

County Council

22 July 2015

Executive Report - Accompanying Booklet

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4.0 REVENUE OUTTURN 2014/15

OVERVIEW

4.1 This section of the report presents details of the draft Revenue Outturn for the 2014/15 financial year and makes recommendations to County Council on the proposed carry forward to 2015/16 of certain budgets not spent during the year.

BACKGROUND

4.2 The Accounts of the County Council for 2014/15 have now been closed and are being finalised for external Audit by Deloitte. The figures are therefore still provisional at this stage up to the Statutory Final Accounts being signed off by the External Auditor in September 2015. It is not envisaged however that any significant amendments will be required.

REVENUE BUDGET FOR 2014/15

4.3 The final revised 2014/15 net expenditure budget is £399,806k which is unchanged from Q3 with the movement since the net budget approved by Executive and County Council in February 2014 shown in **Appendix A** (see also **paragraph 4.4**) with a summary being:

Item	£000
Net budget requirement approved in February 2014	372,999
Add funding shortfall from GWB	1,322
= initially approved net expenditure budget	374,321
Carry forwards from 2013/14 approved by Executive on 18 June 2014 and funded from the GWB	+25,058
Investments approved by Executive on 19 August 2014 as part of the Q1 report, funded from the GWB and phased in 2014/15	+427
= final 2014/15 net expenditure budget	399,806

4.4 **Appendix A** shows an analysis of the final 2014/15 Revenue Budget by Directorate. This starts with the Original Budget approved in February 2014 then shows subsequent approved changes to arrive at the final revised £399,806k net expenditure budget shown in **paragraph 4.3**, together with inter directorate budget transfers including:

- Carry forwards from 2013/14 approved by the County Council in July 2014.
- Continuing centralisation of Business Support budgets to Central Services.
- One Council savings with Directorate budgets transferred to Corporate Miscellaneous.
- Centralisation of various budgets to Central Services.
- Terms and conditions savings allocated to Directorates.
- Allocations for the increase in the LGPS employer contribution rate from 1 April 2014.
- New PIP allocations in 2014/15.

- New investment allocations in 2014/15 funded from the GWB.
- Allocation of Demographic growth to HAS from the corporate provision.
- Other miscellaneous budget transfers.

It should also be noted that the budgets include previously agreed savings requirements for 2014/15, more detail of which is provided in **paragraphs 4.2 to 4.25**

4.5 This total net £399,806k budget can be broken down into the following 3 key components:

(1) One off Funding for Projects and Initiatives totalling £12,787k which consists of three elements as follows:

- (a) Carry forwards from 2013/14 totalling £2,335k were approved for:
- HAS funding of the START/reablement programme previously funded through PIP monies (£900k)
 - BES various projects and initiatives including essential footbridge works, street lighting and support to 2020 North Yorkshire initiatives (£776k)
 - Central Services (CS) HR initiatives (£256k)
 - Corporate Funds (£140k)
 - CS PIP funding for Technology & Change Management (£263k)
- (b) PIP allocations to Directorates totalling £10,025k in 2014/15 including those approved as part of the Q1 and Q2 investments.
- CS IT funding agreed in 2012 (£127k)
 - Contribution to Corporate Redundancy Reserve (£5m approved at Q1)
 - Delivery of 2020 Programme (£508k – part of £3m approved at Q1)
 - CYPs Social Care (£145k – part of £1.2m approved at Q1)
 - BES Bedale / Aiskew / Leeming Bar Bypass (£733k)
 - Financial Ledger upgrade / development (£600k)
 - Selby Better Together Initiative (£150k approved at Q2)
 - HAS supporting delivery of FACS savings proposals (£805k)
 - HAS extra care procurement business case (£55k)
 - BES Tour de France 2014 and Tour de Yorkshire 2015 (£1,752k)
 - CS engineering and building and design contract (£150k)
- (c) Additional investments approved at Q1 which are funded from the GWB totalling £427k in 2014/15
- BES preparation of major schemes (£140k)
 - HAS assessment team and welfare benefits (£287k)

This Projects / Initiatives funding is closely monitored and where such funding is no longer required it is surrendered to General Working Balances or a further proposal will be brought forward for the Executive to consider explicitly.

(2) **Recurring Operational Budgets within Directorates in order to deliver day to day services totalling £366,403k.**

(3) **The Corporate Pending Issues Provision (PIP) and the availability of one off investment monies totalling £20,616k**

The Corporate PIP is covered in more detail in **paragraphs 4.12 to 4.18**

REVENUE OUTTURN 2014/15

4.6 The overall 2014/15 revenue outturn position of the County Council for expenditure and funding is as follows:

Item	Budget	Outturn	Variation	Paragraph
	£000	£000	£000	
<u>Net Expenditure Budget</u>				
Projects and initiatives	12,787	12,678	-109	4.5(1)
Recurring operational budgets	366,403	353,006	-13,397	4.5(2)
Sub total	379,190	365,684	-13,506	
Corporate PIP	20,616	0	-20,616	4.5(3)
Release of earmarked reserves	0	-6,106	-6,106	4.49
Total	399,806	359,578	-40,228	
<u>Approved use of GWB</u>				
Fund approved budget in 2014/15	-1,322	-1,322	0	
Fund carry /forwards from 2013/14	-25,058	-25,058	0	
Fund Investments agreed at Q1 2014/15	-427	-427	0	
Total approved use of GWB	-26,807*	-26,807*	0	
<u>External Funding</u>				
Revenue Support Grant	-77,843	-77,861	-18	} 4.28 to 4.30
Business Rates (BR) from DCLG	-41,789	-41,789	0	
BR from District Councils (DC) (9%)	-18,700	-18,715	-15	
BR DC Collection Fund Deficits	+538	+771	+233	
Council Tax (CT) precept on DC's	-233,216	-233,215	+1	
CT Collection fund surpluses of DC's	-1,989	-1,989	0	
Total Funding	-372,999	-372,798	+201	
Overall net balanced budget	0	-40,027*	-40,027*	

**Results in a net increase in the overall General Working Balance (GWB) of £13,220k (saving of £40,027k less approved use of GWB in 2014/15 of £26,807k as indicated above)*

*with a year-end GWB of £91,711k (£78,491k at the start of the year + £13,220k net increase in year) as shown in paragraph 4.33 and **Appendix I***

- 4.7 The table above shows an outturn cash saving of £40,027k for expenditure and funding but this includes the unspent Corporate PIP (-£20,616k) (**paragraphs 4.12 to 4.18**), releasing earmarked reserves into the GWB (-£6,106k) (**paragraph 4.49**) and Funding outturn variations (+£201k) (**paragraphs 4.28 to 4.30**). After removing the impact of these three items which total £26.5m, the resulting bottom line saving against the 2014/15 revenue budget is £13,506k (3.6%).
- 4.8 Thus the overall bottom line cash saving of £40,027k does not therefore represent a fair reflection of the underlying and recurring budget position and in order to get below this bottom line it is necessary to consider the components as indicated in the table in **paragraph 4.6** above and highlighted in **paragraph 4.7**.
- 4.9 The table below is a summary of **Appendix B** and focuses on Directorate / Corporate operational budgets in terms of their outturn positions, cash saving and proposed treatment of that cash saving (£13,506k as indicated in **paragraph 4.7** above).

	HAS	BES	CYPS	CS	Corp Misc Budgets	Total
	£000	£000	£000	£000	£000	£000
APPENDIX	C	D	E	F	G	
2014/15 REVISED BUDGET						
Recurring budget	142,172	78,160	77,543	52,488	16,040	366,403
Carry forwards from 2013/14 (assumed fully spent)	900	776	0	519	140	2,335
PIP allocations 2014/15	860	2,485	145	1,535	5,000	10,025
One off investment allocations	287	140	-	-	-	427
TOTAL BUDGET 2014/15	144,219	81,561	77,688	54,542	21,180	379,190
2014/15 OUTTURN	141,041	78,690	75,908	54,187	15,858	365,684
OUTTURN VARIATION (- =saving)	-3,178	-2,871	-1,780	-355	-5,322	-13,506 (3.6%)
ANALYSIS & TREATMENT of YEAR END VARIATION						
Variations to be carried forward to future years						
Various projects and initiatives	-1,050	-504	0	-355	-763	-2,672
Unspent PIP allocations			-109			-109
Sub total	-1,050	-504	-109	-355	-763	-2,781
Savings impacting on the unallocated GWB in 2014/15						
Early achievement of Budget / MTFS and 2020 savings	-747	-1,158	-1,360	-1,162		-4,427
2020 Finance initiatives				+1,422		+1,422
HAS Demography Provision					-1,345	-1,345
Business Rates Relief Grants					-1,184	-1,184
Pension Fund Deficit Provision					-1,665	-1,665
Other one-off windfalls and savings net of overspends	-1,381	-1,209	-311	-260	-365	-3,526
Sub-total	-2,128	-2,367	-1,671	0	-4,559	-10,725
TOTAL YEAR END VARIATION	-3,178	-2,871	-1,780	-355	-5,322	-13,506
<i>Variation at Q3</i>	-2,238	-2,550	-1,204	-92	-5,432	-11,516

4.10 Key points to note from the above are:

(a) A total saving of £2,781k to be carried forward and earmarked for spending in future years consisting of:

- £1,050k for HAS to provide for the delay in achieving the full year savings requirement as a result of the Domiciliary Care Procurement.
- £504k for BES for investments projects funding for Waste and Countryside Services in relation to the Public Rights of Way Network (£150k), Integrated Passenger Transport Investments (£100k) and delayed works on various Highways schemes (£254k).
- £109k for CYPS for Children's Social Care PIP funding not spent in 2014/15
- £355k for Central Services for HR Workforce Development Initiatives (£250k) and Library projects that will now be delivered in 2015/16 (£105k).
- £763k for Corporate Miscellaneous for Pay and Reward Initiatives in future years (£331k), one-off funding to pump prime 2020 North Yorkshire Initiatives (£159k), Business Rates Pooling surplus for Development Initiatives (£262k) and Community Fund Projects slipping into 2015/16 (£11k).

(b) A total net saving of £10,725k not being proposed for carry forward to 2015/16 and will therefore increase the unallocated GWB. This consists of:

- £4,427k relates to the early achievement of Budget / MTFS and 2020 North Yorkshire savings.
- £1,345k relates to the unused element of the £3m HAS demographic growth provision which is held in Corporate Miscellaneous.
- £1,184k relates to Government grants to compensate for various reliefs offered to Business Rate payers that were notified after the budget was set.
- £1,665k relates to unused contingencies for increased Pension Fund contributions, including deficit payments.
- £3,526k of other one off windfalls and savings across all Directorates and Corporate budgets, net of overspends.
- The above one off savings have been partially offset by additional spending of £1,422k on 2020 initiatives.

4.11 **Appendices C to G** attached are statements for each Directorate setting out their outturn position compared with their final revised budgets for 2014/15 with the following paragraphs highlighting the key components and proposed year end treatment of the outturn variations.

Appendix H covers the SmartSolutions Traded Services which is covered in more detail in (f) below

(a) **Health and Adult Services (Appendix C)**

An outturn saving of £3,178k (£2,238k at Q3) with the proposed year end treatment as follows:

Item	£000	£000
Earmarked for spending in future years		
Domiciliary Care procurement savings		1,050
One off windfalls and savings to be added to the GWB		
Early achievement of the Budget/MTFS savings	747	
Other one off windfalls and savings	1,381	2,128
Total cash variation (saving)		3,178
<i>Memo item – Q3 (saving)</i>		2,238

(b) **Business and Environmental Services (Appendix D)**

An outturn saving of £2,871k (£2,550k at Q3) with the proposed year end treatment as follows:-

Item	£000	£000
Earmarked for spending in future years		
Delayed works on various Highways Schemes including bridges and the timing of undertaking works on major scheme design	254	
Investment project funding for Waste and Countryside Services in relation to the Public Right of way network	150	
Integrated Passenger Transport Investment Project	100	504
One off windfalls and savings to be added to the GWB		
Early achievement of Budget / MTFS savings	1,158	
Other one off windfalls and savings	1,209	2,367
Total cash variation (saving)		2,871
<i>Memo item – Q3 (saving)</i>		2,550

(c) **Children and Young People's Service (Appendix E)**

An outturn saving of £1,780k (£1,204k at Q3) with the proposed year end treatment as follows:-

Item	£000	£000
Earmarked for Spending in future years		109
Children's Social Care PIP Funding		
One off windfalls and savings to be added to the GWB		
Early achievement of Budget/MTFS savings	1,360	
One off windfalls and savings	685	
Other overspends	-374	1,671
Total cash variation (saving)		1,780
<i>Memo item – Q3 (saving)</i>		<i>1,204</i>

(d) **Central Services (Appendix F)**

An outturn saving of £355k (£92k at Q3) after setting aside £1,422k to support 2020 North Yorkshire Initiatives with the proposed year end treatment as follows:-

Item	£000	£000
Earmarked for spending in future years		
HR workforce development initiatives	250	
Libraries improvement projects that will now be delivered in 2015/16	105	355
One off windfalls and savings to be added to the unallocated GWB		
Early achievement of Budget / MTFS savings	1,162	
Other one off windfalls and savings	721	
To support 2020 North Yorkshire Initiatives	-1,422	
Other overspends	-461	0
Total cash variation (saving)		355
<i>Memo item – Q3 (saving)</i>		<i>92</i>

(e) **Corporate Miscellaneous (Appendix G)**

Corporate Miscellaneous consists of a mixture of budgets for recurring items (e.g. capital financing changes, interest earned and External Audit Fees) and funds of a non-recurring nature such as the PIP.

Because of the nature and size of the PIP, this is being reported separately within **Appendix G** and the tables in **paragraphs 4.15 and 4.16** with the overall position being as follows:-

Item	Corporate Miscellaneous Budgets	PIP	Release of Earmarked Reserves	Total
	£000	£000	£000	£000
Latest 2014/15 Budget	21,180	20,616	0	41,796
Outturn	15,858	0	-6,106	9,752
Total cash variation (saving)	5,322	20,616	6,106	32,044
<i>Memo Item – Q3 (saving)</i>	<i>5,432</i>	<i>20,407</i>	<i>0</i>	<i>25,839</i>

The PIP is fully reported in **paragraphs 4.12 to 4.18** and the Release of Earmarked Reserves in **paragraph 4.48**.

Of the remaining budgets, the table above indicates an outturn saving of £5,322k (£5,432k at Q3) with the proposed year end treatment as follows:-

Item	£000	£000
Earmarked for spending in Future Years		
To support Corporate Pay and Reward initiatives	331	
Central Contingency to support 2020 NY	159	
Business Rates Pooling surplus earmarked for BES Development Schemes	262	
Community Fund projects	11	763
Savings to be added to the unallocated GWB		
HAS Demographic Growth contingency	1,345	
Business Rates Relief Grants from DCLG	1,184	
Pension Fund Deficit provision	1,665	
Other (net) savings	365	4,559
Total cash variation (saving)		5,322
<i>Memo item – Q3 (saving)</i>		<i>5,432</i>

(f) **SmartSolutions Traded Services (appendix H)**

During 2014/15, the Council's traded services, including insurances offered to schools, began operating under the brand of North Yorkshire's SmartSolutions. This is an in-house arrangement which reflects a governance and reporting structure whereby the services are held accountable by a Board, chaired by the Council's Chief Executive. The accounting arrangements have not changed however, and the income and expenditure for each service is included within directorate totals.

These services are in the main provided to schools in the county and their financial performance outturn position for 2014/15 is set out in **Appendix H**. These figures are reported to the SmartSolutions board and will be included within a separate SmartSolutions annual report.

PENDING ISSUES PROVISION (PIP)

- 4.12 The Pending Issue Provision (PIP) was set up in 2008/09 as part of the MTFs process, to underpin a financial strategy that 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 recurring funding for the Waste Strategy, the funding paid into the PIP but not drawn down by the Waste Strategy is available to fund non-recurring items and a wide variety of significant sums have already been approved by the Executive since 2008/09.
- 4.13 Full details of the PIP were reported to Executive and County Council as part of the Revenue Budget 2015/16 and Medium Term Financial Strategy 2019/20 approved in February 2015. Since the PIP was first created its use has been widened both in terms of the sources of contributions paid in and the range of allocations paid out.
- 4.14 The initial funding into the PIP was from increasing Council Tax over the three year period 2008/09 to 2010/11 by more than was strictly needed to pay for the cost of the County Council's services in those years. This created a recurring annual income stream and such a course of action would not be possible now as a result of the Government's strong control over Council Tax increases. A subsequent annual inflationary increase has also been applied to the initial provision.
- 4.15 The outturn position of the PIP for 2014/15 and projected position for subsequent years, reflecting allocations agreed by the Executive to date, together with the latest forecast sums required to fund the Waste Strategy is as follows:

Corporately held PIP 2014/15 (Appendix G)

Item		Budget
	£000	
Remaining base budget approved February 2014		6,458
Brought forward from 2013/14		
Corporate PIP	20,024	
BES Waste Strategy	2,239	
CS allocations recycled	460	
New 2014/15 allocations made		22,723
Contribution to Redundancy reserve	-5,000	
Delivering 2020 North Yorkshire Programme (part of £3m agreed)	-653	
Selby Better Together programme	-150	
HAS supporting delivery of FAC'S savings proposals	-805	
HAS Extra care procurement business case	-55	
BES Tour de France 2014 and Tour de Yorkshire 2015	-1,752	
Central Services engineering and building design contract	-150	
		-8,565
= total PIP budget remaining in 2014/15		20,616

Thus there is an outturn cash saving of £20,616k in the PIP at 31 March 2015 which is essentially unallocated funding carried forward to 2015/16.

4.16 Overall Longer term PIP position

The table in **paragraph 4.15** indicates that there is currently £20,616k unallocated funding remaining in the PIP in 2014/15. The longer term position as set out below however shows that there is potentially £23,188k remaining available for one off issues in the period to 2018/19

Item	2014/15	2015/16	2016/17	2017/18	2018/19
Funding Available	£000	£000	£000	£000	£000
Initial budget allocations	14,394	14,394	14,394	14,394	14,394
Add subsequent inflationary increases	6,856	7,556	7,556	7,556	7,556
Less allocations to Waste Strategy	-12,812	-14,079	-15,019	-17,689	-21,129
Add funding carried forward from 2013/14					
Corporate Miscellaneous	20,024				
BES Waste Strategy	2,239				
Central Services	460				
= Funding available	31,161	7,871	6,931	4,261	821
Allocations previously agreed by Executive including some rephasing between years	-1,980	-1,964	-997	0	0
Recent approvals most of which are retained in the PIP for the time being					
Tour de France Revenue costs (£2.2m less £448k in 2013/14)	-1,752				
Graduate posts		-396			
HAS Extra Care procurement					
Develop Business Case (500 – 97 in 2013/14)	-55	-348			
Earmarked for procurement		-2,500			
HAS support delivery of FACS savings proposals (1,150 less 135 in 2013/14)	-805	-210			
Approved by Executive on 19 August 2014					
2020 North Yorkshire Pump Priming (£12.7m)					
Future redundancy cost (£5m)	-5,000				
Children's Social Care (£1.2m)	-145	-442	-613		
Engineering & Building Design contract (£0.5m)	-150	-350			
Delivery of 2020 N Y Programme (£3m)	-508	-955	-955	-582	
Stronger Communities pump priming (£3m)		-700	-600	-600	-1,100
HAS Extra Care (£4m)		-600	-1,000	-1,000	-1,400*
Selby Better Together programme (Q2 2014/15)	-150				
PIP Funding still available	20,616	-594	2,766	2,079	-1,679
Cumulative sum available	20,616	20,022	22,788	24,867	23,188

* includes £0.4m phased in 2019/20

4.17 The longer term availability of 'one off' PIP funding of £23,188k indicated above is unchanged from as shown in the 2015/16 Revenue Budget/MTFS report.

4.18 The one off PIP funding is available until such time as the Waste Strategy draws down its full and final requirement, currently scheduled for 2018/19. It is also important to bear in mind when considering the availability of PIP funding that the funds for any year making up the total as shown in **paragraph 4.16** do not actually exist until the relevant financial year.

SUMMARY OF YEAR END VARIATION AND ITS PROPOSED TREATMENT

4.19 **Appendix B** and **paragraphs 4.6, 4.7 and 4.9** show in total and at Directorate level the various components and proposed year end treatment making up the bottom line saving of £40,027k . This can be summarised as follows:-

Item	£000	£000
Savings to be carried forward to future years (paragraph 4.10(a))		
• Projects and initiatives	2,672	
• Unspent PIP funding allocations	109	
• Corporate PIP unallocated funding	20,616	23,397
Savings not proposed to be carried forward and therefore transferred into the unallocated GWB		
• One off budget windfalls and savings (paragraph 4.10(b))	10,725	
• Release of earmarked reserves into GWB (paragraph 4.47)	6,106	
• Funding outturn variations (paragraph 4.30)	-201	16,630
Total saving including release of earmarked reserves		40,027

4.20 The proposed carry forward of £23,397k analysed by Directorate is as follows: (**Appendix B**)

Directorate	£000	£000
HAS		1,050
BES		504
CYPS		109
Central Services		355
Corporate Miscellaneous		
- Total Corporate Miscellaneous Budgets	763	
- Corporate PIP	20,616	21,379
Total proposed carry forward to 2015/16		23,397

4.21 As shown in the table in **paragraph 4.19** the total net saving not to be carried forward to 2015/16 and therefore transferred into the unallocated GWB in 2014/15 is £16,630k.

BUDGET / MTFs SAVINGS TARGETS

4.22 The 2014/15 revenue budget reflects previously agreed savings targets and these are incorporated into Directorate '2014/15 budget control totals' shown in the table in

paragraph 4.9. These 2014/15 savings targets (which are in addition to savings targets reflected in previous year's budgets) total £17,949k, consisting of:

Item	£000	£000
February 2011 (2011/12 budget/MTFS) savings phased in 2014/15		
- initial savings agreed	8,718	
- subsequent adjustments and re-phasing	(2,148)	6,570
February 2013 (2013/14 budget/MTFS) savings phased in 2014/15		
- initial savings agreed		8,989
July 2013 (2013/14 budget 2) savings phased in 2014/15		
- initial savings agreed	2,200	
- subsequent adjustments	(550)	1,650
February 2014 (2014/15 budget/MTFS) savings being achieved in 2014/15		
- early 2020 North Yorkshire savings		740
Total savings targets reflected in 2014/15 final budgets		17,949

- 4.23 The outturn positions for each Directorate that are presented in this report reflect any net under or over achievement of the individual elements of the above savings targets with details being provided in **Appendices C to G**.
- 4.24 The budget savings profile included a target of £7,644k to be found from the One Council Change Programme. This was reduced by £500k earlier however because of the on-going nature of many aspects of the One Council Programme but mindful of the potential duplication with elements of the new 2020 North Yorkshire Savings Plan.
- 4.25 The revised £7,144k target was profiled £4,018k in 2013/14 and £3,126k in 2014/15 with the latter figure being part of the overall 2014/15 savings targets referred to in **paragraph 4.22**.

Item	2012/13	2013/14	2014/15	Total
	£000	£000	£000	£000
Target				
Original MTFS target	0	3,596	4,048	7,644
Re-phasing in 2013/14 budget / MTFS		422	(422)	-
Reduced target reflected in 2014/15 budget			(500)	(500)
	0	4,018	3,126	7,144
Cumulative target	0	4,018	7,144	
Savings achieved to date				
Annual	1,837	4,642	670	7,149
Cumulative	1,837	6,479	7,149	
Surplus	1,837	2,461	5	

4,303

- 4.26 The table above shows that the One Council Change Programme savings target has now been fully realised.
- 4.27 Any further future residual 'One Council' savings which may be realised will be offset against the 2020 North Yorkshire savings requirement in subsequent years.

FUNDING OUTTURN VARIATIONS

- 4.28 The table in **paragraph 4.6** indicates a £201k shortfall of Corporate funding in 2014/15 compared to the level used as part of setting the Budget for 2014/15 in February 2014 (outturn of £372,798k compared with a Budget of £372,999k).
- 4.29 There are two reasons for this as follows:
- (i) Business Rates (BR) funding from District Councils (9% of their 2014/15 estimated yield and 9% of their collection fund surpluses and deficits at 31/3/13) was based on latest information available when the figures were finalised for submission to Executive on 3 February 2014. Some of the final figures from the Districts however (based on their returns to DCLG) were different to those assumed in the County Council's budget setting (outturn shortfall of £219k).
 - (ii) Revenue Support Grant from the DCLG was based on the Provisional Local Government Finance Settlement in December 2013. The final Settlement was announced on 5 February 2014, after the budget papers had been finalised for Executive on 3 February 2014 and allocated an additional £18k to the County Council in 2014/15.
- 4:30 This £201k shortfall which falls on the GWB has been reported to Executive during the year as part of the Q reports within Corporate Miscellaneous.

GENERAL WORKING BALANCE (GWB)

- 4.31 A key feature of the 2015/16 Revenue Budget and Medium Term Financial Strategy, approved by the Executive and County Council in February 2015, is to maintain the General Working Balance (GWB) at a defined minimum acceptable level.
- 4.32 For 2015/16 the defined minimum level continues to the new policy target set as part of the 2014/15 Revenue Budget/MTFS process which is as follows:-
- (i) Maintenance of a minimum of 2% of the net revenue budget for the GWB in order to provide for unforeseen emergencies etc. supplemented by
 - (ii) An additional (and reviewable) cash sum of £20m to be held back in the event of a slower delivery of savings targets
- and reflects
- (i) The increased number of risk factors which the County Council is facing as set out in **Section 14** of the 2015/16 Budget report and in particular
 - (ii) Savings targets not being delivered on time and
 - (iii) The increased level of risk falling on the GWB resulting from the review and consequential release of earmarked reserves into the GWB (i.e. some of the risks which have been covered by these reserves will now fall on the GWB)
- 4.33 A statement of the GWB at 31 March 2015 reflecting the draft outturn position is attached as **Appendix I** with a summary being:

Item	£000
Balance at 31 March 2014	78,491
+ Funding income received in year	372,798
- Net expenditure outturn 2014/15 (Appendix B and paragraph 4.6)	-365,684
+ Release of earmarked reserves (paragraph 4.46)	6,106
Total GWB at 31 March 2015 (part 1 of Appendix I)	91,711
Less proposed earmarked carry forward to 2015/16 (paragraph 4.20)	-23,397
= GWB at 31 March 2015 (part 2 of Appendix I) not earmarked	68,314
Minimum of 2% of net revenue budget + £20m (paragraph 4.32)	27,460
= GWB at 31 March 2015 in excess of minimum holdback	40,854

- 4.34 The overall GWB is £91,711k at 31 March 2015 but this includes Corporate and Directorate savings in 2014/15 proposed for carry forward which are in effect earmarked balances. The overall level of remaining GWB which is not allocated at 31 March 2015 after adjusting for these proposed carry forwards of £23,397k is therefore £68,314k (**section 2 of Appendix I**) which is £40,854k above the minimum target level of £27,460k (2% of the net revenue budget + a buffer of £20m).

4.35 It is important to bear in mind however that the unallocated GWB at 31 March 2015 of £68,314k does not reflect its use to bridge annual funding surpluses and shortfalls reflected in the 2015/16 revenue budget / MTFs for the years 2015/16 to 2019/20, together with funding a significant investment programme that was agreed in 2014/15 but which mostly falls in subsequent years. After reflecting the impact of these, the £68,314k at 31 March 2014 is forecast to reduce to £44,759k by 31 March 2020 as set out in **section 3 of Appendix I and paragraphs 4.43 to 4.45**

4.36 **Section 3 of Appendix I** shows the 2014/15 in-year movement in the unallocated GWB as follows:

Item	Actual at 31 March 2015 £000	Forecast at 31 March 2020 £000
Total GWB at 31 March 2014	78,491	
- Directorate and Corporate / PIP surplus carried forward from 2013/14	-25,088	
= unallocated GWB at 31 March 2014	53,433	
Variations in 2014/15		
- contribution required to fund 2014/15 revenue budget	-1,322	
- additional investments agreed at Q1 funded from the GWB and are profiled in 2014/15	-427	
+ Corporate Miscellaneous net saving (paragraphs 4.9 and 4.11(e))	+4,559	
+ Directorate savings proposed to be added to the GWB		
HAS (paragraphs 4.9 and 4.11(a)) total = +£10,725k	+2,128	
BES (paragraphs 4.9 and 4.11(b))	+2,367	
CYPS (paragraphs 4.9 and 4.11(c))	+1,671	
Central Services (paragraph 4.9 and x 4.11(d))	0	
+ Release of Earmarked reserves into GWB (paragraph 4.48)	+6,106	
-Funding Variations in 2014/15 (paragraphs 4.28 to 4.30)	-201	
= unallocated GWB at 31 March 2015	68,314	44,759
- minimum target of 2% of the net revenue budget + £20m	27,460	27,007
= Adjusted GWB at 31 March 2015 in excess of minimum holdback	40,854	17,752

See note below

Note: the first column of figures above reports the outturn position at 31 March 2015 but does not include future commitments against the GWB as approved in the February 2015 Revenue Budget / MTFs. This is mentioned in **paragraph 4.35** and in more detail in **paragraph 4.44** with the figures in the second column being a projection of unallocated GWB at 31 March 2020 after reflecting these commitments. These lower figures also do not reflect potential additional future commitments and investments totalling £14,054k as indicated in **paragraph 4.45**.

4.37 The £68,314k level of remaining unallocated GWB at 31 March 2015 compares with:

- An actual of £53,433k at 31 March 2014
- A forecast of £64,719k at 31 March 2015 reported as part of the February 2015 Revenue Budget / MTFS
- A forecast of £65,790k at 31 March 2015 reported to Executive on 24 February as part of the Q3 report

4.38 The outturn position is £2,524k higher than reported at Q3 in February 2015 and an analysis of the reasons for the increase compared with Q3 are identified in **Part 3 of Appendix I** but relates to additional savings identified at the year end and an increase in the sums released from earmarked reserves.

4.39 In considering this level of GWB it should be borne in mind that 2015/16 represents the single biggest year of savings since 2011/12 (the first year of the period of austerity) with £23m of savings profiled and following the General Election there may well be further savings required following the Chancellor of the Exchequer's Post Election Budget on 8 July 2015. It is also worth remembering that the longer term MTFS up to 2019/20 still has a shortfall of £14.2m to find.

4.40 In addition there are many risks that the County Council face that could impact on the GWB which were covered in **Section 14** of the February 2015 2015/16 Revenue Budget / MTFS report including:

- Delivery of the savings programme to 2019/20
- Further reductions (than anticipated) in government grant
- Assumptions on council tax yield
- Specific grants being cut
- Unplanned incidents / emergencies including adverse weather conditions
- Inflation and pay levels
- Interest rates
- Levels of Business Rates collected by North Yorkshire District Councils
- Care Act implications
- Better Care Fund implications
- Demand for level of services
- Dedicated Schools Grant (DSG) impacts
- Legal Challenges
- Contract Prices

In light of these risks the availability of one off cash is welcome but should not mask the scale of financial challenge over the remainder of this decade.

4.41 The County Council has adopted a set of 'good practice rules' as part of its MTFS to maintain a policy target of 2% of the net Revenue Budget plus an additional cash sum of £20m to be held back in the event of a slower delivery of savings targets.

4.42 These rules are as follows:

- a) That any underspendings 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 GWB on a regular basis as part of the quarterly budget monitoring report process.

4.43 In relation to these rules:

- Items a) and c) are reflected in this report
- In relation to b) the projected forecast target for 31 March 2015 following the 2015/16 Revenue Budget / MTFS report is now £64,719k with an absolute minimum based on 2% of the net revenue budget + a buffer of £20m.
- The 2014/15 outturn position of £68,314k is therefore £3,595k above the forecast target as a result of additional outturn savings and an increase in the sum released from earmarked reserves. This improvement is to be welcomed but alongside the risks highlighted in **paragraph 4.40** and as indicated in the table in **paragraph 4.44**, the investment proposals agreed at Q1 and Q2 2014/15 and the annual MTFS surpluses and shortfalls to 2019/20 reduce the GWB considerably in subsequent years. Thus the latest forecast of £44,759k at 31 March 2020 is £17.8m above the current target minimum level of £27m but there are potential future further investments to consider including up to £10m on Capital Financing initiatives.

4.44 **Section 3 of Appendix I** also provides an updated longer term GWB forecast up to 31 March 2020 together with a comparison with the forecast reflected in the 2015/16 Revenue Budget / MTFS report and subsequent Q3 projection. A summary is set out below.

Year End	Feb 2015 MTFS	Latest Forecast					Minimum level of 2% of net Revenue Budget + £20m
		Start Year	MTFS	2014/15 Outturn	Investments	End Year	
	£000	£000	£000	£000	£000	£000	£000
31 March 2015	64,719	53,433	-1,322	+16,630*	-427	68,314	27,460
31 March 2016	63,713	68,314	+7,171	-	-8,177	67,308	27,270
31 March 2017	66,891	67,308	+5,358	-	-2,180	70,486	27,177
31 March 2018	63,936	70,486	-955	-	-2,000	67,531	27,109
31 March 2019	57,395	67,531	-4,541	-	-2,000	60,990	27,044
31 March 2020	41,164	60,990	-14,231	-	-2,000	44,759	27,007

*Consists of:

• release of earmarked reserves	+6,106
• outturn savings	+10,725
• Outturn funding variations	-201
	<hr/>
	+16,630
	<hr/>

The above table shows that in the longer term the GWB at 31 March 2020 would be £44,759k against a target minimum of about £27m at that time (2% of the net revenue budget plus a buffer of £20m). This is £2,524k higher than the last Q3 of £42,235k forecast because of additional outturn savings being paid into the GWB and an increase in the sum released from earmarked reserves.

- 4.45 This forward projection includes the impact of funding one off investments agreed at Q1 and Q2 in 2014/15 together with the budget / MTFS surpluses and shortfalls from 2015/16 to 2019/20 as identified in the February 2015 Revenue Budget / MTFS report. The projection does not however include the impact of proposals in the February 2015 Revenue Budget report to use up to £10m of GWB in 2015/16 (or later years) for capital financing purposes in order to achieve recurring revenue savings in capital financing costs, the additional proposed investments (**paragraphs 4.54 to 4.74**) totalling £12,754k and £1,300k to partially fund new ICT hardware as set out in **paragraphs 5.32 to 5.34** of the Capital Section of this report. The full potential impact of these three items would reduce the GWB by a further £14,054k by 2019/20.

EARMARKED RESERVES

- 4.46 In addition to the GWB (**paragraphs 4.31 to 4.45**) and the Directorate and Corporate savings carried forward to 2015/16 as earmarked sums (**paragraphs 4.19 and 4.20**) the County Council also holds a number of other earmarked reserves. 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.
- 4.47 Since the 2010/11 introduction of International Financial Reporting Standards (IFRS) to local authority accounts there is also a category of revenue income reserves consisting of grants and contributions which have to be fully recognised in the revenue account when any conditions attached to the income have generally been met. This is different to the previous practice of carrying forward such unspent income to the following year as income in advance. Thus at 31 March 2015 £27.0m (£33.1m at 31 March 2014) of unspent grant and contributions income, where any conditions have generally been met, is being carried forward to 2015/16 in these reserves.
- 4.48 As reported in the 2015/16 Revenue Budget / MTFS report in February 2015, following a detailed review of earmarked reserves in 2013/14 that released £8m into the GWB, a further second stage review took place in Q3 which released a further £5.004m into the GWB in 2014/15. A further review towards the end of the financial year has released a further £1,102k thus a total of £6.106m has been transferred from earmarked reserves in 2014/15.
- 4.49 Such reviews will be carried out on an annual basis so a further review will be undertaken in 2015/16. One implication of releasing earmarked reserves however is to increase pressures

on the GWB because some of the reserves were released on the understanding that if any ultimate liability arose, that liability would be funded from the GWB.

- 4.50 **Appendix J** shows the overall position of all the County Council's reserves (GWB + earmarked reserves) at the start and end of 2014/15 together with the forecast submitted to Executive and Full Council in February 2015 as part of the 2015/16 Revenue Budget / MTFS report.
- 4.51 A summary of the increase in the level of reserves of £16.0m (including the GWB) between 31 March 2014 (£191.6m) to 31 March 2015 (£207.6m) is as follows:

Reserve	31 March 2014	31 March 2015	2014/15 variation
	£m	£m	£m
General Working Balance (GWB)			
Directorate savings carried forward	25.1	23.4	-1.7
Unallocated General Working Balance	53.4	68.3	+14.9
Sub- total overall GWB	78.5	91.7	+13.2
Earmarked for Schools			
Schools balances (LMS reserve)	30.9	30.9	0
Schools block / DSG/energy Funds	11.3	13.4	+2.1
Sub-total	42.2	44.3	+2.1
Other Earmarked Reserves			
BES Swing Bridge	1.0	0	-1.0
Highways advance payments	0.9	1.3	+0.3
Insurance reserve	6.9	6.7	-0.2
BES flood risk management	0.6	1.5	+0.9
Redundancy costs in schools	1.1	0.1	-1.0
CYPS Special Education Needs	1.0	0.2	-0.8
ICT SDT / Directorate refresh	2.8	0	-2.8
ICT – Strategy and infrastructure	3.5	4.7	+1.2
SmartSolutions trading	4.3	4.8	+0.6
HAS Supporting people	2.4	2.6	+0.2
HAS Social Care transfer monies	0	9.3	+9.3
CYPS special projects	1.1	0.6	-0.5
SFNY contribution	3.1	0	-3.1
Corporate redundancy reserve	0.7	4.6	+3.9
Other smaller reserves	8.4	8.2	-0.2
Sub-total	37.8	44.6	+6.8
Revenue income reserves (mainly grants and contributions) paragraph 4.45)			
CYPS	3.5	6.8	+3.3
BES	8.1	8.1	0
HAS	1.5	0	-1.5
HAS health funding	17.9	10.2	-7.7
Central Services	0.2	0.5	+0.3
LAA performance reward grant	1.9	1.4	-0.5
Sub-total	33.1	27.0	-6.1
= Total reserves (GWB + earmarked)	191.6	207.6	+16.0

- 4.52 In addition to these earmarked reserves, there are also provisions of £9.1m (excluding non-cash backed technical provisions) at 31 March 2015 compared with £7.6m at 31 March 2014 consisting of:
- Insurance claims £4.4m (£4.0m at 31 March 2014)
 - Highways Advance payments £2.5m (£2.4m at 31 March 2014)
 - Other provisions £2.2m (£1.2m at 31 March 2014)
- 4.53 The Local Government Act 2003 and associated CIPFA guidance requires a 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 2015/16 Budget / MTFS report approved by Executive and Full Council in February 2015. **Appendix J** continues this process. In addition **paragraphs 4.48 and 4.49** above refer to the review of all earmarked reserves undertaken in 2014/15 with a further review to be carried out in 2015/16.

PROPOSED INVESTMENTS

Introduction

- 4.54 The availability of one-off money continues to provide the Council with the opportunity to make investments that benefit localities and / or helps to equip the Council to be better placed to deal with austerity. The prudent collective management of the Council's 2014/15 revenue budget means that the specific proposals below can now be considered.
- 4.55 It is likely that there will be further proposed investments, particularly in delivering the 2020 North Yorkshire Programme. These will continue to be brought to the attention of the Executive in quarterly monitoring reports in 2015/16 and beyond.

South Cliff Scarborough

Project Background

- 4.56 The potential for instability in the boulder clay that makes up much of the North Yorkshire coastline is well documented and understood. The widely publicised slip that destroyed the Holbeck Hall Hotel in 1993 and the steady loss of land and property in unprotected areas such as Knipe Point have maintained public awareness and concerns.
- 4.57 As one of the town's most famous and iconic structures, securing the future of the Scarborough Spa, and protecting the homes and businesses on the cliff above is a major priority for the Borough, and the project has received significant national attention from the Environment Agency and DEFRA. The genuine, if small, prospect of loss of life associated with a major slip has certainly increased its profile.
- 4.58 As part of the Shoreline Management Plan, and through the commissioning and delivery of a Coastal Strategy and a specific Project Appraisal, a scheme has been developed for the renewal of the sea defences at the toe, and for works on the coastal slope to stabilise the over-steepened boulder clay cliff behind the Spa building.

4.59 However, the public money available through the DEFRA Partnership Funding mechanism falls well short of the sum required for the full scheme. A phased approach has now been agreed, focussing only on the slope stability elements in the first place. This comes much closer to being affordable, but there remains a shortfall in the value of risk money available.

Duties and Responsibilities – Legal and Funding implications

- 4.60 There are no specific statutory duties upon the County Council to provide coastal protection. The responsibilities, such as they are, are defined in terms of the Borough Council’s status as the ‘Coastal Authority’, and in terms of the permissive powers to intervene that both the Environment Agency and Local Authorities (County and District) hold.
- 4.61 In the past, the Borough Council have led on all coastal schemes, applying directly to DEFRA or latterly via the EA for grant funding. There are examples of schemes where the County has contributed in the past (at Runswick Bay and at Whitby). The creation of the Partnership funding mechanism introduced by DEFRA has generated a greater role for the County Council in establishing regional priorities for funding, but our interest in the project from a technical perspective is limited to the threat posed to a short stretch of highway.
- 4.62 It is recognised, however, that the scheme is necessary and that the likelihood of a successful outcome is much higher if the County Council is involved and contributes financially. The overall cost estimates shared by the Borough Council at this stage are as below:-

Item	£000	£000
Cost of Scheme (Estimate)	10,350	14,711
Risk Contingency	4,361	
<u>Funded</u>		
Environment Agency	(12,072)	(12,287)
Scarborough B.C contribution to works	(215)	
Shortfall		2,424
<u>Split of shortfall</u>		
NYCC		1,212
SBC		1,212
Total Shortfall		2,424

Project Risks

- 4.63 The County Council is not currently being asked to contribute a cash sum. It is however being asked to underwrite the project risk due to the fixed sum nature of the DEFRA contribution and their rules on the way project risks must be treated. At this stage it is proposed that a sum of up to £1,212k is earmarked for such a contingency and that this is funded from General Working Balances (effectively from revenue savings achieved in 2014/15). This sum is contingent on matching contributions from the Borough Council and agreeing suitable terms for any risk-sharing agreement.
- 4.64 In practice, the Borough Council have reached a fairly advanced stage in the procurement process for the scheme, and a tender has been received which mitigates much of the financial risk associated with the project. It is therefore reasonable to consider that the likelihood of the money being drawn down in full has been substantially reduced. However, it should be recognised that in any work of this nature there is a risk of additional costs due to unforeseen events and that the contributions from the EA are capped.
- 4.65 Given the need to provide commitment for the scheme to proceed and for the need to further develop risk-sharing terms, it is proposed that authority is delegated to the Corporate Director, Business and Environmental Services in consultation with the Corporate Director, Strategic Resources and the Executive Members for both Highways and Finance to agree such terms as necessary and to drawdown up to £1,212k of funding in the event of it being required to contribute towards the South Cliff works.

Education in Scarborough

- 4.66 A clear priority for the LA schools and partners is ensuring the very best education for the children and young people of the county. This priority features heavily in Young and Yorkshire, the Children and Young People's Plan for the county. In that plan we describe the ambition to see all schools being good or outstanding. To that end the council has previously approved a new approach to school improvement which sees a reshaped Council service and funding released to support more sector led school to school developments. Those changes are close to full implementation.
- 4.67 In addition to the above we also recognise that the challenge of achieving good and better education for all is greater in some parts of the county than others. This is most notable when one considers the Scarborough area. Schools here face additional challenges both in raising levels of ambition and aspiration for education and in recruiting and retaining the very best teachers and leaders. This difficulty is not specific to Scarborough and Ofsted have published on the particular issues facing coastal areas right across the country.
- 4.68 Importantly, we have recognised and sought to support local leaders in tackling those challenges. A major education summit convened by the Chief Executive and involving key education and business leaders was held in the town in March 2015. The event was optimistic that more could collectively be done and we now have a steering group with independent chairing and capacity available to follow through on the key recommendations arising from the day. The recommendations ranged from additional shared specialist teachers across secondary provision; improving the early years offer to enhance school readiness; a Scarborough pledge which would increase opportunities for positive experiences for young people; improved access to mentoring programmes etc. The aim through such initiatives would be collectively improve educational achievement; to see

schools with improved Ofsted ratings; and overtime to see young people better equipped for the world of further and higher education and skilled work.

- 4.69 To support this improvement priority we propose to make available to the local Steering Group joint funding from the Council and dedicated schools grant. A real practical example of the Council and the school community working to pool and target resources where most needed. It is proposed the Council contribution is £250k per annum for a 3 year period and a sum of £750k is therefore earmarked from General Working Balances (effectively from revenue savings achieved in 2014/15). Such significant investment will be subject to close performance review whilst also allowing local leaders the opportunity to be innovative and creative in achieving the solutions we all seek.

County Councillor Locality Budgets

- 4.70 The Leader has proposed piloting county councillor locality budgets, allowing every county councillor to respond to local needs, for example by making small grants to support projects or activities that benefit the communities they represent. The budget envisaged for grants is £5k per county councillor per year, totalling £360k per year.
- 4.71 A draft scheme is being developed including criteria, administration, decision making and monitoring. This will be presented shortly to the Executive for consideration, including necessary minor amendments to the council's constitution.
- 4.72 The draft scheme will seek to minimise bureaucracy whilst ensuring that awards are made in accordance with the principles for decision making set out the constitution. However, there will be additional costs in order to administer all applications and make up to 1,000 awards each year.
- 4.73 It is proposed that a sum of £792k is therefore earmarked from General Working Balances (effectively from revenue savings achieved in 2014/15) which will allow for a two year pilot. It is envisaged that a brief evaluation will be undertaken at the end of each of the two years to guide future decision making regarding county councillor locality budgets.

Summary of proposals

- 4.74 A summary of the above investment proposals is as follows:-

Item	£000
South Cliff Scarborough - earmarked contingency	1,212
Education in Scarborough (£250k per annum for a 3 year period)	750
County Councillor Locality Budgets (£792k for a two year pilot)	792
Total potential call on the GWB	2,754

STATEMENT OF FINAL ACCOUNTS 2014/15

4.75 This Revenue Outturn report together with the accompanying Capital Outturn and Treasury Management reports are based on the County Council's organisational and budgetary management arrangements. However a comprehensive Statement of Final Accounts (SoFA) that conforms in format and content to the IFRS based statutory Code of Practice on Local Authority Accounting is required to be formally approved by Members and certified by the External Auditor.

4.76 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.

It should be noted however that following earlier consultation new Accounts and Audit Regulations shorten these current statutory deadlines of 30 June and 30 September to 31 May (shortened by one month) and 31 July (shortened by two months) respectively. As these changes don't have to be implemented until 2017/18, officers will shortly be looking at the implications and timelines for achieving them.

4.77 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 2015, the final SoFA will therefore be submitted to the Audit Committee for approval on 24 September 2015, immediately before the External Auditor presents his opinion and certificate in relation to the SoFA.

4.78 Although there is no longer a requirement for the draft/unaudited SoFA to be approved by Members by 30 June each year, DCLG and CIPFA suggest that good practice would be for the draft SoFA still be presented to Members for review and comment prior to External Audit.

4.79 Thus as in recent years, the County Council's draft SoFA for 2014/15 will be submitted to the Audit Committee on 16 July 2015 but this will be for review and comment only, not formal approval. As indicated in **paragraph 4.77**, the final SoFA after External Audit will subsequently be resubmitted to the Audit Committee on 24 September 2015 for formal approval.

4.80 The statutory SOFA that will be submitted to the Audit Committee for information and comment on 16 July 2015 and for subsequent approval on 24 September 2014 after External Audit, will be markedly different to the management accounts presented in this report (i.e. the Directorate outturn figures reported in **paragraph 4.9** and **Appendix B**). This is because of two key reasons.

(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).

(b) The SOFA must comply with CIPFA's IFRS based Code of Practice on Local Authority Accounting thereby requiring many technical adjustments to our management accounts for such items as depreciation of assets and pensions costs and liabilities.

4.81 Explanations will be provided as to the key differences between the two sets of figures.

LOOKING AHEAD

- 4.82 For 2015/16 the first Q1 update will be submitted to Executive in August 2015 and at this stage, based on current estimates, it is not expected that there will be a significant budget variation, subject to any significant unexpected events, including the Post-Election Budget on 8 July 2015. An early forecast saving is expected from:-
- Several of the estimates used for Business Rates (BR) when the 2015/16 Budget was agreed in February 2015 were based on provisional figures with the actual figures notified later being better than assumed. This relates to BR income from some of the Districts and Government Grant for some BR reliefs and will increase the GWB in 2015/16
 - The overall savings requirement reflected in the 2015/16 budget is £23.4m (£21.6m from 2020 North Yorkshire Programme and £1.8m from earlier year's savings programme) and at this stage it is anticipated that this savings target will be marginally over-delivered (+ £174k)
- 4.83 Three other areas to note in relation to 2015/16 are as follows:
- (i) It is considered unlikely that the unallocated £20m Corporate PIP funding available in 2015/16 (**paragraph 4.22**) will be fully allocated and spent in 2015/16. It should be noted however that this sum is due to the one off carry forward of PIP funding from 2014/15 rather than a recurring underspend.
 - (ii) The further review of all earmarked reserves in 2015/16 as mentioned in **paragraph 4.53** is expected to result in further release of such reserves into the GWB.
 - (iii) The 2015/16 Revenue Budget agreed in February 2015 included that up to £10m could be utilised for Capital Financing initiatives in order to achieve recurring revenue savings. This one off investment would be funded from the General Working Balance (GWB) and is not currently reflected in the 2015/16 revenue budget.
- 4.84 Beyond 2015/16 the MTFs agreed in February 2015 reflected the following to 2019/20:
- Savings reductions of £36.4m from the 2020 North Yorkshire Programme (total of £58m less £21.6m phased in 2015/16)
 - After adding 2019/20 to this year's MTFs there is a residual £14.2m recurring funding shortfall that will need to be bridged
 - An assumed level of continuing government funding reductions each year in advance of the 2016/17 settlement announcement which will follow the Spending review later this year and will hopefully reflect a 'multi-year' settlement.
 - An assumed 2% increase in Council Tax each year
- 4.85 For both 2015/16 and subsequent years there are many spend and funding risks and uncertainties as fully set out in the February 2015 budget / MTFs report (Section 14 and the Corporate Risk Register at Appendix J). These risks and uncertainties arise from both

funding (government grants, council tax, business rates yield etc.) and the County Council's spending and other income streams (delivery of savings targets, demand for services, inflation and cost pressures, weather uncertainties, unexpected one off liabilities etc.).

- 4.86 An update on all the above in relation to 2015/16 will be provided to Executive as part of the Q reports and any significant developments that affect 2016/17 and later years will also be reported to Members. A detailed update for 2016/17 and subsequent years including progress on achieving savings targets and the current longer term shortfall mentioned in **paragraph 4.37** will be incorporated into the 2016/17 Revenue Budget / MTFS process.

4.87 RECOMMENDATIONS

That the Executive:-

- (i) note the position on the draft outturn position for the County Council's 2014/15 Revenue Budget as summarised in **paragraph 4.6**
- (ii) recommend to the County Council the proposed carry forward of certain unspent budgets at Corporate and Directorate level totalling £23,397k as detailed in **paragraphs 4.19 and 4.20**
- (iii) note the latest position on the GWB (**paragraphs 4.31 to 4.45 and Appendix I**)
- (iv) note the position of other earmarked reserves as detailed in **paragraph 4.46 to 4.53 and Appendix J**
- (v) note the procedure that will be followed by the Audit Committee in respect of the approval of the statutory Statement of Accounts as described in **paragraphs 4.75 to 4.81**
- (vi) approve the investment proposals (**paragraphs 4.54 to 4.74**) as below
 - a) authority is delegated to the Corporate Director, Business and Environmental Services in consultation with the Corporate Director, Strategic Resources and the Executive Members for both Highways and Finance to agree terms as necessary to drawdown up to £1,212k of funding from General Working Balances for the South Cliff works in Scarborough as set out in **paragraphs 4.56 to 4.65**.
 - b) authority is delegated to the Corporate Director, Children & Young People's Services to progress with the Education in Scarborough initiative as outlined in **paragraphs 4.66 to 4.69** with funding of £750k from General Working Balances.
 - c) £792k is provided for County Councillor Locality Budgets from General Working Balances (in line with **paragraphs 4.70 to 4.73**) and that a further report is brought back to the Executive to agree a scheme for application of the locality budgets.

REVENUE OUTTURN 2014/15 - APPENDICES

- A 2014/15 Final Approved Revenue Budgets
- B Comparison of Revised Budget with Actual Expenditure 2014/15 and Proposed Treatment of Year End Variations
- C Health and Adult Services
- D Business and Environmental Services
- E Children and Young Peoples' Service
- F Central Services
- G Corporate Miscellaneous
- H SmartSolutions Traded Services
- I General Working Balance
- J Total Reserves at 31 March 2015

2014/15 REVISED ESTIMATE REVENUE BUDGETS AT 31 MARCH 2015

	Original Budgets agreed by Cty Cncl on 19-Feb-14 £000s	Approved carry forwards from 2013/14 £000s	Pending Issues Provision Allocations £000s	Additional Approved Investment Funding £000s	Other agreed transfers and adjustments £000s	Final Revised Budgets £000s
DIRECTORATE						
Children & Young Peoples' Service	77,936		145		-393	77,688
Business & Environmental Services	78,772	776	1,752	140	121	81,561
Health & Adult Services	139,694	900	860	287	2,478	144,219
Central Services Directorate	51,897	519	808		1,318	54,542
Corporate Miscellaneous						
HAS Demographic Growth - Centralised Budget	3,440				-2,095	1,345
Contribution to Pension Fund Deficit	2,100				-435	1,665
Pension Fund Provision	1,750				-1,750	0
Capital Financing charges	27,415				26	27,441
Interest Earned	-1,669					-1,669
New Homes Bonus Grant	-1,790					-1,790
Education Services Grant	-9,300					-9,300
One-Council Savings	-1,099				1,104	5
Redundancy Provision	0		5,000			5,000
Other (net)	-1,283	140			-374	-1,517
SubTotal						21,180
<i>Pending Issues Provision</i>	6,458	22,723	-8,565			20,616
	26,022	22,863	-3,565	0	-3,524	41,796
Total Directorate Spending	374,321	25,058	0	427	0	399,806
Contribution From (-) General Working Balances	-1,322	-25,058		-427		-26,807
Net Revenue Budget	372,999	0	0	0	0	372,999
FINANCING						
Revenue support grant	77,843					77,843
Business Rates DCLG Top Up	41,789					41,789
Business Rates from District Councils	18,700					18,700
Business Rates Collection Fund Deficit	-538					-538
Precept on District Councils - Current Year	233,216					233,216
Council Tax Collection Fund Surpluses	1,989					1,989
=Net Budget Requirement	372,999	0	0	0	0	372,999

APPENDIX A

2014/15 OUTTURN POSITION

	Health and Adult Services	Business and Environ Services	Children and Young People's Service	Central Services	Corp Misc Budgets	Sub total	Corp Misc PIP	Corp Misc release of earmarked reserves	Total
APPENDIX	C	D	E	F	G		G	G	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
1 2014/15 OUTTURN VARIATION									
2014/15 Revised Estimate	144,219	81,561	77,688	54,542	21,180	379,190	20,616		399,806
2014/15 bottom line outturn	141,041	78,690	75,908	54,187	15,858	365,684	0	-6,106	359,578
outturn variation (- = saving, + = overspend)	-3,178	-2,871	-1,780	-355	-5,322	-13,506	-20,616	-6,106	-40,228
<i>Memo item variation at Q3</i>	-2,238	-2,550	-1,204	-92	-5,432	-11,516	-20,407	-5,004	-36,927
2 ANALYSIS & TREATMENT of OUTTURN VARIATION									
a EARMARKED FOR SPENDING IN FUTURE YEARS & CARRIED FORWARD TO 2015/16									
Projects and Initiatives for future years									
Community Fund projects					-11	-11			-11
To support Corporate Pay and reward initiatives					-331	-331			-331
Central Contingency to Support 2020 NY					-159	-159			-159
Business Rates Pooling surplus earmarked for Development Schemes					-262	-262			-262
To fund the delay in achieving the full year savings requirement from the Domiciliary Care Procurement	-1,050					-1,050			-1,050
Waste and countryside services		-150				-150			-150
Integrated Passenger Transport Service		-100				-100			-100
Highways projects delayed to 2015/16		-254				-254			-254
HR Workforce development initiatives				-250		-250			-250
Library improvement projects that will now be delivered in 2015/16.				-105		-105			-105
	-1,050	-504	0	-355	-763	-2,672	0	0	-2,672
PIP Funding to be carried forward									
Unallocated corporate funding						0	-20,616		-20,616
Children's Social Care			-109			-109			-109
	0	0	-109	0	0	-109	-20,616	0	-20,725
Total proposed carry forward to 2014/15	-1,050	-504	-109	-355	-763	-2,781	-20,616	0	-23,397
b SAVINGS & OVERSPENDS NOT TO BE CARRIED FORWARD TO 2015/16 BUT ADDED TO THE GWB									
Early achievement of Budget / MTFS and 2020 North Yorkshire Savings									
	-747	-1,158	-1,360	-1,162		-4,427			-4,427
Significant outturn variations									
Release of earmarked reserves during 2014/15						0		-6,106	-6,106
HAS Demographic Growth contingency					-1,345	-1,345			-1,345
Business rates relief grants from DCLG					-1,184	-1,184			-1,184
Pension Fund Deficit Provision					-1,665	-1,665			-1,665
2020 Finance initiatives financed from savings				1,422		1,422			1,422
Other One off Windfalls and savings net of overspends									
	-1,381	-1,209	-311	-260	-365	-3,526			-3,526
Total savings / overspends impacting on GWB	-2,128	-2,367	-1,671	0	-4,559	-10,725	0	-6,106	-16,831
c TOTAL YEAR END VARIATION (a + b)	-3,178	-2,871	-1,780	-355	-5,322	-13,506	-20,616	-6,106	-40,228

14-May-15

HEALTH AND ADULT SERVICES

2014/15 REVENUE BUDGET OUTTURN

BUSINESS UNIT	REVISED BUDGET 2014/15	OUTTURN 2014/15	VARIANCE (- = underspend)	COMMENTS
	£000	£000	£000	
Social Care Operations - Area Budgets				
Hambleton/Richmond/Selby	38,379	37,845	-534	Pressure on purchased care budgets for older people (+£509k), younger adults with physical disabilities (+£92k) and learning disabilities (+£264k) has been more than offset by staff vacancy and other savings in the care assessment teams (-£442k) and savings in the provision of in-house services (-£957k) particularly through staff vacancy savings in the START service.
Harrogate/Craven	43,726	43,420	-306	Although there was significant pressure on purchased care budgets for older people (+£337k) and younger adults with physical disabilities (+£220k) this has been more than offset by a net underspend on services for adults with learning disabilities (-£149k), vacancy savings in the care assessment and management teams (-£381k) and savings in the provision of in-house services (-£334k).
Scarborough/Whitby/Ryedale	38,211	38,621	410	The overspending has arisen from pressures on purchased care budgets for older people (+£908k) and younger adults with physical disabilities (+£368k) which have been only partially offset by a net underspend on services for adults with learning disabilities (-£81k), vacancy savings in the care assessment and management teams (-£242k) and savings in the provision of in-house services (-£544k) the latter again reflecting high levels of vacancy savings in the in-house START teams. The figures above include the early achievement of some 2020 North Yorkshire savings including £335k from the complex review process for learning disability packages and £412k from the extra care programme.
One-off funding	900	0	-900	One-off cash funding from the 2013-14 underspend to support the budget. This money was originally linked to funding the 'double-running' costs of a cohort of clients whilst the in-house reablement service was developed. These costs have now been absorbed within the three area budgets and are reflected in the totals above. Equivalent funding will not be required for 2015-16.
Mental Health	7,089	6,658	-431	The underspending has arisen principally from staff vacancy savings (-£269k) and additional public health funding towards drugs and alcohol services (-£158k).
Telecare	520	367	-153	Reduced equipment requirement plus manager post held vacant ahead of restructure.
Assistant Director/Cross-area budgets	-985	-1,800	-815	The key factors driving the projected underspend are staffing savings (-£163k), review of contracts and other cost reductions (-£278k) and lower spend against the provision for low level prevention projects (-£450k) ahead of a review linked to 2020 savings programme priorities. These underspends have been offset by a net overspend on the Emergency Duty Team of £124k.
SUB-TOTAL *	127,839	125,110	-2,729	
Public Health - Spend	19,733	19,733	0	Balance of any underspend will be carried forward as an earmarked reserve.
- Grant Income	-19,733	-19,733	0	In year underspend against the 2014-15 grant of £4.71m.
Procurement, Partnerships & QA	1,060	1,036	-25	Staff savings
Supporting People	10,423	10,423	0	
Health, Reform and Development	173	20	-153	Management and other staffing posts held vacant until restructure together with associated travel/consumable costs
Resources Unit	3,138	3,025	-113	Savings on contracts, consumable budgets, staffing and indirect employee costs together with lower projected spend against the provision for implementation costs of the liquidlogic client system partially offset by a significant rise in insurance premiums.
Performance & Change Management Director & Cross-Directorate	1,323	1,208	-115	Care Act Grant funding not fully matched by projected spend
	263	220	-43	Savings on residual pension costs, contract changes and non-staffing budgets
TOTAL	144,219	141,041	-3,178	
Predicted Variance at Q3			-2,238	

BUSINESS & ENVIRONMENTAL SERVICES

2014/15 REVENUE BUDGET OUTTURN

BUDGET HEAD	REVISED BUDGET 2014/15 £000	OUTTURN 2014/15 £000	VARIANCE (- = under spend) £000	COMMENTS
Highways	32,513	31,314	-1,199	In-year saving on winter maintenance £740k. Net additional costs of £269k on street-lighting, including investments in LEDs and lanterns. In year saving £205k on swing bridges, together with £148k delayed works on other bridges. There is a variance of -£100k relating to the timing of undertaking work on major scheme design (supported by investment funding). Additional street-works income of £220k, together with other net variances of £55k. £254k of the overall in year saving is requested for carry-forward to fund the major scheme design project and delayed maintenance in 2015/16 – these costs would otherwise reduce the funding available to invest in the highways network in 2015/16.
Integrated Passenger Transport (IPT)	12,934	11,764	-1,170	Includes MTFs savings in advance of £500k, together with 2020 North Yorkshire savings in advance of £400k on Concessionary Fares. These advance savings of £900k could allow the re-profiling of later year's 2020 North Yorkshire savings (across BES) to help manage areas at risk of delivery. In addition there are further contractual savings around payments to bus operators following changes to contracts (£447k). £100k is requested to be carried-forward to 2015/16 for a transport investment project funded from the BES underspend. Purchase of Community Transport vehicles £661k and other net savings of £384k including on publicity and fleet.
Trading Standards & Planning Services	2,405	2,227	-178	£280k in year saving on trading Standards including staff vacancies (91k) and additional funding received (£244k). Of this £183k relates to 2020 North Yorkshire savings in advance. Overspend on Planning Services of £95k, mainly due to a shortfall on planning application fee income.
Economic & Partnership Unit	493	497	4	Income under-recovery of £56k due to lower recharge of staffing costs to EPU grants plus £11k shortfall due to end of NYNET recharge. Offset by net savings of (£6k) and increased District contributions (£61k).
Waste Management & Countryside Services	31,341	31,193	-148	The net position includes £150k of PROW footbridge investment project funding requested for carry-forward into 2015/16 to reflect the timing of the project activity. There is a net overspend of £193k relating the combined position on the waste strategy, advisor costs and projected shortfall on the Yorwaste dividend. There are net one-off savings of £105k across staffing and supplies and services budgets.
Resources, Performance & Improvement	1,140	960	-180	There is £75k remaining unallocated contingency, which comprised of savings being made in advance of future years targets. There are other in year savings of £105k, mainly on IT budgets.
Total before PIP Allocations	80,826	77,955	-2,871	
PIP Allocations	735	735	0	Allocation fully used in 2014/15.
TOTAL	81,561	78,690	-2,871	Of this sum £1,278k reflects savings in advance of future years' MTFs targets. It is intended to utilise this one-off saving to manage risks and support any necessary re-profiling of those future targets.

BUSINESS & ENVIRONMENTAL SERVICES

2014/15 REVENUE BUDGET OUTTURN

Projected variance at Q3

-2,550

CHILDREN & YOUNG PEOPLE'S SERVICE

2014/15 REVENUE BUDGET OUTTURN

BUDGET HEAD	REVISED BUDGET 2014/15	OUTTURN 2014/15	VARIANC E	COMMENTS
	£000	£000	£000	
LA BLOCK				
Home to School Transport	20,319	20,142	-177	Reduction in daily rate as a result of re-tendered contracts as well as reduced take-up of subsidised Post-16 transport.
Other Access & Inclusion	18	17	-1	
ICT Budgets	0	0	0	Transferred to T&C
SEND	5,592	5,966	374	There is a projected overspend due to demands on the area commissioning budgets and following the implementation of MTFs savings which have been built into 2020 NY Savings
Preventative Services	13,103	12,183	-920	Underspend on Youth Support Service and Welfare Service as vacancies were held prior to implementation of Preventative Services review which reduces this budget area by £3m in 2015-16.
Strategic Planning and Support	1,521	1,382	-139	Savings have accrued from vacancies in this service area.
Music Service	74	74	0	
Education and Skills	4,271	4,129	-142	Savings have accrued from vacancies in this service area, prior to the implementation of the School Improvement review (with savings from 2015-16 of £1.7m)
Directorate Support and funding	260	126	-134	£109k Invest to Save funding not required in 14/15 (request for carry forward)
Childrens Social Care				
Child Placement	18,195	18,071	-124	There are currently 448 Looked After Children and a further 346 paid for arrangements. This compares with 465 and 284 respectively, at the start of the year. Overall, this means that CYPS are supporting 794 arrangements compared with a budgeted number of 791.
Youth Justice	1,061	929	-132	Underspend due to vacancy in anticipation of savings target next year.
Other CSC	13,274	12,889	-385	£176k underspend on care leavers; other underspends on staffing due to vacancies.
LA BLOCK TOTAL	77,688	75,908	-1,780	

CHILDREN & YOUNG PEOPLE'S SERVICE

2014/15 REVENUE BUDGET OUTTURN

BUDGET HEAD	REVISED BUDGET 2014/15	OUTTURN 2014/15	VARIANC E	COMMENTS
	£000	£000	£000	
SCHOOL BLOCK				
Other Access & Inclusion	702	566	-136	DSG underspends creating headroom which has been identified for 2015-16.
Budgets for Schools and Settings	290,261	288,756	-1,505	Windfall in rates revaluation, underspend in funding of EY providers as a consequence of reduced spending on sparsity and decrease in funded hours.
LMS Contingencies	2,693	2,329	-364	£366k underspend in Falling Rolls & Pupil Growth, earmarked for future year expenditure. Overspend on the Asbestos budget of £269k is offset by underspend in other contingencies (principally Schools in Financial Difficulties £187k).
2-year old funding	4,510	4,510	0	
Early Years Budgets	863	163	-700	This is a planned underspend on EY Workforce Development. Our statutory responsibilities have changed in this area and we are phasing out the provision we make to Early Years providers . The budget was not reduced for 2014/15 as it is agreed central spend on the DSG Early Years Block and is linked to the full review of preventative services. Following discussions with the Schools Forum, this is now resolved for 2015-16.
High Needs Commissioning Budgets	30,664	30,666	2	In addition to one-off agreed funding from reserves of £589k, there is a further recurring overspend of £222k which is also funded from reserves.
Enhanced Mainstream Schools	3,870	3,870	0	
Minority Ethnic Achievement Hubs	538	466	-72	
Outdoor Education	397	397	0	
Pupil Referral Services	5,372	5,390	18	
Behaviour Support	1,351	1,306	-45	
Education of Looked After Children	453	405	-48	
Preventative Services	2,581	2,389	-192	Underspend in DSG contribution to Education Welfare Services
Strategic Planning and Support	323	226	-97	
Directorate Support and funding	1,402	1,501	99	
ICT Budgets	803	803	0	
Unallocated DSG	653	3,693	3,040	The net of actual spending has resulted in a variance of £3,040k against planned unallocated DSG. This has resulted in a net contribution to the Schools Block reserve of £2,427k which will be fully utilised in support of Schools Block activity.
	347,436	347,436	0	
Dedicated Schools Grant	-347,436	-347,436	0	
SCHOOL BLOCK TOTAL	0	0	0	

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APPENDIX E (Page 2 of 2)

CENTRAL SERVICES				
2014/15 REVENUE BUDGET OUTTURN				
BUDGET HEAD	REVISED BUDGET 2014/15	OUTTURN 2014/15	VARIANCE (-) = under spend	COMMENTS
	£000	£000	£000	
RECURRING BUDGETS				
Financial Services	4,075	4,075	0	
Corporate Procurement	445	425	-20	
Technology & Change Management	8,674	8,574	-100	General Underspend on licences and repairs
Corporate Property	7,571	7,973	402	The variance includes additional specific planned maintenance costs agreed for 2014/15 of £400k less £200k slippage on this years' maintenance, plus £417k costs relating to planned County Hall ceilings work. There are Corporate Accomodation savings (£94k) mainly relating to minor improvements and energy (weather dependent) and additional income from deminimus capital receipts (£128K).
Libraries	5,917	5,591	-326	£206k staff cost saving due to not filling vacancies, £105k of which is savings in advance of 2020 North Yorkshire target. £192k in year saving on materials and IT, of this sum £105k relates to specific improvement projects at Thirsk and Pateley Bridge libraries that will now be delivered in 2015/16 and the £105k is requested for carry-forward. These underspends are offset by an overspend of £24k on Premises & Vehicles and a £48k income shortfall.
Registrars	-216	-223	-7	Extra income from ceremonies
Archives & Record Management	343	315	-28	Vacancies in connection with new posts in restructure
Coroners	721	737	16	Volume / activity related
Customer Resource Centre	1,670	1,674	4	
Chief Executives Office	1,687	1,677	-10	
Communications	721	712	-9	
Grants & Subscriptions	187	168	-19	
Legal & Democratic Services	1,667	1,532	-135	Savings due to exceeding the income target & vacancies.
Legal Expenses	724	671	-53	
HR Services	3,936	3,329	-607	£257k relates to 2020 NY savings in advance. £350k reduced in year spend on Learning & Development, of which £250k is requested for c/fwd to 2015/16 to fund the new Workforce Development arrangements.
Business Support Services	13,500	12,739	-761	2020 North Yorkshire savings in advance £800k. Remaining overspend £39k - made up of ESS overspend £8k, DMC underspend £27k, Other BSS overspend £58k
Members' Services & Chairman's Fund	1,193	1,116	-77	Savings on Car Allowances, IT and other budget areas
Elections	79	32	-47	Underspend to release to GWB. New arrangements to fund Elections from 15/16
2020 North Yorkshire Support	0	1,422	1,422	Funding required to support 2020 North Yorkshire projects, of this sum £621k has been utilised in 2014/15 and £801k has been transferred to a reserve to support the programme in future years.
TOTAL RECURRING BUDGETS	52,894	52,539	-355	
PIP ALLOCATIONS				
Technology & Change Management - 2020 North Yorkshire Resource	127	127	0	14/15 PIP to support 2020 North Yorkshire Resource- This has been utilised as part of the T & C 2020 North Yorkshire Resource
TOTAL PIP ALLOCATIONS	127	127	0	
OTHER NON-RECURRING BUDGETS				
Financial Services - financial ledger developments	600	600	0	
Technology & Change Management - Developments	921	921	0	
Apprenticeships & Employability Projects			0	
TOTAL OTHER NON-RECURRING BUDGETS	1,521	1,521	0	
CENTRAL SERVICES TOTAL	54,542	54,187	-355	
Projected Variance at Q3			-92	

CORPORATE MISCELLANEOUS

2014/15 REVENUE BUDGET OUTTURN

BUDGET HEAD	REVISED BUDGET 2014/15	OUTTURN 2014/15	VARIANCE (- = under spend)	COMMENTS
	£000	£000	£000	
ANNUAL BUDGETS & FUNDS (EXCLUDING PIP)				
Contingencies				
General Provision	250	91	-159	For one off initiatives, unforeseen expenditure and emergencies. Proposed that the year end saving of £159k is carried forward to 2015/16 for one off funding to pump prime 2020 North Yorkshire Initiatives.
HAS Demographic Growth - Centralised Contingency	1,345	0	-1,345	£3m provision for the impact of Demographic changes in demand for Adult Social Care services held centrally and claimed by HAS on a needs basis during the year. £385k claimed for Q1, £360k for Q2, £420k for Q3 and £490k for Q4 resulting in a residual £1,345k Corporate provision saving in 2014/15
Pension Fund - increased employers contribution	0	0	0	Initial base budget of £1.750m now fully allocated to Directorates to substantially fund the increase in the NYCC employers contribution rate from 19.2% to 21.2% from 1 April 2014
	1,595	91	-1,504	
Capital Financing Costs				
Revenue Provision for debt repayment	14,571	14,500	-71	Overall net Treasury Management overspend of £168k due principally to:
Interest on debt	14,384	14,705	321	(i) lower interest rate being achieved on investments with 0.65% outturn compared with 0.75% provided in the budget
Debt Management	16	16	0	(ii) Two money market loans (£15m) expected to be called this year at average of 4% and replaced with cheap
Recharges to Directorates etc	-1,529	-1,597	-68	internal funding were ultimately not called for repayment by the lender
	27,442	27,624	182	Above two factors mitigated to some extent however by the continuing higher than expected levels of cash balances due to a variety of reasons including capital expenditure slippage.
Interest Earned				
Temporary Loans	-1,600	-1,708	-108	
Other Interest Earned	-500	-313	187	
Interest Reallocated & paid out	431	338	-93	
	-1,669	-1,683	-14	
Other				
External Audit Fees	133	108	-25	Deloitte fee for their annual audit and grant claims. Forecast saving due to rebate notified in October 2014 plus fewer grant claims to audit
YPO Surplus	-400	-324	76	Based on YPO results and relative NYCC turnover. Net of allocations to catering and cleaning. Figures for 2014/15 are only estimates at this stage and identified shortfall against budget relates to overprovision in the 2014/15 accounts
Bank Charges	97	68	-29	Barclays & Girobank charges for operating NYCC's accounts.
Internal Trading Income	-668	-746	-78	Internal financing and trading income from Traded Services.
Dedicated Schools Grant	-813	-888	-75	Contribution to corporate overheads from the Dedicated Schools Grant (DSG).
New Homes Bonus Grant	-1,790	-1,790	0	Actual allocation in 2014/15 of £1,790k (= 20% of total as 80% paid to Districts)
Refunded Top-slicing of New Homes Bonus (NHB)	0	-206	-206	Refund of top slicing from national funding pot to pay for the NHB, not ultimately fully required, notified in May 2014
Employee costs - terms and conditions	-61	-61	0	Residual savings requirement in 2014/15 will be recouped from the Corporate Pay and Reward budget
Education Services Grant	-9,300	-9,476	-176	Based on latest notification for 2014/15
Rural Grant	0	-205	-205	Additional funding allocated as a special grant and announced after the 2014/15 final local government finance settlement and NYCC's 2014/15 budget had been agreed by Executive in February 2014
Business Rates RPI Compensation Grant from DCLG	-640	-642	-2	Localisation of BR from 1 April 2013 means NYCC receives about £60m of such BR each year (£41m from DCLG + £19m from the 7 Districts). The income is normally uplifted by RPI each April but DCLG capped the 2014/15 increase at 2% instead of the expected 3.1% increase. They agreed to pay councils a grant to compensate for the lost 1.1% income
Business Rates Pooling	0	-262	-262	Latest forecast net gain to NYCC in 2014/15 of being part of a Business Rating pooling arrangement from 1 April 2014 with 5 of our District Councils. This is based on a forecast pool profit of £1,121k less costs of £30k less £219k earmarked for an economic development fund = £872k distributed to pool Members of which NYCC receive 30% = £262k. The 2015/16 budget report proposed that these savings are carried forward each year and earmarked for development schemes with such sums being delegated to the Corporate Director - BES, in the year following that in which the surplus is generated.
Business Rates Relief Grant from DCLG	0	-1,184	-1,184	DCLG confirmed after the 2014/15 budget had been set that they would fund various reliefs granted to Business ratepayers and NYCC's 9% share of this funding is £1,116k in 2014/15 as notified by DCLG on 1 July 2014.
Contribution to Redundancy reserve	5,000	5,000	0	Funding approved from the PIP at Q1
Other Budgets	78	344	266	All other Corporate budgets. Overspend relates to increased insurance premiums from October 2014 which were funded centrally rather than charged to Directorates and some other miscellaneous expenditure items where it was not readily possible to charge against individual Directorates and therefore they have been charged to Corporate Miscellaneous.
	-8,364	-10,264	-1,900	

CORPORATE MISCELLANEOUS				
2014/15 REVENUE BUDGET OUTTURN				
BUDGET HEAD	REVISED BUDGET 2014/15	OUTTURN 2014/15	VARIANCE (- = under spend)	COMMENTS
	£000	£000	£000	
Funds				
Community Fund	445	360	-85	£11k of savings needed to carried forward into 2015/16 with the residual £74k being paid into the GWB
Contribution to Pension Fund Deficit	1,665	0	-1,665	Original base budget of £2.1m of which £435k allocated to Directorates (+ £1,750k from contingencies - see above) to cover the increased employers contribution of 21.2% (from 19.2%) from 1 April 2014. As this new rate incorporates the required deficit contribution, no residual provision is required in Corporate Miscellaneous.
Pay and Reward Fund	61	-270	-331	The new 2014/15 Local Government Pension Scheme has resulted in additional pensions savings from salary sacrifice schemes and along with the carry forward from 2013/14 that will be spent over a number of years, has resulted in an underspend. Forecast outturn also covers car leasing costs for HAS staff and make up the shortfall in the 2014/15 Terms and Conditions savings target
	2,171	90	-2,081	
One Council savings target	5	0	-5	2 year revised One Council Savings target of £7,144k (originally £7,644k less £500k in 2014/15 budget) has now been fully achieved with a current small £5k surplus (£7,149k to date). Any further savings will be offset against the 2020 North Yorkshire savings requirement in subsequent years.
TOTAL - Excluding PIP	21,180	15,858	-5,322	
PENDING ISSUES PROVISION (PIP)				
Earmarked funding retained in Corporate Miscell.				
HAS FACS Resources	0	0	0	£1,150k agreed by Exec on 9 July 2013 for resources to support delivery of savings proposals less £135k claimed in 2013/14 and £805k in 2014/15 leaving a residual £210k phased in 2015/16.
HAS Extra Care Procurement -Develop Business case	0	0	0	£500k agreed by Executive on 30 July 2013 less £97k claimed in 2013/14 and £55k claimed in 2014/15 leaving a residual £348k phased in 2015/16
Tour de France Revenue Costs	0	0	0	£2.2m agreed by Executive on 20 August 2013 less £448k claimed in 2013/14 so residual funding in 2014/15 is £1,752k Final costs against this funding are now estimated at £1,452k leaving £300k remaining. Agreed at Q3 that this sum is earmarked to fund NYCC Costs of the Tour de Yorkshire scheduled to take place in May 2015. Thus full £1,752k transferred to BES in Q4
Graduate posts	0	0	0	Funding of additional graduate posts agreed by Executive on 20 August 2013, now all slipped into 2015/16
2020 North Yorkshire Pump Priming etc	0	0	0	£0.5m approved as part of Q1 2014/15 investments - new contract will take effect from April 2016. £0.25m profiled in 2014/15 with ultimate allocation being £0.15m and remainder slipping into 2015/16
Engineering and Building Design contract (£0.5m)	0	0	0	
Remaining unallocated funding in 2014/15	0	0	0	
Unallocated funding	20,616	0	-20,616	Currently unallocated funding at the end of 2014/15
	20,616	0	-20,616	
TOTAL PIP	20,616	0	-20,616	
RELEASE OF EARMARKED RESERVES	0	-6,106	-6,106	Review of earmarked reserves reported in 2015/16 Revenue Budget / MTFs Report released £5,004k into the GWB plus a further £1,102k released following further reviews towards the end of the year
OVERALL TOTAL	41,796	9,752	-32,044	

SmartSolutions

During 2014-15, the Council's traded services, including insurance offered to schools, began operating under the brand of North Yorkshire's SmartSolutions. This is an in-house arrangement which reflects a governance and reporting structure whereby such services are held accountable by a Board, chaired by the Council's Chief Executive. Although the accounting arrangements have not changed, and income and expenditure for each service is included within directorate totals, the memorandum item below summarises the in-year financial performance of the services.

These services are in the main provided to schools in the county.

	In year surplus/deficit 2014-15		
	Turnover £000	Expenditure £000	Surplus / Deficit (-) £000
TRADED SERVICES			
Broadband	2,214	2,214	0
Building Cleaning Services	8,541	8,791	-250
County Caterers Service	16,850	16,676	174
Document Management Centre	86	86	0
Early Years Finance Service	17	17	0
Education and Skills	814	620	194
Education Inclusive Services	0	0	0
Education Safeguarding and Protection Service	315	343	-28
Employment Support Services	1,125	1,155	-30
Energy Traded Service	218	177	41
Financial Management Services	1,376	1,251	126
Grounds Maintenance Service	710	713	-3
Health and Safety Service	274	263	11
Health and Wellbeing Service	211	207	4
HR Advisory Service	682	704	-22
LA Clerking Service	313	310	3
Legal and Democratic Services	146	96	51

	In year surplus/deficit 2014-15		
	Turnover £000	Expenditure £000	Surplus / Deficit (-) £000
Maintenance and Servicing Scheme	3,842	3,645	196
Music Service	2,326	2,326	0
North Yorkshire Procurement Service	25	25	0
Outdoor Learning Service	2,474	2,309	165
Schools ICT Service	4,152	4,198	-47
Specialist Careers Service	80	66	14
GRAND TOTAL - TRADED SERVICES	46,791	46,192	598

INSURANCES

Balance of Risks	450	705	-255
Insurance Services to Schools	1,563	1,390	173
Staff Absence Insurance Scheme	4,453	3,338	1,114
GRAND TOTAL - INSURANCES	6,466	5,433	1,033

GRAND TOTAL - SmartSolutions Operations	53,256	51,625	1,631
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GENERAL WORKING BALANCE

(1) STATEMENT OF REVENUE BALANCES	£000s	£000s	£000s
Balance at 31 March 2014			78,491
Movement in 2014/15			
Net revenue spend			
Directorate spend		-365,684	
Release of Earmarked reserves		<u>6,106</u>	-359,578
Funding Income			
Revenue support grant		77,861	
Business Rates income (9%) from District Councils		18,715	
Business Rates 'top up' funding from the Government		41,789	
Business Rates - District Council Collection Fund Deficits		-771	
Precept income from Districts for 2014/15		233,215	
Precept income - previous years arrears		<u>1,989</u>	372,798
Balance at 31 March 2015			91,711

(2) ANALYSIS OF REVENUE BALANCES BETWEEN	Earmarked	GWB	Total
Balance as at 31 March 2014	25,058	53,433	78,491
Movement in 2014/15			
net savings in 2013/14 carried forward to 2014/15	-25,058		-25,058
contribution to budget in 2014/15			
initial budget agreed in February 2014		-1,322	-1,322
one off investments Q1 (spend profiled in 2014/15)		-427	-427
total	0	-1,749	-1,749
2014/15 expenditure outturn			
Directorate / Corporate Miscellaneous outturn	2,781	10,725	13,506
Corporate PIP outturn	20,616		20,616
earmarked reserves transferred into GWB		6,106	6,106
total	23,397	16,831	40,228
2014/15 Funding variations			
budget requirement		-372,999	-372,999
actual income in 1 above		-372,798	-372,798
variation		-201	-201
Balance at 31 March 2015	23,397	68,314	91,711

(3) FREE GENERAL WORKING BALANCE	Q3 2014/15	% age net rev budget	Outturn	% of net rev bud	target 2% + £20m
	£000s	%	£000s	%	£000s
Balance at 31 March 2014					
Actual Balances 31 March 2014	78,491		78,491		
2012/13 net underspendings rolled forward	<u>-25,058</u>		<u>-25,058</u>		
= free working balance at 31 March 2014	53,433	14.3	53,433	14.3	27,489
2014/15 transactions impacting on the GWB					
Budgeted contribution in 2014/15					
Agreed in February 2014	-1,322		-1,322		
Q1 Investment agreed - spend profiled in 2014/15	-427		-427		
Corporate Miscellaneous net savings					
HAS Demography Provision	1,440		1,345		
Business Rates Relief Grants	1,116		1,184		
Pension Fund Deficit Provision	1,665		1,665		
Other one off windfalls and savings (net)	497		365		
Directorate savings added to the GWB					
HAS	1,188		2,128		
BES	2,350		2,367		
CYPS	1,204		1,671		
Directorate overspends to be funded from the GWB					
Central Services	-158		0		
Shortfall in funding (see 2 above)	-200		-201		7,460
Release of Earmarked reserves into GWB	5,004		6,106		<u>20,000</u>
= balance at 31 March 2015	65,790	17.6	68,314	18.3	27,460
					<i>(Budget 64,719)</i>
2015/16 Budget					
Contribution from budget (surplus)	7,171 *		7,171 *		
Q1 investments 2014/15	-7,677		-7,677		7,270
Q2 investments 2014/15	<u>-500</u>		<u>-500</u>		<u>20,000</u>
= forecast at 31 March 2016	64,784	17.8	67,308	18.5	27,270
					<i>(MTFS 63,713)</i>
2016/17 MTFS					
Contribution from budget (MTFS surplus)	5,358 *		5,358 *		7,177
Q1 investments 2014/15	<u>-2,180</u>		<u>-2,180</u>		<u>20,000</u>
= forecast at 31 March 2017	67,962	18.9	70,486	19.6	27,177
					<i>(MTFS 66,891)</i>
2017/18 MTFS					
Contribution to budget (MTFS shortfall)	-955 *		-955 *		7,109
Q1 Investments 2014/15	<u>-2,000</u>		<u>-2,000</u>		<u>20,000</u>
= forecast at 31 March 2018	65,007	18.3	67,531	19.0	27,109
					<i>(MTFS 63,936)</i>
2018/19 MTFS					
Contribution to budget (MTFS shortfall)	-4,541		-4,541 *		7,044
Q1 Investments 2014/15	<u>-2,000 *</u>		<u>-2,000</u>		<u>20,000</u>
= forecast at 31 March 2019	58,466	16.6	60,990	17.3	27,044
					<i>(MTFS 57,395)</i>
2019/20 MTFS					
Contribution to budget (MTFS shortfall)	-14,231		-14,231 *		7,007
Q1 Investments 2014/15	<u>-2,000 *</u>		<u>-2,000</u>		<u>20,000</u>
= forecast at 31 March 2020	42,235	12.1	44,759	12.8	27,007
					<i>(MTFS 41,164)</i>

* Based on 2015/16 Revenue Budget / MTFS shortfalls / surpluses without any further savings being identified

14-May-15

**RESERVES and BALANCES
2014/15 OUTTURN**

Reserve		Actual 31st March 2014	Trans to GWB (Mar) 2014/15	Other movemen ts in 2014/15	Actual 31st March 2015	Forecast reported to Exec to Exec Feb 15	Comments
		£000s		£000s	£000s	£000s	
WORKING BALANCES							
Retained for Service Use							
Children & Young People's	CYPS	0		109	109	0	£23,397k of savings in 2014/15 carried forward to 2015/16 and future years includes £20,616k of unallocated PIP monies within Corporate Miscellaneous. The remaining £2,781k being carried forward is spread across all Directorates and Corporate Budgets to fund various projects and initiatives that will be delivered in 2015/16.
Health and Adult	HAS	900		150	1,050	546	
Business & Environment	BES	776		-272	504	100	
Central Services	CS	519		-164	355	0	
Corporate Miscellaneous	Corp	22,863		-1,484	21,379	20,550	
Sub Total		25,058		-1,661	23,397	21,196	
General Working Balances		53,433	6,107	8,774	68,314	64,719	The current MTFS target is to maintain a minimum GWB level equivalent to 2% of the net revenue budget supplemented by £20m to be held back in the event of slower delivery of savings targets. This equates to £27.5m at 31 March 2015 so the £68.3m actual is £40.9m above this target minimum and is also £3.6m above the £64.7m forecast included in the Budget / MTFS report in February 2015. After reflecting MTFS shortfalls and surpluses through to 2019/20 however together with a significant level of investments agreed during 2014/15, the GWB is forecast to reduce to £44.8m by 31 March 2020 against a target minimum of £27m. It should also be borne in mind that there is an unfunded MTFS recurring shortfall of £14.2m still to address from 2019/20 and there are many risks and uncertainties that the County Council face that could impact on the GWB, particularly in relation to future levels of cuts in Government Funding.
Total Working Balances		78,491	6,107	7,113	91,711	85,915	
Earmarked for schools							
Local Management of Schools	CYPS	30,942		-52	30,890	28,000	Balance of individual school reserves; forecasts based on individual school submissions.
Energy Funds	CYPS	327	-116	-211	0	0	Funds utilised to fund energy saving measures within schools.
Schools Block / DSG	CYPS	10,981		2,386	13,367	11,215	Balance of earmarked Schools Block resources for multiple programmes.
Sub Total		42,250	-116	2,123	44,257	39,215	
Reserves of Trading and Service Units							
SmartSolutions							
Traded Services	SmSo	3,203		-453	2,750	3,667	Accumulated position of the trading operation.
Insurances	SmSo	1,057		1,033	2,090	2,481	Balance held in line with actuarial and insurance service advice.
Sub Total		4,260	0	580	4,840	6,148	
Retained for Specific Initiatives and Major Schemes							
Severance Scheme	CYPS	1,055		-906	149	297	To meet teachers redundancy costs in schools.
SEN	CYPS	1,014		-832	182	203	Phased implementation of the SEN & Behaviour review.
Education for looked after children	CYPS	87		0	87	87	Provision of phased bursary support for looked after children attending higher education.
Learning Difficulties & Disabilities	CYPS	131		-68	63	68	Phased implementation of the SEN-D (LDD) strategy required in line with the SEN Green Paper.
Adult Learning	CYPS	135		-135	0	0	Reserve fully utilised in 14/15.
CYPS Service Transformation	CYPS	579	-400	0	179	150	To fund services whilst in transformation.
Transport	CYPS	288		0	288	168	Reserve funding phased to smooth the impact of the number of academic days impacting in financial years.
CYPS Earmarked Projects	CYPS	233		-181	52	0	Reserve fully utilised in 14/15.
CYPS Special Projects	CYPS	1,055		-490	565	857	Specific, earmarked allocations for Youth Justice, ICT resilience and CYPS priorities.
2-year Old Funding	CYPS	257		0	257	257	Trajectory funding front loaded - potentially needed in future years to fund place creation including option to convert to capital.
Music Service	CYPS	416		-362	54	198	To fund the Music service whilst in transformation.
Local Development Framework / Minerals Core Strategy	BES	334		-34	300	272	This reserve funds work required to produce the LDF / Minerals Core strategy in line with Government Guidelines.
Skewkirk Bridge (was BES Directorate Initiatives and Transformation)	BES	538	-100	-21	417	418	Reserve relates fully to Skewkirk Bridge now - to be spent on replacing the bridge once agreement with all stakeholders has been reached.
Swing Bridges	BES	1,000	-1,000	0	0	0	Reserve transferred to GWB.
Proceeds of Crime Act	BES	252		-22	230	252	Relates to income received under the Home Office incentive scheme for fraud cases involving Trading Standards as defined in the Proceeds of Crime Act that has been earmarked for; future expenditure on such cases, potential enhancements and coverage for exit costs if incentive scheme be withdrawn.

**RESERVES and BALANCES
2014/15 OUTTURN**

Reserve		Actual 31st March 2014	Trans to GWB (Mar) 2014/15	Other movemen ts in 2014/15	Actual 31st March 2015	Forecast reported to Exec Feb 15	Comments
		£000s		£000s	£000s	£000s	
Mowthorpe Bridge	BES	384		-71	313	0	Reserve for maintenance works on an adopted bridge. The figure represents the commuted sum received as part of the transfer agreement. Commencement of works March 2015.
Highways Advance Payments	BES	897		358	1,255	937	The reserve includes developer bonds and contributions for maintenance works prior to adoption of roads by the County Council or to offset costs of the external effects of developments. The underlying assumption for future years is that new sums offset the utilisation of existing funds.
Flood Risk Management	BES	600	-100	1,017	1,517	1,051	£500k relates to the agreed sum to support the Flood Management Risk Strategy, and £450k relates to the remaining sum from the 2014/15 corporate allocation for investments in flooding initiatives. £567k relates to the net underspend on Flood Risk Management in 2014/15 which has been transferred to the reserve.
BALB Capital Scheme	BES	623		-148	475	863	Relates to PIP funding carried forward from 2012/13 to support the planned contribution to BALB capital scheme
Leeming Depot Capital Scheme	BES	234		-234	0	0	Reserve fully utilised in 14/15.
Catterick HWRC Capital Scheme	BES	435		0	435	435	Movements to match budgeted requirement in capital plan.
Waste Langbaugh Responsive maintenance	BES	230	-230	0	0	0	Reserve transferred to GWB.
HWRC Maintenance	BES	75		-75	0	0	Reserve fully utilised in 14/15.
Definitive Maps TUPE Costs	BES	40		-40	0	0	Reserve transferred to Skewkirk Bridge (BES Directorate Initiatives and Transformation)
Street Lighting	BES	260		-260	0	0	Reserve fully utilised in 14/15.
Symology Project	BES	70		9	79	55	Expect remaining sum to be utilised after 31st March 2015.
Allerton Park Section 106	BES	0		246	246	0	Funding for mitigation linked to planning conditions to be used over 5 year period. There are further budget provisions for this in future years, and the balance on the reserve will depend on the timing of mitigation activity alongside the timing of the budget provision across the financial years.
Cycling Tours	BES	0		394	394	0	Remaining PIP funding from Tour de France to be used for Tour de Yorkshire.
Waste & Countryside Services	BES	0		100	100	0	Reserve to develop new ways of working within Waste and Countryside Services
Insurance Reserve	Corp	6,938		-267	6,671	7,438	Estimate balance of Self Insurance Fund net of provision for know claims.
Pickering Beck	Corp	300		-300	0	0	Reserve fully utilised in 14/15.
Pension Fund Deficit Contribution	Corp	0		551	551	0	Reserve to offset NYCC's share of the NY Pension Fund deficit.
Superfast Broadband	Corp	3,100		-3,100	0	0	Reserve fully utilised in 14/15.
Redundancy Reserve	Corp	712		3,911	4,623	4,500	Reserve held to fund pension strain and redundancy costs relating to non-school and non-traded service restructures throughout the period of the North Yorkshire 2020 programme. An additional £5m was paid into the fund in 2014/15 following approval by Executive which was funded from the Pending Issues Provision (PIP).
2020 Finance	CS	423		-328	95	34	Project reserve funded from current and prior year under-spends in financial services.
NY 2020 Programme Support	CS	0		801	801	0	2020 NY Programme support reserve funded from 2014/15 underspends in CS (allocation £49k Archives; £504k HR/BSS and £248k 2020 Finance)- New reserve
Procurement Initiative and Risk Management	CS	68		-22	46	0	Reserve for funding YPO contractor and risk management training. If the risk management proportion is not spent by 1st October 2016 then this has to be returned to Zurich Municipal
Elections	CS	13	-13	0	0	0	Reserve transferred to GWB.
SDT / Directorate Refresh	CS	2,835	-1,103	-1,732	0	1,290	Following a review of reserves, this reserve has now been transferred to GWB as Standard Desktop refresh in the future will be managed through the Strategy plan and new ways of working.
T & C Strategy and Infrastructure	CS	3,535		1,175	4,710	3,327	This fund has been increased to support the T & C strategy Plan and infrastructure refresh, including technology for customer
T&C Earmarked reserves for 15/16 Projects	CS	0		724	724	0	This is a new fund is to support partnership arrangements such as Selby and 2020 Projects
Contractors	CS	12	-12	0	0	0	Reserve transferred to GWB.
2020 Property Projects	CS	840		50	890	840	To be utilised for property related projects supporting 2020 North Yorkshire programme.
Policy, Partnerships & Performance	CS	571		-13	558	40	The intention was to utilise the reserve in 14/15 but this was not the case and it has been carried forward to 15/16. In 15/16 we will undertake a review of this reserve and the current expectation is that a significant element of the reserve could be surrendered in 15/16. The reserve will fund the Stronger Communities initiative and also the Complaints and Commendations system, subject to the aforementioned review in 15/16.
Legal Services	CS	100	-100	0	0	0	Reserve transferred to GWB.
Democratic Services	CS	60		-60	0	0	Reserve fully utilised in 14/15.
BSS - MyView / Insight Upgrade	CS	153		70	223	76	£103k relates to a 2013/14 reserve for systems upgrades that has not been utilised in 2014/15 (at Feb 2015 it was forecast that this sum would be £76k). In addition £300k reserve was transferred from the SDT reserve to ESS, of this sum £180k has been used on MyView and Insight upgrades, and £120 remains. The total £223k needs to be reviewed in 2015/16 alongside updated outstanding system improvement costs, with any unrequired element being surrendered to GWB.

Appendix J (Page 2 of 3)

RESERVES and BALANCES
2014/15 OUTTURN

Reserve		Actual 31st March 2014	Trans to GWB (Mar) 2014/15	Other movemen ts in 2014/15	Actual 31st March 2015	Forecast reported to Exec Feb 15	Comments
		£000s		£000s	£000s	£000s	
HR Recruitment and Young People	CS	144		24	168	72	£87k relates to budget c/fwd from 2013/14 to provide 2020 NY recruitment support and a graduate post, the reserve relates to elements of these projects that will now be delivered in 2015/16 rather than 2014/15. The remaining £81k is broadly in line with the Feb 2015 forecast.
Document Management Centre	CS	144	-44	-38	62	0	Remaining sum to be reviewed to establish whether a further sum can be surrendered to GWB
Libraries	CS	0		166	166	0	This fund will support RFID Machines and other one off costs as a result of new ways of working not covered by Stronger Communities
Supporting People Initiative	HAS	2,381	-1,381	1,551	2,551	1,000	Retained balance to support introduction of budget savings.
Health & Social Care Transfer Monies	HAS	0		9,308	9,308	0	Balance of Health transfer monies which will be transferred to the Better Care Fund in 2015-16
Sub Total		33,551	-4,483	10,716	39,784	25,185	
Revenue Income Reserve (mainly grants and contributions)							
CYPS Grants Miscellaneous	CYPS	3,497		3,259	6,756	4,283	Non-recurring grant funding supporting directorate initiatives.
Economic Development Grants	BES	341		162	503	341	LEP core funds
Severe Weather Damage Fund	BES	2,041		-2,041	0	0	Reserve fully utilised in 14/15.
Growing Places (was Local Enterprise Partne	BES	469		16	485	269	Balance will be used to develop future priorities.
Community Transport Grant	BES	832		210	1,042	982	Community Transport Grant, with £210k forecast contribution from unallocated IPT community transport budget in 2014/15.
Civil Parking Enforcement	BES	3,961		797	4,758	4,105	Reserve reflects cumulative annual net surpluses of street parking income offset by utilisation of the reserve on highways activities.
Harrogate Traffic Modelling Project	BES	0		350	350	0	Income from Harrogate Borough Council re on-street parking to be spent on traffic modelling - expenditure not undertaken as at 31st March 2015.
Section 106 Selby DC	BES	0		188	188	0	For use of transport network once housing development completed
Total Transport Grant	BES	0		120	120	0	Two year funding from the DFT. To be used on non-emergency patient transport provision; volunteer Car scheme provision; health and adult services fleet provision
Trading Standards	BES	0		256	256	0	Reserve to build resilience for future years to protect service delivery in areas such as POCA, feed hygiene and other work areas. There is a three year plan to utilise this reserve.
Business & Environmental Services - Other	BES	424		10	434	243	EPU Rural Target fund (£51k), RSG & Travel Awareness (£80k), Commons Act (£47k), Flooding (£81k), Development Control (£3k), DCLG Statutory Notices for 21st Century (£75k) & York Potash (£95k).
Policy, Partnership and Performance	CS	196		296	492	332	£492k at 31.03.15 - £255k Local Health Watch, £44k Preventing Violent Extremism is ring-fenced funding to the 'Prevent' partnership to provide training on this area-programme is in place; £11k Domestic Homicide Review - ring-fenced funding for the Safer Communities partnership to investigate whenever a murder is connected to a domestic abuser - as and when required, and new reserve into 2015/16 for Social Fund £182k.
Social Care Reform Grant	HAS	1,508	-1,508	0	0	0	Reserve transferred to GWB.
Heath Funding Reserve	HAS	13,204		-12,388	816	867	Main balance transferred to Health & Social care transfer pooled budget
Public Health Reserve	HAS	4,709		4,713	9,422	8,608	Any budget underspend is required to be held in a specific Public Health reserve.
LAA Performance Reward Grant	Corp	1,904		-529	1,375	1,154	Funding has been allocated to various projects both within NYCC and with external Partners.
Sub Total		33,086	-1,508	-4,581	26,997	21,184	
Total Earmarked Reserves		113,147	-6,107	8,838	115,878	91,732	
TOTAL RESERVES		191,638	0	15,951	207,589	177,647	

5.0 CAPITAL EXPENDITURE OUTTURN AND FINANCING 2014/15

OVERVIEW

5.1 This section of the report presents details of actual capital expenditure and its financing for 2014/15.

CAPITAL PLAN

- 5.2 The original Capital Plan for 2014/15 was submitted to and approved by Executive on 4 February 2014 and subsequently by County Council on 19 February 2014 as part of the 2014/15 budget / MTFS set of reports. The latest (i.e. revised and updated) 2014/15 Plan was submitted to and approved by Executive on 3 February 2015 and subsequently by County Council on 18 February 2015 as part of the 2015/16 budget / MTFS set of reports.
- 5.3 The movement in the Capital Plan for 2014/15 between February 2014 and February 2015 which reflects all the in year changes reported to Executive throughout the year as part of the quarterly Performance Monitoring Reports (Q1 in August 2014, Q2 in November 2014 and Q3 in February 2015) can be analysed as follows:-

Item	£m	£m
Gross Spend of Capital Plan approved by Executive on 4 February 2014 and County Council on 19 February 2014		106.9
Rephasing of expenditure between years		
(i) net underspend in 2013/14 rolled forward to 2014/15		
BES structural maintenance of roads	-1.5	
Other	1.6	0.1
(ii) self funded variations in 2013/14 rolled forward to 2014/15		
BES growing places loans	2.0	
BES structural maintenance of roads	1.9	
BES local sustainable transport fund	1.1	
Other	0.3	5.3
(iii) 2014/15 rephasing which is self funded from grants and contributions		
BES structural maintenance of roads	-3.4	
Other	-1.6	-5.0
(iv) 2013/14 rephasing funded from borrowing and capital receipts		
HAS extra care schemes	-3.5	
CYPs capital planned maintenance	2.5	
BES waste procurement project	-1.8	
Central Services bright office strategy	-1.5	
CYPs (other block provisions)	-1.1	
HAS older peoples resource centre	-1.0	
BES structural maintenance of roads	-1.0	
Other	-2.9	-10.3
Other variations in schemes self funded from grants and contributions		
BES Structural maintenance of roads	13.9	
BES Bedale – Aiskew-Leeming Bar project	-8.5	
BES regional growth fund	3.8	
Other	-0.4	8.8
Other variations from Prudential Borrowing etc.		0.8
Total variations		-0.3
= latest Capital Plan for 2014/15 approved by Executive on 3 February 2015 and County Council on 18 February 2015		106.6

Thus all the above in year variations reported to Executive as part of the 2014/15 Q1, Q2 and Q3 reports do not feature as part of this year end outturn report which compares the final 2014/15 capital outturn position with the last (Q3) Capital Plan update in February 2015.

CAPITAL EXPENDITURE IN 2014/15

5.4 Capital expenditure in 2014/15 compared to the Capital Plan figures as referred to in **paragraph 5.3** above is as follows :-

Item	Gross Capital Spend	Less Capital Grants and Contributions and Directorate Capital receipts	Net Capital Spend
	£m	£m	£m
Original Capital Plan (4 February 2014)	106.9	84.5	22.4
Latest Capital Plan (3 February 2015)	106.6	92.6	14.0
Outturn for 2014/15	105.4	95.0	10.4
Original plan (a - c)	-1.5	-10.5	-12.0
Latest plan (b – c)	-1.2	-2.4	-3.6

5.5 The 2014/15 gross capital spending of £105.4m therefore represents a £1.2m underspend compared with the last Q3 Capital Plan update of £106.6m. As indicated in **paragraph 5.3**, the outturn variations referred to throughout this report (£1.2m underspend above) in **paragraphs 5.6 to 5.13** and **appendices B to E** are based on a comparison with the last Q3 2014/15 Capital Plan Update reported to and approved by Executive in February 2015.

5.6 A summary of the outturn position, as shown in **paragraph 5.4** above is set out below for gross capital spend at Directorate level with a more detailed summary being provided in **Appendix A** and an individual statement for each Directorate at **Appendices B to E**. These Appendices also show the outturn position for related capital income from grants, contributions and revenue contribution, and a net spend which is funded from capital receipts and borrowing.

Service	Appendix	Gross Latest Plan (Feb 2015)	Gross Outturn Spend	Variation to Latest Plan
		£m	£m	£m
Health and Adult Services	B	0.6	0.6	-
Business and Environmental Services	C	69.5	66.3	-3.2
Children and Young People's Services	D	31.2	34.3	+3.1
Central Services	E	5.3	4.2	-1.1
Total		106.6	105.4	-1.2

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

- (a) a gross capital underspend of £1.2m (Capital Plan of £106.6m/outturn of £105.4m) as indicated in **paragraphs 5.4 to 5.6** (first column of the table below)
- (b) additional Directorate capital income of £2.4m (Capital Plan of £92.6m/outturn of £95.0m) as indicated in **paragraph 5.4** (second column of the table below)
- (c) the resulting £3.6m net capital underspend which effectively means there is less funding required than planned from corporate capital receipts and borrowing (third column of the table below)

Item	Gross spend variation	Grant/ contributions variation	Net spend variation
	£m	£m	£m
Health and Adult Services			
<i>No significant variations</i>	0	0	0
Business and Environmental Services			
<i>New and Replacement Road Lighting - Additional lanterns purchased in 2014/15</i>	+0.6	-0.6	0
<i>Rationalisation of Depots - Combination of schemes completed under budget and uncommitted budget to be carried forward to be utilised within LTP</i>	-0.3	+0.1	-0.2
<i>Local Transport Plan - Reprofiling of several schemes to complete in 2015/16</i>	-2.2	0	-2.2
<i>Integrated Transport (LTP) - Overspend relates to increase of contribution to the LSTF programme and other additional costs</i>	+0.7	0	+0.7
<i>LEP Growing Places Fund - Delay in signing of loan agreement for Bishopsdyke Estates</i>	-3.0	+3.0	0
<i>Bedale-Aiskew-Leeming Bar Major Scheme - Expenditure was higher than anticipated for 2014/15 due to works being brought forward</i>	+0.9	-0.9	0
<i>Other Schemes</i>	+0.1	0	+0.1
	-3.2	+1.6	-1.6
Children and Young People's Service			
CYPS Management Projects			
<i>Major Capital Projects (High Bentham / Althelstan) - Additional project costs as a result of higher tenders and asbestos issues</i>	+0.2	+0.2	+0.4
<i>Universal Free School Meals - Additional expenditure (funded from Client Catering reserves) as well as expenditure brought forward from 2015/16</i>	+0.5	-0.5	0
<i>Basic Needs - Scheme progressing well with expenditure brought forward into 2014/15 from 2015/16 and future years</i>	+0.5	-0.2	+0.3
<i>Other Schemes</i>	-0.3	0	-0.3
	+0.9	-0.5	+0.4

	Gross spend variation	Grant/ contributions variation	Net spend variation
	£m	£m	£m
School Managed Projects			
<i>Devolved Capital Grant - Schools expenditure was higher than anticipated.</i>	+1.0	-1.0	0
<i>Self Help Schemes - Schools expenditure was higher than expected.</i>	+1.2	-1.2	0
	+2.2	-2.2	0
CYPS Total	+3.1	-2.7	+0.4
Central Services			
<i>Affordable Housing Fund - Rephasing of expenditure due to delays in completion.</i>	-0.2	0	-0.2
<i>Loans to Limited Companies - Nynet loan balance lower than forecast.</i>	0	-1.6	-1.6
<i>Revenue Funded ICT Projects - Projects delayed to future years</i>	-0.6	+0.6	0
<i>Material Damage Provision - lower number of claims as a result of a mild winter</i>	-0.3	0	-0.3
<i>Other Schemes</i>	0	-0.3	-0.3
	-1.1	-1.3	-2.4
Total outturn Variation in 2014/15 compared with the last Capital Q3 Plan update in February 2015	-1.2	-2.4	-3.6

5.8 The implications of this net £3.6m underspend in terms of carry forward to 2015/16 and its impact on the capital spending capacity of the County Council is considered further in **paragraphs 5.9 to 5.13** below.

IMPLICATIONS OF 2014/15 CAPITAL UNDERSPENDING AND PROPOSED CARRY FORWARD TO 2015/16

- 5.9 The County Council's Financial Procedure Rules incorporate a carry forward facility for under/overspends both for approved capital expenditure and scheme specific capital income.
- 5.10 As indicated in **paragraphs 5.4 to 5.7** there was a £1.2m gross underspend compared with the latest Capital Plan for 2014/15 (approved by the Executive in February 2015); but, after accounting for additional Directorate grants and contributions income of £2.4m there is an overall net bottom line underspend of £3.6m.
- 5.11 The various components of this net £3.6m underspend and the proposed carry forward to 2014/15 is as follows:-

Item		£000
Latest 2014/15 Q3 Capital Plan update (gross spend)		106,637
2014/15 outturn		105,375
= gross capital underspend		1,262
+ increase in grants and contributions (£92,619k to £94,946k)		2,327
= net capital underspend		3,589
'Corporate' Capital Plan variations not proposed for carry forward to 2015/16		
Material Damage provision underspend	-279	
Purchase of vehicles provision underspend	-245	
NYnet loan balance increased repayment	-1,647	-2,171
= adjusted net underspend proposed for carry forward to 2015/16		1,418

- 5.12 The split of the proposed £1,418k carry forward underspend between Directorates is as follows:-

Directorate	£000 underspend
Health and Adult Services	0
Children and Young People's Service	1,616
Business and Environmental Services	-409
Central Services	211
Total net underspend carried forward	1,418

- 5.13 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.

FINANCING OF 2014/15 CAPITAL EXPENDITURE

5.14 Total capital expenditure of £105,375k in 2014/15 (**paragraph 5.4**) has been financed as follows:-

Item	£000	£000
New borrowing (Paragraphs 5.15 and 5.17)		
• External sources as adjusted for debt repayment and statutory charges to revenue	0	
• Internal capital borrowing	5,699	5,699
Capital Grants and Contributions		
• Total	78,554	
• Less loan repayments classed as capital receipts (see below *)	-4,288	74,266
Schemes financed from Revenue		
• Directorate revenue contributions		16,393
Capital Receipts (paragraphs 5.18 to 5.24)		
• Receipts received in 2013/14 from property sales	4,729	
• NYnet loan repayment *	2,777	
• LLP Growing Places loan repayment *	1,511	9,017
= Total capital spending to be financed in 2014/15		105,375

5.15 The balancing figure in the above table is an increased level of borrowing for capital purposes from internal sources of £5,699k.

5.16 A more detailed comparison of the above funding package with that underlying the original Capital Plan approved by Members in February 2014 and the last update approved in February 2015 is provided at **Appendix F**.

5.17 Thus new borrowing of £5,699k was needed to finance capital spending in 2014/15 as indicated in **paragraph 5.15**. This had the impact of increasing internal borrowing from cash balances with no external borrowing being taken in 2014/15 or premature loan repayments being made. In considering this figure, the following points should be noted:

- (i) a breakdown of the total capital borrowing requirement of £5.7m into constituent elements and compared with the original and latest Capital Plan is as follows:-

Item	Original Estimate (Feb 2014)	Latest Estimate (Feb 2015)	2014/15 Outturn
	£m	£m	£m
Prudential Borrowing approved by the County Council*	-1.4	-0.6	-2.8
Slippage of net capital expenditure and capital receipts between years	20.9	16.2	15.4
Temporary use of surplus capital resources (mainly capital receipts) and other financing arrangements	-2.4	-6.8	-6.9
Total Capital Borrowing requirement	17.1	8.8	5.7

* The reduction in the NyNet loan balance is classed as a capital receipt and has the impact of reducing prudential borrowing resulting in the overall net 'minus' position

(ii) as indicated in (i) above, no new external borrowing was taken in 2014/15 and this is considered in more detail in **paragraphs 6.29 to 6.31** of the Annual Treasury Management section of this report.

CAPITAL RECEIPTS

- 5.18 The County Council's policy on capital receipts is that essentially all such receipts shall be used to finance capital expenditure in the year in which the receipts are generated; The position relating to County Farms is explained further in **paragraphs 5.21 and 5.22** below.
- 5.19 The outturn position on Capital Receipts is as follows:

Item	£000
Receipts achieved in 2014/15	
(i) from the sale of land and properties	
• sale of County Farms	3,471
• sale of other land and buildings	1,258
total from the sale of land and property	4,729
(ii) other capital income classed as capital receipts	
• LEP growing places loan payment	1,511
• Company loan repayment (NyNet)	2,777
Total capital receipts in 2014/15	9,017
Used to fund capital expenditure in 2014/15	-9,017
Capital Receipts carried forward to 2015/16	0

5.20 Points to mention in relation to the above table are as follows:-

- (i) total capital receipts from the sale of land and property achieved of £4,729k compared with the estimates of £5.3m reflected in the 2014/15 original Capital Plan in February 2014 and £5.2m in the latest 2014/15 Capital Plan approved in February 2015. The shortfall is principally due to slippage of capital receipts from the sale of County farms where the sale took place very late in 2014/15 but the cash transactions slipped into early 2015/16 when the 'exchange of contracts took place'.
- (ii) all available Capital Receipts at 31 March 2015 (£9,017k) 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 2015/16

5.21 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.

5.22 The Capital Plan approved by Executive and Full Council in February 2015 therefore utilises all expected County Farms receipts achieved in the financial years 2014/15 to 2017/18 to fund capital spending rather than for debt repayment or other purposes. Therefore all such receipts in 2014/15 totalling £3,471k have been treated accordingly and used for the funding of capital spending.

5.23 The property market has seen much more activity across most sectors albeit with only modest movements in the office/industrial sectors and with a return to increases for residential and industrial land reflecting the improved confidence. Properties continue to sell in the right locations if priced correctly. The farm land market remains strong for both bare land and smallholdings with residential elements being particularly attractive. The County Council will continue its use of auctions to dispose of property which has proved to be a more successful approach in recent years.

5.24 It was anticipated the flow of surplus property from the County Council's property portfolio should increase as a result of service reviews and the property reviews resulting from 2020 North Yorkshire. The quantity of property that will be released and the rate of flow is to be increased whilst combined with an improving market, it still remains difficult to predict the level of capital receipts that will be achieved over the next few years with any degree of certainty.

FUTURE AVAILABILITY OF CAPITAL RESOURCES

5.25 The Q3 Capital Plan update report submitted to Executive and Full Council in February 2015 identified a potential £12.1m of unallocated capital funding that might become available in the Capital Plan period. This sum arose mainly from additional capital receipts that had been identified, net of additional capital funding allocations approved by Executive.

- 5.26 As a result of the 2014/15 outturn position and a more recent updated forecast of capital receipts up to 2017/18 this surplus capital resources forecast has now increased to £12.6m (£6.9m in hand at the end of 2014/15). 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.
- 5.27 As indicated in **paragraph 5.24** above, it is currently difficult to predict the level of capital receipts that will be achieved over the next few years with any degree of certainty. Given this scenario the current £12.6m forecast of surplus corporate capital funding does include some fairly significant potential receipts that are relatively uncertain in terms of timing and amount.
- 5.28 The surplus corporate capital resources could be made available for either:
- (i) new capital investment (i.e. additional schemes), or
 - (ii) reducing prudential borrowing in 2015/16 or subsequent years and therefore achieving debt financing cost savings in the Revenue Budget/MFTS or
 - (iii) holding for the time being with no immediate decision to either spend or reduce borrowing. This course of action would result in additional short-term interest being earned within Corporate Miscellaneous.
- 5.29 Members have previously agreed to adopt option (iii) above and retain any surplus capital funding for the time being. Another factor that influenced this decision was that the forecast funding levels include a capital receipts risk in terms of both forecast receipts slipping into a future year and/or not achieving their estimate.
- 5.30 Given the factors mentioned above and the intention to review the schemes in the Capital Plan (**paragraph 5.31(ii)**) and uncertainties associated with capital receipts forecasts (**paragraph 5.24**), it is proposed that option (iii) be reaffirmed at this stage and that the unallocated funding is held in reserve for the time being, with the exception of £2.5m being proposed for investment in ICT Infrastructure as set out in **paragraphs 5.32 to 5.34**.

LOOKING AHEAD

- 5.31 The 2020 North Yorkshire Programme incorporates the review of a number of distinct areas in order to improve the way in which the County Council works and several of these are capital related in terms of:-
- (i) an ongoing property rationalisation across the County Council in order to reduce existing and future property costs. Work is in progress with Service Directorates to establish business needs. It is anticipated that a preliminary plan will be produced in the late Autumn.
 - (ii) a review of the Capital Plan process and all uncommitted schemes in the Capital Plan

- (iii) further refinement to the Capital Gateway process including further development of an approach to include partners as part of the 2020 procurement for building design and the interface with other contractors and the Council (as client).

5.32 In addition, a review of the Council's ICT infrastructure has been carried out as part of the 2020 North Yorkshire Programme. Much of the Council's hardware is 8 years old and is now clearly not fit for purpose in meeting the challenges of the 2020 programme. It is therefore proposed that a new investment is made in the Council's ICT hardware and associated infrastructure which supports agile working and drives forward increased productivity of the workforce. This new approach will ensure that staff and Members are provided with the functionality they require and that will mean that there will be differing needs across the organisation.

5.33 This additional investment is netted down by re-allocation of some existing budgets and also by utilising £1.3m of the General Working Balances which directorates had previously held separately to provide for future desktop refresh. It is proposed that the further £2,508k of funding is provided from unapplied capital receipts. The projected spend and associated funding is set out in the Table below:-

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Total £000
Gross Cost	3,934	1,237	750	415	305	6,641
Existing Funding	(1,778)	(443)	(204)	(204)	(204)	(2,833)
Funding Required	2,156	794	546	211	101	3,808
<u>Funding Proposal</u>						
GWB	(1,300)	-	-	-	-	(1,300)
Capital Receipts	(856)	(794)	(546)	(211)	(101)	(2,508)
	(2,156)	(794)	(546)	(211)	(101)	(3,808)

5.34 This investment is phased for a 5 year period. Technology progresses quickly but at this stage this is regarded as a reasonable planning assumption. It should also be noted that, whilst revenue budgets are recurring, the one-off investments of £3.8m are not – there will therefore need to be a subsequent plan as to how the Council provides a sustainable approach to updating its ICT infrastructure in the future. This will be addressed again as part of the budget process in the run up to February 2016.

5.35 Updates will be provided to Members as progress is made on relevant areas of the 2020 North Yorkshire Programme and the issues referred to above.

RECOMMENDATIONS

5.36 The Executive is recommended:

- (a) to note the position on capital outturn as detailed in **Appendices A to E**
- (b) to recommend to the County Council, the proposed carry forward to 2014/15 of the net capital underspend totalling £1,418k as set out in **paragraph 5.12**
- (c) to approve the financing of capital expenditure as detailed in **paragraph 5.14** and **Appendix F** including the use of County Farms capital receipts to finance capital spending as explained in **paragraph 5.22**
- (d) to approve the financing of ICT infrastructure as detailed in **paragraphs 5.32 to 5.34**
- (e) with the exception of (d) above agree that no action be taken at this stage to allocate any further additional capital resources (**paragraph 5.30**)

CAPITAL OUTTURN 2014/15 - APPENDICES

- Appendix A** Capital Expenditure and related Income 2014/15 compared with the Capital Plan (original and latest) at Directorate level
- Appendix B** Health and Adult Services
- Appendix C** Business and Environmental Services
- Appendix D** Children and Young People's Service
- Appendix E** Central Services
- Appendix F** Financing of Capital Expenditure 2014/15

CAPITAL EXPENDITURE AND INCOME 2014/15

	<u>GROSS EXPENDITURE</u>					<u>GRANTS AND CONTRIBUTIONS</u>					<u>NET EXPENDITURE</u>				
	Capital Plan		Actual	Variation		Capital Plan		Actual	Variation		Capital Plan		Actual	Variation	
	Original	Latest		Original	Latest	Original	Latest		Original	Latest	Original	Latest		Original	Latest
£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Health and Adult Services	5,999	631	628	-5,371	-3	-1,753	-631	-628	1,125	3	4,246	0	0	-4,246	0
Business and Environmental Services	62,636	69,510	66,272	3,636	-3,238	-56,415	-67,707	-66,085	-9,670	1,622	6,222	1,803	187	-6,035	-1,616
Children and Young People's Services	29,971	31,182	34,281	4,310	3,099	-19,921	-19,872	-22,563	-2,642	-2,690	10,050	11,310	11,718	1,669	409
Central Services	8,297	5,314	4,194	-4,103	-1,120	-6,460	-4,409	-5,670	790	-1,262	1,837	906	-1,476	-3,313	-2,382
Total	106,903	106,636	105,375	-1,528	-1,261	-84,549	-92,618	-94,946	-10,397	-2,328	22,354	14,018	10,429	-11,925	-3,589

Original Plan Approved in February 2014

Latest Capital Plan Approved February 2015

HEALTH AND ADULT SERVICES

2014/15 CAPITAL BUDGET - OUTTURN POSITION

CAPITAL PLAN HEAD	ORIGINAL PLAN	LATEST PLAN	OUTTURN	VARIANCE	COMMENTS
	£000	£000	£000	£000	
Maintaining Fabric / Facilities of Properties	563	141	82	60 CR	Lower than budgeted costs due to delays with tenders
"Our Future Lives" Extra Care Scheme	3,540	-	-	-	
"Our Future Lives" Older People Resource Centre	997	-	-	-	
"Valuing People" Day Service Provision	478	146	151	5	
IT infrastructure	423	343	395	52	Higher than budgeted costs but met through specific grant
TOTAL GROSS SPEND	5,999	631	628	3 CR	
CAPITAL GRANTS AND CONTRIBUTIONS					
Capital Grants					
- Autism Dept of Health Grant	-	19 CR	19 CR	0	
- Adult Social Care IT Infrastructure	213 CR	213 CR	213 CR	0	
- Adult Social Care Investment for Transformation	209 CR	130 CR	182 CR	52 CR	Matching spend above
- PSS Capital Grant	1,330 CR	269 CR	214 CR	55	
TOTAL GRANTS AND CONTRIBUTIONS	1,753 CR	631 CR	628 CR	3	
TOTAL NET EXPENDITURE	4,246	0	0	0	

BUSINESS & ENVIRONMENTAL SERVICES

2014/15 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	1,117	2,077	2,525	449	The programme was approximately 290 columns behind the 2014-15 programme at the end of the year. Additional spend took place to purchase lanterns £636k funded from DRF.
Rationalisation of Depots	144	386	129	257 CR	The Skipton, Ingleton and Boroughbridge schemes underspent by £66.5k due to a previous creditor provision no longer being required. Leeming Bar came under budget by £57k and the scheme is complete. Richmond and Leyburn depots had additional costs of £18.2k. An uncommitted budget of £152.3k was not required but intended to be carry over under LTP.
Waste Management Service	773	122	122	-	
Waste Procurement Project	2,002	232	294	62	The overspend is due to the Kirbysperton WTS drainage design phase 2 & 3 where done together, originally planned as two separate items.
Bedale-Aiskew-Leeming Bar Major Scheme	18,527	9,326	10,177	851	The overspend is due to the works being brought forward, this is additional output (rather than additional costs).
Local Transport Plan - Integrated Transport	2,410	2,142	2,842	700	The overspend is partly due to an increase of contribution to the LSTF programme of £447k, the balance relates to capital recharge and consultancy fees.
- Maintenance	30,335	40,718	40,615	103 CR	£1,172k relates to Structures; £187k to Sandsend; £852k to Roads. Structures: Mowthorpe Bridge underspent by £314k, funding is intended for carry forward into 2015/16 to complete the programme of works. Sandsend Slope Stabilisation has underspent by £186.7k, due to reviewing design options delayed the purchase of the pre-cast concrete units. Roads: The additional underspend in 2014/15 relates to a re-phasing to 2015/16 of a number of schemes compared to the forecast position reflected in the budgets, which are funded from historical Government borrowing approvals.
- Additional Local Highways Maintenance Allocation	2,108	2,108	-	2,108 CR	
- Regional Funding Allocation	588	459	525	66	LSTF signal scheme funded from RFA overspent by £66k.
Regional Growth Fund	-	3,800	3,856	56	Additional spend on capital in order to maximise revenue grant and issue more business grants in the LEP area
LEP Growing Places Fund	3,380	5,653	2,700	2,953 CR	Slippage due to loan agreement not being signed before 31st March 2015 for Bishopsdyke Estates
Local Sustainable Transfer Fund	1,253	2,487	2,486	1 CR	
TOTAL GROSS SPEND	62,636	69,510	66,272	3,238 CR	
CAPITAL GRANTS AND CONTRIBUTIONS					
Capital Grants					
- Local Transport Plan Grant	27,812 CR	36,440 CR	37,007 CR	567 CR	Relates to unspent LTP Grant
- DfT Grant	1,253 CR	2,324 CR	2,323 CR	1	
- Environment Agency Grant	4,000 CR	630 CR	626 CR	4	Sandsend Slope Stabilisation underspend £186.7k c/fwd plus new grant Sandsend Flood Repair £182.8k
- Waste Capital Grants	461 CR	-	-	-	
- BALB Grant	16,627 CR	8,836 CR	9,292 CR	457 CR	This is in line with expenditure incurred where grant funding will be claimed from the DfT.
- LEP Growing Places Grant	2,714 CR	4,763 CR	1,189 CR	3,574	This reflects the slippage on expenditure outlined above.
- Regional Growth Fund	-	3,800 CR	3,800 CR	-	
Capital Contributions	-	216 CR	433 CR	218 CR	£89k Street Lighting, £6k BALB, £25k SM of Roads, IT £17k, S106 RFA £81k
LEP Growing Places Loan Repayments classed as Capital Receipts	666 CR	890 CR	1,511 CR	621 CR	The reflects the actual repayments received during 2014-15
Revenue Contributions					
- Road Lighting Columns	200 CR	895 CR	1,394 CR	499 CR	Additional spend agreed during 2014-15
- BALB (PIP)	1,900 CR	-	-	-	
- Structural Maintenance of Bridges	325 CR	-	-	-	
- Local Transport Plan	-	7,679 CR	7,152 CR	527	£400k not required in 2014-15, £70k Flooding not spent in year
- Rationalisation of Highways Depot	144 CR	234 CR	177 CR	57	This reflects the slippage on expenditure outlined above.
- Other Revenue Contributions	312 CR	1,001 CR	1,181 CR	180 CR	Mowthorpe £313k underspend c/fwd, BALB additional DRF £389k, RGF £56k and £50k Structures PROW
TOTAL GRANTS AND CONTRIBUTIONS	56,415 CR	67,707 CR	66,085 CR	1,622	
TOTAL NET EXPENDITURE	6,222	1,803	187	1,616 CR	

CHILDREN & YOUNG PEOPLES SERVICE

2014/15 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	3,113	4,004	4,224	221	Bentham New School - budget was £5,955k (including land acquisition costs) compared to the latest estimate of £6,175k, resulting in an overspend of £220k of which £194k has occurred in year and the remainder we be incurred in 2015/16. Athelstan school - extension - budget was £260k, actual was £287k, resulting in an overspend of £27k due to higher tenders and asbestos.
Suitable for Purpose	3,718	4,269	4,124	145 CR	Suitability schemes - we have an underspend of £83k relating to the 2012/13 programme and all the schemes for the 2013/14 programme are complete and in defects of which £62k will be carried forward from 2014/15 to 2015/16 to settle Jacobs fees.
Special Educational Needs/Behaviour Review	300	296	281	15 CR	
School Reorganisation	-	367	502	135	Brayton Primary School - Accommodation Improvements - budget £306k, actual £387k, overspend of £81k mainly due an asbestos incident in the school hall. Settle College - Accommodation Improvements - this scheme is progressing ahead of schedule, resulting in expenditure of £71k being brought forward from 2015/16 to 2014/15.
Modernisation Programme	-	278	287	9	
Primary School - Major Refurbishment	693	723	711	12 CR	
Health and Safety	677	392	373	19 CR	
Other Capital Funding Schemes	897	214	278	64	The Tenanted Dwellings programme is advancing well, resulting in expenditure of £68k being brought forward from 2015/16 to 2014/15.
Primary Capital Programme	-	-	2 CR	2 CR	
Capital Maintenance Grant Funded Schemes	-	-	1	1	
HORSA Replacement	766	776	744	32 CR	Bilton Grange - HORSA Replacement - expenditure is being carried forward from 2014/15 to 2015/16 to fund the final account.
Structural Works	-	1,200	1,121	79 CR	Stokesley CP School - Major Refurbishment - expenditure of £50k carried forward from 2014/15 to 2015/16 for the final account. Filey School - De-commissioning of Swimming Pool - saving of £22k.
Drainage Schemes	384	153	159	6	
Basic Need Grant Funded Schemes	2,704	3,396	3,933	537	Basic Need Programme 2015-17 - The programme is progressing well which has led to fees of £525k being brought forward from 2015/16 and future years to 2014/15.
TCU Replacements	5,615	4,629	4,444	185 CR	Ripon Grammar - PCU Replacements, Filey Junior and Starbeck - HORSA Replacement schemes are showing underspends of £142k which is being carried forward from 2014/15 to 2015/16 to settle the final accounts with contractors. The scheme at Greatwood school is slightly behind schedule, resulting in fees of £31k being carried forward from 2014/15 to 2015/16.
Capitalised Repairs and Maintenance	4,389	4,700	4,824	124	The capital planned maintenance programme for 2015/16 is progressing ahead of schedule, resulting in expenditure of £129k being brought forward from 2015/16 to 2014/15.
Schools Access Initiative	263	84	100	16	
Catering Equipment	500	340	288	52 CR	Expenditure was lower than expected by £52k. This expenditure is fully funded from client catering revenue contributions.
ICT Hardware Purchases	200	75	56	19 CR	
Woodfield Development and Other Projects	70	1,020	900	120 CR	This expenditure is being carried forward from 2014/15 to 2015/16 to settle the final account with the contractor.
Grant-Funded Provisions:					
- Childrens Centre Capital	642	277	247	30 CR	
- Aiming High for Disabled Children	265	23	69	46	
- Universal Free School Meals	100	50	585	535	Universal Free School Meals - kitchen equipment expenditure was £469k, which is being fully funded from client catering reserves. This expenditure was not included in the Q3 capital plan. Kitchen schemes are progressing well, resulting in expenditure of £66k being brought forward from 2015/16 to 2014/15.
- Building Schools for the Future	-	41	31	10 CR	
- Integrated Childrens Systems Grant	242	233	181	52 CR	Expenditure is lower than anticipated and is being carried forward to fund the Synergy project in 2015/16.
Other Schemes - Social Care, Feasibility, Free Meals	393	45	34	12 CR	

CHILDREN & YOUNG PEOPLES SERVICE

2014/15 CAPITAL BUDGET - OUTTURN POSITION

CAPITAL PLAN HEAD	ORIGINAL PLAN	LATEST PLAN	OUTTURN	VARIANCE	COMMENTS
	£000	£000	£000	£000	
SCHOOLS MANAGED SCHEMES					
Devolved Capital	2,897	1,711	2,721	1,011	School expenditure is higher than expected
Self Help Schemes	1,144	1,885	3,064	1,178	School expenditure is higher than expected
TOTAL GROSS SPEND	29,971	31,182	34,281	3,099	
CAPITAL GRANTS AND CONTRIBUTIONS					
NYCC MANAGED SCHEMES					
Capital Grants					
- Devolved Capital Grant	315 CR	387 CR	436 CR	49 CR	DFC school contributions to NYCC led schemes was higher than anticipated in 2014/15.
- NDS Modernisation	-	-	-	-	
- Capital Maintenance Grant	11,364 CR	11,049 CR	11,048 CR	0	Capital maintenance grant for 2014/15 is fully utilised.
- Basic Need Grant	2,079 CR	2,160 CR	2,186 CR	26 CR	Basic Need grant for 2014/15 is fully utilised.
- Other	640 CR	644 CR	627 CR	17	Awaiting CFR returns
Capital Contributions					
- Capital Contributions	479 CR	119 CR	176 CR	58 CR	Income higher than expected
- Section 106 Income	62 CR	1,400 CR	1,377 CR	23	South Milford School - Additional Classrooms - the developer has not hit the final housing trigger point, resulting in a reduction in receipts of £98k.
Revenue Contributions					
- Capitalised Repairs & Maintenance	-	67 CR	84 CR	17 CR	
- ICT Hardware Purchases	200 CR	75 CR	56 CR	19	
- Catering Equipment	500 CR	340 CR	757 CR	417 CR	Kitchen equipment expenditure was higher than expected. (see above)
- Other	242 CR	233 CR	226 CR	7	
SCHOOLS MANAGED SCHEMES					
- Devolved Capital Grant	2,897 CR	1,711 CR	2,721 CR	1,011 CR	Schools have increased expenditure which has improved grant utilisation (see above)
- Other Capital Grants	-	-	-	-	
- Capital Contributions - Self Help Schemes	250 CR	250 CR	531 CR	281 CR	Capital contributions are higher than anticipated
- Revenue Contributions - Self Help Schemes	894 CR	1,438 CR	2,336 CR	898 CR	Schools have utilised revenue contributions towards capital expenditure (see above)
TOTAL GRANTS AND CONTRIBUTIONS	19,921 CR	19,872 CR	- 22,563 CR	2,690 CR	
TOTAL NET EXPENDITURE	10,050	11,310	11,718	409	

CENTRAL SERVICES

2014/15 CAPITAL BUDGET - OUTTURN POSITION

CAPITAL PLAN HEAD	ORIGINAL PLAN	LATEST PLAN	OUTTURN	VARIANCE	COMMENTS
	£000	£000	£000	£000	
GROSS EXPENDITURE					
Material Damage Provision	500	400	124	276 CR	Mild winter has led to lower number of material damage incidents. Where incidents have occurred schemes have not progressed as quickly as originally expected.
Public Access to Buildings for Disabled	395	-	-	-	
Affordable Housing Fund	318	561	379	182 CR	Two Affordable Housing schemes have been delayed - these schemes are due to be completed in 2015/16
Carbon Reduction Initiative	-	-	107	107	Final Energy Schemes progressed in 2014/15. No further schemes anticipated.
Travellers' Sites	103	46	46	0 CR	
Control of Legionella Bacteria in Water	-	-	-	-	
Purchase of Vehicles, Plant & Equip	100	1,000	755	245 CR	Additional revenue funding identified for the purchase of Directorate vehicles, thus reducing the requirement for funding from prudential borrowing.
Bright Office Strategy	2,308	-	-	-	
Revenue-Funded Capital Provisions:					
- ICT Infrastructure (FCS)	1,896	414	183	231 CR	Several ICT Infrastructure Projects delayed to future years
- Device Purchases (all Directorates)	1,439	1,198	855	343 CR	Refresh Project delayed resulting in profiling to future years
Super Fast Broadband Scheme	350	30	4	26 CR	One of the network providers supported by the scheme has installation delays resulting in grants claims being lower than anticipated.
Oracle Upgrade	823	1,523	1,628	105	Project costs are higher than anticipated, but this will be fully funded from the revenue budget
NY Data Observatory	12	11	11	0 CR	
Library Schemes	-	132	103	28 CR	Remaining schemes are yet to be finalised - expected to complete in 2015/16
Other Minor Schemes	53	-	-	-	
TOTAL GROSS SPEND	8,297	5,314	4,194	1,120 CR	
Capital Grants					
- Performance Reward Grant	350 CR	16 CR	-	16	
- Regional Improvement Grant	12 CR	11 CR	11 CR	0	
Capital Contributions	-	-	3 CR	3 CR	Additional funding recovered from insurers relating to Material Damage Schemes.
Loans to Limited Companies Repayments classed as Capital Receipts	1,100	1,130 CR	2,777 CR	1,647 CR	repayment at 31 March 2014 higher than forecast
Revenue Contributions					
- Bright Office Strategy PIP Funding	840 CR	-	-	-	
- Libraries Schemes PIP Funding	-	103 CR	103 CR	0 CR	
- Microsoft Project PIP Funding	-	-	-	-	
- Capital Expenditure from Revenue Schemes	4,158 CR	1,612 CR	1,038 CR	574	Revenue contributions lower than anticipated due to reduced expenditure on the revenue funded ICT Infrastructure and Device Purchases Schemes.
- Carbon Reduction Initiative	-	-	107 CR	107 CR	Revenue funding relating to final Carbon Reduction Schemes.
- Other Revenue Contributions	-	14 CR	4 CR	10	
TOTAL GRANTS AND CONTRIBUTIONS	6,460 CR	4,409 CR	5,670 CR	1,262 CR	
TOTAL NET EXPENDITURE	1,837	906	1,476 CR	2,382 CR	

FINANCING OF CAPITAL EXPENDITURE IN 2014/15

	Original Plan to Exec 4/2/14 £000s	Latest Plan to Exec 3/2/15 £000s	Year End Outturn £000s	Comments
Borrowing				
Unsupported Prudential Borrowing	-1,360	-590	-2,762	Nynet loan £1.6m below Q3 Plan, £0.5m less spend on Corp provisions
Re-phased borrowing re slippage etc	20,876	16,168	15,367	£1.4m underspend c/fwd less £0.6m capital receipts slippage to 15/16
= total capital borrowing requirement	19,516	15,578	12,605	
Surplus capital resources etc	-2,386	-6,768	-6,906	Reduces in year borrowing requirement, increase is addit capital receipts
= adjusted borrowing requirement	17,130	8,810	5,699	
Capital Grants & Contributions				
BES				
LTP Grant	27,813	36,440	37,007	LTP works rephased into 2015/16.
LEP Growing Places Grant	2,714	4,763	1,189	Expenditure has slipped into 2015/16.
Regional Growth Fund		3,800	3,800	
Sustain. Transfer Fund DfT grant	1,253	2,324	2,323	
Bedale Bypass	16,627	8,836	9,292	In line with increase in expenditure due to scheme progression
Environment Agency grant	4,000	630	626	LTP works rephased into 2015/16.
other grants & contribs.	461	216	433	
CYPS				
Devolved funding to schools	3,212	2,098	3,158	Schools Devolved Capital expenditure higher than forecast.
Capital Maintenance Grant	11,363	11,049	11,048	
Basic Need Grant	2,079	2,161	2,186	
S106 contributions		1,400	1,377	
Aiming High for Disabled Children				
other grants and contribs.	1,431	1,011	1,185	
HAS grants & contributions				
other grants and contributions	1,753	631	628	
Central Services grants & contributions	362	27	14	
	73,068	75,386	74,266	
Financed from Revenue				
BES				
Structural Maintenance of Roads	0	7,679	7,152	Reduced funding due to rephasing of expenditure
Bedale By pass PIP funding	1,900	494	883	In line with increase in expenditure due to scheme progression
other	981	1,635	1,869	
CYPS				
School self help rev. contribs.	894	1,438	2,336	Schools led schemes expenditure higher than forecast.
other	942	715	1,274	
Central Services				
ICT programmes etc	4,158	3,135	2,666	Reduced funding due to rephasing of expenditure
other	840	117	213	
	9,715	15,213	16,393	
Available capital receipts				
Sales of properties and land				
County Farms receipts	2,189	4,027	3,471	Slippage of sales late in the year into 2015/16
Depots Rationalisation programme	245	0	0	
Other receipts	2,790	1,181	1,258	
sub total	5,224	5,208	4,729	
LEP Growing places loan repayments	666	890	1,511	Additional loan repayments which are recycled to generate further loans
Company Loan repayments	1,100	1,130	2,777	Nynet Loan balance at 31 March 2015 lower than forecast
	6,990	7,228	9,017	
Brought forward from 2013/14	0	0	0	No unapplied receipts brought fprward from 2103/14
Carried forward to 2015/16	0	0	0	All receipts utilised in 2014/15
	6,990	7,228	9,017	
Total Expenditure to be financed	106,903	106,637	105,375	

14-May-15

Working Together

Public Service Organisations and Voluntary & Community Sector Organisations
working effectively in partnership for the benefit
of communities and residents in North Yorkshire.

The North Yorkshire Compact



The term VCSE include small local community and voluntary groups, registered charities both large and small, foundations, trusts and the growing number of social enterprises and co-operatives. These are also referred to as third sector organisations or civil society organisations. It is recognised that not all VCSEs have a relationship with the public sector, those that do recognise the value of a positive relationship with public bodies and the benefits this can bring to communities.

An effective partnership between the public sector and VCSEs in North Yorkshire will help achieve the following outcomes:

1. A strong and diverse and independent civil society.
2. Effective and transparent design and development of policies, commissioning, programmes and public services.
3. Responsive and high- quality programmes and services.
4. Clear arrangements for managing changes to programmes and services.
5. Improved community health and wellbeing.
6. An equal and fair society.

Introduction

The first national Compact was established in 1998, followed shortly afterwards by a North Yorkshire Compact. Both have played a vital role in defining the relationship and improving the partnership between public sector organisations and voluntary community and social enterprise organisations (VCSE).

Strong independent VCSEs are central to championing social action and giving people more power and control over their lives and communities.

The new North Yorkshire Compact has been drawn up using the framework of the national Compact agreed in 2010 between the Government and VCSEs in England that also introduced new measures to ensure greater accountability on the implementation of the Compact. http://www.compactvoice.org.uk/sites/default/files/the_compact.pdf
http://www.compactvoice.org.uk/sites/default/files/the_compact_accountability_guide.pdf

The significant changes in the new North Yorkshire Compact are that it is shorter and outcomes focused. This, coupled with greater accountability and an undertaking from the public sector to respect and uphold the independence of VCSEs, will be the platform to build strong relationships and improve communities and public services.

Commitments for the public sector and VCSEs:

1. A strong diverse and independent VCSE

Undertakings for the public sector

- 1.1 Respect and uphold the independence of VCSEs to deliver their mission, including their right to campaign, regardless of any relationship, financial or otherwise which may exist.
- 1.2 Ensure VCSEs are supported and resourced in a reasonable and fair manner where they are helping the public sector fulfil its aims.
- 1.3 Work with the VCSE sector to support and encourage collaboration ensuring smaller more diverse organisations can survive.
- 1.4 Ensure that the public sector collectively recognises the need to resource local support and development organisations in order to assist VCSEs with their capacity and capability to deliver positive outcomes.
- 1.5 Ensure greater transparency by making data and information more accessible, helping VCSEs to challenge existing provision of services, access new markets and hold public service providers to account.
- 1.6 Consider a range of ways to support VCSEs, such as enabling greater access to public sector owned premises and resources, and enabling VCSEs to access research data that can contribute to evidencing and improving outcomes.
- 1.7 Work actively to reduce unnecessary barriers to volunteering.

Undertakings for VCSEs

- 1.8 When campaigning or advocating, ensure that robust evidence is provided, including information about the source and range of people and communities represented.
- 1.9 Ensure independence is upheld, focusing on the cause represented, regardless of any relationship they have with the public sector, financial or otherwise.
- 1.10 Consider and actively work together in partnership.

Undertakings from the public sector

- 2.1 Ensure that social, environmental and economic value forms a standard part of designing, developing and delivering policies, programmes, commissioning and services.
- 2.2 Consider the social impact that may result from policy and programme development, and in particular consider how these would impact local efforts to inspire and encourage social action and to empower communities.
- 2.3 Work with VCSEs from the earliest possible stage to design policies, programmes and services. Ensure those likely to have a view are involved from the start and remove barriers that may prevent organisations contributing.
- 2.4 Conduct consultations using the guidance that sets out the principles that Government departments and other public bodies should adopt for engaging stakeholders when developing policy and legislation.
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/255180/Consultation-Principles-Oct-2013.pdf
- 2.5 Consider providing feedback to explain how respondents have influenced the design and development of policies, programmes and public services, including where respondents' views have not been acted upon.
- 2.6 Assess the implications for the sector of new policies, legislation and guidance, aiming to reduce the bureaucratic burden, particularly on small organisations.
- 2.7 Drive innovation with VCSEs and respond to local need.

Undertakings for VCSEs

- 2.8 Promote and respond to public sector consultations where appropriate.
- 2.9 Seek the views of service users, clients, beneficiaries, members, volunteers and trustees when making representation. Be clear who is represented, in what capacity, and on what basis that representation is being made.
- 2.10 When putting forward ideas, for policy, programmes, commissioning and public service improvement, focus on evidence-based solutions, with clear proposals for positive outcomes.

2. Effective and transparent design and development of policies,
3. Delivery of responsive and high-quality programmes and services.

Undertakings for the public sector

- 3.1 Ensure that VCSEs have a greater role and more opportunities in delivering public services by opening up new markets in accordance with wider public service reform measures and reforming the commissioning environment in existing markets.
- 3.2 Consider a wide range of ways to fund or resource VCSEs, including grants, contracts, loan finance, use of premises and so on. Work to remove unnecessary barriers that may prevent VCSEs accessing public funding, thereby enabling smaller organisations to become involved in delivering services where they are best placed to achieve the desired outcomes.
- 3.3 Ensure transparency by providing a clear rationale for all funding decisions.
- 3.4 Commit to multi-year funding where appropriate and where it adds value for money. The funding term should reflect the time it will take to deliver the outcome. If multi-year funding is not considered to be the best way of delivering the outcome, explain the reasons for the decision.
- 3.5 Ensure well managed and transparent application and tendering processes, which are proportionate to the desired objectives and outcomes of programmes.
- 3.6 Agree with VCSEs how outcomes, including the social, environmental or economic value, will be monitored before a contract or funding agreement is made. Ensure that monitoring and reporting is relevant and proportionate to the nature and size of the opportunity. Be clear about what information is being asked for, and why and how it will be used.
- 3.7 Ensure equal treatment across sectors, including reporting and monitoring arrangements, when tendering for contracts.
- 3.8 Recognise that when VCSEs apply for a grant they can include appropriate and relevant overheads using a robust Full Cost Recovery model including the costs associated with training and volunteer involvement, and monitoring and evaluation.
- 3.9 Discuss and allocate risks to the organisations best equipped to manage them. Where prime contractors are used, ensure they adhere to the principles of this Compact in allocating risk. Ensure delivery terms and risks are proportionate to the nature and value of the opportunity.

provision of services through appropriate funding and financing models, for example outcome based payments and payment in advance of expenditure. Payment in advance of expenditure should be considered on a case by case basis where this represents value for money and take into account the size and ability of the organisation to manage the risk they would be exposed to when paying in arrears.

- 3.11 Ensure prompt payment of bills in line with invoicing terms and public sector good practice.
- 3.12 Ensure all bodies distributing funds on the public sector's behalf adhere to the commitments in this Compact. This includes the relationship between prime contractors and their supply chains. Demonstrate how funding arrangements and financial support can allow smaller and specialist providers to play a greater part.
- 3.13 Apply the compact when distributing European funding. Where conflicts arise with European regulations, discuss the potential effects and agree solutions together.
- 3.14 Encourage feedback from a range of sources on the effectiveness of the public sector partnership with VCSEs and how successful it has been in delivering their objectives. Consider placing this feedback in the public domain.

Undertakings for VCSEs

- 3.15 Ensure eligibility for funding before applying and be explicit about how outcomes will be achieved.
- 3.16 Ensure robust governance arrangements so that organisations can best manage any risk associated with service delivery and financing models, including giving funders early notice of significant changes in circumstances.
- 3.17 Be open and transparent about reporting, recognising that monitoring, whether internal or external, is an aspect of good management practice.
- 3.18 Demonstrate the social, environmental or economic value of the programmes and services provided, where appropriate.
- 3.19 Help facilitate feedback from users and communities to the public sector to help improve delivery of programmes and services.
- 3.20 Recognise that the public sector can legitimately expect VCSEs to give public recognition of its funding.

3.10 Ensure that the widest possible range of organisations can be involved in the

4. Clear arrangements for managing changes to programmes and services.

Undertakings for the public sector

- 4.1 If a programme or service is encountering problems, agree with the VCSE a timetable of actions to improve performance before making a decision to end a financial relationship.
- 4.2 Assess the impact on beneficiaries, service users and volunteers before deciding to reduce or end funding. Assess the need to re-allocate funds to another organisation serving the same group.
- 4.3 Where there are restrictions or changes to future resources, discuss with VCSEs the potential implications as early as possible, give organisations the opportunity to respond and consider the response fully respecting sector expertise, before making a final decision.
- 4.4 Give a minimum of three months' notice in writing when changing or ending a funding relationship or other support, apart from in exceptional circumstances, and provide a clear rationale for why the decision has been taken.
- 4.5 Carry out appropriate impact assessments (e.g., social, environmental, economic and equality) when changes to services are being planned.

Undertakings for VCSEs

- 4.6 Plan for the end of funding to reduce any potential negative impact on beneficiaries and the organisation.
- 4.7 Contribute positively to reviews of programmes and funding practices.
- 4.8 Advise the public sector on social, environmental or economic impact of funding changes, and on ways to minimise their effects on people in vulnerable situations, and people specifically protected by legislation and other under-represented groups.
- 4.9 If a programme or service is encountering problems, raise the issue early with the public sector commissioner/grant awarder to enable an early resolution of problems.

5. An equal and fair society

Undertakings for the public sector

- 5.1 Work with VCSEs that represent, support or provide services to people specifically protected by legislation and other under-represented and disadvantaged groups. Understand the specific needs of these groups by actively seeking the views of service users and clients. Take these views into account, including assessing impact when commissioning, designing and implementing policies, programmes and services.
- 5.2 Acknowledge that organisations representing specific disadvantaged or under-represented groups can help to promote social and community cohesion and should have equal access to public funding.
- 5.3 Take practical action to eliminate unlawful discrimination, advance equality and to ensure a voice for under-represented and disadvantage groups.

Undertakings for VCSEs

- 5.4 If receiving funding from the public sector, show how the value of the work can help deliver the public sector duties on promoting equality and tackling discrimination.
- 5.5 Take practical action, such as through funding bids, to eliminate unlawful discrimination, advance equality of opportunity and build stronger communities.

Resolving Compact Disputes

The Compact Accountability and Transparency Guide outlines steps to take at national and local level, including dispute resolution, internal complaints procedures and ombudsmen functions.

http://www.compactvoice.org.uk/sites/default/files/the_compact_accountability_guide.pdf

Monitoring, Review and Development of the Compact

The Compact is monitored and reviewed by North Yorkshire Thriving Third Sector Steering Group that brings together representatives from statutory and third sector partners across the county.

<http://www.nypartnerships.org.uk/index.aspx?articleid=16806>

Further information on the Compact visit: <http://www.compactvoice.org.uk/>

Highways Infrastructure Asset Management Strategy

Version 1.0

April 2015

Version	Author	Date	Comments
0.1	Stephen Lilgert	16/4/2015	First draft
0.2	Stephen Lilgert	20/4/2015	Comments from Barrie Mason, Tom Bryant and Mike Douglas (Equalities)
0.3	Stephen Lilgert	21/4/2015	Comments from Mike Rovberts
1.0 – Executive members submission	Stephen Lilgert	28/4/2015	Comments from Barrie Mason, Finance and Legal & Democratic Services

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Introduction

At over 9000km in length, North Yorkshire has one of the longest road networks of any highways authority in the country. The annual maintenance budget (both capital and revenue) is almost £50m so it is vital to ensure that the Council is achieving best value for money and delivering the best possible outcomes for the users of the highway network, both the residents of North Yorkshire and visitors

Efficient and effective management of this network forms a key part in supporting North Yorkshire County Council's vision.

“We want North Yorkshire to be a thriving county which adapts to a changing world and remains a special place for everyone to live, work, and visit”

Underpinning the management of the network is the principle of highways infrastructure asset management which is where this document along with the highways infrastructure asset management policy and individual asset management plans apply. The interactions within these documents are shown in a diagram further in this document.

Summary

This document sets out the strategy for the way in which North Yorkshire County Council's Highways and Transportation service (H&T) will look to manage its assets in such a way as to deliver the Highways Infrastructure Asset Management Policy.

It introduces a set of guiding principles by which H&T will undertake the management of the estimated £8.3bn worth of assets (based on the overall cost of replacement) that make up North Yorkshire's highway infrastructure.

Definition of highways infrastructure assets

A highway asset is defined as any item that is contained within the boundary of either a highway that is maintainable at public expense or a highway that NYCC have adopted. This includes the following specific assets

- Carriageway including verges and gullies and other drainage infrastructure
- Cycleways and footways
- Bridges and structures
- Street lighting
- Traffic management Street furniture (signs, traffic signals et. al)

Each of these asset types is subject to both overarching highways principles and those specific to the asset type with respect to the way in which H&T manage the asset. These principles are given in detail within this document in separate sections for each asset type.

Document context

Highways Infrastructure Asset Management Policy

The parent document to this strategy is the Highways Infrastructure Asset Management Policy. Currently working through the council approval process the policy, which is due for full council adoption in May 2015, describes the County Council's high level commitment to highway

infrastructure asset management. It sets out five key areas where the delivery of efficient highways asset management will support the overall Council vision.

- Support flourishing local economies by delivering reliable and efficient transport networks and services (local economies)
- Reduce the impact of transport on the natural and built environment and tackling climate change (environment and climate change)
- Improve transport safety and security and promote healthier travel (safety and healthier travel)
- Promote greater equality of opportunity for all by improving people’s access to all necessary services (access to services)
- Ensure transport helps improve quality of life for all (quality of life)

This strategy links the policy with a number of individual asset management plans. It is these plans that provide the detail around how we deliver the highways asset management service. It should be seen in this context.

Highway Asset Management Plans

Each of the individual asset areas will have a series of asset management plans that provide the detail as to how the highways assets will be managed and maintained on a day to day basis. The plans concentrate on the delivery of the strategy and ultimately the policy. This delivery will be within the overall Highway asset management framework set down by the policy and subject to the following constraints

- Funding constraints
- Relevant legislation
- Statutory obligations / minimum standards
- Best practice
- Lifecycle planning

Below is a diagram of how the strategy fits into the context of highways asset management.



Local Transport Plan

Feeding in at all levels of highways asset management is the local transport plan, currently at LTP3 but with LTP 4 currently in process. The local transport plan is a set of documents that the government requires all local transport authorities to produce. The documents set out our plans and strategies for maintaining and improving all aspects of the local transport system over a set period of time.

The policy, strategy and plans should all reflect the content of the local transport plan to ensure continuity of service provision.

Key Highways Infrastructure Asset Management Strategy assertions

- ❖ The Highways Infrastructure Asset Management strategy will always reflect and support the overall policy
- ❖ The highways infrastructure asset management strategy will set out a framework for the maintenance of the highway assets. Within this framework will sit the overarching plans for highways asset maintenance and individual plans specific to the asset type.

Consultation and engagement

Throughout the lifecycle of the H&T asset management documentation, it will continue to be produced with a level of suitable and proportionate consultation and engagement with the relevant stakeholders. A breakdown of these stakeholders is given in a section below on governance of the whole policy, strategy and plans documentation.

Funding constraints

NYCC funding pressures

With the expectation of continuing financial pressures within local government, the highways service will continue to be asked to deliver the highest quality service while ensuring that is done so in a manner that achieves best value for money. The 2020 North Yorkshire Programme identified over £4.5m worth of savings that could be made within H&T through a combination of efficiencies and reviews of the minimum standards.

This requirement to deliver best value sets the financial context for the asset management strategy. It is widely recognised that efficient management of the highways infrastructure assets can assist a highway authority in achieving better value.

Key Highways Infrastructure Asset Management Strategy assertions
❖ We will manage the highways assets ensuring that we strive to achieve best value for money
❖ We will continue to look at ways in which asset management can be improved
❖ When/if the future demands any changes relating to funding, we will review the Highways Infrastructure Asset Management strategy to meet new demands.

Highways Maintenance Efficiency Programme

Asset management promotes a business-like way to highway maintenance. It makes better use of limited resources and delivers efficient and effective highway maintenance. It takes a long term view

of how highways may be managed, focusing on outcomes by ensuring that funds are spent on activities that prevent expensive short-term repairs. This makes the best use of public money whilst minimising the risk involved in investing in highway maintenance.

A portion of the funding that highways authorities provide comes from the Department for Transport (DfT) as the Local Authority Capital Maintenance funding. From 2016/17 onwards a portion of this funding will be allocated based on an assessment of the efficiency of highways maintenance within an organisation. This is known as Incentive funding and as the name suggests it rewards authorities that are or are working towards an efficient highway maintenance service.

In 2015/16, the amount allocated to NYCC was £29.6m. Depending upon what the NYCC rating within the DfT assessment programme is, this allocation could remain the same or as a worst case scenario, fall to £23.9m by 2018/19. It is therefore important that that we can demonstrate efficient highways maintenance.

The assessment itself is set to have a significant emphasis on highway asset management since it recognises that efficient management of highway assets is vital to being able to deliver an efficient highways service. The Highways Infrastructure Asset Management guidance document produced by DfT gives an outline of the areas that will make up the asset management portion of the assessment.

Aside from the potential for loss of DfT capital funding, a report commissioned by the Chartered Institute of Public Finance and Accountancy estimated that the full implementation of highways asset management may achieve saving of 5% in the long term.

Key Highways Infrastructure Asset Management Strategy assertions

- ❖ We will manage the highways infrastructure assets in such a way that we work towards achieving and retaining the highest assessment within the asset management portion of the HMEP framework. This will contribute to the wider highways strategy of ensuring that we receive the full Local Authority Capital Maintenance funding.

Relevant legislation

There are a number of specific pieces of legislation which provide the basis for powers and duties relating to highway maintenance.

The Highways Act 1980 sets out the main duties of highway authorities in England and Wales. In particular, Section 41 imposes a duty to maintain highways maintainable at public expense.

Other duties and powers are prescribed by:

- The New Roads and Street Works Act 1991
- Road Traffic Regulation Act 1984
- Traffic Signs, Regulations & General Directions 2002
- Road Traffic Act 1988
- The Traffic Management Act 2004
- Railways and Transport Safety Act 2003

Key Highways Infrastructure Asset Management Strategy assertions

- ❖ The Highways Infrastructure Asset Management Strategy asserts that we will manage the highways assets in accordance with the legal requirements as set down within the legislation.
- ❖ Where legislation changes, we will amend this strategy, and any associated plans, accordingly.

Statutory obligations / Minimum standards

As budget pressures increase within the Council, the drive to identify those areas within H&T where we provide services to a higher standard than the required statutory obligations increases.

As defined by the various pieces of legislation, we have a duty of care to provide a safe environment for the users of the highway and its associated assets. As part of a way of ensuring that we receive maximum benefit from the overall Highways maintenance budget, investigations into what constitutes minimum standards as far as asset management have been carried out and will continue to be explored.

Key Highways Infrastructure Asset Management Strategy assertions

- ❖ As part of the overall strategy of ensuring that we deliver best value for the Highways maintenance budget, we will continue to look at the delivery of statutory minimum standards for services that we provide

Risk management

The principle of risk management is at the heart of all highways maintenance. As a highway authority, we have a duty of care to maintain the highway and are bounded by significant legislation to ensure that we provide a safe infrastructure for all users. We are also bound by the requirement as an organisation to obtain best value from the resources allocated to us as a highway authority.

In order to navigate between these two potentially conflicting paths, we will adopt a risk management based approach to highways asset management. This will take in the two components of likelihood and consequence using the following formula with specific scoring and weighting

- Risk = Likelihood x Consequence

An asset management approach will allow us to have a better level of control for the two components which will further allow us to more accurately assess the risk that any particular asset or group of assets poses to the delivery of the service. It also feeds into the overall process of lifecycle planning.

Key Highways Infrastructure Asset Management Strategy assertions

- ❖ We will continue to adopt a risk management based approach to highway asset management to ensure that our statutory duties are met along with obtaining best value for the highways maintenance budget

Lifecycle planning

Lifecycle planning comprises the approach to the maintenance of an asset from construction to disposal. It is the prediction of future performance of an asset, or a group of assets, based on investment scenarios and maintenance strategies.

Part of an effective highways asset management strategy is having information on the assets that can be used to provide a long term view of the infrastructure and how that is expected to deteriorate over time. Such an approach allows more efficient planning of the limited resources, both financial and non-financial, to be applied to the best effect.

A lifecycle approach requires, as its name suggests, a cyclical way of working. Where any specific asset or group of assets may have remedial or preventative maintenance completed, details of this work is fed back into the asset details thus completing the circle and updating its status.

Key Highways Infrastructure Asset Management Strategy assertions

- ❖ Building on our current methods, we will look to adopt a full lifecycle planning approach to the management of the highways assets ensuring that information about an asset is used in determining its maintenance and management.
- ❖ We will also ensure that any maintenance of an asset feeds back into the lifecycle process providing up to date information on all our highways assets.

Published guidance documentation

There are a number of organisations that provide guidance around the management and maintenance of highways. All of this documentation is designed to assist highway authorities to more efficiently manage and maintain the whole of the highway function

The UK Roads Liaison Group / Highways Maintenance Efficiency Programme (HMEP) have produced series of guidance documents specifically around the management of the assets within the highways infrastructure. The key document is as follows.

- Highway Infrastructure Asset Management Guidance

This gives an overall set of principles by which highways asset management should be adopted by an organisation. This document will provide a number of the assessment questions that will determine the level of highways funding.

As well as a general guidance document, other specific publications address the main asset management asset types

- Well-maintained Highways: Code of Practice for Highway Maintenance and Management
- Management of Highway Structures
- Well Lit Highways
- Management of Electronic Traffic Equipment

All the UKRLG documents champion the principle of best/good practice and advocates the use of benchmarking to ensure that the services performance is measured in a consistent way.

<http://www.highwayefficiency.org.uk/>

The organisation Code of Practice on Transport Infrastructure Assets (CIPFA) have guidance documents and toolkits designed to promote good and best practice within highways asset management.

<http://www.cipfa.org/policy-and-guidance/local-authority-transport-infrastructure-assets>

- Key Highways Infrastructure Asset Management Strategy assertions
- ❖ As part of an on-going commitment to the use of good/best practice within the service, we will continue to use and review information produced by third party and government sources
- ❖ We will look to benchmark our asset management performance where considered beneficial

Individual asset type principles

There are a number of internally created documents that set out the principles of how we manage and maintain the highway as a whole. Contained within these documents are specific appendices related to the various highway asset types.

The documents are based on the overarching principle guidance detailed above being either a specific NYCC response to a specific statement within a guidance document or a full document based on the content of the published information.

There is also an amount of local expertise, both individual and team based, that is used and not necessarily documented. This has the potential to create single points of failure and silos of knowledge that may impact on effective service delivery.

Strategically, there would be benefit if there was a level of standardisation for these internally created documents along with some consistent method of creation, review and amendment cyclical process. Additionally where local expertise contributes to the overall asset management principles, this should be recorded within the relevant plans.

The main documents listed are

- Highway maintenance plan
- Highway safety inspection manual

Both of these documents are significant works however it is recognised that the highways maintenance plan is quite old, having been published in 2006. The highway safety inspection manual is more recent with the most recent version (1.6) approved in October 2013 and, although, as the name suggests the document is a manual providing detailed inspection guidance, it is important from a risk management point of view.

Asset types are broadly split by the various teams that manage that asset.

Carriageways, footways, cycle-ways and other assets

In addition to the overall internal plans, there are a series of existing and emerging documents plans around highways asset management.

Also included in this asset type are documents on verges, drainage systems and road markings for example.

Bridges and structures

The document outlining the guiding principles for bridges and structures is an appendix to the Highways Maintenance plan. This plan was written with respect to the Code of Practice for the Management of Highway Structures mentioned above.

Street-lighting

The street lighting document is also an appendix to the Highways Maintenance Plan and is again based on the official UKRLG document, Well Lit Highways listed above. Its format takes the individual principles listed in the UKRLG document and describes how these are implemented with NYCC.

Traffic management information assets and street furniture

As with street-lighting, this document is also an appendix to the Highways Maintenance Plan and is composed in the same format although is based on Management of Electronic Traffic Equipment UKRLG document

Key Highways Infrastructure Asset Management Strategy assertions
❖ The Highways Infrastructure Asset Management Strategy document will continue to exist as a framework into which the various plans and documentation will fit.
❖ We will regularly review the individual highway asset management plans to ensure currency and continued adherence to industry good/best practice
❖ We will look to standardise the format of the documentation where appropriate, implement more robust version control and ensure that all documentation from policy through to plans are stored in a location where the relevant people can gain access

Continuous improvement

Similar to the lifecycle approach for asset management, continuous improvement ensures that the documentation around the service remains up to date and reflects the changing landscape of the industry.

Whereas the overall asset management policy is unlikely to change unless there are significant policy changes within the organisation or wider industry, the asset management plans should be working documents that are updated as and when there are changes to the overarching and individual principles mentioned above. These will in turn inform the asset management strategy either as a top down or bottom up approach where necessary and appropriate.

The outcome will be a set of documents that are current, and represent an end to end solution from the high-level policy, a mid-level strategy (both with full council sign off) through to the individual asset management plans that guide the delivery of the service.

- Key Highways Infrastructure Asset Management Strategy assertions
- ❖ We will ensure that the highways asset management policy, strategy and plans form a cyclical set of documentation that can where appropriate be modified to reflect changes within the industry
- ❖ Any potential changes to the documentation would require approval at the relevant level.

Published Standards

As part of the overall increasing awareness within Highways of the services that it provides, there is an intention to make available published standards for the way in which H&T manage the highway and its associated assets.

To this end it is the overall strategy that H&T will work towards providing greater information to North Yorkshire’s residents and visitors that demonstrates where we provide intervention with respect to a highways asset. The expectation is that there will be a series of these published standards based on the management and maintenance plans available on the web.

- ❖ Key Highways Infrastructure Asset Management Strategy assertions
- ❖ In order to better inform North Yorkshire’s residents and visitors of the highways service, we intend to make available published standards, based on our asset maintenance and management plans.

Governance

Shown below is a diagram of the governance of the various Highways Asset documents.

Documentation level	Governance Responsibility
Highways Infrastructure Asset Management Policy	Full council
Highways Infrastructure Asset Management Strategy	Executive
Local Transport Plan	Overview and Scrutiny Committee
Individual Highways Asset Management Plans Non exhaustive list – examples only	Corporate Director BES BES Executive members Highways Heads of Service

The key point is that the policy and the strategy require sign off at full council level after consultation with Transport, Economy and Environment Overview & Scrutiny Committee and approved by Council Executive. This ensures that the overall aims of the Asset Management strategy are in line with those of the organisation as governed by members.

Overall governance of the way in which H&T choose to implement those agreed policies is governed by the Corporate Director BES in consultation with the BES Executive Members.

Record of decision that Equality Impact Assessment is not required (April 2015)	
Directorate and service area	Business and Environmental Services Highways and Transportation
Name and contact of officer(s) taking decision that EIA not required	
Stephen Lilgert ext 4370	
What are you proposing to do?	
Adopt a Highway Infrastructure Asset Management Strategy.	
Why are you proposing this?	
The Highways Infrastructure Asset Management Strategy describes the County Council's commitment to highway infrastructure asset management. It represents a link between the overall policy and the collective and individual plans used by H&T departments to manage highways assets.	
Does the proposal involve a significant commitment or removal of resources?	
There is no commitment or removal of existing resources. The contents of the strategy document will be used to direct existing resources.	
Will this proposal change anything for customers or staff? What will change?	
The strategy will inform staff of the overall strategy for highway infrastructure asset management. From a customer point of view, increased efficiency in highways asset management, as set out by both the policy and the strategy should manifest in a better customer experience of our road network.	
Will the proposal make things worse for people with protected characteristics (age, disability, sex, disability, gender reassignment, religion or belief, pregnancy or maternity, marriage or civil partnership)? (Customers, staff etc). How do you know? Do you have any evidence to support your assessment?	
The strategy, along with the policy, has been developed in line with the Local Transport Plan and will complement and further enhance our established asset management based approach to highways maintenance and management. As such the adoption of this strategy will not impact negatively on any individual's use of the highway.	
If there might be a negative impact on people with protected characteristics can this impact be reduced? How?	
n/a	

Could the proposal have a significant negative impact on some people with protected characteristics or a less severe negative impact on a lot of people with protected characteristics? If “Yes” more detailed analysis should be undertaken and an EIA completed.		
No		
Does the proposal relate to an area where there are known inequalities (e.g. disabled people’s access to public transport)?		
No		
Could the proposal have a greater negative impact on people in rural areas?		
No		
Could the proposal have a worse impact on people with less money?		
No		
Will the proposal have a significant effect on how other organisations operate (e.g. partners, funding criteria, etc). Do any of these organisations support people with protected characteristics?		
No		
Do the answers to the previous questions make it reasonable to conclude that there will be no or very limited adverse impacts on people with protected characteristics?	Yes	
Will there be no or limited adverse impacts on people in rural areas?	Yes	
Will there be no or limited adverse impacts on people with low incomes?	Yes	
Further analysis and full EIA Required		No
Decision not to undertake EIA approved by (Assistant Director or equivalent)	Barrie Mason	
Date:	20 th April 2015	