUTFURN

BUDGET HEAD	HIGH RISK?	REVISED BUDGET 2011/12 £000	ACTUAL OUTFURN 2011/12 £000	VARIANCE (-) = under spend £000	COMMENTS
Commissioning, contracting & quality assurance		722	811	89	Non-capital funded element of the extra care team
- Supporting People		14,294	14,294	0	
Strategic Commissioning & Partnerships		197	176	-21	
Resources Unit		7,569	7,015	-553	Savings from management restructure plus staff vacancies and other managed savings to offset budget pressure elsewhere and in preparation for savings requirements in 2012/13
Performance & Change Management		3,539	3,140	-400	Vacancy savings, higher than budgeted income levels, reduction in hours for some employees and savings on non-staffing budgets
Director & Cross-Directorate		918	745	-173	Unused provision for Social Care Council registration and savings on other consumable budgets
One-off Savings		72	-577	-649	Carry-forward underspend from 2010/11, one off grant savings and backdated continuing health care monies
Government Grants & Health Transfer		-8,899	-8,899	0	
Total Before PIP allocations		143,435	140,585	-2,850	
PIP allocations		2,070	2,009	-61	Delay in recruitment to transitional worker posts and not all of provision for Extra Care project legal costs yet utilised
TOTAL		145,505	142,594	-2,911	
Projected variance at Q3 report				-2,094	

2011/12 REVENUE BUDGET OUTFURN

BUDGET HEAD	HIGH RISK?	REVISED BUDGET 2011/12 £000	ACTUAL OUTFURN 2011/12 £000	VARIANCE (-) = under spend £000	COMMENTS
Highways		27,278	26,362	-916	The winter service overspent by £0.2m against a budget of £6.4m. £0.5m overspend was allowed for in the Q3 report, leading to an underspend of £0.3m against that provision; it is proposed to use this to contribute to the Winter Service Reserve along with a further £0.7m from other available one-off savings and balances in BES in 2012/13. This would create a Reserve of £3m available for 2012/13. The implementation of the review of particular service charges has led to increased levels of income: an additional saving of £0.4m over the level budgeted for has accrued. Funding available of £0.3m for flood risk management activities is to be expended in future years based on a management plan. Additional net costs of highway works totalling £0.2m account for the remainder of the outturn variance.
Integrated Passenger Transport (IPT)		16,561	14,980	-1,581	Savings against the concessionary fares budget totalled £1m for 2011/12; this underspend is to be transferred to the General Working Balance. There are also savings on the local bus service of £0.3m relating to savings from area reviews and lower than budgeted contract inflation. The remaining variance relates to one-off salary and other miscellaneous savings.
Trading Standards & Planning Services		2,780	2,604	-176	Planning application fees are £0.2m in excess of the budgeted level but these are partially offset by additional expenditure incurred in dealing with the applications; the net effect is a saving of £0.1m. Other savings on staff and the DERIC Lab totalling £0.1m partially offset by lower income of £22k on proceeds of crime account for the remainder of the financial position.
Economic & Partnership Unit		655	475	-180	The underspend relates to economic duty assessment funding of £65k that has no direct commitment, savings on the initiatives budget totalling £62k and a further £100k from the recent restructure and other grant funded expenditure.
Waste Management & Countryside Services		26,038	24,651	-1,387	Of the total net underspend, £1m relates to the waste strategy budget, which is zero based each year as part of the MTFS; this underspend is earmarked for return to the Pending Issues Provision. Expenditure of £0.2m on an old landfill site will now be incurred in 2012/13 and is required for carry forward at the end of the financial year. Salary savings of £0.1m and additional Yorwaste dividend of £0.1m account for the rest of the outturn position.
Resources, Performance & Improvement		3,222	2,864	-358	Savings from staff costs, supplies and services and central establishment charges totalled £0.4m. Funding arising from a Directorate wide savings drive of £0.5m is being used to offset additional capital expenditure on the streetlighting column replacement programme.
Total before PIP Allocations		76,534	71,936	-4,598	
PIP Allocations		3,179	3,179	0	£3m relates to contribution to the street lighting capital programme. The remaining £179k relates to the Bedale-Aiskew-Leeming Bar Bypass scheme fees. Both projects fully expended their PIP allocations in 2011/12.
TOTAL		79,713	75,115	-4,598	
Projected Variance at Q3				-4,171	

CHIEF EXECUTIVE'S GROUP					
2011/12 REVENUE BUDGET OVERTURN					
BUDGET HEAD	HIGH RISK?	REVISED BUDGET 2011/12 £000	ACTUAL OVERTURN 2011/12 £000	VARIANCE (-) = under spend £000	COMMENTS
Libraries	Y	7,133	7,194	61	Overspend due to delay in implementing savings compared to original plans and to one-off costs in disposing of Mobiles.
School Library Service Registrars	Y	0	0	0	
Archives & Record Management		3	-48	-51	Mainly due to saving in advance of 2012/13 target and some slippage in planned minor works.
Coroners		298	296	-2	
Chief Exec's Office	Y	683	750	67	The overspend is principally the result of the additional costs linked to a number of long inquests coupled with the rising costs of forensic services.
Grants & Subscriptions		2,382	2,164	-218	The saving relates to the costs of mapping agreements which have been funded elsewhere in year (£154k). Further savings relate to the Complaints & Commendations system (£67k) and Local Involvement Network (£9k) which are requested for carry-forward to 2012/13.
Comm Safety, Climate Change etc.		201	189	-12	£9k of the saving is already committed to contribute to 2012/13 savings target.
Emergency Planning		282	84	-198	Savings as a result of reduced contribution to partnerships and savings in respect of NYSP costs.
Customer Service Centre		368	248	-120	The saving relates mainly to staffing vacancies (-£58k), supplies and services (£48k) & additional income (-£14k).
Legal & Democratic Services		1,644	1,644	0	
Legal Expenses	Y	2,001	1,696	-305	Saving is as a result of vacancies being held in advance of the 2012/13 savings programme, temporary vacancies in senior posts, income achieved in excess of budget and the slippage of the purchase of the E-Governance system into 2012/13.
HR Services		662	687	25	
Communications		3,173	2,822	-351	The savings mainly relate to the timing of initiatives/changes in support of the Council's overall savings requirement, including as part of the wider project to remove transactional work around staffing processes and move managers and staff to greater levels of self service.
		663	558	-105	Savings are as a result of a vacancy, contracts with local newspapers being agreed part way through the year and the ringfencing funding for the periodic staff survey. The saving is needed to fund the staff survey and the development of the intranet / web in 2012/13.

CHIEF EXECUTIVE'S GROUP					
2011/12 REVENUE BUDGET OVERTURN					
BUDGET HEAD	HIGH RISK?	REVISED BUDGET 2011/12 £000	ACTUAL OVERTURN 2011/12 £000	VARIANCE (-) = under spend £000	COMMENTS
County Print Unit:					
Base Budget		0	0	0	
- Identity Badge provision		18	18	0	
Base Budget		1,342	1,205	-137	Saving is largely as a result of staffing savings in advance of target (£55k) and a saving of £32k on mileage. Other savings are over a number of budget heads.
Members' Services					
Chairman's Fund		54	27	-27	Saving relates to Chairman's Fund (£11k) and Chairman's transport (£16k).
Elections		78	78	0	The outturn includes costs of a by-election in the Thornton Dale & the Wolds seat (£18k). The remainder is a contribution to a reserve to fund the costs of future County Council elections.
Savings in excess of target not required for other in year commitments		40	0	-40	Further 2012/13 savings realised in advance.
Total on main CEG budget (before PIP & One Council allocations)		21,024	19,613	-1,411	
One Council		479	0	-479	This funding is to provide support over the life of the One Council programme. It will be carried forward into 2012/13 and transferred into the PIP, from which One Council requirements will then be funded.
Total One Council		479	0	-479	
HR Services PIP Allocations		393	393	0	
Library & Community Services PIP Allocations		217	45	-172	This funding is committed to support projects to underpin the libraries savings plan, including technology such as self-issue.
Total PIP projects		610	438	-172	
GRAND TOTAL		22,113	20,051	-2,062	
Projected Variance at Q3 Report				-1,492	

CHIEF EXECUTIVE'S GROUP									
2011/12 REVENUE BUDGET OUTTURN									
TRADED SERVICE	High Risk?	Traded Surplus B/fwd from 2010/11	In year Surplus (+) / Deficit (-) 2011/12			Traded Surplus C/fwd to 2012/13	COMMENTS		
			Income £000	Expenditure £000	Surplus/Deficit £000				
CYPS Traded HR		£000 56	791	744	47	£000 103	Surplus will be utilised for future years service provision & re-shaping e.g. following loss of income from academies.		
Health & Well-being		8	212	210	2	10			
School Library Service	Y	0	493	493	0	0			
County Print Unit:									
In Year		0	596	551	45	45	Surplus to be utilised for investment		
Equipment Fund		61	596	551	0	61	and maintenance of equipment over next year.		
TOTAL		125	2,092	1,998	94	219			

2011/12 REVENUE BUDGET OVERTURN

BUDGET HEAD	HIGH RISK?	REVISED BUDGET 2011/12 £000	ACTUAL OVERTURN 2011/12 £000	VARIANCE (= underspend) £000	COMMENTS
LEA BLOCK					
Strategic Management		365	340	-25 (See Note 1)	
Strategic Capacity		1,449	1,345	-104	Underspend of £104k linked to held staffing vacancies within Performance & Outcomes team.
Strategic Services		5,895	5,619	-276	Temporary staffing vacancies arising from a significant full service restructure have resulted in a non-recurring underspend.
Quality & Improvement		1,029	1,029	0	
Severance / Pensions / Benefits		4,083	3,690	-393	There has been a significant restructuring of business support functions, including workforce development, resulting in staffing vacancies. This has subsequently led to delays in commissioning and purchasing training - although all mandatory training and specific requests have been delivered.
Business Support					
Director's Unit		94	94	0	
e-Government Services		857	868	11	
Psychological Service		1,851	1,818	-32	Underspend due to held vacancies pending a restructure in 2012/13
Other Children's Services & Corporate overheads		290	139	-151	Academy income of £117k for services that have not previously traded. In addition, there have been lower than anticipated costs related to directorate insurance premiums and staff advertising.
TOTAL		15,912	14,941	-971	
Retained LEA Services					
Music Service		329	329	0	
Integrated Services		9,243	8,597	-646	Underspending due to temporary staff vacancies following a service restructure and lower than anticipated expenditure on family service commissioning.
Learning, Youth & Skills		7,457	7,085	-372	Significant restructuring in 2011/12 led to a high level of temporary vacancies. A thorough review of service delivery and contracted services have also contributed to the underspend. The second phase of restructuring commenced in April 2012.
14-19 Strategy & Commissioning		469	499	30	
TOTAL		17,499	16,511	-988	
Access					
Home to School Transport	Y	21,475	21,301	-173	An overall projected underspend of £1,455k includes the £173k reported here and a further £1,032k recurring savings identified below as Accelerated Savings. This includes £250k of savings which will provide a cash benefit contributing to One Council procurement work-stream savings. A small specific, earmarked reserve (£250k) has also been established to lessen the impact of variable academic years falling within financial years which reduces the effective underspend to £1,205k. This compares with a projected underspend of £1,278k at Q3. The underspending has mainly arisen from lower than anticipated contract costs, savings against bus and rail passes and escorts for pupils with special educational needs.
SEN Management		399	416	16	
TOTAL		21,874	21,717	-157	
SEN & Behaviour (LEA)					
Welfare Service		1,194	1,142	-52	Underspending primarily related to a reduction in parenting training courses and higher than anticipated staffing vacancies.
LEA-Schools Block Adjustment		-1,081	-1,016	64 (See Note 2)	
TOTAL		113	125	12	
CYPS Funding					
Early Intervention Grant		-18,793	-18,816	-22	
Local Services Support Grant		-322	-322	0	
TOTAL		-19,115	-19,138	-22	
LEA BLOCK TOTAL		36,283	34,156	-2,127	

CHILDREN & YOUNG PEOPLE'S SERVICE

2011/12 REVENUE BUDGET OUTTURN

BUDGET HEAD	HIGH RISK?	REVISED BUDGET 2011/12 £000	ACTUAL OUTTURN 2011/12 £000	VARIANCE (= underspend) £000	COMMENTS
SOCIAL CARE BLOCK					
Services for Children and Families Child Placement	Y	18,811	18,917	106	There are currently 465 looked after children compared with 467 at Q3 and 463 at the start of the year. Despite a small reduction in the overall number of children in the care system since Q2, the mix of placements has changed with an increase in the number of teenagers with emotional and behavioural difficulties placed in external residential placements. In addition, there are a higher than anticipated number of young people placed in secure accommodation.
Children's Services (incl Disabled Children)		14,129	13,854	-276	Management action to contain costs within budget - particularly through the use of section 2 and section 17 budgets - has continued throughout 2011/12. Locally commissioned services have also been lower than previously projected. A significant transformation of services including major restructuring have also impacted on the staffing expenditure as a number of temporary vacancies have been held during Q4 pending assimilation and implementation of the new structure from March 2012.
Planning and Quality		3,807	3,745	-62	Underspending is related to lower than expected utility costs in office bases
General		1,574	1,475	-99	An in-year review of budgets identified recurring saving linked to planned MTS savings targets and £316k is shown in Accelerated Savings above.
Youth Justice		1,234	989	-245	The underspending of £245k compares with a projected underspend at Q3 of £138k - an increase in underspending of £107k. Delays in lease negotiations linked with window replacements has resulted in the carry-forward of earmarked budget provision for essential building improvement work. As a multi-agency budget which cannot be used for CYPs or other purposes, it is proposed to earmark the entire Youth Justice underspend for use in 2012/13 and future years to assist with managing anticipated transitional issues, anticipated reductions in overall funding and reconfiguration of service delivery.
SOCIAL CARE BLOCK TOTAL		39,555	38,979	-576	
VFM Proposals not yet allocated to Service Lines		-293	-345	-51	
Accelerated Savings	Y	2,606	0	-2,606	This consist of the £2,386k reported at Q3, plus an additional £250k identified savings arising from a review of Home to School Transport budgets. This additional amount will provide a cash benefit to the Council.
Additional Savings Funding Directorate Pressures		123	0	-123	The directorate is facing additional and recurring cost pressures arising from national initiatives including the transfer of responsibilities from the Young People's Learning Agency, the transfer of the cost of secure demands and the implementation of the Friends and Family Care Policy. These additional pressures will be met by recurring and one-off savings.
Total Before PIP Funding Against 2010/11 VFM Targets		78,274	72,791	-5,483	The savings target for 2011/12 assumes that efficiency proposals aimed at the original £9,150k plus additional accelerated savings of £2,606k will be achieved.
Pending Issues Provision		3,338	3,068	-270	PIP funding of £458k was identified to fund 'invest to save' ICT resilience for a range of key CYPs ICT applications. A reassessment of likely overall costs at Q3 reduced the projected cost by £120k. Slippage in the delivery of the ICT project has resulted in a proposed carry forward of £270k.
TOTAL		81,612	75,859	-5,753	
Projected Variance at Q3 Report				-4,930	

Notes:

- Earmarked Carry Forwards**
There are previously agreed earmarked carry forwards totalling £890K
- Technical Note**
The figures include a reallocation adjustment between DfE defined blocks. This is a technical reallocation intended to reflect the most appropriate analysis of expenditure where the budget heading falls in more than one block.

CHILDREN & YOUNG PEOPLE'S SERVICE

2011/12 REVENUE BUDGET OUTTURN

BUDGET HEAD	HIGH RISK?	REVISED BUDGET 2011/12 £000	ACTUAL OUTTURN 2011/12 £000	VARIANCE (= underspend) £000	COMMENTS
SCHOOLS BLOCK/ DEDICATED SCHOOLS GRANT					
SEN & Behaviour (Schools) Independent Fees & Recoupment		2,451	1,973	-478	The underspend of £478k compares to a projected underspend at Q3 of £356k. The underspending reflects the net impact of pupil changes against budgeted assumptions made at the commencement of the year.
Access Strategy, E-LAC and EMA		1,717	1,441	-276	Lower than anticipated premises costs have resulted in a projected underspend.
Early Intervention		2,118	2,004	-114	Staffing vacancies and the application of a one-off grant have resulted in a non-recurring underspend.
TOTAL		6,286	5,418	-868	
Networks					
Behavioural, Emotional & Social Difficulties	Y	5,846	5,750	-96	The cost of hospital tuition has exceeded the budget provision although this has been more than offset by careful management of vacancies and supply cover within the Pupil Referral Service.
Cognition & Learning		169	169	0	
Sensory, Physical and Medical		1,129	1,178	49	
Communication & Interaction		226	226	0	
Outreach Services		803	803	0	
Schools & Early Years		8,173	8,126	-48	
ISB & LMS Contingency		311,035	311,063	27	
Mainstream Early Years		6,645	6,577	-68	Lower than anticipated numbers of children in the Spring Term have resulted in a small underspend.
Private, Voluntary and Independent Early Years		9,937	9,960	23	
Funding		3,336	3,336	0	
Enhanced Mainstream Schools		504	493	-11	
Minority Ethnic Achievement Hub Schools					
Learning Platforms - Broadband		807	807	0	
TOTAL		332,264	332,235	-29	
Strategic Services					
Strategic Capacity		480	495	15	
Catering Service		1,482	1,482	0	
TU Duties and Legal Fees		122	144	22	
Children's Services		33	0	-33	
Integrated Services		0	250	250	Non-recurring overspend linked to the provision of a one-off project allowing disadvantaged children to access extended schools activities.
Outdoor Education		795	795	0	
DSG Overheads		1,530	1,552	22	
Schools Causing Concern		599	600	0	
LEA-Schools Block Adjustment		1,081	1,016	-64	
TOTAL		6,122	6,334	211	
Total		352,847	352,113	-733	
Dedicated Schools Grant		-353,470	-353,468	2	The finalised DSG allocation in support of the Schools Block was £378,601k although this has reduced to £353,468k based on Academy recoupment and LACSEG reductions.
Unallocated DSG		624	1,355	731	The unallocated grant represents the net impact of projected spending. Following confirmation of finalised DSG, £1,355k represents a projected underspend against the grant which will be utilised in support of School's Block activities in future years.
TOTAL		0	0	0	

APPENDIX 1F
(Page 4 of 4)

CHILDREN & YOUNG PEOPLE'S SERVICE									
2011/12 REVENUE BUDGET OUTTURN									
TRADED SERVICE	High Risk?	Traded Surplus/Deficit (-) B/fwd from 2010/11	In year surplus/deficit 2011/12			Traded Balance C/fwd to 2012/13	COMMENTS		
			Turnover £000	Expenditure £000	Surplus/deficit (-) £000				
Catering	Y	758	14,254	14,024	230	989	An operational surplus of £31k has been achieved. Turnover is slightly higher than anticipated £64k although this has been offset by increased costs for food, cleaning produce and transport. In addition, a YPO dividend has been received in year totalling £199k.		
MASS **		238	3,401	3,400	1	239			
Staff Absence Insurance Scheme		843	3,924	3,725	199	1,042	Lower than anticipated claims have resulted in an in-year surplus of £199k. This will be distributed back to schools in 2012/13.		
School's ICT		106	4,727	4,644	84	190			
Outdoor Education	Y	170	2,519	2,429	89	260			
FMS		13	1,267	1,205	62	75			
Other Traded Services		581	2,835	2,317	518	1,098			
GRAND TOTAL		2,709	32,927	31,745	1,183	3,892			

* Turnover consists of real income of £1,724K together with a contribution of £794.7k from the Outdoor Education Budget in CYPs.

** Includes £238K brought forward from Premises Scheme. Expenditure of £133k in-year leaves a brought-forward balance of £105k

FINANCE & CENTRAL SERVICES					
BUDGET HEAD	HIGH RISK?	REVISED BUDGET 2011/12	ACTUAL OUTTURN 2011/12 £000	VARIANCE (-) = under spend £000	COMMENTS
FINANCIAL SERVICES					
Financial Services					
Base budget		4,430	4,259	-171	
Carry forward from 2010/11		0	0	0	
Total		4,430	4,259	-171	Variety of one-off savings and ad hoc income.
One-off project cost provision		352	34	-318	This funding was expected to be utilised over a number of years on one-off projects.
Corporate Procurement					
Base budget		471	415	-56	One-off savings due to vacancy and additional rebate income.
Carry forward from 2010/11		59	59	0	
Total		530	474	-56	
Base budget		82	82	0	
Carry forward from 2010/11		233	80	-153	This funding was expected to be utilised over a number of years on one-off projects.
Total		315	162	-153	
FINANCIAL SERVICES TOTAL		5,627	4,929	-698	£384k requested for carry forward; £314k to be transferred to the Pending Issues Provision.
ICT SERVICES					
ICT Services - Operational					
Base budget		3,819	3,776	-43	Slippage of sharepoint and DR suite projects into 2012/13.
Carry forward from 2010/11		108	108	0	
Total		3,927	3,884	-43	
ICT Services - Developments	Y				
Base budget		862	288	-574	£415k Provision for the additional ongoing costs of new / upgraded ICT infrastructure to be allocated once the ICT strategy has been approved. Slippage of expenditure into 2012/13 re following projects: integration & workflow (£59k); EPIC (£40k), and Unix servers (£60k).
Carry forward from 2010/11		183	183	0	
One-off project cost provision		720	0	-720	Provision to be allocated once the ICT Strategy has been approved.
Total		1,765	471	-1,294	
ICT Services - Microsoft Transition	Y				
Gross expenditure		1,258	863	-395	Project spend has been reprofiled.
Less: transfers from reserves		-765	-370	395	This funding is currently held in a reserve to offset transition costs occurring later in the project.
Total Budget		493	493	0	This is the funding of £493k from FCS savings made in advance of target. As PIP funding is required to fund further expenditure this will be transferred in and added to this budget allocation as required to match spend.
ICT Recharged Services	Y				
Base budget re SDT		-603	-612	-9	
Carry forward from 2010/11		-287	-344	-57	Variance due to increased provision of services to Directorates, resulting in increased income.
Total		-890	-956	-66	
Wide Area Network					
Base budget		-276	-276	0	
PIP		400	400	0	
Total		124	124	0	
Strategic Transformation and Integration Capability - Scanning Bureau					
Carry forward from 2010/11		-196	-137	59	Operates on a trading basis and is dependent on additional projects through One Council to recover shortfall and become financially self-sufficient by end of 2013/14.
Total		-196	-137	59	
Strategic Transformation and Integration Capability					
PIP		510	186	-324	The project is delivering outcomes after a delayed start, with activity during the year broadly in line with expectations. The underspend is expected to be spent in 2012/13 to ensure completion of the HR project by the December 2012 target date.
Carry forward (PIP)		302	302	0	
Total		812	488	-324	
ICT SERVICES TOTAL		6,035	4,367	-1,668	Excluding the unspent PIP funds (£324k) the balance (£1,344k) is requested for carry forward to help fund the Corporate ICT Strategy.

FINANCE & CENTRAL SERVICES					
BUDGET HEAD	HIGH RISK?	REVISED BUDGET 2011/12	ACTUAL OUTTURN 2011/12	2011/12 REVENUE BUDGET OUTFURN	COMMENTS
		£000	£000	VARIANCE (-) = under spend £000	
CORPORATE PROPERTY MANAGEMENT					
Cleaning and Grounds Client					
Base budget		145	100	-45	Reduced LGPS membership by staff, additional funding and underspend of carryforward from 2010/11.
Carry forward from 2010/11		20	3	-17	
Total		165	103	-62	
Grounds Maintenance DSO					
Base budget		45	45	0	
Corporate Repairs & Maintenance					
Base budget		1,846	1,758	-88	Rephasing of expenditure on the 2011/12 Repairs and Maintenance programme.
Carry forward from 2010/11	Y	426	426	0	
Total		2,272	2,184	-88	
Themed programme - Gas Ventilation, Glass filming, Air conditioning					
Carry forward from 2010/11		54	25	-29	Rephasing of the feasibility study work following on from the air conditioning surveys.
One-off project cost provision					
Transfer from other FCS budgets in 2011/12		204	-100	-304	This funding was expected to be utilised over a number of years on one-off projects.
Corporate Accommodation					
Base budget		3,159	2,834	-325	Variety of one-off savings and ad hoc income.
Carry forward from 2010/11		571	117	-454	Funds committed to schemes at County Hall (East Block). Report pending to Executive.
Total		3,730	2,951	-779	
BOS Harrogate PIP					
PIP		1,020	180	-840	Spend against the Harrogate BOS project came in under budget, essentially due to the Ainsty Road development not going ahead.
Corporate Asset Management & Corporate Landlord Services					
Base budget		2,383	2,228	-155	Due to the timing of expenditure for multi-year Procurement Project (£1.14k), plus a number of other minor variations.
Carry forward from 2010/11		1,055	978	-77	
Total		3,438	3,206	-232	
Health & Safety Risk					
Base budget		424	416	-8	Additional income from recharge of Senior staff time to schools traded service, plus other minor variations.
Carry forward from 2010/11		5	5	0	
Total		429	421	-8	
CORPORATE PROPERTY MANAGEMENT TOTAL		11,357	9,015	-2,342	Excluding the unused PIP funds (£840k), £800k will be transferred to the PIP, and the balance (£702k) will be requested for carry forward.
PIP					
Base budget & 2010/11 carry-forward		2,232	1,068	-1,164	
TOTAL		23,019	18,311	-4,708	
Projected Variance at Q3 Report				-4,185	

FINANCE & CENTRAL SERVICES							
2011/12 REVENUE BUDGET OUTTURN							
	High Risk?	Surplus B/fwd from 2010/11	In year surplus (+) /deficit (-) 2011/12			Surplus/ Deficit (-) C/fwd to 2012/13	COMMENTS
			Income	Expenditure	Surplus/ deficit		
		£000	£000	£000	£000	£000	
Building Cleaning Services - Schools							
In Year	Y	763	7,086	6,823	263	263	Due to additional income and minor savings on staffing costs.
Equipment Fund			470	470	-470	293	Part of the surplus will be used to fund a pilot to provide property related support to business support staff in a number of schools (now commencing 2012/13) as well as for the replacement of equipment etc. A loyalty based rebate scheme has been given to schools (value £247k) in 2011/12.
TOTAL		763	7,086	7,293	-207	556	
Building Cleaning Services - Non Schools							
In Year			1,647	1,531	116	116	Due to additional income earned.
Equipment Fund		191		168	-168	23	Expenditure has funded personnel implications of BOS (£55k), corporate property initiatives (£100k) as well as replacement of equipment etc. In 2012/13 one-off costs of moving the service from Bedale Hall onto the County Hall campus will need to be met.
TOTAL		191	1,647	1,699	-52	139	
Grounds Maintenance	Y						
In Year			711	676	35	35	Underspend linked to Topcliffe restructure. Staff replacement has commenced in April 2012.
Equipment Fund		49		53	-53	-4	Grounds Maintenance will retain a zero percent increase in charges in 2012/13 and propose to retain surplus for equipment replacement in 2012/13 onwards. In 2012/13 one-off costs of moving the service from Bedale Hall onto the County Hall campus will need to be met.
TOTAL		49	711	729	-18	31	
GRAND TOTAL		1,003	9,444	9,721	-277	726	

CORPORATE MISCELLANEOUS

2011/12 REVENUE BUDGET OUTTURN

BUDGET HEAD	High Risk ?	REVISED BUDGET 2011/12	ACTUAL OUTTURN	VARIANCE (-) = under spend	COMMENTS
		£000	£000	£000	
ANNUAL BUDGETS					
Contingency					
General Provision		360	0	-360	For one off initiatives, unforeseen expenditure and emergencies. Initial budget of £500k less £140k allocated = £360k underspend.
Budget 2 - Savings still required		-1,916	0	1,916	Balance of Budget 2 shortfall (£5,916k) to be found from Corporate budgets.
		-1,556	0	1,556	
Capital Financing Costs					Overall net Treasury Management underspend of £1,119k as a result of several factors but principally:
Revenue Provision for debt repayment		16,277	15,899	-378	(i) slippage in capital borrowing requirements in the latter part of 2010/11 and early 2011/12 as a result of capital expenditure slippage and using the flexibility offered by certain grant conditions to increase the use of such grants to fund 2010/11 capital spending
Interest		17,687	17,292	-395	
Debt Management		47	15	-32	
Recharges to Directorates etc		-1,479	-1,185	294	(ii) continuing to fund capital borrowing requirements from internal cash balances rather than long term external borrowing
TOTAL		32,532	32,021	-511	(iii) continuing higher than forecast levels of cash balances
Interest Earned					(iv) exceeding the budgeted % yield by taking advantage of relatively attractive longer term fixed interest rates, up to one year with high quality counterparties
Temporary Loans		-1,900	-2,492	-592	
Other Interest Earned		-290	-205	85	
Interest Reallocated & paid out		527	426	-101	
TOTAL		-1,663	-2,271	-608	
Other					
External Audit Fees		234	199	-35	Deloitte fee for their annual audit and grant claims. Underspend due to rebate from Audit Commission and fewer grant claims requiring audit certification.
YPO Surplus		-225	-498	-273	Based on YPO results and relative NYCC turnover. Net of allocations to catering and cleaning.
Bank Charges		75	76	1	Barclays & Girobank charges for operating NYCC's accounts. New contract from 1 April 2013 and tender process is being progressed in 2012/13.
Internal Trading Income		-289	-423	-134	Internal financing and trading income from DLO's etc.
Dedicated Schools Grant		-1,552	-1,552	0	Contribution to corporate overheads from the Dedicated Schools Grant (DSG).
New Homes Bonus Grant		-200	-382	-182	Actual allocation is £382k (=20% of total as 80% paid to Districts) which is above the £200k budget provision.
Employee costs - terms and conditions		-15	0	15	A 2 year savings target split over 2 financial years. £750k phased in 2011/12. £735k found in 2011/12 from mileage rates and other pay and reward budgets. £15k shortfall funded from the £152k Pay and Reward Fund underspend below.
Carbon Reduction Initiative		0	109	109	Provision for the purchase of carbon reduction commitment allowances in 2012/13 relating to energy consumed in 2011/12, to comply with the Government's new Carbon Reduction Scheme.
Release of Provisions		0	-450	-450	Reassessment (reduction) of Corporate Provision for the potential repayment of income previously collected under s117 of the Mental Health Act 1983.
Council Tax on Second Homes		-6,149	-6,149	0	Fixed annual cash grant from DCLG for levying a 0% Council Tax increase in 2011/12.
Council Tax Freeze Grant		0	299	299	Increased bad debts provision required in relation to profile of debts outstanding at 31 March 2012 and other long term debtors.
Increased Bad Debts Provision					All other Corporate budgets
Other Budgets		112	109	-3	
TOTAL		-8,009	-8,662	-653	
TOTAL ANNUAL BUDGETS		21,304	21,088	-216	(+ £441 k at Q3)

CORPORATE MISCELLANEOUS

2011/12 REVENUE BUDGET OUTTURN

BUDGET HEAD	High Risk ?	REVISED BUDGET 2011/12 £000	ACTUAL OUTTURN £000	VARIANCE (-) = under spend £000	COMMENTS
FUNDS					
Transformation Fund		572	66	-506	Budget includes £273k from 2010/11. Bright Office Strategy and other projects have been scaled back with the funding being carried forward to 2012/13 for utilisation on One Council project implementations.
Area Committee Budgets		70	47	-23	There is no base budget provision in 2011/12. £70k are unspent budgets rolled forward from 2010/11 but there is a residual underspend of £23k at 31 March 2012, which is being rolled forward for spending early in 2012/13.
Community Fund		1,407	735	-672	Budget includes £1,057k from 2010/11. Short term funding for County wide initiatives and projects with the timing of expenditure being difficult to predict. Some have now slipped from their expected start dates.
Contribution to Pension Fund Deficit		300	0	-300	Contingency to cover potential shortfall in £ deficit contribution required by NYPF, as a result of reducing employee numbers. Not needed in 2011/12 but required to be carried forward to assist funding the deficit in 2012/13.
Pay and Reward Fund		173	21	-152	£15k of underspend needed to fund shortfall of Employee Costs - terms and conditions savings above. Remaining £137k underspend carried forward to fund pay and reward initiatives in 2012/13 and also help the terms and conditions savings.
TOTAL FUNDS		2,522	869	-1,653	(- £1,045 k at Q3)
PENDING ISSUES PROVISION (PIP) Funding Approved					
HAS Reablement Funding in 2011/12		2,409	0	-2,409	This allocation was earmarked to fund expenditure on Reablement in 2011/12 which has subsequently slipped to future financial years.
Redundancy Fund		2,500	2,500	0	Agreed £5m from the PIP in 2010/11 - £2.5m phased in 2010/11 & 2011/12. Unspent balance will be rolled forward to 2012/13 via an earmarked reserve / provision.
Community Fund (The Street)		125	125	0	Funds paid to Seachange during 11/12.
Microsoft Transition (FCS) 2011/12		1,500	0	-1,500	Slippage of hardware and consultancy costs into 2012/13. The funding is to be ringfenced and carried forward.
Remaining Funding to be allocated		6,534	2,625	-3,909	
TOTAL PIP		7,995	2,625	-5,370	Balance of 2011/12 Funding which has not been allocated to specific projects and is carried forward to 2012/13.
Projected variance at Q3 report		31,821	24,582	-7,239	(- £4,415 k at Q3)
				-5,019	

PROGRESS ON PIP ALLOCATIONS - 2011/12 OUTTURN POSITION

Item		Costs				Key Milestones Delivered		
		Year	Revised Profile at 10/11 Outturn and Funding Allocations Approved by Executive £000	Actual Expenditure to 31 March 2012 Outturn £000	Revised Profile (31 March 2012) £000	Milestone	Planned	By Date Achieved
HAS	Extra Care - Legal Costs	2011/12	50	16	16			
		2012/13			34			
			50	16	50			
HAS	Reablement	2011/12	4,213	1,804	1,804			
		2012/13	2,119		4,528			
		Total	6,332	1,804	6,332			
HAS	Transitional Workers	2011/12	124	97	97			4 FTE's appointed to 2 year contracts Oct/Nov 2010. 2 Posts became vacant Dec 2011 and Jan 2012 to be filled in 2012/13.
		2012/13	70		97	Appoint 2 FTE's to vacant posts	Q1 2012/13	
		Total	194	97	194			
HAS	Brokerage Capacity	2011/12	92	92	92			2 year contracts awarded July 2010. 1 FTE S/W/R, 1 FTE H/C. 0.5 FTE H/R, 0.5 FTE Salby.
		2012/13	23		23			
		Total	115	92	115			
BES	Bedale Bypass – Fees II	2011/12	91	91	91	Approval of scheme given by DfT and Executive.	Mar-2012	Approval of scheme achieved as notified by DfT in January 2012.
		2012/13	500		31	Further develop scheme and take through procurement process	Mar-2013	
		2013/14	241		73	Further develop scheme and take through procurement process	Mar-2014	
		2014/15	0		637	Contract award and construction underway	Mar-2015	
		Total	832	91	832	88	Approval of scheme given by DfT and Executive.	Mar-2012
BES	Bedale Bypass - allocations to achieve conditional approval	2011/12	88	88	88			
		Total	88	88	88			
BES	Street Lighting columns	2011/12	3,000	3,000	3,000	Accelerated works programme delivered.	Mar-2012	Full works programme delivered.
		Total	3,000	3,000	3,000			
CYPs	Schools – capital works (allocation slipped by one year to assist MITFS)	2011/12	3,000	3,000	3,000			
		2012/13	3,000		3,000			
		Total	6,000	3,000	6,000			
CYPs	ICT - Transformation Projects	2011/12	338	68	68	Delays in recruiting suitable staff.		
		2012/13			270			
		Total	338	68	338			

PROGRESS ON PIP ALLOCATIONS - 2011/12 OUTTURN POSITION

DIR	Item	Year	Costs				Key Milestones Delivered		
			Revised Profile at 10/11 Outturn and Funding Allocations Approved by Executive £000	Actual Expenditure to 31 March 2012 Outturn £000	Revised Profile (31 March 2012) £000	Milestone	Planned	By Date	Achieved
			2011/12	Total	2011/12				
CEG	HR System Changes - Manager's Reporting (Insight)	2011/12	34	41	41				
		Total	34	41	41				
CEG	HR System & back scanning	2011/12	359	352	352				
		2012/13	0	0	0				
		Total	359	352	352				
CEG	Initiatives to underpin Libraries savings plan	2011/12	217	45	45	Machines installed at Scarborough, Easingwold and HQ. Counter work finished in Boroughbridge, Easingwold, Eastfield and Sherburn.		Q1 2011-12	
						Counters at Tadcaster and Scalby.		Q2 2011-12 Q4 2011-12 Q3 2011-12	
						Pods and counter removal at Scalby and Malton. Counter removal at Eastfield.		Q3 2011-12	
						Masham		Q4 2011-12	
		2012/13			172	Qtr 1 £45k Qtr 2 £45k Qtr 3 £41k Qtr 4 £41k to support the libraries savings plan, including technology such as self-issue.			
		Total	217	45	217				
F&CS	STIC - Corporate Infrastructure, including Project Team	2011/12	812	488	488	Resources allocated to each year have been reprofiled to fit project requirements			
		2012/13	525	840	840				
		2013/14	295	304	304				
		Total	1,632	1,632	1,632				
F&CS	WAN Allocations	2011/12	400	400	400				
		2012/13	200	0	200				
		Total	600	400	600				
F&CS	Microsoft Migration	2011/12	1,500		0	Project ongoing and on schedule. Reprofiled to reflect pattern of costs actually being incurred.			
		2012/13	1,400		2,900				
		Total	2,900	0	2,900				

PROGRESS ON PIP ALLOCATIONS - 2011/12 OUTTURN POSITION

Item		Costs				Key Milestones Delivered		
		Year	Revised Profile at 10/11 Outturn and Funding Allocations Approved by Executive £000	Actual Expenditure to 31 March 2012 Outturn £000	Revised Profile (31 March 2012) £000	Milestone	By Date	
Corporate	BOS – Harrogate	2011/12	1,020	180	180	Jesmond House Refurbishment complete. Additional moves around Manor Road / Sharow View to also take place within 11/12 and 12/13 respectively.	Planned 01/10/2011 31/03/12	Achieved 14/10/2011
		2012/13	0	0	840	Certain projects in original Business case did not proceed, therefore balance of funds on "hold" pending the review of BOS projects - possible reallocation to next phase of BOS Schemes.	01/11/2011	
	Total	1,020	180	1,020				
Corporate	BOS – Selby Brook Lodge	2012/13	1,470	0	735	Project team in place and design work ongoing. Provisional plans for work to be onsite by summer 2012	31/08/2012	
		2013/14		0	735			
	Total	1,470	0	1,470				
Corporate	Contribution to Redundancy Reserve	2011/12	2,500	2,500	2,500			
	Total	2,500	2,500	2,500				
Corporate	Contribution to "The Street" Project (Community Fund)	2011/12	125	125	125			
	Total	125	125	125				
		Year	Revised Profile 2010/11 Outturn	Actual Expenditure to 31 March 2012	Revised Profile (31 March 2012) £000	Variance £000		
		2011/12	17,963	12,387	12,387	-5,576		
		2012/13	9,307	840	13,670	4,363		
		2013/14	536	304	1,112	576		
		2014/15	0	0	637	637		
		Total	27,806	13,531	27,806	0		
Overall Financial Position								

GENERAL WORKING BALANCE

(1) STATEMENT OF REVENUE BALANCES	£000s	£000s	£000s		
Balance at 31 March 2011					23,949
Movement in 2011/12					
Net revenue spend					-356,512
Funding Income					
Revenue support grant		28,866			
Share of national Business Rates Pool		93,386			
Precept income from Districts for 2011/12		245,954			
Precept income - previous years arrears		464			
Balance at 31 March 2012					36,107
<hr/>					
(2) ANALYSIS OF REVENUE BALANCES BETWEEN	Earmarked	GWB	Total		
Balance as at 31 March 2011	15,113	8,836	23,949		
Movement in 2011/12					
net underspend 2010/11 carried forward to 2011/12	-15,113		-15,113		
2011/12 underspend	22,899	4,372	27,271		
	7,786	4,372	12,158		
Balance at 31 March 2012	22,899	13,208	36,107		
<hr/>					
(3) GENERAL WORKING BALANCE	Q3	% of net rev bud	Outturn	% of net rev bud	2% target
Balance at 31 March 2011					
Actual Balances 31 March 2011	23,949		23,949		
2010/11 net underspendings rolled forward	-15,113		-15,113		
= free working balance at 31 March 2011	8,836	2.2%	8,836	2.2%	6,720
2011/12 Transactions impacting on the GWB					
Corporate Miscellaneous					
Budget 2 residual savings target	-1,916		-1,916		
Net Treasury Management savings	873		1,119		
Central contingency	260		360		
YPO surplus	125		273		
New Homes Bonus Grant	182		182		
Increased bad debts provision	0		-299		
Release of Corporate provisions	0		450		
Other Corporate Miscellaneous	35		62		
CYPS accelerated savings not required for c/fwd	2,356		2,606		
CEG accelerated savings not required for c/fwd	0		542		
BES Concessionary Fares underspend	822		993		
= balance at 31 March 2012	11,573	3.1%	13,208	3.6%	7,373
2012/13 (MTFS Year 1)					
Contribution from budget	2,501		2,501		
Proposed funding £2.4m investment approved by Exec on 24/4/12			-2,400		
Academies top slice refund	?		?		
= forecast at 31 March 2013	14,074	3.9%	13,309	3.7%	7,268
2013/14 (MTFS Year 2)					
Contribution to budget (MTFS shortfall)	-2,744		-2,744		
= forecast at 31 March 2014	11,330	3.1%	10,565	2.9%	7,407
2014/15 (MTFS Year 3)					
Contribution to budget (MTFS shortfall)	-4,419 *		-4,419 *		
= forecast at 31 March 2015	6,911	1.9%	6,146	1.7%	7,449
contribution from the PIP to maintain 2% minimum	538 *		1,303 *		
adjusted position at 31 March 2015	7,449	2.0%	7,449	2.0%	7,449

* If no recurring savings are identified in 2014/15 any shortfall of GWB below the 2% target will be topped up from the PIP

RESERVES and BALANCES
2011/12 OUTTURN

Reserve	Actual 31st March 2011 £000s	+ / - in 2011/12 £000s	Actual 31st March 2012 £000s	Forecast reported to Exec Feb 12 £000s	Comments
WORKING BALANCES					
Retained for Service Use					
Children & Young People's Health and Adult Services	890	2,257	3,147	1,224	£22,899k net savings in 2011/12 carried forward to 2012/13 and consists mainly of savings to assist in 2012/13 and subsequent years budgets (including One Council), planned savings to support developmental initiatives in 2012/13 and spending planned for 2011/12 being deferred until 2012/13 for a variety of reasons including PIP allocations totalling £5,576k.
Business & Environment	392	2,519	2,911	788	
Chief Executive's Group	1,145	1,410	2,555	453	
Finance & Central Services	1,197	-156	1,041	1,073	
Corporate Miscellaneous	4,434	-840	3,594	2,565	
Sub Total	7,055	2,596	9,651	3,020	MTFS target is to maintain 2% of net revenue budget - £13,208k is 3.6% and £2,666k above MTFS target of £10,542k at 31 March 2012. £2.4m of this increase is being proposed for utilisation in 2012/13 towards additional investment of £2.4m approved by Executive on 24 April 2012.
General Working Balances	8,836	4,372	13,208	10,542	
Total Working Balances	23,949	12,158	36,107	19,665	
Earmarked for schools					
School Balances (LMS Reserves)	27,100	-1,753	25,347	20,921	Reducing balance reflects falling pupil numbers, resource scarcity and provisional adjustments for school transfers to academy status.
Schools Block / DSG	10,800	1,724	12,524	9,546	Balance of earmarked Schools Block resources for multiple programmes
Sub Total	37,900	-29	37,871	30,467	
Reserves of Trading and Service Units					
FMS	14	63	77	27	Accumulated position of the trading operation for financial services provided to school
Balance of Risks Insurance	327	292	619	300	Anticipated real-terms increase in premiums to support preventative measures in line with actuarial and insurance service advice.
Insurance Services to Schools	12	167	179	0	Surplus arising from claims history but returning to a break-even position in 2012/13.
School's ICT	106	84	190	166	Balance of ICT trading with schools. Accumulated service taken into account in subsequent years.
Health & Safety Training	27	23	50	29	Accumulated surplus of providing a Health & Safety service to Schools.
Quality and Improvement	165	28	193	195	Traded Advisory/CPD service to schools.
Outdoor Education	170	89	259	175	Accumulated position (surplus / deficit) of the trading operation of the Outdoor Education Service.
Professional Clerking	50	7	57	38	Accumulated surplus of providing Professional Clerking services to Schools.
Staff Absence Insurance	843	199	1,042	743	Balance reflects actuarial assumptions.
M.A.S.S.	0	106	106	0	Residual accumulated position of the MASS scheme.
Premises Scheme	238	-105	133	0	Accumulated position of the Premises scheme.
Adult Learning	-80	612	532	270	Accumulated position of the trading operation of the Adult Learning Service.
Catering	758	230	988	960	Surplus used against anticipated recurring in-year deficit.
Music Service	0	142	142	0	Accumulated position of the trading operation of the Music Service.
Building Cleaning	954	-259	695	567	Fund to be utilised for purchase of equipment and to fund a pilot to provide property related to support to a number of schools (to occur in 2012/13). The level of reserve was reviewed and applying the principal that the schools surplus can only be used for schools a rebate has been paid to schools in return for a continued buy-in to the service. A further review of the reserve will occur 2012/13.
Grounds Maintenance	49	-18	31	52	Fund to be utilised for purchase of equipment etc.
Print Unit	61	45	106	71	Due to the variable nature of income there are no current plans to invest in equipment until the Print Unit is making a sustainable profit.
Health and Wellbeing	8	2	10	5	Accumulated position of the traded operation.
CYPS - HR Service	56	48	104	36	Accumulated position of the traded operation.
Sub Total	3,758	1,755	5,513	3,634	

**RESERVES and BALANCES
2011/12 OUTTURN**

Reserve	Actual 31st March 2011 £000s	+ / - in 2011/12 £000s	Actual 31st March 2012 £000s	Forecast reported to Exec Feb 12 £000s	Comments
Retained for Specific Initiatives and Major Schemes					
Redundancy costs in schools	CYPS 2,015	1,860	3,875	3,196	To meet teachers redundancy payments.
SEN	CYPS 1,899	-559	1,340	1,899	Phased implementation of the SEN & Behaviour review.
Children's Centre	CYPS 347	-347	0	0	Consolidated in CYPS Service Transformation Reserve.
Management Information System (Catering)	CYPS 20	-20	0	0	Fully utilised in 2011/12.
Building Schools for the future	CYPS 110	-110	0	0	Consolidated in CYPS Service Transformation Reserve.
Education for looked after children	CYPS 76	11	87	76	Provision of phased bursary support for looked after children attending higher education.
High Needs Prevention	CYPS 380	-380	0	0	Consolidated in CYPS Service Transformation Reserve.
Learning Difficulties & Disabilities	CYPS 395	0	395	395	Consolidated in CYPS Service Transformation Reserve.
Continuing Education	CYPS 668	-668	0	0	Phased implementation of the SEN-D (LDD) strategy required in line with the SEN Green Paper.
16-19 Transfer (Machinery of Govt)	CYPS 413	-413	0	0	Consolidated in CYPS Service Transformation Reserve.
CYPS Service Transformation	CYPS 0	1,641	1,641	975	Consolidated in CYPS Service Transformation Reserve.
Transport	CYPS 0	250	250	0	To fund services whilst in transformation.
Music Service	CYPS 0	430	430	0	To fund variability in the number of transport academic days falling within each year.
Winter Maintenance	BES 2,000	0	2,000	2,000	Provision for service configuration and transition to traded operations.
Highways - Traffic Signals	BES 229	-229	0	0	Underspend on 2011/12 Winter Service budget of £350k and a further £650k from the BES underspend proposed for transfer to the Reserve in 2012/13 making it £3m.
Local Development Framework / Minerals Core Strategy	BES 570	-98	472	430	This reserve funded essential maintenance works to specific traffic signals. Expenditure on these schemes began in 2009/10 and completed in 2011/12.
BES Directorate Initiatives and Transformation	BES 766	-207	559	444	This reserve funds work required to produce the LDF / Minerals Core strategy in line with Government Guidelines. The movement the reserve reflects the latest planned expenditure profile for that work.
Swing Bridges	BES 563	236	799	583	The BES Directorate has a number of initiatives and transformation projects for which this reserve has been established to fund. The movements on the reserve reflect the actual profile of expenditure on this programme.
Proceeds of Crime Act	BES 122	25	147	122	To meet future structural maintenance requirements of the Selby and Whitby Swing Bridges which have become the responsibility of the County Council. The appropriate reserve level will continue to be assessed as maintenance works are carried out.
Yorkshire Dales & Harrogate Tourism Partnership	BES 31	-23	8	31	Relates to income received under the Home Office incentive scheme for fraud cases involving Trading Standards as defined in the Proceeds of Crime Act, earmarked for future expenditure on such cases, potential enhancements, and coverage for exit costs if incentive scheme be withdrawn.
YDHTP Accountable Body	BES 26	-26	0	0	Used to fund final costs associated with the Partnership which has been taken over by Welcome to Yorkshire. Final release of the reserve fund will take place in 2012/13.
Mowthorpe Bridge	BES 400	0	400	400	This reserve was earmarked to fund any exit costs related to the YDHTP that would be born by the County Council in its role as Accountable Body. Based on the final audit no costs have arisen and the reserve was therefore released into the revenue account in 2011/12.
Highways Advanced Payments	BES 1,569	-887	682	1,569	Reserve for maintenance works on a recently adopted bridge. The closing figure represents the commuted sum received as part of the transfer agreement. Maintenance works are planned to commence in 2012/13.
LATS	BES 322	-178	144	120	The reserve includes developer bonds and commuted sums for maintenance works prior to adoption of roads by the County Council or to offset costs of the external effects of developments. The balance represents funds not required to be paid back should the work not be carried out.
Area Based Grant (ABG)	Corp 1,852	-1,852	0	0	Movements are based on expected utilisation of the allowances.
Insurance Reserve	Corp 5,904	424	6,328	6,404	Reserve held to correctly account for under-spends associated with the receipt of 2011/12 Area Based Grant. Reserve fully utilised in 2011/12.
Redundancy Reserve	Corp 903	1,404	2,307	2,500	Required for potential liability and motor claims.
					This reserve is providing Corporate Funding to assist in the funding of restructuring costs associated with Post Reductions within the Council between 2010/11 and 2012/13. £5 million has been set aside and put into a reserve which is PIP-funded.

**RESERVES and BALANCES
2011/12 OUTTURN**

Reserve	Actual 31st March 2011 £000s	+ / - in 2011/12 £000s	Actual 31st March 2012 £000s	Forecast reported to Exec Feb 12 £000s	Comments
Retained for Specific Initiatives and Major Schemes (cont)					
Credit Union	85	-85	0	0	This reserve represents contributions from partners. Funds are passed to NYCU periodically. Reserve is earmarked to contribute to the Information Hub project.
North Yorkshire Advice Services Partnership	7	0	7	7	
Elections	83	59	142	150	This reserve exists to fund the costs of County Council Elections which take place every 4 years, the next election being held in 2013/14.
ICT Equipment / Development	1,357	622	1,979	1,357	There will be no SDT refresh programme in 2011/12, then assumed Directorates will utilise this reserve over next three year refresh cycle, with limited resources to replenish reserve for future purchases. Assumed that the server element will remain at a similar level on an ongoing basis to smooth expenditure on virtual servers.
ICT - Microsoft / Broadband	897	-242	655	231	Required to fund WAN / broadband and Microsoft transition projects.
BDM / Contractors Residual Issues	847	-113	734	192	This reserve provides corporate funding to assist in the costs arising from contractors entering administration.
Corporate Accommodation - Property Rental	0	106	106	0	Required to fund Swaledale House rental agreement over a ten year cycle.
Supporting People Initiative	0	1,196	1,196	0	The Supporting People function has always been managed as a ring-fenced 'net zero' budget with balances carried forward to even out funding shortfalls over the medium term. Prior to national grant changes this was achieved through an income in advance adjustment but now requires the creation of an ear-marked reserve
Sub Total	24,856	1,827	26,683	23,081	
Revenue Income Reserve (mainly grants and contributions)					
CYPS Grants Miscellaneous	1,382	-543	839	150	Reserve used to underpin CYPS Service Transformation.
CYPS Schools Earmarked Capital Projects	4,705	-4,166	539	125	Reserve used in 2011/12 for Harnessing Technology, remaining balance to be used to fund Impulse (SEN, Admissions ICT system).
CYPS Area Based Grant from 2009/10	2,116	-2,116	0	0	This is to be used to underpin CYPS Service Transformation and to fund teachers redundancy payments.
Economic Development Grants	462	-8	454	302	Relates to unutilised grant and other income which is expected to be used on associated expenditure in future years.
Business & Environmental Services - Other	801	-212	589	2,806	Includes the Civil Parking Enforcement (CPE) income which is subject to a countywide review that is currently at the stage of seeking comments prior to completing a final business case.
Community Transport Grant	0	832	832	0	The reserve reflects grant received from the Department for Transport not yet expended and planned for expenditure in future years.
Civil Parking Enforcement	0	2,424	2,424	0	The reserve reflects the combined cumulative surplus on Harrogate and Scarborough CPE accounts.
Chief Executive's Miscellaneous	64	45	109	0	The grant funding in this reserve at 31/03/11 was fully utilised in 2011/12 for it's intended purpose. The balance at 31/03/12 relates to funding for other initiatives.
Stoke Support Grant	94	-94	0	0	Balance of funding to complete agreed three year contract.
LDDF	0	232	232	0	Other funding sources in 2011/12 reduced the commitment against the LDDF and the Balance of this funding has been brought forward to support changes to the provision of learning disability services.
Social Care Reform Grant	0	1,508	1,508	1,508	This is the balance of this grant and will be used to deal with short term or one off costs linked to the transformation of service provision.
Health Funding Reserve	0	9,279	9,279	8,412	This reserve is required to maximise the effectiveness of the new health monies transferred via the PCT. These monies will be used to secure the re-ablement service, develop appropriate out-of-hours and 'home from hospital' services as well as fund smaller scale local initiatives to reduce hospital re-admissions.
LAA Performance Reward Grant	5,586	-1,147	4,439	3,052	This reserve is to fund projects both within NYCC and with external Partners. The projects have been approved by the various Thematic Partnerships and the NYSP Executive. Profiles of funding have been provided and it is expected that all funding will be spent by March 2014.
Sub Total	15,210	6,034	21,244	16,355	
Total Earmarked Reserves	81,724	9,587	91,311	73,537	
TOTAL RESERVES	105,673	21,745	127,418	93,202	

CAPITAL EXPENDITURE AND INCOME 2011/12

Appx	<u>GROSS EXPENDITURE</u>				<u>GRANTS AND CONTRIBUTIONS</u>				<u>NET EXPENDITURE</u>					
	Capital Plan Original	Capital Plan Latest	Actual	Variation Original Latest	Capital Plan Original	Capital Plan Latest	Actual	Variation Original Latest	Capital Plan Original	Capital Plan Latest	Actual	Variation Original Latest		
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s		
B	10,167	2,392	2,033	-8,134	-359	-2,062	-1,313	747	-2	8,105	1,079	718	-7,387	-361
C	45,208	51,545	48,732	3,524	-2,813	-38,365	-45,054	-6,014	675	6,843	6,492	4,354	-2,489	-2,138
D	58,405	41,689	41,719	-16,686	30	-49,937	-38,409	11,655	127	8,468	3,280	3,437	-5,031	157
E	7,054	5,501	6,117	-937	616	-2,228	-2,841	-1,995	-1,382	4,826	2,660	1,894	-2,932	-766
Total	120,834	101,127	98,601	-22,233	-2,526	-92,592	-87,617	4,393	-582	28,242	13,511	10,403	-17,839	-3,108

Original Plan Approved in February 2011

Latest Capital Plan Approved February 2012

HEALTH AND ADULT SERVICES

2011/12 CAPITAL BUDGET - OUTTURN POSITION

CAPITAL PLAN HEAD	ORIGINAL PLAN	LATEST PLAN	OUTTURN	VARIANCE	COMMENTS
	£000	£000	£000	£000	
Maintaining Fabric / Facilities of Properties	683	416	293	123 CR	Fire Precautions works completed at lower cost than budgeted, H&S issues to be resolved at Ashfield House (Skipton) delayed scheme commencement, Cawood upgrade and refurbishment at 5 Whitby Road both behind schedule.
"Our Future Lives" Extra Care Scheme	2,298	763	758	5 CR	
"Our Future Lives" Resource Centres etc.	3,526	258	254	4 CR	
"Valuing People" LD schemes	2,363	902	673	229 CR	Croft House five weeks behind schedule due to bad weather and delayed planning approval. Difficulty in identifying suitable sites for Changing Places Schemes.
IT infrastructure	585	53	55	3	Grant funded
Pending Issues Provision					
Radio Frequency Identification Schemes	95	-	-	-	Library schemes - transferred to CEG
Library in a Box Schemes	122	-	-	-	Library schemes - transferred to CEG
Mental Health Supported Expenditure	495	-	-	-	Budget transfer to Selby Learning Disability development.
TOTAL GROSS SPEND	10,167	2,392	2,033	359 CR	
CAPITAL GRANTS AND CONTRIBUTIONS					
Capital Grants					
- Adult Social Care IT Infrastructure	275 CR	-	-	-	
- Adult Social Care Investment for Transformation	310 CR	53 CR	55 CR	2 CR	
- PSS Capital Grant	1,260 CR	1,260 CR	1,260 CR	-	
Revenue Contributions					
- From Pending Issues Provision	217 CR	-	-	-	Library schemes - transferred to CEG
TOTAL GRANTS AND CONTRIBUTIONS	2,062 CR	1,313 CR	1,315 CR	2 CR	
TOTAL NET EXPENDITURE	8,105	1,079	718	361 CR	

BUSINESS & ENVIRONMENTAL SERVICES

2011/12 CAPITAL BUDGET - OUTTURN POSITION

CAPITAL PLAN HEAD	ORIGINAL PLAN	LATEST PLAN	OUTTURN	VARIANCE	COMMENTS
	£000	£000	£000	£000	
GROSS EXPENDITURE					
New and Replacement Road Lighting	3,225	2,974	3,454	480	Additional works undertaken above PIP allocation funded from one-off savings in the BES revenue budget.
Rationalisation of Depots	2,719	2,989	2,757	232 CR	All depot construction completed in 2011/12. Costs are based on works estimates and will be finalised when the final accounts are received and processed.
Waste Management Service	1,277	1,410	1,128	282 CR	HWRC at Harrogate (Penny Pot Project) completed and operational; the £0.3m balance reflects that the contingency was not required to offset any additional costs of the project. This will be carried forward into 2012/13 and earmarked for the waste infrastructure strategy.
Waste Procurement Project	-	125	85	40 CR	
Scarborough Integrated Transport Scheme	1,646	147	81	67 CR	Part I compensation claims continue to be processed and settled. Projections remain that final costs will be within budget but there does remain a risk of overspend until all claims are finalised.
Reighton A165 Bypass	-	122	120	2 CR	
Local Transport Plan	5,783	3,378	3,873	495	Additional contributions received for schemes that were not reflected in the Capital Plan.
- Integrated Transport	27,829	38,384	35,338	3,046 CR	£1.5m grant funded works in relation to the detrunked A63 and A65 was not carried out. The remainder of the outturn relates to minor delays due to early poor weather conditions but is predominantly due to ensuring that there was no work in progress in relation to the Highways Maintenance Contract, which ended on 31 March 2012. Where in doubt regarding completion schemes were postponed until 2012/13. This will not cause any financial detriment to the County Council.
- Regional Funding Allocation	2,729	2,014	1,894	119 CR	Brambling Fields s106 income of £0.3m was received in 2011/12. This will be available as a contingency against that project. Once the project is completed any remaining income will be reinvested.
Other Minor Schemes	-	3	3	-	
TOTAL GROSS SPEND	45,208	51,545	48,733	2,812 CR	

BUSINESS & ENVIRONMENTAL SERVICES

2011/12 CAPITAL BUDGET - OUTTURN POSITION

CAPITAL PLAN HEAD	ORIGINAL PLAN	LATEST PLAN	OUTTURN	VARIANCE	COMMENTS
	£000	£000	£000	£000	
CAPITAL GRANTS AND CONTRIBUTIONS					
Capital Grants					
- Local Transport Plan Grant	32,166 CR	31,681 CR	31,841 CR	160 CR	Grant from Sustrans of £279k for Links to Schools programme less £119k RFA related to the expenditure variance above.
- Local Transport Plan Detrunking Grant	1,756 CR	1,476 CR	63 CR	1,413	Works not carried out as budgeted - see above.
- Waste Capital Grants	843 CR	1,267 CR	946 CR	321	Grant carried forward in line with the expenditure on the Waste Management Service scheme.
- Transport Supplementary Grant	-	-	2 CR	2 CR	
Capital Contributions					
- Capital Contributions	-	147 CR	525 CR	378 CR	Additional contributions for Integrated Transport, including Brambling Fields.
Revenue Contributions					
- Local Transport Plan	-	6,782 CR	6,782 CR	-	
- Waste Management Service	-	-	-	-	
- Road Lighting from Pending Issues Provision	3,000 CR	3,000 CR	3,000 CR	-	
- Road Lighting Revenue Contributions	-	-	480 CR	480 CR	Additional revenue contribution to the street lighting replacement programme funded from one-off savings in the BES revenue budget.
- Other Revenue Contributions	600 CR	701 CR	740 CR	39 CR	
TOTAL GRANTS AND CONTRIBUTIONS	38,365 CR	45,054 CR	44,379 CR	674	
TOTAL NET EXPENDITURE	6,843	6,492	4,354	2,138 CR	

CHILDREN & YOUNG PEOPLES SERVICE

2011/12 CAPITAL BUDGET - OUTTURN POSITION

CAPITAL PLAN HEAD	ORIGINAL PLAN	LATEST PLAN	OUTTURN	VARIANCE	COMMENTS
	£000	£000	£000	£000	
GROSS EXPENDITURE					
NYCC MANAGED SCHEMES					
Major Capital Schemes at Schools Suitable for Purpose	961 2,800	276 2,530	297 2,695	21 165	Three of the biggest schemes in the suitability programmes incurred unforeseen costs resulting in additional spend of £64k at Easingwold School, £72k for Gladstone Road School and £35k for Hackness School.
Special Educational Needs/Behaviour Review Pupil Referral Units/Special Schools	992 5,604	823 6,206	805 6,466	19 CR 260	The new Foremost School was completed in March 2012 and additional costs have been incurred for roof and security issues resulting in expenditure of £284k being brought forward from 2012/13 to 2011/12.
School Capacity - Numbers Lead Accommodation Primary Replacement School Other Capital Funding Schemes 2008-11	400 1,104 2,448	99 CR - 2,744	108 CR - 3,006	9 CR - 262	The Settle College project to support the review of educational provision in North Craven is progressing well resulting in expenditure of £337k being brought forward from 2012/13 to 2011/12. This has been partly offset by underspends on the 14-19 Development programme at Northalerton College, Stokesley School and Whitby College totalling £96k where project contingency allowances have not been needed in full.
Health and Safety	1,100	918	1,249	331	Regulatory issues which include technical fire safety, legionella, window filming and gas ventilation schemes have all proceeded ahead of schedule resulting in expenditure of £331k being brought forward from 2012/13 to 2011/12.
Primary Capital Programme	9,096	8,739	8,428	311 CR	Initial delays with the Norton CP scheme have resulted in expenditure being carried forward from 2011/12 to 2012/13.
Basic Need 2011/12	763	534	457	76 CR	
Capital Maintenance Grant Funded Schemes	-	457	499	42	
Capitalised Repairs and Maintenance	1,775	2,668	3,480	812	The £5.2m 2011/12 capital maintenance programme has progressed faster than expected with expenditure of £812k being brought forward from 2012/13. The remaining £1.7m will be completed in 2012/13.
Schools Access Initiative	1,388	320	371	51	
ICT Hardware Purchases	464	340	175	165 CR	CYPS IT Purchases brought from revenue were lower than expected by £165k due to delays in projects.
General Provisions	880	300	400	100	Client Catering Equipment purchases were higher than expected.
Grant-Funded Provisions:					
- Children's Centre Capital	1,071	1,099	645	454 CR	An overall underspend of £345k is being carried forward for projects in the 2012/13 programme. There has also been some slippage (£110k) on a refurbishment to create a children's centre at Eastfield, Scarborough and other minor works schemes.
- National Digital Infrastructure	6,585	142	142	-	
- Building Schools for the Future	5,271	5,018	4,734	284 CR	The Richmond School Building Schools for the Future project is complete with the final account currently being finalised. Indications are that there is a £284k underspend however, some of this will be required to fund further minor works being discussed with the school which should take place in the near future.
- TCF Kitchen and Dining Other Schemes	716 1,863	363 521	365 412	3 109 CR	Expenditure was lower than expected and will be carried forward to 2012/13.
SCHOOLS MANAGED SCHEMES					
Devolved Capital	9,738	5,984	2,399	3,585 CR	Overall, capital expenditure by schools has been slightly lower than expected (c.£600k, <7.5%), however schools have prioritised the use of revenue contributions over devolved capital, resulting in an apparent underspend against devolved capital compared to an overspend on the self help schemes funded by revenue contributions.
Self Help Schemes	3,286	1,786	4,783	2,997	
Other Schemes	100	20	20	-	

CHILDREN & YOUNG PEOPLES SERVICE

2011/12 CAPITAL BUDGET - OUTTURN POSITION

CAPITAL PLAN HEAD	ORIGINAL PLAN	LATEST PLAN	OUTTURN	VARIANCE	COMMENTS
	£000	£000	£000	£000	
TOTAL GROSS SPEND	58,405	41,689	41,719	30	
CAPITAL GRANTS AND CONTRIBUTIONS					
NYCC MANAGED SCHEMES					
Capital Grants	1,612 CR	1,711 CR	1,781 CR	71 CR	Higher utilisation of devolved capital contributions towards the 2011/12 capital maintenance programme of £104k and additional new contributions of £42k from Brayton College and Netherside Hall has been partly offset by a reduction in contribution from Richmond School (£78k).
- Devolved Capital Grant					
- NDS Modernisation	1,558 CR	-	-	-	
- Building Schools for the Future	4,936 CR	4,358 CR	4,368 CR	10 CR	
- Primary Capital Programme Grant	5,630 CR	2,111 CR	2,111 CR	-	
- Targeted Capital Fund	-	363 CR	363 CR	-	
- Capital Maintenance Grant	11,487 CR	13,745 CR	14,073 CR	328 CR	The 2011/12 grant of £14,073k was fully utilised on capital expenditure in year.
- Basic Need Grant	763 CR	3,396 CR	3,396 CR	-	
- National Digital Infrastructure	-	142 CR	142 CR	-	
- Other	620 CR	80 CR	170 CR	90 CR	Grant of £70k was used for the Bedale Arts Centre project in preference to borrowing.
Capital Contributions	962 CR	220 CR	349 CR	128 CR	Section 106 funding was received earlier than expected for Norton CP £100k and Riccall CP £28k.
Revenue Contributions					
- Capitalised Repairs & Maintenance	825 CR	204 CR	204 CR	-	
- From the Pending Issues Provision	1,000 CR	3,000 CR	3,000 CR	-	
- Other	2,564 CR	1,290 CR	1,123 CR	166	CYPS IT purchases were lower than expected due to project delays.
SCHOOLS MANAGED SCHEMES					
- Devolved Capital Grant	9,738 CR	5,984 CR	2,399 CR	3,585	Schools have utilised revenue contributions to finance their capital projects in preference to utilising devolved capital grant. (see revenue contributions below)
- Other Capital Grants	-	20 CR	20 CR	-	
- Capital Contributions - Self Help Schemes	500 CR	300 CR	379 CR	79 CR	Awaiting CFR Returns
- Revenue Contributions - Self Help Schemes	7,742 CR	1,486 CR	4,404 CR	2,918 CR	See Devolved Capital and Self Help Schemes above.
TOTAL GRANTS AND CONTRIBUTIONS	49,937 CR	38,409 CR	38,281 CR	128	
TOTAL NET EXPENDITURE	8,468	3,280	3,437	157	

OTHER COUNTY SERVICES

2011/12 CAPITAL BUDGET - OUTTURN POSITION

CAPITAL PLAN HEAD	ORIGINAL PLAN	LATEST PLAN	OUTTURN	VARIANCE	COMMENTS
	£000	£000	£000	£000	
GROSS EXPENDITURE					
Material Damage Provision	500	100	1,452	1,352	As a result of the unprecedented damage to County Council property caused by the severe winter weather in 2010/11, the Material Damage insurance policy excess of £500k was exceeded for the 2010/11 insurance year. In order to ensure repairs were carried out expeditiously the County Council agreed to meet the cost of repair and recover subsequently from insurers. This has resulted in additional expenditure being incurred in 2011/12 offset by a contribution from insurers of £1.3m (see below).
Public Access to Buildings for Disabled	559	190	266	76	Schemes progressed earlier than anticipated, resulting in £76k of expenditure being brought forward from 2012/13.
Affordable Housing Fund	2,129	1,165	905	260 CR	Slippage on one scheme, now due to be completed in the first half of 2012/13
Control of Legionella Bacteria in Water	-	72	50	22 CR	Slippage on the 2011/12 programme - to be completed in 2012/13.
Purchase of Vehicles, Plant & Equip	100	100	-	100 CR	Following an option appraisal the 2011/12 vehicle requirement was undertaken through a lease arrangement. As a result there was no spend against this block provision. Underspend will not be carried forward into 2012/13.
Telephone Contact Centre	-	24	24	-	
Carbon Reduction Initiative	280	240	221	20 CR	
Travellers' Sites	-	343	240	103 CR	Refurbishment scheme now expected to be completed in early 2012/13 as a result of delays on site
Northallerton Bright Office Strategy	628	-	-	-	Scheme complete
Skipton Bright Office Strategy	1,800	455	425	30 CR	Scheme complete
Harrogate Bright Office Strategy	-	150	180	30	
Richmond Bright Office Strategy	-	5	3	2 CR	Scheme complete
Revenue-Funded Capital Provisions:					
- ICT Infrastructure (FCS)	406	183	155	28 CR	
- Corporate Accommodation Schemes	-	147	118	29 CR	
- Farms Improvement Scheme	465	625	551	74 CR	Rephasing of expenditure on the 2011/12 minor improvements programme.
- Windows Scheme	67	44	25	19 CR	
- Air Conditioning Scheme	-	27	-	27 CR	Rephasing of expenditure to 2012/13 on the feasibility studies resulting from air conditioning surveys.
- SDT Refresh & Additions	120	-	292	292	Expenditure brought forward for the purchase of additional PCs, funded from the revenue budget.
Microsoft Project	-	811	863	52	Variance due to the earlier timing of implementation of elements of the transition programme
Super Fast Broadband Scheme	-	150	91	59 CR	Progress on the scheme was initially delayed but is now on target to spend full allocations in 2012/13 (£400k) and 2013/14 (£259k).
NY Data Observatory	-	61	49	12 CR	
Asset Management Project	-	167	167	-	
Library Schemes	-	72	36	36 CR	Expenditure following variable timing of development of community libraries
Loans to Limited Companies etc.	-	371	-	371 CR	NYNET loan balance at 31 March 2012 was lower than anticipated.
Other Minor Schemes	-	-	5	5	
TOTAL GROSS SPEND	7,054	5,501	6,117	616	

OTHER COUNTY SERVICES

2011/12 CAPITAL BUDGET - OUTTURN POSITION

CAPITAL PLAN HEAD	ORIGINAL PLAN	LATEST PLAN	OUTTURN	VARIANCE	COMMENTS
	£000	£000	£000	£000	
Capital Grants					
- Safer Stronger Communities Fund	-	-	5 CR	5 CR	
- Regional Improvement Grant	-	208 CR	196 CR	12	
Capital Contributions					
	-	-	1,292 CR	1,292 CR	Insurance contribution as per the material damage costs relating to the 2010/11 severe winter weather (see above)
Revenue Contributions					
- Carbon Reduction Initiative	280 CR	240 CR	221 CR	20	
- Travellers Sites	50 CR	170 CR	170 CR	-	
- Bright Office Strategy PIP Funding	840 CR	150 CR	180 CR	30 CR	Revenue Contributions brought forward in line with expenditure on Harrogate BOS
- Libraries Schemes	-	67 CR	45 CR	22	Rephasing of revenue contributions in line with expenditure on libraries' schemes
- Microsoft Project	-	811 CR	863 CR	52 CR	Revenue funding brought forward in line with progress on the Microsoft project
- Capital Expenditure from Revenue Schemes	1,058 CR	1,025 CR	1,141 CR	116 CR	Rephasing of revenue funding in line with expenditure on the Revenue Funded Capital Provisions above.
- Other Revenue Contributions	-	170 CR	111 CR	59	
TOTAL GRANTS AND CONTRIBUTIONS	2,228 CR	2,841 CR	4,223 CR	1,382 CR	
TOTAL NET EXPENDITURE	4,826	2,660	1,894	766 CR	

FINANCING OF CAPITAL EXPENDITURE IN 2011/12

	Original Plan to Exec 22/2/11 £000s	Latest Plan to Exec 28/2/12 £000s	Year End Outturn £000s	Comments
Borrowing				
Supported Borrowing approvals	0	0	0	none issued after 2010/11
Unsupported Borrowing agreed by CC	1,278	1,478	505	Reduction mainly on NYnet (-0.9m)
Re-phased borrowing re slippage etc #NAME?	18,899	9,838	7,608	Variation is net under c/fwd (-2.7m) less capital receipts slippage (0.5m)
	20,177	11,316	8,113	
Surplus capital resources etc = adjusted borrowing requirement	-473	-1,318	-1,566	Reduces in year borrowing requirement. Increase is additional cap receipts
	19,704	9,998	6,547	
Capital Grants & Contributions				
BES Waste Grant	843	1,267	946	Expenditure slipped into 2012/13
BES LTP Grant	33,922	33,157	31,904	Expenditure slipped into 2012/13
BES other grants & contribs.	0	147	528	Additional contributions for Integrated Transport
CYPS Devolved funding to schools	11,350	7,965	4,180	Devolved capital expenditure lower than expected
CYPS Primary Capital programme grant	5,630	2,111	2,111	
CYPS Modernisation programme grant	1,558	0	0	Modernisation grant fully utilised in 2010/11
CYPS Richmond School (BSF scheme)	4,936	4,358	4,368	
CYPS Capital Maintenance Grant	11,487	13,475	14,073	Grant brought forward to fund expenditure
CYPS Basic Need Grant	763	3,396	3,396	2011/12 grant allocation brought forward and utilised in year
CYPS school Self Help schemes conts	500	330	379	
CYPS other grants and contribs.	1,581	793	1,043	
HAS grants & contribs.	1,845	1,313	1,315	
Other County Serv. grants & contribs.	0	208	1,492	Additional Material Damage contributions
	74,415	68,520	65,735	
Financed from Revenue				
BES Streetlighting (PIP)	3,000	3,000	3,480	Additional revenue contribution
BES LTP Maintenance	0	6,782	6,782	Additional road maintenance funding received in year
BES other	600	701	740	
CYPS School self help rev. contribs.	7,742	1,486	4,404	Schools revenue contributions higher than expected
CYPS capitalised maintenance	825	0	0	
CYPS schemes funded from the PIP	1,000	3,000	3,000	PIP funding brought forward in line with expenditure
CYPS Other	2,564	1,494	1,327	
HAS - various	217	0	0	Revenue funding re: libraries transferred to OCS
OCS - Bright office strategy	890	150	180	Harrogate Bright Office revenue funding
OCS - various revenue programmes	1,058	1,025	1,141	
OCS - other	280	1,458	1,410	
	18,176	19,096	22,464	
Available capital receipts				
Sales of properties and land				
County Farms receipts	1,009	462	770	Fully utilised to fund capital spending thus reducing borrowing requirements
Depots Rationalisation programme	4,173	1,353	1,252	Receipts recycled help fund the BES Depots rationalisation programme
Other receipts	3,155	1,698	1,271	Variations explained in para 7.23 of main report
sub total	8,337	3,513	3,293	
Company Loan repayments	200	0	562	NYnet cash flow loan balance reduced in year
	8,537	3,513	3,855	
Brought forward from 2010/11	0	0	0	No unapplied receipts brought forward from 2010/11
Carried forward to 2012/13	0	0	0	All receipts utilised in 2011/12
	8,537	3,513	3,855	
Total Expenditure to be financed	120,832	101,127	98,601	

15-May-12

NORTH YORKSHIRE COUNTY COUNCIL

**CORPORATE RISK MANAGEMENT
POLICY**

“Striving for excellence in risk management”

April 2012

CONTENTS

CORPORATE RISK MANAGEMENT POLICY

- 1.0 Introduction
- 2.0 Definition of Risk and Enterprise Risk Management
- 3.0 Principles
- 4.0 Objectives
- 5.0 Benefits
- 6.0 Framework and Process
- 7.0 Responsibilities
- 8.0 Review

CORPORATE RISK MANAGEMENT POLICY

1.0 Introduction

1.1 The Vision of the County Council is that “We want North Yorkshire to be an even better place for everyone to live, work or visit”. To achieve our Vision we aim to:

- ensure **good access for all**
- help people to **live in safe communities**
- help all **children and young people to develop their full potential**
- promote a **flourishing economy**
- maintain and enhance our **environment and heritage**, and
- improve **health and wellbeing** and give people **effective support** when they need it.

1.2 Risk, uncertainty and change create a challenging dynamic as the County Council strives to meet these objectives. Risks, whether recognised or unforeseen, create a threat to achieving performance targets. This may result, for example, in delays to service delivery or reductions in service quality. Uncertainty and change, when considered thoroughly however, can also provide the opportunity to introduce new, innovative and effective ways of delivering services and act as the catalyst for developing services with better outcomes and fewer risks for our staff and our local communities.

1.3 Risk Management is integral to all aspects of our service delivery as well as the management of all our staff, physical assets and financial resources. As such it is reflected in all Council policies and Service Plans where appropriate.

1.4 This Risk Management Policy has been developed jointly by the Management Board, the Leader of the Council and the Executive.

1.5 Implementation of this Risk Management Policy and associated management systems contributes to improving our corporate and best value performance.

2.0 Definition of Risk and Enterprise Risk Management

2.1 **Risk** is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event.

2.2 Enterprise **Risk Management** is the approach to managing all of the County Council’s key service risks and opportunities with the intent of maximising stakeholder value.

3.0 Principles

3.1 For risk management (RM) to be effective the County Council will aspire to the following principles:

- RM **creates and protects value** – we will ensure that RM contributes to the demonstrable achievement of our objectives and improvement of our performance such as human health and safety, security, project management, efficiency in operations, governance and reputation.
- RM is an **integral part of all organisational processes** – we will ensure that RM is part of the responsibilities of our management and part of our activities and processes including strategic planning, and all project and change management.
- RM is **part of decision making** – we will ensure that RM helps our decision makers make informed choices, prioritise actions and distinguish among alternative courses of action.
- RM explicitly **addresses uncertainty** – we will ensure that RM takes account of uncertainty, the nature of that uncertainty and how it can be addressed, including the fact that some risks can never be eliminated.
- RM is **systematic, structured and timely** – we will ensure that RM contributes to our efficiency and to consistent, comparable and reliable results.
- RM is **based on the best available information** – we will ensure that the inputs to the process of managing risk are based on reliable information but will always take into account any limitations of data or modelling or the possibility of divergence of opinions.
- RM is **tailored** – we will ensure that we reflect the contemporary situation in our risk management arrangements.
- RM **takes human and cultural factors into account** – we will ensure that we recognise the capabilities, perceptions and intentions of external and internal people that can facilitate or hinder achievement of our objectives.
- RM is **transparent and inclusive** – we will ensure the appropriate and timely involvement of stakeholders and, in particular, decision makers at all levels of the County Council, in order that RM remains relevant and up to date.
- RM is **dynamic, iterative and responsive to change** – we will ensure that risk management continually anticipates and responds to change, including ensuring that the process used is not burdensome and/or overly bureaucratic.
- RM **facilitates continual improvement** of the County Council – we will develop and implement processes to improve our risk management maturity alongside all other aspects of the County Council.
- RM will be **adequately resourced** – we will ensure that the necessary resources are in place in order to deliver excellent risk management.

4.0 Objectives

4.1 The objectives of this Risk Management Policy are to:

- continue to embed risk management into the culture of the County Council

- manage risk in accordance with best practice and support well considered risk taking
- anticipate and respond to changing social, environmental and legislative requirements
- minimise loss, disruption, damage and injury and reduce the cost of risk, thereby maximising the resources available for service delivery
- inform policy and operational decisions by identifying risks and their likely impact
- continue to raise awareness of the need for risk management by all those involved with the delivery of County Council services

4.2 These objectives will be achieved by:

- establishing clear roles, responsibilities and reporting lines for risk management throughout the County Council
- providing opportunities for shared learning on risk management across the County Council
- providing risk management training and awareness sessions
- using a consistent methodology to develop, monitor and review Risk Registers
- incorporating risk management considerations into the County Council's management processes (eg business planning, project management, service reviews) and decision making (eg Executive reports)
- effective communication with, and the active involvement of, staff
- effective communication with, and the active involvement of partners
- monitoring arrangements on an on-going basis
- operating a Corporate Risk Management Group, led by a Corporate Director, that will be proactive in implementing and developing all the above
- delivering a Corporate Risk Management Strategy that is consistent with, and embedded within, the County Council's overall strategic policies and practices.

5.0 **Benefits**

5.1 We expect that when the above principles and objectives are being met that the following benefits will be realised:

- strengthened ability to deliver against objectives and targets
- improved stakeholder confidence and trust
- an established and reliable basis for decision making and improved governance
- assurance to Members and management on the adequacy of arrangements for the conduct of business and use of resources
- improved operational effectiveness and efficiencies including a reduction in interruptions to service delivery
- reduction in management time spent dealing with the consequences of a risk event having occurred
- improved health and safety of those employed, and those affected, by the County Council's undertakings

- ➔ ability to be more flexible and responsive to new pressures and external demands
- ➔ avoids surprises and minimises loss and waste
- ➔ better informed financial decision-making
- ➔ enhanced financial control
- ➔ reduction in the financial costs associated with losses due to service interruptions, litigation, etc
- ➔ reduce, or maintain constant levels of, insurance premiums
- ➔ minimal service disruption to customers and a positive external image as a result of all of the above

6.0 **Framework and Process**

- 6.1 In order to aspire to the Principles referred to in this Policy (see Section 3) it is necessary to have a conceptual Framework for Risk Management from which a Risk Management Process can be developed. The relationship between these three components is shown diagrammatically in **Appendix A**.
- 6.2 Details of the Framework and the consequential Process are provided in the Risk Management Strategy.

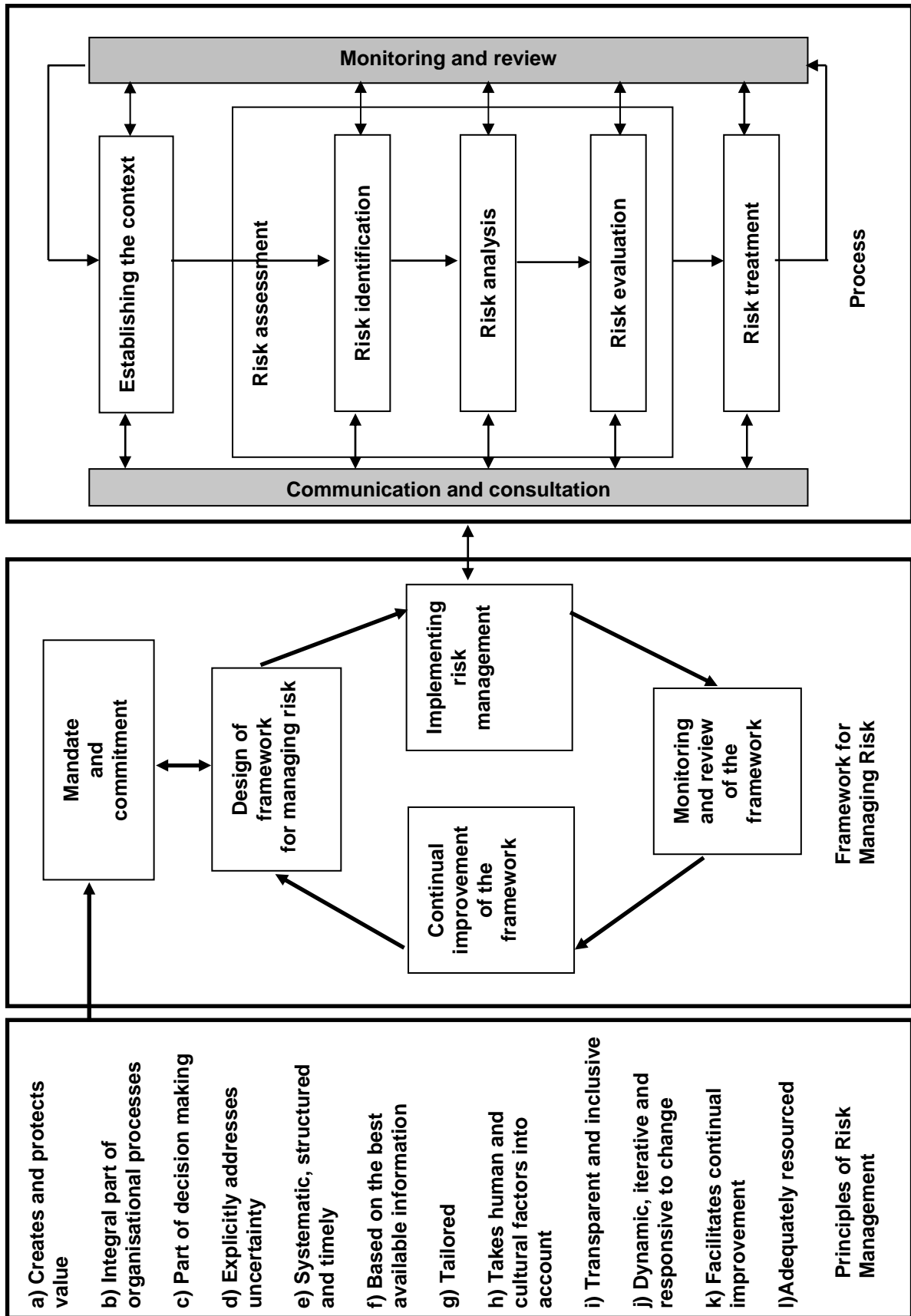
7.0 **Responsibilities**

- 7.1 The County Council accepts and recognises that it is the responsibility of all Members and staff to have regard for risk in carrying out their duties. If left unidentified and therefore uncontrolled, risk can result in a drain on resources that would better be directed to front line service provision, and to the meeting of the County Council objectives and community needs.
- 7.2 The Chief Executive, Corporate Directors, Service Heads and all line managers have the responsibility and accountability for managing the risks within their own work areas. All staff have a duty to work safely, avoid unnecessary waste of resources and contribute to risk management initiatives in their own area of activities. The co-operation and commitment of all staff is required to ensure that County Council resources are not squandered as a result of uncontrolled risk.
- 7.3 This Policy has the full support of the County Council which recognises that any reduction in injury, illness, loss or damage ultimately benefits the whole community of North Yorkshire.

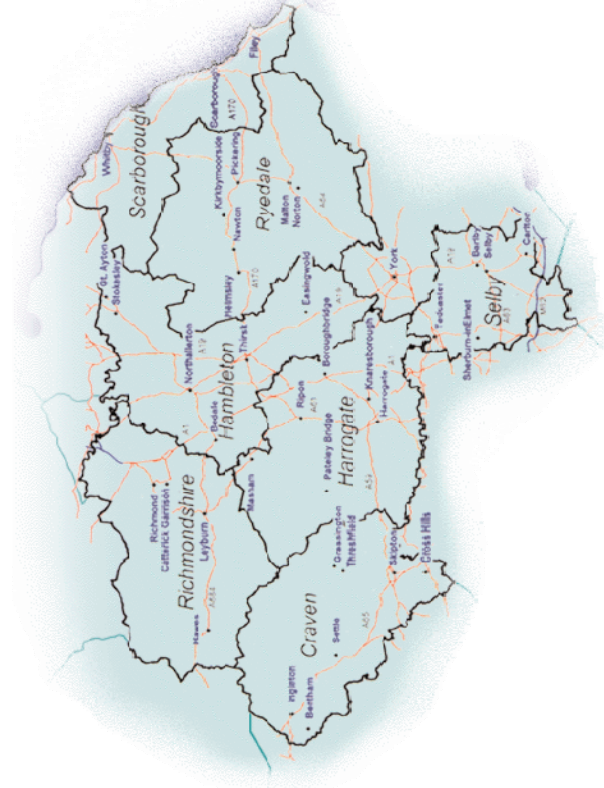
8.0 **Review**

- 8.1 This Policy and other supporting documents such as the Risk Management Strategy will be reviewed at least every two years.

Relationships between Risk Management Principles, Framework and Process



North Yorkshire Youth Justice Service



Youth Justice Strategic Plan 2012-13 North Yorkshire Youth Justice Service

Contents

Introduction	Page 3
Staffing structures	Page 4-6
Resourcing and Value for Money	Page 7-10
Structures and Governance	Page 11-12
Partnership Arrangements	Page 13 -15
Priorities 2012/13	Page 16 -19
Risks to Future Delivery	Page 20
YJS Management Board Signatures	Page 21 -22

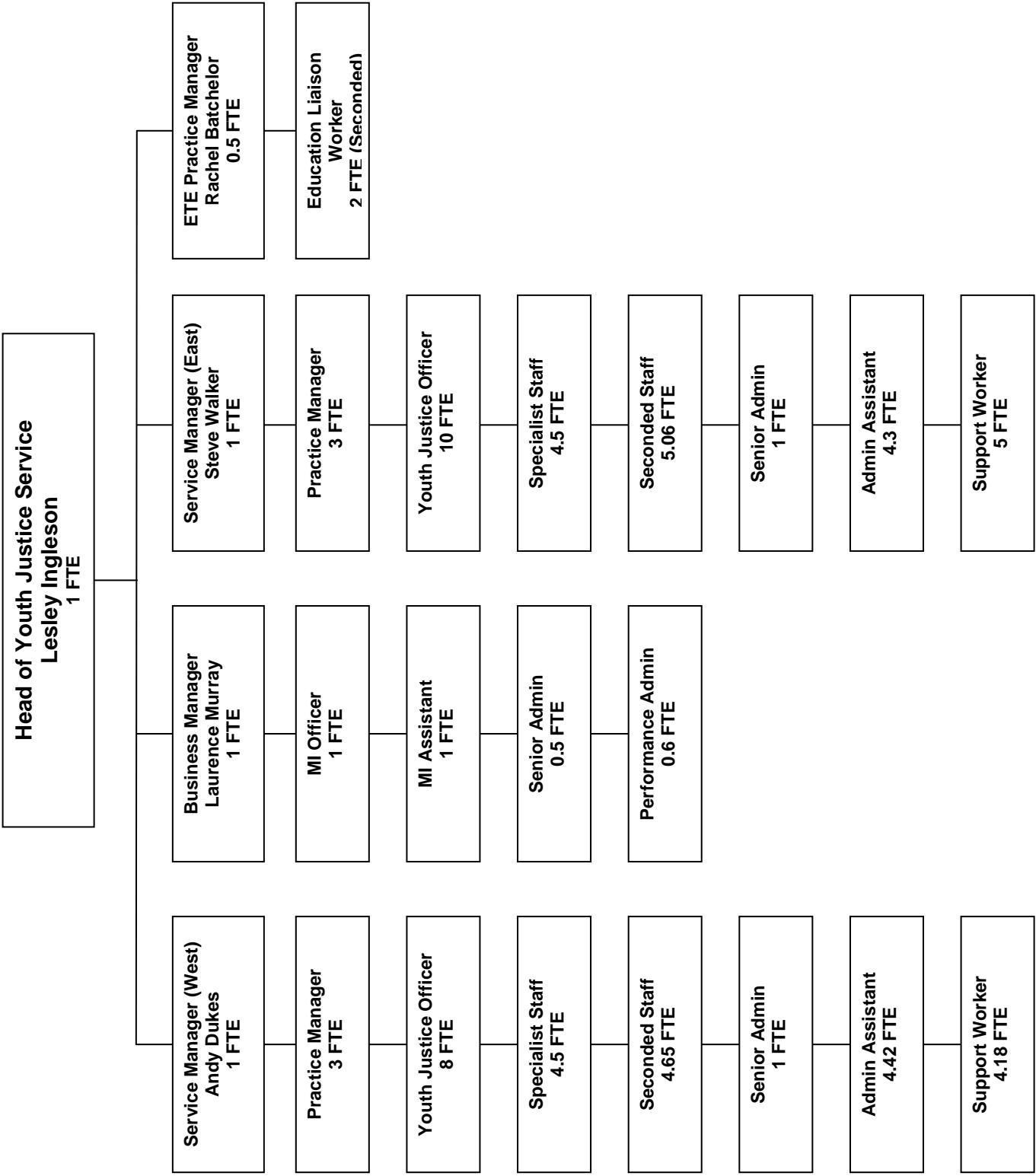
Introduction

Youth Offending Teams were set up in 2000 as a result of the Crime and Disorder Act 1998. This Act commits local authorities to address youth crime by the establishment of youth justice services. The act also defines statutory partners with the local authority as being the police, probation and health services. The work of the Youth Offending Teams (referred to as the Youth Justice Service in North Yorkshire) is overseen by the Youth Justice Board (YJB) whose primary purpose is *'to work to prevent offending and re-offending by children and young people under the age of 18, and to ensure that custody for them is safe, secure and addresses the causes of their offending behaviour'*.

In North Yorkshire there are two Area Teams which supervise young people between the ages of 10-18 years (although supervision of some young people can extend beyond this) who are either subject to pre-court Final Warnings, or subject to court orders – either community orders or custodial sentences. The introduction of the Youth Rehabilitation Order (YRO) in November 2009 changed the sentencing framework for young people who can now be sentenced to a YRO with various attached requirements depending on individual risks and needs – in particular the risks of re-offending and serious harm to others. The teams carry out all work in court, including the preparation of Pre-Sentence Reports to assist magistrates in sentencing young people. The team also carries out bail and remand work and work to support victims, with a particular focus on encouraging the use of restorative justice.

Each Area Team has a Volunteer Co-ordinator whose role is to recruit, train and support volunteers to sit on Referral Order Panels, to supervise young people on reparation projects, and to act as Appropriate Adults when young people are interviewed by Police.

All staff, including volunteers, are subject to Criminal Records Bureau clearances, with the exception of Administrative staff, Management Information staff and the Business Manager whose posts no longer require this clearance.



Staffing of the Youth Justice Service (by Headcount)

	Strategic Manager (PT)	Strategic Manager (FT)	Operational Manager (PT)	Operational Manager (FT)	Practitioners (PT)	Practitioners (FT)	Admin Support (PT)	Admin Support (FT)	Sessional Workers	Volunteers	Total
Permanent	1	4	7	18	26	9	7				72
Fixed-term											
Outsourced											
Temporary									12	58	70
Vacant								1			5
Seconded Children's Services Social Workers		1		1	1	1					3
Seconded Probation Officers					2						2
Seconded Police Officers					2						2
Seconded Health Workers				3							3
Seconded Education Liaison Workers					2						2
TOTAL	1	5	7	22	36	10	8	12	58	159	

Disabled (self-classified)											1
----------------------------	--	--	--	--	--	--	--	--	--	--	---

Staffing of the Youth Justice Service by Gender and Ethnicity

	Managers Strategic		Managers Operational		Practitioners		Administrative		Sessional		Volunteers		Total	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F
White British		1	5	5	17	37	1	15	3	9	18	38	44	105
White Irish											1		1	
Other White			1			1							1	1
White & Black Caribbean														
White & Black African														
White & Asian														
Other Mixed						1								1
Indian														
Pakistani														
Bangladeshi														
Other Asian														
Caribbean														
African												1		1
Other Black														
Chinese														
Any other ethnic group														
TOTAL		1	6	5	17	39	1	15	3	9	19	39	46	108

SECTION 1 – RESOURCING AND VALUE FOR MONEY

Outcome: Efficient deployment of resources to deliver effective youth justice services to prevent offending and re-offending.

The challenge within North Yorkshire is to effectively deploy resources within England's largest County, stretching from the North Sea Coast to within 12 miles of Morecambe Bay, and from south of the M62 to the edge of Teesside. North Yorkshire is sparsely populated, with its 10-17 population of 59,853 spread across an area covering 3,000 square miles. Approximately 32% of North Yorkshire's population live in sparse areas and 24% in areas defined as 'super sparse' with fewer than 0.5 people per hectare. Additionally, significant pockets of deprivation are found in communities such as Scarborough and Selby.

Although only approximately 4.6% of the 10-17 year old population are BME (ONS 2009 Mid Year Estimate), the five broad ethnicity headings do not take account of the percentage of the 'White' community who may be recent immigrants from Eastern Europe or members of the travelling community. There are parts of Craven District with a larger ethnic minority population when compared to the rest of the county.

	10-17 Population	% White British	% White Irish	% White Other	% Mixed Race	% Asian or Asian British	% Black or Black British	% Chinese or Other Ethnic Group	TOTAL
Craven	5,618	89.8	0.2	1.6	1.8	5.4	0.4	0.8	100.0
Hambleton	8,259	96.0	0.1	1.2	1.3	0.8	0.3	0.3	100.0
Harrogate	16,628	90.2	0.2	4.2	1.9	1.4	0.6	1.5	100.0
Richmondshire	5,133	93.2	0.3	1.5	1.6	2.4	0.6	0.4	100.0
Ryedale	5,772	94.2	0.1	1.9	1.5	1.2	0.6	0.5	100.0
Scarborough	9,871	94.4	0.1	1.6	1.4	1.7	0.5	0.3	100.0
Selby	8,572	95.4	0.1	1.1	1.2	1.6	0.3	0.3	100.0
North Yorkshire	59,853	93.0	0.2	2.2	1.6	1.8	0.5	0.7	100.0

In order to meet the challenges, the Youth Justice Service (YJS) operates as described above on a geographic basis with two main Area Team offices in Harrogate and Scarborough, and small satellite offices in Selby and Skipton.

Operational staff make extensive use of mobile technology, using fully-encrypted laptop workstations in the field, out of hours or from their homes. Deployment of secure VPN remote access allows staff to connect to our Careworks database and corporate network, and to use an online library of engaging multimedia intervention materials with young people. Given the geographical and demographic profile of North Yorkshire, these laptops have contributed towards the improved flexibility, efficiency and effectiveness of our front line service delivery. In addition, staff utilise the increased number of 'touchdown spaces' available within various NYCC premises throughout the County in order to 'log on' to their desktops or telephones, thereby saving on travelling time and mileage expense.

Work continues to establish robust and secure network connectivity in North Yorkshire Courts. This will enable our Court Duty Officers to provide immediate and complete information to sentencers, liaise with the secure estate and with key partners during proceedings, and give young people a more responsive and effective service. Combined with the CJS Efficiency Programme's drive to digitisation, this will deliver reductions of waste and delay. An interim pilot project using 3G connectivity at Scarborough Magistrates Court has been successfully operating for several months, and we will commence evaluation of wireless tablet devices later this year.

Connection to the secure CJS Videoconferencing system is an ongoing project, with the aim of improving our communication with distant secure establishments, courts and partners. The geography of North Yorkshire presents practical and financial barriers to visiting, we expect that a VC link will improve our support and planning for young detainees, and also help to maintain positive family relationships.

Funding

Partnership funding has remained stable over recent years. Each of the statutory funding partners, except Health, are to maintain their 2012/13 pooled budget contribution at the same level as in 2011/12, although confirmation is still awaited from Probation. Health has advised their contribution will reduce by 1.8%. NYCC has included uplift for inflation. The Police have advised that contributions are to be reviewed before April 2013. The grant received from the YJB reduced significantly in 2011 resulting in a number of posts being disestablished and resources to support early preventative intervention and diversion from the criminal justice system being consolidated under the leadership of Youth Support Services. This has enabled some very recent re-investment in the core YJS in order to develop Bail and Remand services and packages of intervention aimed at reducing the use of the secure estate, and improving partnership arrangements for assessment,

planning and service delivery to multiply-vulnerable young people on the edge of care and custody.

YJB funding in 2012/13 reduced by £5,000 with an additional £61,490 of Home Office funding (used to fund substance misuse services) being transferred to the local Police Authority. Successful negotiations with the Police Authority have resulted in agreement being reached for this money to be pass-ported back to the YJS for this one year.

From April 2013 all Home Office funding, anticipated to be in the region of £118,000, will transfer to the Police and Crime Commissioner (PCC). The YJS alongside partner criminal justice organisations is undertaking preparatory work to ensure that information is made available to potential candidates and to the PCC when s/he is elected in November regarding local need, services delivered, and value for money.

In 2011 the YJS was successful in securing Performance Reward Grant funding of £150,000 for a period of 3 years to help sustain provision. This funding is temporary and due to various reasons was not spent in year one. This funding, which must be fully spent by the end of March 2014, is being re-prioritised to support alternative but linked projects.

The Head of YJS, through the North Yorkshire Children's Trust Board, will work to ensure that any commissioning and decommissioning of relevant services is user focused, evidence based and undertaken systematically. The North Yorkshire Children and Young People's Strategy is committed to ensuring that the Commissioning Strategy reflects Value For Money principles, seeks efficiencies whilst improving outcomes, and is needs based.

Budget 2012/13

Youth Justice Board Grant	£1,122,303
Partner Funding	1,847,235
Transfer from Police Authority	<u>61,490</u>
	£3,031,028

Performance

The YJB nationally expects the Youth Justice Service to perform against three priorities:

- To reduce the number of young people entering the criminal justice system: First Time Entrants
- To reduce the proven re-offending rate by young people

- To reduce the use of custody

Performance reported by the YJB in March 2012 was confirmed as follows:

First Time Entrants: performance remains strong and numbers continue to reduce. From Oct 2010 to Sept 2011 there was a reduction of 14.2% compared to the same period 12 months earlier. Although some other areas in the country have achieved a greater percentage reduction in this period, the rate of FTEs per 100,000 of the 10 – 17 year old population in North Yorkshire is significantly lower than in comparator Youth Offending Service areas and reflects the excellent partnership work undertaken to promote restorative diversions from the criminal justice system.

Re-offending: The way that re-offending of young people is calculated changed in 2011. The new measure is a binary count of re-offending i.e. the number of young people who re-offend. This is presented as a percentage of the total cohort of current young people in the criminal justice system and is measured over a rolling 12 month period. The most recent performance data at the time of writing relates to April 2009 to March 2010 which evidences a slight decrease in re-offending rates from the previous year. Performance in North Yorkshire at 32.2% is slightly higher than comparator Family YOTs (31%) but lower than national averages (33.1%).

Use of custody: this now measures the rate which custody is used per 1000 of the 10-17 year old population, rather than as previously the percentage of youth justice disposals which resulted in custody. Although there was a significant increase in custodial sentencing across North Yorkshire in 2011- a rise from 0.33 the previous year to 0.58 - this relates to the number of disposals rather than young people, and was the result of a small number of individuals receiving multiple sentences for extremely serious crimes. This rate fell again in the first quarter of 2012.

The YJS Management Board will continue to receive and monitor quarterly reports in respect of both finance and performance matters.

SECTION 2 – STRUCTURES AND GOVERNANCE

Outcome: Integrated strategic planning and working with clear performance oversight to ensure effective delivery of youth justice services.

The North Yorkshire Youth Justice Service Management Board comprises senior management representatives of partner funding agencies and other strategically important agencies. Cynthia Welbourn, Director of Children's Services is the Chair of the Board.

North Yorkshire YJS has a committed and dynamic Management Board whose members provide appropriate challenge and direction. Board meetings are quarterly and attendance, which is very good, is monitored by the Chair who ensures that there is a comprehensive approach with emphasis on strategy, rather than narrowly focussing on performance matters.

Board Members:

Cynthia Welbourn (Chair)	Corporate Director Children's Services	North Yorkshire County Council
Alan Clifton	Head Teacher Virtual School	Children's Social Care, NYCC
Iain Spittal	Assistant Chief Constable	North Yorkshire Police
Neil Burnett	Chief Inspector	North Yorkshire Police
Louise Dunn	Principal Officer	Youth Support Services, NYCC
Martin Fozard	Court Legal Advisor	HM Court Services
Joanne James	Service Manager	CAMHS
Louise Johnson	Area Director	North Yorkshire Probation
George Lee	Senior Commissioning Manager	North Yorkshire & York PCT
Judith Hay (Deputy Chair)	Assistant Director	Children's Social Care, NYCC
Howard Emmett	Finance Manager	CYPS, NYCC

Cllr Tony Hall, Lead Member for Children & Young People also attends Board meetings.

A number of Board members sit, along with the Head of YJS, on a number of other key strategic partnerships including the Children's Trust Board, Local Criminal Justice Board, Safer Communities Forum, MAPPA Strategic Management Board, Local Safeguarding Children's Board, and the Reducing Re-offending Board thereby ensuring coherent planning and strategic priority is afforded to the needs of young people in the criminal justice system.

The YJS Management Board receives quarterly reports on finance and on performance against national and local priorities which it uses to inform strategy. The Head of YJS also reports to the Children's Trust Board, and to the Safer Communities Forum where all Community Safety Partnerships are represented.

The Head of YJS is a member of the Children's Social Care senior management team and is line-managed by the Assistant Director CSC. In March 2012, CSC implemented a new structure following consultation on transformation of its service delivery structure and processes, aimed at strengthening frontline social work, delivering savings from administration, buildings, and senior management, and reducing the overall cost of child placement.

The five key principles which guided the development of the proposals were:

- Wherever it is safe to do so, children and young people should live with their family
- Families in need should receive the right support quickly so that fewer children either enter care or become subject to child protection proceedings.
- Apart from cases of neglect or abuse, children should be looked after for an initial period of no more than 28 days, and during this period the family should receive lots of support to help them reach a better situation in which the child can return home safely.
- The service will keep costs under control and always work within its budget.
- Support for children and families provided by Children's Social Care should further improve joint working other parts of the Directorate.

SECTION 3 – PARTNERSHIP ARRANGEMENTS

Outcome: Effective partnership arrangements are in place between YOT statutory partners and other local partners that have a stake in delivering local youth justice services, and these arrangements generate effective outcomes for children and young people who offend or are at risk of offending.

The Head of YJS sits on the board of the Children's Trust and the Board is fully aware of its role in preventing youth crime and reoffending. The Head of YJS reports formally to the Children's Trust Board on a regular basis. The Children's Trust Board is fully signed up to the Youth Crime Prevention Strategy 2010-12 and the Risky Behaviours Strategy aimed at reducing substance misuse and teenage pregnancy. Both strategies relate specifically to the early prevention of offending and supporting young people as part of Integrated Services, and are used to inform the development of local plans and activity in relation to reducing youth crime.

As far back as 2008 a decision was made to pool YJS Prevention Services (staffing and ring fenced grants) with Targeted Youth Support to deliver a countywide youth crime prevention service rather than localised Youth Inclusion Programmes which could not be delivered equitably or effectively across somewhere as rural as North Yorkshire. In 2011 a decision was reached to disestablish the YJS Prevention Service and to restructure YSS, creating additional Targeted Youth Support Workers. YSS is now the lead agency for delivering targeted early preventative work to young people with risky behaviours.

The Children and Young People's Plan 2011-2014 fully reflects the needs of young people in the criminal justice system, ensuring a focus on:

- high risk, multiply-vulnerable young people
- the need to reduce offending,
- homeless young people
- Education Training and Employment (ETE) provision
- reducing the use of the secure estate, and
- maintaining reductions achieved to date in numbers of First Time Entrants to the criminal justice system.

The use of Youth Restorative Disposals is an example of effective partnership working generating positive outcomes for young people. The scheme, in partnership with the Police and Targeted Youth Support, seeks to divert young people from the criminal justice service whilst ensuring they are held to account for their actions and have any assessed needs met. As part of this scheme, a Drugs and Alcohol Arrest Referral scheme has also been established and the use of 'Community Resolution' expanded to include both young people and adults.

The York and North Yorkshire Safer Communities Forum (YNYSCF) which meets twice yearly brings together key stakeholders with an interest in community safety and related criminal justice issues and includes representation by all Community Safety Partnerships. Working within the North Yorkshire Strategic Partnership arrangements, as part of the wider community wellbeing agenda, the YNYSCF provides strategic leadership and co-ordination in respect of partnership working on safer communities' issues across the county.

The YJS is a member of the Reducing Re-offending Board, a strategic sub-group of the YNYSCF and the Local Criminal Justice Board. The Board's Business Plan has youth crime as a key priority. These arrangements are replicated across localities with operational managers in attendance. Similarly the YJS is engaged in Court User Groups, ASB groups and Safer Community Partnerships both at a local level.

A range of other focussed partnership arrangements are in place both strategically and operationally, including Deter Young Offender Panels, Young People Accommodation Pathway groups, Local Safeguarding Children fora and strategic groups seeking to address issues surrounding NEET, and Attendance and Behaviour.

Of particular note in respect of youth homelessness, an accommodation pathway for 16 to 25 year olds was launched on 1 November 2011 and is now operating county-wide, through Hubs in Skipton, Harrogate, Northallerton, Selby, Malton and Scarborough. This service has been jointly commissioned through a Community Budget including the Supporting People partnership, District Councils and the Children and Young People's Service.

The Hubs provide a single point of access to accommodation services for young people. Each has a multi-agency team able to provide a full service including information, advice, assessment and mediation. Where needed the Hub provides access to emergency accommodation, supported accommodation and accommodation with support.

Recently North Yorkshire received a visit from the DCLG's Specialist Adviser on Youth Homelessness. She commended North Yorkshire's pathway model and noted it to be fully compliant with best practice and national guidance, ranking North Yorkshire as probably the top performing 2 tier authority area. In terms of performance, 92% of all those who present as being in danger of being made homeless are supported back home or safely into independent living.

This is not to say that the accommodation needs of all complex and challenging young people are currently being met and the need for more accommodation placements for high risk, high need young people continues to be progressed by the partnership.

As highlighted above, the YJS is 'located' for purposes of line management within Children's Social Care. Both services are currently exploring ways of ensuring that where there is collective intervention, services are effectively co-ordinated, that there is up to date effective information sharing, that assessments and plans are sequenced and co-ordinated, and that identified services to meet assessed needs are delivered. To assist with this, the opportunity has been taken in the East of the county to co-locate the Leaving Care team with the YJS.

SECTION 4 – PRIORITIES 2012/13

Outcome: Clear strategic priorities are agreed to improve service delivery and outcomes

Despite uncertainties about future funding, the YJS has a clear vision of what its priorities as a partnership are for the coming 12 months and indeed the next 2-3 years in order to effect continuous improvement in service delivery and to improve outcomes for young people involved in the criminal justice system, for their families, and for victims of crime. These priorities include:

- First Time Entrants: The YJS intends to explore further the potential to undertake triage assessments in police custody suites as a means of effectively diverting young people (including young adults) from the criminal justice system while at the same time ensuring that their needs are assessed and services provided as appropriate. Given the geography of North Yorkshire this may not be possible in all parts of the county but there is agreement to explore the potential to establish a scheme in partnership with YSS, City Of York YOT and Probation Trust.
- Restorative Practice: The YJS was successful in a bid to the YJB for funding to deliver both Restorative Practice and 'Train the Trainer' training to a number of our staff and Referral Panel members. This will be rolled out and delivered across the service to all staff over the next 12 months with a view to embedding restorative practice as an approach in all aspects of our work. In particular we aim to further develop the support offered to victims of crime and to increase the number of victims who attend Referral Panels and are supported to engage in restorative meetings with young people. The new Panel Matters training due to be issued by the YJB in June will involve a considerable challenge for the service as it involves a minimum of 5 days training for new volunteer panel members, and 3 for existing panel members and YJB staff. Given the geographical spread of the service, consideration will need to be given to joint training with City of York YOT.
- Custody: The YJS will work with key partners, in particular Children's Social Care, to reduce the number of young people remanded and sentenced in custody and to reduce the length of time young people spend in custody. A strategy has been agreed with the YJS Management Board which includes:
 - Continued work with partners to target young people most at risk and the promotion of the use of 'Community Resolution Disposals' and restorative practice to reduce FTEs
 - Remain fully engaged in the delivery of the Reducing Re-offending Action Plan and the Deter strategy, focussing on the most difficult and challenging young offenders. Continue to provide robust community sentences which promote engagement by young people.
 - Reduce the use of breach proceedings
 - Maintain the confidence of Courts

- Develop our Bail and Remand provision: both Bail and Remand Officer posts have been increased to full-time equivalent and 6 additional Youth Justice Support Worker posts established.
 - Effective tracking of secure remands and custodial sentences.
- Compliance Meetings: The Service has begun to implement the use of compliance meetings involving the young person and his/ her carer whenever a young person is at risk of formal breach. The purpose of the meetings is to assist the young person in the successful completion of the court order and to explore any support or changes that might assist with this. The consistent and countywide use of compliance meetings will be embedded in practice and we will monitor and review their effectiveness in reducing the use of breach proceedings and the subsequent effect on reducing young people being sentenced to custody.
 - Teenagers With Multiple Vulnerabilities (TWMV): A multi-agency strategic group has been established to review provision and delivery of services to those young people who are most vulnerable and chaotic and who receive services at tier 4. In December 2011 multi-agency audits were undertaken of all young people in North Yorkshire who were in custody during April – September 2011 (28 young people). Key findings confirmed what national research tells us of the high levels of disadvantage experienced by children in the youth justice system and their levels of damage in earlier childhood. As a priority over 2012-14 the strategic group will be considering
 1. how to achieve greater integration of the work, whether organisational, structural or in the practice used;
 2. whether it is possible to identify the level of risk to some of these young people and their siblings sooner; and
 3. what do we need to change about our ways of working to better enable us to forecast the convergence of risk sooner?
 For the TWMV strategy to impact and improve outcomes, it needs to map across to other key developments, particularly the strategies around safeguarding, Troubled Families, Child Sexual Exploitation, Looked After Children, Attendance/Behavioural NEET, Literacy and Homelessness.
 - Young Peoples' Engagement and Participation: YJS and CSC are reviewing how to improve levels of effective engagement and participation by young people and how we might use this to shape services. The YJS Annual Conference in March 2012 was attended by some young people who presented a DVD. The DVD was made by young people (some Looked After Children and others who were involved in offending behaviour) and it sought to highlight what they wanted and expected from their case officers.

- Delivery of Interventions: The service has established an excellent library of intervention materials available to staff electronically. An audit was undertaken to quality assure the use of the materials and recommendations from this audit will be taken forward over the next 12 months. This includes work to organise the materials into more user-friendly formats with better clarity as to their target audience, and what the aims and objectives of the different programmes are. The YJB Operational Working Group currently has a strong focus on the development of effective evidence based programmes for young people, and is attended by one of the area managers. The Service is submitting some of its intervention material to the panel overseeing evaluation of nationwide interventions, with a view to the programmes being academically evaluated.
- Thematic Audits: The YJS is committed to undertaking a series of thematic audits over the year to quality assure and improve service delivery. The first of these audits was Interventions, and others are to include Bail & Remand provision, Substance Misuse services, Health, Case Allocation meetings and Case Transfers.
- Development of Staff: The YJS has a skilled and dedicated workforce. An HMIP Inspection in 2010 judged North Yorkshire YJS to require minimum improvement in respect of key areas of work: 'Safeguarding', 'Public Protection' and 'Likelihood of Re-offending', and that the partnership was well placed to ensure continued delivery of high quality services to young people in the criminal justice service. The YJS has continued to invest in the development of its workforce during 2011/12 with external training provided to develop the skills and knowledge of practitioners in the assessment and risk management of young offenders. In addition restorative practice training has been delivered as outlined above. This is particularly relevant given the emphasis placed in the 'Breaking the Cycle' Green Paper on widening the use of restorative justice approaches in the criminal justice system. Furthermore, in order to improve the understanding of restorative assessment processes and obtain a clearer understanding of respective roles and joint working requirements, a series of 'Working Together' training sessions were held for relevant Children's Social Care and YJS staff. This theme was further enhanced with the YJS Annual Conference on 9th March 2012, with the focus being on 'Working Together For Better Outcomes' with key speakers sharing their experience and expertise with a view to reducing the number of young people remanded/sentenced to the secure estate. The YJS has a Workforce Development Plan in place and our investment in high quality support, supervision and development of staff will be maintained as a key priority.
- Young People Who Sexually Harm: A number of staff and managers have been trained in the use of AIM2 assessments and interventions, along with staff from partner organisations. Funding for this was made available via the Local Safeguarding Children Board and there is a partnership commitment to undertaking this work jointly and to implementation of the revised LSCB procedure.

- Procedures: There are currently too many procedures, policy and guidance documents in existence which have evolved over a number of years. A key priority is to review these and to explore the potential for integration with CSC procedures.
- Website: The YJS website required considerable updating in March 2012. A priority is to maintain quarterly reviews and effective use of the facility.

SECTION 5 – RISKS TO FUTURE DELIVERY

Outcome: The YOT has the capacity and capability to deliver effective youth justice services.

Each of the statutory funding partners, except Health, are to maintain their 2012/13 pooled budget contribution at the same level as in 2011/12, although confirmation is still awaited from Probation. Health has advised their contribution will reduce by 1.8%. NYCC has included uplift for inflation. The Police have advised that their funding contributions are to be reviewed prior to 1.4.13.

Notwithstanding, clearly there is a risk to future service delivery given the continued likelihood of reductions in funding over the next few years both in partner contributions and the Youth Justice Board Grant.

YOTs nationally have been advised that from 1.4.13 there will be a revised funding formula for YJB grant allocation. The formula has yet to be confirmed but given that the YJB has advised that the new formula will focus on Indices of Multiple Deprivation and 10-17 population figures rather than rurality, a significant cut in funding is anticipated, phased in over a couple of years.

Whilst North Yorkshire YJS is in receipt of Performance Reward Grant funding to help sustain service provision, this funding is temporary for a further two years.

Perhaps one of the greatest challenges and indeed opportunities facing the YJS in terms of funding is the appointment of a Police and Crime Commissioner in November 2012. The Home Office element of the YJB Grant will transfer and the YJS along with other organisations will need to negotiate funding to maintain and improve service delivery. The PCC is an elected post whose manifesto and subsequent decision-making could have very real consequences for youth crime and the work of the YJS partnership.

The lack of clarity around the level of any potential cuts continues to make future service planning difficult. Nevertheless, the YJS is working closely with colleagues in Children's Social Care to seek to invest additional resources in meeting the needs of chaotic, high need, high risk young people on the edge of care and custody. Although custody numbers in North Yorkshire are relatively low, given changes relating to remands in secure accommodation proposed by the Government, there is a need to further develop both Bail and Remand and resettlement provision.

Signed by Youth Justice Service Management Board members:

Cynthia Welbourn, Director of Children's Services and Chair of Board:

Judith Hay, Assistant Director CSC:

Alan Clifton, Head Teacher, Virtual School:

Iain Spittal, Assistant Chief Constable, North Yorkshire Police:

Neil Burnett, Chief Inspector, North Yorkshire Police:

Louise Dunn, Principal Officer, Integrated Youth Support:

Martin Fozard, Court Legal Advisor:
Louise Johnson, Director Probation Service:
George Lee, Senior Commissioning Manager, PCT:
Joanne James, Service Manager, CAMHS:
Howard Emmett: Finance Manager, CYPS

Template Code of Conduct

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

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

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

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

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

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

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

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

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

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

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

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



Bob Neill MP
Parliamentary Under Secretary of State

*Department for Communities and Local
Government*
Eland House
Bressenden Place
London SW1E 5DU

Tel: 0303 444 3430
Fax: 0303 444 3986
E-Mail: bob.neill@communities.gsi.gov.uk

www.communities.gov.uk

11 April 2012

To all Local Authority Leaders

Dear Colleague,

I am writing to let you know that my Department is today making available an illustrative text for a code of conduct for members and co-opted members of local authorities. This text provides local authorities with an example of what a local authority's code of conduct for the new standards arrangements might look like.

We have made provision in the Localism Act 2011 for the abolition of the Standards Board regime, and the Standards Board itself was abolished on 31 March. The Act also makes provision for new standards arrangements including the involvement of an independent person in allegations of misconduct, a new criminal offence for failing to declare or register interests, and the requirement for local authorities to adopt a code of conduct that is consistent with the seven 'Nolan' principles of standards in public life; selflessness, integrity, objectivity, accountability, openness, honesty and leadership, as well as making provision for the registration and disclosure of pecuniary and non-pecuniary interests.

The model code of conduct was a key part of the Standards Board regime, a top-down, centrally imposed regime that became a vehicle for vexatious complaints. Moving to new arrangements means that local authorities will be free to discard the model code and adopt their own, Nolan compliant, code. In order to give local authorities an idea of what a Nolan compliant model code featuring provisions about pecuniary and not pecuniary interests might look like, I am attaching an example. As you will see, it is very different to the model code that formed part of the Standards Board regime, while clearly requiring that members act in a manner that promotes and maintains high standards of conduct.

Together, these measures will ensure high standards in public life, prevent corruption, and put a stop to petty, vexatious complaints that consume local authority resources and damage the reputation of local government.

We have produced this example of a local code to provide certainty to local authorities who wish to adopt a lighter touch code compared to the centralist, top-down model code, and to help local authorities (especially parish councils) who might otherwise consider they need to commit valuable resource to creating a code to ensure compliance with the Localism Act. I hope you find the example code of conduct helpful.

BOB NEILL MP

Illustrative text for code dealing with the conduct expected of members and co-opted members of the authority when acting in that capacity

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

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

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

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

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

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

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

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

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

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

Registering and declaring pecuniary and non-pecuniary interests

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

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

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

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

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

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



Bob Neill MP
Parliamentary Under Secretary of State

Department for Communities and Local
Government
Eland House
Bressenden Place
London SW1E 5DU

To all Local Authority Leaders

Tel: 0303 444 3430
Fax: 0303 444 3986
E-Mail: bob.neill@communities.gsi.gov.uk

www.communities.gov.uk

28 June 2012

Dear Colleague,

I am writing to update you on the introduction of the new standards and conduct arrangements for members which will apply from 1 July 2012 in all principal authorities, including your council.

Following extensive debate in Parliament and the Royal Assent of the Localism Act, we have now put in place all the secondary legislation necessary to introduce these new arrangements, including the provisions for disclosable pecuniary interests and winding down the last vestiges of the centralist Standards Board regime. Our new localist approach gives councils wide freedoms to decide their own arrangements for promoting high standards of conduct for all their members, and I know that many councils have over recent months been preparing for this.

To help I wrote to you in early April with an illustrative example of a simple, straightforward local code. I felt it was important that councils did not feel the need to spend money on external legal advice on drawing up a new code, and were not pressured into simply adopting the old centralist code, with all the associated problems it brought on malicious and frivolous complaints.

<http://www.communities.gov.uk/publications/localgovernment/localcodeconduct>

All councils now have the opportunity to make a clean break from the bureaucratic standards arrangements of the old regime which so often led to petty or politically motivated complaints. I am sure you and your council will wish to make the most of this opportunity and put in place simple, fit-for-purpose arrangements in which all can have confidence. It will be important that all can clearly see your new arrangements are not some modified continuation of the old discredited regime, but rather a fresh start creating genuine trust and accountability between your council and local people.

Accordingly, I would particularly draw your attention to the role of the new independent person. This is in no way similar to the role of the independent chairman and independent members on the former standards committees. That former role was principally to be involved in the determination of allegations about misconduct of members. In contrast the role of the new independent person is wholly advisory, providing advice to the council on any allegation it is considering, and to a member facing an allegation who has sought the views of that person.

Notwithstanding these fundamental differences between the roles of the new independent person and members of standards committees, following representations from local government, we have made transitional arrangements to allow the appointment as an independent person of someone who has been an independent chairman or member of the authority's standards committee.

However, given the importance that the new arrangements are, and are clearly perceived to be, a wholly fresh start we are minded to make further provision so that any former member of a standards committee appointed under the transitional arrangements as an independent person can hold that office only until 30 June 2013.

Finally, my Department intends to publish a guide to members' pecuniary interests to help local authorities, particularly for parish councils who may have fewer resources to hand. I am keen to correct any potential misconceptions that the arrangements for disclosing pecuniary interests are more onerous on parish councils than was previously the case.

The guide will be made available on my Department's website shortly.

BOB NEILL MP

(DRAFT) CODE OF CONDUCT FOR MEMBERS OF NORTH YORKSHIRE COUNTY COUNCIL

This Code sets out the standards of behaviour required of you whenever you are acting as a Councillor of North Yorkshire County Council. This Code also applies to any person appointed as a co-opted member with voting rights on any Committee of the County Council.

You must sign an Undertaking to comply with this Code of Conduct before acting as a Councillor or voting co-opted Member.

The Code has been adopted by the County Council and also requires compliance with the general principles of public life set out at the end of the document. The Council has established a Standards Committee, consisting of Members of the Council, to deal with any allegations of breaches of the Code.

1. You must not treat others with disrespect.
2. You must not do anything which may cause the County Council to breach any equality enactment.
3. You must not bully or intimidate any person, or attempt to bully or intimidate them.
4. You must not do anything which compromises the impartiality of anyone who works for or on behalf of the Authority, or do anything that is likely to compromise their impartiality.
5. You must not disclose information which is given to you in confidence or which you believe is of a confidential nature, or ought reasonably to be aware is of a confidential nature, unless:
 - You have the permission of a person authorised to give it; or
 - You are required by law to disclose the information; or
 - You disclose it to a third party for the purpose of obtaining professional advice, provided that the third party agrees not to disclose the information to any other person; or
 - The disclosure is reasonable; and is in the public interest; and is made in good faith; and is only made after having complied with any reasonable requirements of the Council to delay disclosure or to maintain confidentiality.

Before disclosing any information under this paragraph, you must consult the Monitoring Officer and/or the Chief Executive Officer.
6. You must not prevent another person gaining access to information which that person is entitled to by law.

7. You must not conduct yourself in a manner which could reasonably be regarded as bringing the Council into disrepute, or your position as a County Councillor into disrepute.
8. You must not use your position as a County Councillor improperly to obtain any advantage or disadvantage for yourself or any other person, or attempt to do so.
9. You must not take part in the scrutiny of any decision you have been involved in making – except that you may provide evidence or opinion to those undertaking any scrutiny process.
10. You must not accept any gift or hospitality which could reasonably be perceived as creating an obligation upon the Council, or upon yourself as a County Councillor, If you do accept any gift or hospitality which might be attributable to your membership of the Council (other than the refreshments which might usually be expected at a Council meeting or civic function) you must disclose this, or any offer of such gift or hospitality, to the Monitoring Officer.
11. You must act in accordance with the Council's guidance or requirements when using the resources of the Council (such as officer time, IT and copying equipment, or physical materials), or when authorising others to use them, and must ensure that those resources are not used improperly for political or other purposes.
12. You must have regard to relevant advice given by the Council's Chief Financial Officer or Monitoring Officer when making decisions and must give reasons for those decisions, in accordance with any requirements imposed by statute or the Council.
13. You must comply with the following section of this Code, which relates to registering and declaring in meetings any personal and prejudicial interests you may have, until new statutory provisions relating to these matters come into force, as set out in Statutory Instruments under the Localism Act 2011. Thereafter you must comply with the requirements of those statutory provisions, until the County Council adopts and brings into force a revised Code which satisfies the requirements of the new statutory provisions. This includes complying with any procedure rule adopted by the Council which requires Members to leave the room during any meeting at which a matter in which they have a disclosable pecuniary interest is being discussed.

INTERESTS

Personal Interests

14. (1) You have a personal interest in any business of your authority where either:

(a) it relates to or is likely to affect:

- (i) any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by your authority;
- (ii) any body:
 - (aa) exercising functions of a public nature;
 - (bb) directed to charitable purposes; or
 - (cc) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union), of which you are a member or in a position of general control or management;
- (iii) any employment or business carried on by you;
- (iv) any person or body who employs or has appointed you;
- (v) any person or body, other than a relevant authority, who has made a payment to you in respect of your election or any expenses incurred by you in carrying out your duties;
- (vi) any person or body who has a place of business or land in your authority's area, and in whom you have a beneficial interest in a class of securities of that person or body that exceeds the nominal value of £25,000 or one hundredth of the total issued share capital (whichever is the lower);
- (vii) any contract for goods, services or works made between your authority and you or a firm in which you are a partner, a company of which you are a remunerated director, or a person or body of the description specified in paragraph (vi);
- (viii) the interests of any person from whom you have received a gift or hospitality with an estimated value of at least £25;
- (ix) any land in your authority's area in which you have a beneficial interest;
- (x) any land where the landlord is your authority and you are, or a firm in which you are a partner, a company of which you are a remunerated director, or a person or body of the description specified in paragraph (vi) is, the tenant;
- (xi) any land in the authority's area for which you have a licence (alone or jointly with others) to occupy for 28 days or longer;
or

- (b) a decision in relation to that business might reasonably be regarded as affecting your well-being or financial position or the well-being or financial position of a relevant person to a greater extent than the majority of—
 - (i) (in the case of authorities with electoral divisions or wards) other council tax payers, ratepayers or inhabitants of the electoral division or ward, as the case may be, affected by the decision;
 - (ii) (in the case of the Greater London Authority) other council tax payers, ratepayers or inhabitants of the Assembly constituency affected by the decision; or
 - (iii) (in all other cases) other council tax payers, ratepayers or inhabitants of your authority's area.
- (2) In sub-paragraph (1)(b), a relevant person is—
 - (a) a member of your family or any person with whom you have a close association; or
 - (b) any person or body who employs or has appointed such persons, any firm in which they are a partner, or any company of which they are directors;
 - (c) any person or body in whom such persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or
 - (d) any body of a type described in sub-paragraph (1)(a)(i) or (ii).

Disclosure of Personal Interests

15. (1) Subject to sub-paragraphs (2) to (7), where you have a personal interest in any business of your authority and you attend a meeting of your authority at which the business is considered, you must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.
- (2) Where you have a personal interest in any business of your authority which relates to or is likely to affect a person described in paragraph 14(1)(a)(i) or 14(1)(a)(ii)(aa), you need only disclose to the meeting the existence and nature of that interest when you address the meeting on that business.

(3) Where you have a personal interest in any business of the authority of the type mentioned in paragraph 14(1)(a)(viii), you need not disclose the nature or existence of that interest to the meeting if the interest was registered more than three years before the date of the meeting.

(4) Sub-paragraph (1) only applies where you are aware or ought reasonably to be aware of the existence of the personal interest.

(5) Where you have a personal interest but, by virtue of paragraph 20, sensitive information relating to it is not registered in your authority's register of members' interests, you must indicate to the meeting that you have a personal interest, but need not disclose the sensitive information to the meeting.

(6) Subject to paragraph 18(1)(b), where you have a personal interest in any business of your authority and you have made an executive decision in relation to that business, you must ensure that any written statement of that decision records the existence and nature of that interest.

(7) In this paragraph, "executive decision" is to be construed in accordance with any regulations made by the Secretary of State under section 22 of the Local Government Act 2000.

Prejudicial Interest Generally

16. (1) Subject to sub-paragraph (2), where you have a personal interest in any business of your authority you also have a prejudicial interest in that business where the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice your judgement of the public interest.

(2) You do not have a prejudicial interest in any business of the authority where that business:

(a) does not affect your financial position or the financial position of a person or body described in paragraph 14;

(b) does not relate to the determining of any approval, consent, licence, permission or registration in relation to you or any person or body described in paragraph 14; or

(c) relates to the functions of your authority in respect of:

(i) housing, where you are a tenant of your authority provided that those functions do not relate particularly to your tenancy or lease;

- (ii) school meals or school transport and travelling expenses, where you are a parent or guardian of a child in full time education, or are a parent governor of a school, unless it relates particularly to the school which the child attends;
- (iii) statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992, where you are in receipt of, or are entitled to the receipt of, such pay;
- (iv) an allowance, payment or indemnity given to members;
- (v) any ceremonial honour given to members; and
- (vi) setting council tax or a precept under the Local Government Finance Act 1992.

Prejudicial interests arising in relation to Overview and Scrutiny Committees

17. You also have a prejudicial interest in any business before an overview and scrutiny committee of your authority (or of a sub-committee of such a committee) where—
- (a) that business relates to a decision made (whether implemented or not) or action taken by your authority's executive or another of your authority's committees, sub-committees, joint committees or joint sub-committees; and
 - (b) at the time the decision was made or action was taken, you were a member of the executive, committee, sub-committee, joint committee or joint sub-committee mentioned in paragraph (a) and you were present when that decision was made or action was taken.

Effect of prejudicial interests on participation

18. (1) Subject to sub-paragraph (2), where you have a prejudicial interest in any business of your authority:
- (a) you must withdraw from the room or chamber where a meeting considering the business is being held:
 - (i) in a case where sub-paragraph (2) applies, immediately after making representations, answering questions or giving evidence;
 - (ii) in any other case, whenever it becomes apparent that the business is being considered at that meeting;

unless you have obtained a dispensation from your authority's standards committee;

(b) you must not exercise executive functions in relation to that business; and

(c) you must not seek improperly to influence a decision about that business.

(2) Where you have a prejudicial interest in any business of your authority, you may attend a meeting (including a meeting of the overview and scrutiny committee of your authority or of a sub-committee of such a committee) but only for the purpose of making representations, answering questions or giving evidence relating to the business, provided that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise.

REGISTRATION OF MEMBERS' INTERESTS

Registration of Members' Interests

19. (1) Subject to paragraph 20, you must, within 28 days of:

(a) this Code being adopted by or applied to your authority; or

(b) your election or appointment to office (where that is later),

register in your authority's register of members' interests (maintained under section 81(1) of the Local Government Act 2000) details of your personal interests where they fall within a category mentioned in paragraph 14(1)(a), by providing written notification to your authority's monitoring officer.

(2) Subject to paragraph 20, you must, within 28 days of becoming aware of any new personal interest or change to any personal interest registered under paragraph (1), register details of that new personal interest or change by providing written notification to your authority's monitoring officer.

Sensitive Information

20. (1) Where you consider that the information relating to any of your personal interests is sensitive information, and your authority's monitoring officer agrees, you need not include that information when registering that interest, or, as the case may be, a change to that interest under paragraph 19.

(2) You must, within 28 days of becoming aware of any change of circumstances which means that information excluded under

paragraph (1) is no longer sensitive information, notify your authority's monitoring officer asking that the information be included in your authority's register of members' interests.

(3) In this Code, "sensitive information" means information whose availability for inspection by the public creates, or is likely to create, a serious risk that you or a person who lives with you may be subjected to violence or intimidation.

21. If you are in any doubt as to your position under the Code of Conduct, please consult the Monitoring Officer.

GENERAL PRINCIPLES OF PUBLIC LIFE

Selflessness

1. You should serve only the public interest and should never improperly confer an advantage or disadvantage on any person.

Honesty and Integrity

2. You should not behave improperly, should not place yourself in situations where your honesty and integrity may be questioned; and should on all occasions avoid the appearance of such behaviour.

Objectivity

3. You should make decisions on merit, including when making appointments, awarding contracts, or recommending individuals for rewards or benefits.

Accountability

4. You should be accountable to the public for your actions and the manner in which you carry out your responsibilities, and should co-operate fully and honestly with any scrutiny appropriate to your office.

Openness

5. You should be as open as possible about your actions and those of the County Council, and should be prepared to give reasons for those actions.

Personal Judgment

6. You may take account of the views of others, including your political group, but should reach your own conclusions on the issues before you and act in accordance with those conclusions.

Respect for Others

7. You should promote equality by not discriminating unlawfully against any person, and by treating people with respect, regardless of their race, age, religion, gender, sexual orientation or disability. You should respect the impartiality and integrity of the authority's statutory officers, and its other employees.

Duty to Uphold the Law

8. You should uphold the law and, on all occasions, act in accordance with the trust that the public is entitled to place in you.

Stewardship

9. You should do whatever you are able to do, to ensure that the County Council uses its resources prudently and in accordance with the law.

Leadership

10. You should promote and support these principles by leadership, and by example, and should always act in a way that secures or preserves public confidence.

NORTH YORKSHIRE COUNTY COUNCIL

**ARRANGEMENTS FOR DEALING WITH ALLEGATIONS OF
BREACH OF THE MEMBERS' CODE OF CONDUCT**

These arrangements set out how a complaint can be made to North Yorkshire County Council that an elected or voting co-opted Member has failed to comply with the Council's Code of Conduct for Members. These arrangements are made under Sections 28(6) and (7) Localism Act 2011.

1 Independent Person

The Council has appointed an Independent Person whose views must be sought by the Council before it takes any decision on an allegation which has been decided should be investigated. The Independent Person's views can also be sought by the Council at any other stage or by a Member against whom an allegation has been made. In practice complaints are dealt with by the Monitoring Officer, and by the Standards Committee.

2 Members' Code of Conduct

The Council has adopted a Code of Conduct for Members, attached as an Appendix to these arrangements. It is also published on the Authority's website.

3 Making a Complaint

If someone considers there has been a breach of the Code of Conduct by a Member, and wants to make a complaint, they should write or send an email to:

Carole Dunn
Monitoring Officer
North Yorkshire County Council
County Hall
NORTHALLERTON
North Yorkshire
DL7 8AD

email: carole.dunn@northyorks.gov.uk

Where possible, the standard complaint form should be used. It can be downloaded from the Council's website, or is available from the Monitoring Officer at the above address.

It is important to provide a name and contact address. Please note that the Council will not investigate anonymous complaints unless there is a significant public interest in doing so.

4 Timescales

We aim to deal with any complaint, so far as possible, within 30 working days of receipt, or as soon as possible thereafter.

The Monitoring Officer will acknowledge receipt of your complaint within 5 working days and will keep you informed of progress.

5 Assessment for Investigation or Other Action

Every complaint relating to the Code of Conduct will be received by the Monitoring Officer.

The Member who is the subject of a complaint ('the subject Member') will be advised of the complaint and copied into any relevant correspondence or complaint form received from the Complainant. The Monitoring Officer will review complaints and consult with the Independent Person in doing so, and

will decide whether a complaint merits formal investigation. Where there is a difference of opinion between the Monitoring Officer and the Independent Person, then the allegation will be investigated.

This assessment will take place, where possible, within 15 working days of receipt of the complaint or as soon as possible thereafter. The Monitoring Officer may request more information to assist the decision as to whether investigation is appropriate.

The subject Member may also be requested to provide information about the matter.

The Monitoring Officer will advise you, in writing, of his/her decision about whether or not the matter should be investigated.

If the complaint identifies criminal conduct or breach of other regulation, the Monitoring Officer will consult the Police and/or such other regulatory agencies as he/she considers appropriate.

The Monitoring Officer will not refer for investigation matters which are, in his/her opinion, and after consultation with the Independent Person, vexatious, offensive, trivial or politically motivated.

If the Monitoring Officer has a conflict of interest or does not for any other reason consider it appropriate that s/he undertakes initial assessment of a complaint, it will be referred to the Standards Committee.

The Standards Committee will be informed of the outcome of all complaints received.

6 Informal Resolution

Wherever possible the Monitoring Officer will seek to resolve a complaint informally without the need for formal investigation or referral to the Standards Committee.

This may involve trying to mediate between the parties, aiming to clarify misunderstandings, or encouraging discussion between the Complainant and subject Member to enable a resolution between them, or where appropriate, an apology. It may also involve other remedial action by the Council.

If the Member or the Council make a reasonable offer of local resolution but the Complainant is not willing to accept the offer, the Monitoring Officer will take this into account in deciding whether a complaint merits formal investigation.

7 Investigation

If the Monitoring Officer concludes that a matter merits investigation, the Complainant will be invited to submit all information they wish to submit in support of their allegation within 5 working days of request.

Once the information is received it will be sent to the Member who is subject to the complaint, who would also be invited to submit all information they wish to be considered in response within 5 working days.

Throughout the process the Monitoring Officer will ensure the subject Member and Complainant receive appropriate support and assistance.

The Monitoring Officer may also appoint a member of his/her staff to oversee the gathering of information relating to the matter which will comprise the investigation ('the Nominated Officer'). The Nominated Officer will consider whether any further information is needed and take steps so far as possible to secure its production.

A report containing the information provided by the Complainant and subject Member will be prepared by the Nominated Officer, and copied to both parties and sent to the Monitoring Officer. The report will conclude with a recommendation as to whether it is considered that there has been a breach of the Code.

8 Conclusion of no evidence of failure to comply with the Code of Conduct

The Monitoring Officer will receive and review the report and consult the Independent Person upon it. Subsequently, if satisfied that the report is sufficient, the Monitoring Officer will write to the Complainant and the subject Member notifying them that s/he is satisfied that no further action is required.

9 Conclusion that there is evidence of failure to comply with the Code of Conduct

The Monitoring Officer will review the report and consult the Independent Person as to whether local resolution may be possible. If any suggested resolution is not agreed, the matter will be referred to the Standards Committee for consideration.

If the matter can reasonably be resolved in the Monitoring Officer's opinion without the need for a hearing he/she will consult the Independent Person, with the Complainant and subject Member, to seek to agree a fair resolution which will also ensure higher standards of conduct for the future.

As with initial assessment this can include the Member accepting that conduct was unacceptable and offering an apology, and/or other remedial action by the Council. If the Member complies with the suggested resolution the matter will be reported to the Standards Committee but no further action will be taken.

10 Hearing

If local resolution is not appropriate, or the Complainant or subject Member are not satisfied with the proposed resolution, or the subject Member is not prepared to undertake any proposed remedial action, the report will be reported to a Hearings Panel ('the Panel') of 3 Members from the Standards Committee. The Independent Person will attend all Panel meetings and will be consulted by the Panel in making its decision about whether there has been a breach of the Code and any action to be taken.

The Panel will meet to decide whether the Member has failed to comply with the Code of Conduct and, if so, whether to take any action.

The report will be presented to the Panel. The Complainant and the subject Member will be invited to attend the Panel to present information and make representations in relation to the allegations that there has been a failure to comply with the Code of Conduct. The Independent Person will be present. The Panel can proceed in the absence of either the subject Member or the Complainant where it deems this to be appropriate.

The Panel shall consult with the Independent Person and be advised by the Monitoring Officer. It may conclude:

- (a) that the Member did not fail to comply with the Code of Conduct;
- (b) that the Member did fail to comply with the Code of Conduct; and, if it so concludes, the Panel may determine whether any action is necessary and, if so, what sanction is appropriate.

11 What action can the Panel take if there has been a breach of the Code of Conduct?

The Panel may:

- (a) issue a letter of censure to the Member and where appropriate require an apology to be given to the Complainant;
- (b) recommend to the Member's Group Leader that he/she be removed from any or all committees or sub-committees of the Council;

(c) instruct the Monitoring Officer to arrange training for the Member.

The Panel has no power to suspend or disqualify the Member or to withdraw allowances.

The Panel shall consult the Independent Person and decide what, if any, publicity should be undertaken regarding the outcome of the matter. Options for such publicity include a notice on the Council's website or a press release.

12 What happens at the end of the hearing?

The Chair of the Panel will announce the decision of the Panel as to whether the Member has failed to comply with the Code of Conduct and as to any action it deems necessary. The Monitoring Officer will prepare a Decision Notice which will be given to the subject Member and the Complainant within 5 working days. The outcome will be reported to the next meeting of the Standards Committee.

13 Revision of these arrangements

The Council may by resolution agree to amend these arrangements and delegates to the Chair of the Panel the right to depart from these arrangements where he/she considers it expedient to do so to secure the effective and fair consideration of any matter.

14 Appeals

There is no right of appeal for the Complainant or the subject Member against a decision of the Monitoring Officer or Panel.

If the Complainant feels that the Council has failed to deal with the complaint properly they may make a complaint to the Local Government Ombudsman.

1 July 2012

