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BOROUGH OF CHESTERFIELD

You are summoned to attend a Meeting of the **Council** of the **Borough of Chesterfield** to be held in the **Council Chamber, Town Hall, Rose Hill, Chesterfield S40 1LP** on **Thursday, 23 February 2017** at **5.00 pm** for the purpose of transacting the following business:-

1. To approve as a correct record the Minutes of the meeting of Council held on 14 December, 2016 (Pages 5 - 14)

2. Mayor's Communications.

3. Apologies for Absence

4. Declarations of Members' and Officers' Interests relating to items on the Agenda.

5. Public Questions to the Council

   To receive questions from members of the public in accordance with Standing Order No. 12.

6. Petitions to Council

   To receive Petitions submitted under Standing Order No.13

   (i) To receive petitions without discussion.

   (ii) To debate the following petition received from Mr Adrian Todd on 10 February, 2017: -

   “I would like request that Chesterfield Borough Council build an Ice Rink on the site of the old Queen’s Park Sports Centre. I have been campaigning locally and using change.org to make people aware of the health, leisure and social benefits that an Ice rink would provide to all Chesterfield residents.”

   The petition contains in excess of 1,000 signatures; therefore it is referred to Council to be debated in accordance with the Council’s petition scheme and Standing Order No. 13

   Mr Adrian Todd will attend Council to present the petition and answer questions.

7. Questions to the Leader

   To receive questions submitted to the Leader under Standing Order No.14

8. Change to Membership of Member Level Committees (Pages 15 - 16)

9. Community Infrastructure Levy interim progress report and Payment in Kind policy (Pages 17 - 38)

10. Housing Capital Programme: New Programme for 2017/18 through to 2021/22 (Pages 39 - 60)

11. Capital Strategy and General Fund Capital Programme (Pages 61 - 76)

12. Treasury Management Strategy (Pages 77 - 106)

13. 2017/18 Budget and Medium Term Financial Plan (Pages 107 - 176)

14. Council Tax for 2017/18 (Pages 177 - 182)

15. Chesterfield Borough Council's Council Plan 2016/17 Update (Pages 183 - 208)

16. Senior Pay Policy Statement for 2017/18 (Pages 209 - 250)

17. Local Government Act 1972 - Exclusion of the Public

   To move “That under Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act”.

18. Northern Gateway - Progress report on the negotiations for the redevelopment of the former Co-op building (Pages 251 - 270)

19. Local Government Act 1972 - Re-admission of the Public

   To move that after the consideration of an item containing exempt information that the public be re-admitted to the meeting.

20. Minutes of Committee Meetings (Pages 271 - 272)

   To receive for information the Minutes of the following meetings:-

   - Appeals and Regulatory Committee

- Employment and General Committee
- Licensing Committee
- Planning Committee
- Standards and Audit Committee

21. To receive the Minutes of the meetings of Cabinet of 13 December, 2016 and 24 January and 7 February, 2017 (Pages 273 - 294)

22. To receive the Minutes of the meeting of the Joint Cabinet and Employment and General Committee of 10 January, 2017 (Pages 295 - 298)

23. To receive and adopt the Minutes of the meeting of the Overview and Performance Scrutiny Forum of 10 January, 2017 (Pages 299 - 308)

24. To receive and adopt the Minutes of the meeting of the Enterprise and Wellbeing Scrutiny Committee of 6 December, 2016 (Pages 309 - 318)

25. Questions under Standing Order No. 19

    To receive questions from Councillors in accordance with Standing Order No.19.

By order of the Council,

Chief Executive

Chief Executive's Unit,
Town Hall,
Chesterfield

15 February 2017

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COUNCIL

Wednesday, 14th December, 2016

Present:-

Councillor Brunt (The Mayor)

Councillors	Bagley	Councillors	Flood
	P Barr		P Gilby
	Bellamy		T Gilby
	Bingham		Hill
	Blank		Hitchin
	Borrell		Hollingworth
	Brady		Huckle
	Brittain		J Innes
	Burrows		P Innes
	Callan		Miles
	Catt		A Murphy
	Caulfield		T Murphy
	D Collins		Niblock
	Davenport		Rayner
	Derbyshire		Redihough
	Dickinson		Sarvent
	A Diouf		Serjeant
	V Diouf		Simmons
	Dyke		Slack
	Elliott		Wall

55 **MINUTES**

RESOLVED –

That the Minutes of the meeting of the Council held on 12 October, 2016 be approved as a correct record and be signed by the Chair.

56 **MAYOR'S COMMUNICATIONS.**

The Mayor referred to the following Mayoral engagements:

- Hosting several visits to the Town Hall by primary school pupils as part of Local Democracy Week.

- Attending events to mark Remembrance Day including the Service of Remembrance at the Parish Church and the parade to the Chesterfield War Memorial.

- Switching on the Christmas lights in Chesterfield town centre.

The Mayor also referred to meeting a visiting delegation from Chesterfield's twin town in China, Yangquan at the Town Hall and signing an extension to the two towns' twinning agreement up to 2021.

57 <u>APOLOGIES FOR ABSENCE</u>

Apologies for absence were received from Councillors J Barr, Bexton, Ludlow and Perkins.

58 <u>DECLARATIONS OF MEMBERS' AND OFFICERS' INTERESTS RELATING TO ITEMS ON THE AGENDA.</u>

No declarations of interest were received.

59 <u>PUBLIC QUESTIONS TO THE COUNCIL</u>

There were no questions.

60 <u>PETITIONS TO COUNCIL</u>

No petitions had been received.

61 <u>QUESTIONS TO THE LEADER</u>

Under Standing Order No.14 Members asked the Leader the following questions and received verbal responses to their questions.

- Councillor Tom Murphy asked about the council's plans and ability to build new council housing.

- Councillor Alexis Diouf asked how the Syrian refugees who had recently arrived in Chesterfield were settling into their new homes.

62 **ANNUAL AUDIT LETTER, 2015/16**

The Council's Information Assurance Manager, Tony Crawley, attended to present KPMG's Annual Audit Letter for 2015/16.

The report covered the audit of the Council's financial statements and assessment of arrangements to achieve value for money in the use of resources. The arrangements were assessed against the criteria of financial resilience and securing economy, efficiency and effectiveness. The report advised that KPMG had issued an unqualified value for money conclusion for 2015/16 on 28 September, 2016, and had also concluded that the Council had proper arrangements in place to secure financial resilience and to challenge how it secures economy, efficiency and effectiveness.

RESOLVED -

That KPMG's Annual Audit Letter for 2015/16 be received.

63 **PROCUREMENT OF EXTERNAL AUDITORS**

Pursuant to Standards and Audit Committee Minute No.24 the Director of Finance and Resources presented a report summarising the changes made to the arrangements for the appointment of external auditors at the end of the transitional period following the closure of the Audit Commission.

The report recommended that the council should opt into to the appointing person arrangements made by Public Sector Audit Appointments, for the procurement and appointment of external auditors as this would offer the best value solution for the council.

RESOLVED –

That the Council opts in to the appointing person arrangements made by Public Sector Audit Appointments for the procurement and appointment of external auditors.

64 **TOWN HALL REFURBISHMENT**

Pursuant to Cabinet Minute No.104 the Customer, Commissioning and Change Manager submitted a report detailing proposed changes to the

Town Hall refurbishment scheme and to request that the proposed changes be approved and implemented

The report noted that the Town Hall refurbishment scheme was a key component of the council's Great Place: Great Service transformation programme and as an "invest to save" project would generate significant income for the council to use in protecting and improving front line service provision.

The revised project would require a capital budget of £2,740,000, of which £850,000 had already been approved and included in the council's Capital Programme. It was proposed that the remainder of the budget should be funded through prudential borrowing and repaid from future capital receipts. The Town Hall refurbishment scheme had been projected to generate a minimum of £141,840 rental income from 2018/19, and a minimum of £240,840 rental income per year from 2020/21, the receipt of which would have a positive impact on the Council's revenue budget.

RESOLVED –

1. That the Town Hall refurbishment scheme be amended to reflect the increased scope and extended timescales required for delivery.

2. That both the asbestos and building works are completed whilst Chesterfield Borough Council staff members remain in-situ within the Town Hall.

3. That the Capital Programme be updated to reflect the revised capital budget of £2,740,000.

4. That the Treasury indicators be updated to reflect that prudential borrowing of £2,091,000 be used to fund the increased capital costs of the scheme.

5. That the Service Improvement Reserve be used to fund £135,000 of additional associated revenue costs in 2016/2017.

6. That it be noted that the council's Operational Services Division is capable of recruiting the resources required to enable delivery of the building works programme within the cost model identified.

7. That it be noted that the scheme assumes a minimum £240,840 of income will be generated annually from 2020/21, which would then be able to be reinvested in the council's work to protect and improve front line services to the public.

65 **GENERAL FUND REVENUE AND CAPITAL BUDGET MONITORING REPORT AND UPDATED MEDIUM TERM FINANCIAL FORECAST - SECOND QUARTER 2015/16**

Pursuant to Cabinet Minute No.90 the Director of Finance and Resources submitted a report outlining the budget position at the end of the second quarter, covering the General Fund Revenue account, the General Fund Capital account, the Housing Revenue account as well as the Housing Capital Programme.

RESOLVED –

1. That the financial performance in the first half of the financial year and the new medium term forecast be noted.

2. That the efficiency plan submitted to the Department for Communities and Local Government be noted.

3. That the proposed use of reserves, as set out in section 6 of the officer's report be approved.

4. That the changes to the Housing Revenue Account budget, as set out in section 8 of the officer's report be noted.

5. That the budget preparation guidelines, as set out at paragraph 9.1 of the officer's report be approved.

6. That the revised approach to budget consultation, as set out at paragraph 9.3 of the officer's report be approved.

66 **LOCAL COUNCIL TAX SUPPORT SCHEME 2017/18**

Pursuant to Cabinet Minute No.119 the Director of Finance and Resources submitted a report seeking approval for the Council Tax Support Scheme for the next financial year (2017/18). The report noted that the scheme being recommended for adoption in respect of the next financial year (2017/18) was unchanged from that operated in 2016/17.

RESOLVED –

1. That Council approve the continued operation of a Local Council Tax Support Scheme for 2017/18. The scheme is based on The Council Tax Reduction Scheme England Regulations 2012 amended to reflect the following local decisions concerning the key principles of the scheme:

    - For those of working age the maximum amount of Council Tax that will be eligible for reduction is 91.5% of their full Council Tax Liability.

    - The Council continues its policy of disregarding war pensions for the purposes of calculating income in respect of the Council Tax Support Scheme.

    - The ‘taper’, i.e. the rate at which support is withdrawn as income increases be maintained at 20%.

2. That the Director of Finance and Resources be granted delegated powers to update the 2017/18 scheme to reflect such up-ratings of premiums, allowances and non-dependent deductions as may be determined by the Department of Work and Pensions, and for other minor technical which may be required.

3. That the current local council tax discounts, which were originally implemented in 2013/14, be continued.

67 DEPUTY LEADER AND CABINET APPOINTMENTS 2016/17

The Democratic Services Manager submitted a report requesting that Council noted the changes made by the Leader of the Council to cabinet appointments and portfolios in accordance with Article 7 of the council’s constitution.

RESOLVED –

1. That Council note the appointment by the Leader of the following Members of the Cabinet:-

Deputy Leader
Councillor Terry Gilby

Cabinet Member for Business Transformation
Councillor Ken Huckle

Cabinet Member for Customers and Communities
Councillor Helen Bagley

Cabinet Member for Economic Growth
Councillor Tricia Gilby

Cabinet Member for Finance and Governance
Councillor Sharon Blank

Cabinet Member for Health and Well Being
Councillor Chris Ludlow

Cabinet Member for Town Centre and Visitor Economy
Councillor Amanda Serjeant

Minority member without portfolio
Leader of the Liberal Democrat Group

Assistant Cabinet Members for Special Projects
Councillor Ray Catt
Councillor John Dickinson
Councillor Jean Innes

2. That the council's constitution be amended to reflect the revised cabinet portfolios and the consequent delegations to cabinet members.

68 **<u>CHANGES TO MEMBERSHIP OF COMMITTEES 2016/17</u>**

The Committee and Scrutiny Coordinator submitted a report detailing the Executive Leader of the Council's proposed changes to the membership and Chairs of Member level Committees for remainder of the 2016/17 Municipal year.

1. That the following changes to Committee memberships as detailed below be approved.

Appeals and Regulatory Committee
- Councillor Miles to replace Councillor Lisa Collins
- Councillor Murphy to replace Councillor Hitchin

Customer, Community and Organisational Scrutiny Committee
- Councillor Lisa Collins to replace Councillor Miles
- Councillor Peter Innes to replace Councillor Slack

Employment and General Committee
- Councillor Wall to replace Councillor Dickinson

Enterprise and Wellbeing Scrutiny Committee
- Councillor Caulfield to replace Councillor Tricia Gilby
- Councillor Hitchin to replace Councillor Catt

Overview and Performance Scrutiny Forum
- Councillor Caulfield to replace Councillor Tricia Gilby
- Councillor Lisa Collins to replace Councillor Miles
- Councillor Peter Innes to replace Councillor Slack
- Councillor Hitchin to replace Councillor Catt

Planning Committee
- Councillor Burrows to replace Councillor Dickinson

Standards and Audit Committee
- Councillor Hollingworth to replace Councillor Sarvent

2. That the following changes to Committee Chairs as detailed below be approved.

Customer, Community and Organisational Scrutiny Committee
- Councillor Peter Innes to replace Councillor Slack

Enterprise and Wellbeing Scrutiny Committee
- Councillor Sarvent to replace Councillor Tricia Gilby

Overview and Performance Scrutiny Forum
- Councillors Peter Innes and Sarvent to replace Councillors Tricia Gilby and Slack as alternating Chair

69 MINUTES OF COMMITTEE MEETINGS

RESOLVED -

That the Minutes of the following Committees be noted:-

Appeals and Regulatory Committee of 12 and 19 October and 2 and 30 November, 2016

Licensing Committee of 5 October and 16 and 30 November, 2016

Planning Committee of 10 and 31 October and 21 November, 2016

Standards and Audit Committee of 21 September, 2016

70 MINUTES OF THE CABINET

RESOLVED –

1. That the Minutes of the meetings of Cabinet of 4 October, 1, 15 and 29 November and 6 December, 2016 be noted.

2. That the recommendation at Minute No. 95 (1) be approved.

71 MINUTES OF THE JOINT CABINET AND EMPLOYMENT AND GENERAL COMMITTEE

RESOLVED -

That the Minutes of the meeting of the Joint Cabinet and Employment and General Committee of 1 November, 2016 be noted.

72 MINUTES OF THE OVERVIEW AND PERFORMANCE SCRUTINY FORUM

RESOLVED –

That the Minutes of the meeting of the Overview and Performance Scrutiny Forum of 8 November, 2016 be approved.

73 MINUTES OF THE COMMUNITY, CUSTOMER AND ORGANISATIONAL SCRUTINY COMMITTEE

RESOLVED –

That the Minutes of the meeting of the Community, Customer and Organisational Scrutiny Committee of 13 September, 2016 be approved.

74 MINUTES OF THE ENTERPRISE AND WELLBEING SCRUTINY COMMITTEE

RESOLVED –

That the Minutes of the meeting of the Enterprise and Wellbeing Scrutiny Committee of 4 October, 2016 be approved.

75 QUESTIONS UNDER STANDING ORDER NO. 19

There were no questions.

For publication

Change to Membership of Member Level Committees

Meeting:	Council
Date:	23 February, 2017
Report by:	Committee and Scrutiny Co-ordinator

For publication

1.0 Purpose of report

1.1 To enable the Council to consider a proposed change to the membership of Member Level Committees for the remainder the 2016/17 municipal year.

2.0 Recommendations

2.1 That the Councillor Sarvent replaces Councillor Burrows on the Planning Committee.

3.0 Report details

3.1 The following change to Committee memberships is proposed by the majority group:

Planning Committee

- Councillor Sarvent to replace Councillor Burrows.

4.0 Recommendations

4.1 That the Councillor Sarvent replaces Councillor Burrows on the Planning Committee.

Document information

Report author	Contact number/email
Martin Elliott, Committee and Scrutiny Co-ordinator	**(01246) 345236 martin.elliott@chesterfield.gov.uk**

For Publication

Community Infrastructure Levy (CIL) – Interim Year Report

Meeting:	Council
Date:	23 February, 2017
Report by:	Economic Growth Manager

For publication

1.0 Purpose of Report

1.1 To update Members on the introduction of the Community Infrastructure Levy (CIL) and the performance of the Levy during the first 9 months following its implementation, and to recommend the introduction of a CIL Payment in Kind policy.

2.0 Recommendations

2.1 That Full Council notes the report on the performance of the Levy during the first 9 months since implementation.

2.2 That Full Council approves the introduction of a CIL 'Payment in Kind' policy as set out in the report.

3.0 Background

3.1 The Community Infrastructure Levy (CIL) offers a way of seeking contributions from developers towards providing essential infrastructure that is needed to support new development.

3.2 Following an extensive period of evidence preparation and consultation, the Council approved the introduction of a CIL

Charging Schedule, Infrastructure List and Instalments Policy, and the Levy took effect on 1st April 2016.

3.3 The Chesterfield CIL Charging Schedule has the following key elements:

- CIL is only charged on **residential development** (use class C3) and **retail development** (use classes A1-A5). Other forms of development were not considered viable (i.e. they would not generate sufficient development value to justify CIL collection).

- Chesterfield Borough has three **residential** CIL zones:
  - A high CIL zone (£80 per sq.m);
  - A medium CIL zone (£50 per sq.m); and
  - A low CIL zone (£20 per sq.m).

  The Staveley Corridor regeneration area is nil rated. These zones are broadly based on viability (i.e. land and property prices throughout the Borough) and follow ward boundaries. CIL is charged in pounds per square metre on net increase in gross internal floor area (GIA).

- For all **retail** development over $100m^2$, a Borough-wide charge of £80 per sq.m applies.

- Affordable housing is exempt from the CIL regime and will continue to be funded through S.106 agreements. Exemptions are also available for self-build and charitable development.

- Developers must pay CIL on commencement of development but payments can be phased.

- The Council resolved to introduce an Exceptional Circumstances Policy from May 2016. This enables the Council to offer relief from CIL where individual sites with specific and exceptional cost burdens would not be viable due to the payment of the CIL charge. It is a mechanism to deliver development in circumstances where CIL and S.106 conflict, although the exceptional circumstances where this policy will be applied are likely to be rare.

- There is a requirement to report on CIL monies received and expenditure, on an annual basis.

3.4 This report is due to considered by Cabinet at its meeting on 21 February, 2017 where it is recommended that the report be supported and referred to Full Council for approval.

4.0 CIL Performance

4.1 In terms of performance since the Levy took effect on 1st April, as of 31st December 2016:

- 25 CIL Liability Notices have been issued,
- 3 Commencement Notices have been received (2 relating to exempt schemes)
- 2 self-build exemptions have been granted
- 2 Demand Notices have been issued
- Potential CIL-liability is now approaching £900,000

A schedule of CIL-liable schemes is set out in detail in Appendix 3.

4.2 Developments become eligible for CIL when Full or Reserved Matters planning permission is granted, but it is paid upon commencement of development. The lead in times between the developer accepting CIL liability and payment can be significant and it will be some time before the Council is in a position to utilise CIL revenues. This provides an opportunity to agree with members and other stakeholders a CIL expenditure strategy.

4.3 Overall, the introduction of CIL has offered more certainty in planning decision, both for the Council and for developers in terms of the developer contributions that the Council is able to request for particular development proposals, and what developers will be required to provide.

Section 106 Agreements

4.4 The introduction of the CIL in Chesterfield has not completely replaced the system of planning obligations. S.106 agreements have continued to operate alongside CIL, but in a scaled down form. It is no longer possible for the Borough Council to request contributions through Section 106 agreements for infrastructure items which are contained within the CIL Regulation 123 list since this would amount to 'double charging'. The list is attached at Appendix 1.

CIL Expenditure

4.5 Unlike developer contributions from S.106 agreements, CIL does not have to be spent on the site or in the area from which it is collected. CIL must, however, be spent on infrastructure items that are included in the Council's adopted infrastructure list (known as the Regulation 123 list - see Appendix 1.) The task now is to agree expenditure priorities, to ensure that CIL is able to support the agreed strategic growth strategy for the Borough.

4.6 The Regulation 123 list can be reviewed at any time. The Authority Monitoring Report could be expanded to identify progress on collecting and spending CIL and indicate the need for any review of the Regulation 123 list. When the Regulation 123 list is being revised, any changes will need to be clearly explained and subject to appropriate local consultation.

Neighbourhood element

4.7 CIL will help neighbourhoods to accommodate the impact of new development by sharing CIL revenues. A 15% share of the CIL revenues from development in their areas will be allocated to Town and Parish Councils to deliver the infrastructure that local communities want. In other areas of the Borough, the Council will retain the neighbourhood proportion and will engage with local communities where development has taken place and agree with them how best to spend the neighbourhood funding element. It should be noted that expenditure of the neighbourhood element is not constrained by the Regulation 123 list.

A Payment-in-kind policy

4.8 There may be circumstances where the Borough Council, as the CIL Charging Authority, and the person/developer liable for the CIL will wish land and/or infrastructure to be provided, instead of money, to satisfy a CIL charge. The CIL Regulations provide for such 'Payments in Kind', allowing CIL charging authorities to put in place procedures which would allow acceptance of full or part payment of a CIL liability by way of a physical provision of land and / or infrastructure.

4.9 However, before accepting a payment in kind the Charging Authority must have made the possibility of such payments available in its area. To achieve this Council must:

- give notice that it is willing to accept either or both land payments and infrastructure payments;
- state the commencement date from which it is willing to accept them; and
- as regards an infrastructure payment, include a policy statement as to the infrastructure projects or types which it will consider accepting. The infrastructure to be provided should be a project or type listed on its Regulation 123 list.

4.10 Other features of a Payment-in-kind policy are:

- The policy may be revised or revoked subsequently but any revision must be publicised.
- The aim of the authority must be to ensure that infrastructure provided in this manner will be used to support the development of the area. (The authority can accept infrastructure which is situated outside the area if it considers that it will provide such support);
- Significantly, the charging authority must be satisfied that the infrastructure is not needed to make the relevant planning permission acceptable in planning terms (i.e. it would have otherwise been secured by conditions and/or section 106 agreement alongside normal CIL payments).
- In addition to the national requirements, it is possible to impose local eligibility criteria, where this is felt to be necessary and justified.
- Where any developer does offer to pay the levy as land or infrastructure , 15% of the cash value of levy receipts must be passed on to the relevant Town Council or community area in cash, in accordance with the requirements for the neighbourhood element.

4.11 A draft Payment in Kind policy is set out in Appendix 2. The draft Policy incorporates these issues and proposes that the Borough Council should consider accepting both land and infrastructure.

Next steps

4.12 In accordance with the issues highlighted in this report, the next steps for the Council will be to:

- Identify CIL expenditure priorities, as set out in paragraph 4.5
- Publish an annual CIL report for the financial year 2016/17 – post 31.3.17, as outlined in paragraph 3.3.

4.13 If Council is minded to approve the Payment in Kind Policy set out in Appendix 2, the Council must:

- issue a document which gives notice that it is willing to accept either or both land payments and infrastructure payments;
- state the commencement date from which it is willing to accept, them it will take effect from 1st April 2017; and
- as regards an infrastructure payment, include a policy statement as to the infrastructure projects or types which it will consider accepting possibly by reference to the reg. 123 list of infrastructure.
- Publish the policy on the Council's website and make it available for inspection at the Town Hall and any other appropriate places within the Borough.

4.14 Alongside its publication of the Housing White Paper on 7th February, the Government also published the report of the CIL Review Group which it commissioned in 2015. The report sets out the Group's findings and recommendations for a new approach to developer contributions. A further report will be presented to members in due course, setting out the implications for CIL and developer contributions.

5.0 Financial considerations

5.1 The financial ramifications of introducing a CIL were reported to Cabinet in December 2011 and in subsequent reports. Importantly, the CIL regulations permit charging authorities to finance initial set-up and ongoing administration costs from up to 5 per cent of CIL receipts. Therefore, over time, it should be possible to recover the costs of preparing the CIL evidence base and Charging Schedule (including examination costs) and other on-going administration or staffing costs. The introduction of a Payment in Kind Policy will offer a mechanism to allow acceptance of full or part payment of a CIL liability by way of a physical provision of land and / or infrastructure.

5.2 An index also now needs to be applied to CIL liability calculations. Government legislation specifies the index to be used, which can only be accessed at an estimated cost of £1,810 (+vat). This cost can be met through the 5% administrative element of CIL income which can be recovered by the Council referred to above.

6.0 **Legal and human rights implications**

6.1 The preparation of CIL has been in accordance with the statutory requirements of the Planning Act 2008 and CIL regulations 2010 (as amended).

7.0 **Consultation**

7.1 All public consultation has been in accordance with the statutory requirements of the Planning Act 2008 and CIL Regulations 2010 (as amended).

7.2 The CIL Regulations also set out the steps required to introduce the proposed Payments in Kind policy (paragraph 3.16.)

8.0 **Environmental sustainability and bio-diversity**

8.1 Local authorities have a duty to have regard to the conservation of biodiversity in exercising their functions in accordance with the Natural Environment and Rural Communities Act which came into force on 1 October 2006.

8.2 CIL will provide funds to protect, enhance and promote the Borough's existing green infrastructure assets.

9.0 Risk Management

9.1 The potential risks of introducing a CIL Charging Schedule were considered by Members in October 2015 and are shown below. The introduction of a Payment in Kind Policy, together with the approved Exceptional Circumstances Relief Policy, has been added to the original Risk assessment, together with proposed mitigating actions.

Description of the Risk	Impact	Likelihood	Mitigating Action	Impact	Likelihood
Developers not assuming liability in timely manner	L	M	Set up robust monitoring including reminders to developers	L	L
Developers not notifying LPA of commencement	M	M	Set up robust monitoring including reminders to developers	L	L
CIL funds not received within specified time period	M	M	Set up robust enforcement procedures including reminders to developers	L	L
Introduction of Payment in Kind Policy					
Reduction in CIL funding from payments in kind	M	M	Robust application of policy to ensure only used where relevant	L	M
Development not coming forward due to difficulties making infrastructure provision on site	H	M	Adoption of Payment in Kind policy	L	L

10.0 Equalities

10.1 A preliminary Equalities Impact Assessment (EIA) has been undertaken and no negative impacts on protected groups have been identified (Considered by Members in October 2015). The Council's Policy & Equalities Team have confirmed that it is not necessary to carry out a full EIA for the proposal for a supplementary Payment in Kind policy as set out in this report.

11.0 Alternative options and reasons for Rejection

11.1 The Community Infrastructure Levy scheme in Chesterfield does not currently give developers the option to offer payment in kind. It is considered that adding this payment option to the scheme would offer flexibility in particular circumstances, where the Council chooses to accept any such offer and where the terms of the policy can be met.

12.0 Recommendations

12.1 That Full Council notes the report on the performance of the Levy during the first 9 months since implementation.

12.2 That Full Council approves the introduction of a CIL 'Payment in Kind' policy as set out in the report.

13.0 Reasons for recommendations

13.1 To allow the Council the discretion to offer Payment in Kind where where the Borough Council, and the person/developer liable for the CIL will wish land and/or infrastructure to be provided, instead of money, to satisfy a CIL charge.

<u>Decision Information</u>

Key decision number	**707**
Wards affected	All wards
Links to Council Priorities	To make Chesterfield a thriving Borough. To improve the quality of life for local people

Document information

Report author	**Contact number/email**

Rick Long, Infrastructure Planning Officer, Strategic Planning and Key Sites Team (x5792).	01246 435792 Rick.long@chesterfield.gov.uk

Background documents Relevant background documents are set out on the Council's Community Infrastructure Levy webpage https://www.chesterfield.gov.uk/planning-and-building-control/planning-permission-and-development-control/community-infrastructure-levy.aspx

Appendices to the report	
Appendix 1	Community Infrastructure Levy: Regulation 123 List
Appendix 2:	Proposed Payment-in-kind policy
Appendix 3:	Chesterfield Community Infrastructure Levy Schedule of CIL-Liable schemes at 31st December 2016

Appendix 1

Community Infrastructure Levy:

Regulation 123 List

REGULATION 123 INFRASTRUCTURE LIST
Infrastructure Type or Project
Strategic Green Infrastructure
• Public Open Space and/or play provision and/or improvements* • Sports and Playing Pitches* • Restoration of Chesterfield Canal • Access improvement to Green Wedges and Strategic Gaps • Biodiversity and habitat enhancement including tree planting*
Transport Infrastructure
• Improvements to A61 Chesterfield Inner Relief Road Junctions* • Chesterfield Staveley Regeneration Route • Hollis Lane Link Road • Implementation of Chesterfield Strategic Cycling Network* • Measures to improve walking, cycling and public transport provision within*: i. The A61 Corridor ii. The A619 Chatsworth Road iii. The A619 corridor through Brimington and Staveley iv. Access to Chesterfield Railway Station v. The proposed Strategic Cycle Network

Other Infrastructure
• Strategic Flood Defences and alleviation measures*
Education Provision
• Provision of additional pupil capacity in existing schools and contributions to a new school or schools to address shortfalls in capacity arising from new housing growth

***Excluding Site Specific measures arising as a result of specific development proposals, subject to statutory tests set out under Regulation 122 of the Community Infrastructure Levy Regulations 2010 (as amended), which stipulates the following:**

A planning obligation may only constitute a reason for granting planning permission for the development if the obligation is –
a) necessary to make the development acceptable in planning terms
b) directly related to the development; and
c) fairly and reasonably related in scale and kind to the development.

CIL & Neighbourhood Funding

On 25th April 2013 the CIL regulations where amended to include provisions for 'neighbourhood funding'. From that date, a proportion of CIL collected by a charging authority must be passed on to Town or Parish Councils.

The government's aim for neighbourhood funding is to help communities accommodate the impact of new development. Consequently 15 percent of CIL received by the charging authority should be passed directly to a Parish and Town Council if CIL liable development has taken place within the Parish/Town Council area.

Appendix 2: Proposed Payment in Kind Policy

<u>Community Infrastructure Levy -</u>

<u>Payment in Kind Policy</u>

In accordance with Regulations 73, 73A, 73B, and 74 of the community Infrastructure Levy Regulations 2010 (as amended), Chesterfield Borough Council, as the Charging Authority for Chesterfield Borough, will allow the payment of CIL by land payments or infrastructure payments.

<u>Paying CIL in the form of Land</u>

In certain circumstances it will be possible to pay some or the entire CIL amount in the form of land. This will be dependent on certain conditions:

1. The Council must have agreed to the transfer of land as part or whole payment of the CIL
2. The land can be used to provide infrastructure to support the development of the area
3. The applicant must have assumed liability to pay CIL
4. The open market value of any land or the cost (including the related design cost) of infrastructure offered by way of payment must be determined by a suitably qualified, independent person, with any costs associate with this assessment met by the liable party. This will determine how much liability the 'in-kind' payment will offset.
5. The liable party will be required, at its expense, to undertake such searches as the council requires on any land that is proposed to be transferred in to the ownership of the council and share the resultant information with the Council before the Council agree to accept any payment in kind. The liable party must also notify the Council of any restrictions on the use or disposal of the land that is proposed to be transferred in to the ownership of the Council before the council agrees to accept any payment in kind.
6. Where payment of CIL by land provision is considered acceptable, the Council will enter into an agreement with the liable party(ies)

prior to the development commencing, The Council must be satisfied that the criteria in Regulation 73 have been met

7. The agreement cannot form part of a planning obligation within a S106 Agreement.

An application for payment in kind will only be considered acceptable where it demonstrates compliance with the national criteria within the CIL Regulations (2010) as amended, local criteria, and subject to all necessary searches on the land being to the satisfaction of the Council.

Paying CIL in the form of infrastructure

In certain circumstances it will be possible to pay some or the entire CIL amount in the form of infrastructure. This will be dependent on certain conditions:

1. The infrastructure to be provided must be related to the provision of those infrastructure types and projects listed in the Council's Regulation 123 List. The infrastructure or land offered may not be necessary to make the proposed development acceptable in planning terms.
2. The applicant must have assumed liability to pay CIL.
3. The value of the infrastructure to be transferred must have been determined by a suitably qualified, independent person, with any costs associate with this assessment met by the liable party. This will determine how much liability the 'in-kind' payment will offset.
4. Where payment of CIL by infrastructure provision is considered acceptable, the Council will enter into an agreement with the liable party(ies) prior to the development commencing, The Council must be satisfied that the criteria in Regulation 73 have been met.
5. The agreement cannot form part of a planning obligation within a S106 Agreement.

In addition to these conditions, the Policy has the following terms:

a. Where land or infrastructure passes into the ownership of the Council, it will be added to the Council's Asset Register.

b. The Council is not obliged to accept any offer of payment in kind by land or infrastructure.

c. In the event of a liable party commencing development having failed to submit a Commencement Notice to the Council, any agreement regarding payment in kind for that liable development will be void and the land / infrastructure will not be accepted as payment in kind. Instead, the full value of CIL liability will be due immediately in money.

Neighbourhood Element:

Where the Council accepts land and/or infrastructure, as 'payment in kind' the equivalent neighbourhood contributions must still be paid to the local community as a financial payment. This will amount to 25% where there is a formal Neighbourhood Plan, or within a Neighbourhood Development Order, or 15% where there is no Neighbourhood Plan, capped at a maximum of £100 per council tax dwelling.

Appendix 3: Chesterfield Community Infrastructure Levy

CIL-Liable schemes at 31st December 2016:

Planning Reference	Location	Development	CIL Charge (£)	Awaiting decision	Liability notice served	Demand notice served / Commen-ced	CIL received	Notes/ Exempt-ions etc.
CHE/16/ 00121/ FUL	Land To The West Of Keswick Drive, Newbold	Residential development of 9 bungalows,	54,200	N	Y	N/ N	N	
CHE/15/ 00701/ FUL	Land To The Northern End Of Rushen Mount,	Construction of 2 No., 5 Bed detached dwellings	30,300	N	Y	N/ N	N	
CHE/16/ 00053/ FUL	Apple Trees, Lancaster Road, Newbold,	Residential development of 6 dwellings	44,200	N	Y	N/ N	N	
CHE/14/ 00896/ FUL	Littlemoor Shopping Centre, Chesterfield	Demolition to form 11 apartments & 2 retail units including new detached dwelling	36,900	N	Y	N/ N	N	
CHE/16/ 00086/ FUL	Land Off, William Street North, Old Whittington	Erection of 3 dwellings	11,400	N	Y	Y/ Y	N	
CHE/16/	Land to the	Erection of 5	27,920*	N	Y	N/	N*	*Self-build

00210 /FUL	rear of 572 Chatsworth Road, Chesterfield S40 3JS	bedroom house				N		exemption issued
CHE/15/ 00314/ FUL	7 Walton Walk, S40 2QQ	Demolition of garage and erection of new two bed dwelling	5,350	N	Y	N/ N	N	
CHE/16/ 00042/ FUL	Lodge Farm, Westwood Lane, Brimington,	Demolition of existing house & outbuildings& construction of 4 new houses	49,000*	N	Y	N*/ Y	N*	*Self-build exemption issued
CHE/16/ 00195/ FUL	Site Of Former Troughlee Club Troughbrook Road Hollingwood	Erection of two residential dwellings	12,900	N	Y	N/ N	N	
CHE/16/ 00245/ FUL	6 The Dell Ashgate Chesterfield Derbyshire S40 4DL	Demolition of garage & erection of detached bungalow	10,320	N	Y	N/ N	N	
CHE/16/ 00272/ FUL	5 Westwood Lane, Brimington,	New two storey dwelling	6,272	N	Y	N/ N	N	
CHE/16/ 00428/ FUL	Land To Rear Of 19 Bentham Road Chesterfield	Detached house to Plot 4	11,950	N	Y	N/ N	N	
CHE/16/ 00023/	Handleywood Farm,	Demolition of buildings and	39,700	N	Y	N/ N	N	

FUL	Whittington Road, Barrow Hill,	erection of 5 dwellings						
CHE/16/ 00282/ FUL	Land Adjacent 95 - 97 Rectory Road Duckmanton	Two new dwellings	22,300	N	Y	N/ N	N	
CHE/16/ 00518/ FUL	Site Of Former Newbold Community School, Newbold Road, Newbold	Residential development comprising 56 dwellings	395,520*	N	Y	N/ N	N	*Net figure allowing for permitted exemption of affordable housing element
CHE/16/ 00425/ FUL	15 - 17 West Bars Chesterfield S40 1AQ	Demolition of & erection of replacement building with retail outlet on ground floor + 2 apartments on 1st and 2nd floors	7,980	N	Y	N/ N	N	
CHE/15/ 00445/ FUL	59 Rufford Close, Chesterfield, S40 2PB	Erection of four 2 bedroom dwellings	18,700	N	Y	N/ N	N	
CHE/15/ 00083/ FUL	Land adjacent to 105 Kendal Road, Chesterfield	New Bungalow	4,100	N	Y	N/ N	N	

CHE/16/ 00306/ FUL	Rear of 246 Ashgate Road	Construction of one new dwelling	16,960	N	Y	N/ N	N	
CHE/16/ 00477/ FUL	Lidl Sheffield Road Whittington Moor Derbyshire S41 8LX	Demolition of four properties to accommodate car park & extended foodstore	12,160	N	Y	N/ N	N	
CHE/16/ 00525/ FUL	31 Netherfield Road Somersall, Chesterfield,	Two bedroom detached dwelling	7,760	N	Y	N/ N	N	
CHE/16/ 00429/ RET	Land to Rear of Former Hotel De Pod High Street Staveley, S43 3UX	Retrospective consent for 8 units (instead of originally approved 6), retention of 2 separate flats over pub & retention of extension (converted to a single flat)	1,560	N	Y	Y/ Y	N	
CHE/16/ 00216/ FUL	Jacksons Bakery, New Hall Road, Chesterfield, S40 1HE	Residential development of 8 units	24,100	N	Y	N/ N	N	
CHE/16/ 00620/ FUL	Unit 3 Spire Walk Business Park Spire Walk Chesterfield, S40 2WG	Installation of a mezzanine floor and building alterations to remove the original B&Q canopy	99,760	N	Y	N/ N	N	

CHE/16/ 00625/ FUL	Land Adjacent 135 Cordwell Avenue, Newbold,	Proposed new dwelling,	2,850	N	Y	N/ N	N	
TOTAL OUTSTANDING CIL LIABILITY FROM APPROVED SCHEMES								
			877,242					

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For publication

Housing Capital Programme: New Programme for 2017/18 through to 2021/22

Meeting:	Council
Date:	23 February, 2017
Report by:	Housing Manager Director of Finance & Resources

For publication

1.0 Purpose of report

1.1 To seek approval for the public sector housing 'Capital' programme for 2017/18 and provisionally for 2018/19 to 2021/22.

2.0 Recommendations

2.1 That the Housing (Public Sector) Capital Programme for 2017/18 is approved and its procurement, as necessary, be authorised.

2.2 That the Housing (Public Sector) Capital Programmes for 2018/19 to 2021/22 are provisionally authorised.

2.3 That the Operational Services Division share of the Programme be approved.

2.4 That he Housing Manager be authorised to transfer funds between programme heads and budgets to manage the Capital Programme as set out in the report.

3.0 Financing the 2017/18 Programme and Beyond

3.1 The overall financial strategy continues to focus on the maintenance of the Decent Homes Standard, improving the non-traditional housing stock and starting to deliver improvements to the estate environment in the immediate short term.

3.2 However, following the introduction of a new National Social Rent Policy, as part of the Welfare Reform and Work Act in 2016, which reduced rents by 1% per annum for four years (Cabinet 26 January 2016), the Housing Revenue Account (HRA) Business Plan is showing a loss of income of £10 million over this same period. The implications of this loss of income on the HRA Business Plan and the Housing Capital Programme were reported to Cabinet on 17 May 2016 and a further update is included in a separate report on this agenda.

3.3 Cabinet has been asked to approve revenue support for the 2017/18 Housing Capital Programme to the sum of £5,546,861. The 2017/18 Programme also includes £10,441,000 of carry forward from 2016/17 relating to schemes where work started later than anticipated e.g. new build housing at Rufford Close, refurbishment of a sheltered housing scheme (Brocklehurst Court) and the estate improvements at Barrow Hill.

3.4 Whilst income from the sale of council homes under the Right to Buy is still low compared to receipts in the past, there has been a continued upturn in the rate of sales and this could continue as several new Government policies are introduced, including flexible 'fixed term' tenancies. 71 sales have been completed in 2016/17 at 1 January 2016, above the self-financing assumption of 21. The HRA Business Plan for the coming years assumes levels above the self-financing assumptions of 50 in 2017/18, 50 in 2018/19 and 25 thereafter for the next 5 years. Additional receipts from Right to Buys exceeding those figures in the self-financing assumptions can be retained in Chesterfield for the provision of new affordable housing, this money must be spent within three years and will require a funding contribution of 70% from HRA resources. The receipts accumulated to date have been largely spent on the delivery of the new Parkside Older Persons Housing Scheme and in year strategic property acquisitions.

3.5 However, as shown in the HRA Business Plan report, (referred to in Paragraph 3.2) the HRA will have insufficient funding available to meet this 70% funding contribution in the future. If these retained receipts are not used within 3 years then they must be returned to DCLG together with 4.5% interest. Therefore in order to ensure that the receipts are retained in Chesterfield and used for the provision of new affordable housing, Cabinet agreed on 1 November 2016 to work with other local Registered Providers in exchange for a proportion of the stock on site and nomination rights, in additional to a modest new build scheme and a strategic acquisitions programme within the Housing Capital Programme.

3.6 The forecast total level of funding available for investment in the stock is sufficient to maintain the stock at 100% Decency based on the 2013 stock condition survey in the next five financial years (2017/18 to 2021/22). However after this date and as covered in the HRA Business Plan Report (referred to in Paragraph 3.2) there will be a requirement to re-phase the Housing Capital Programme based on the current stock condition survey, which brings into question our ability to continue to meet the Decent Homes Standard after this date.

3.7 The Government, in all of its future housing policy announcements, have been silent on the requirement for social housing to continue to maintain the Decent Homes Standard. Many housing providers find themselves in the same financial position as Chesterfield and are re-phasing their capital programmes and reviewing the way they deliver future maintenance programmes.

3.8 An analysis of resources currently available for the 2017/18 Capital Programme and in each of the following four years is attached at **Appendix 1**.

4.0 The 2017/18 and Future Programmes

4.1 The introduction of Self Financing in the HRA opened up the potential to borrow to finance investment in the stock up to and beyond the Decent Homes Standard.

4.2 The proposed 2017/18 programme and in each of the following four years continues to broadly reflect the capital programme used in the HRA Business Plan in previous years and addresses needs arising due to the ageing stock as identified in the Stock Condition Survey.

4.3 Currently 100% of the housing stock meets the Decent Homes Standard at the 1 January 2017 and we fully anticipate this will continue to be 100% at the 31 March 2017.

4.4 The focus of the programme remains on the modernisation of properties to maintain the Decent Homes Standard with the balance of activity over the next twelve months concentrating on building elements such as roofs, windows and improvements to external estate environments. However, due to the reduced income to the HRA in at least the next three years, a review of the way in which we will deliver future maintenance programmes was carried out in 2016/17. This review included the following:

- Standards that the stock is maintained against
- Review of procurement strategy, investment plan and capital / revenue mix
- Ensuring that the Repairs and Maintenance Service is structured to deliver the needs of the stock in the most efficient way
- Asset Performance
- Development Potential
- Ensuring the stock condition survey and the HRA Business Plan are based on the conclusions derived from the above

4.5 This review of repairs and maintenance has been carried out at the same time as extensive work in reviewing the Housing Revenue Account (HRA) Business Plan, which was required in the light of changes to national housing policy. Consideration of the implications of these policy changes to the financial viability of the HRA Business Plan and making recommendations to mitigate these implications has been carried out.

4.6 As a result of the rent reduction (reported to Cabinet 26 January 2016 and most recently on 24 January 2017), the introduction of the 'disposal of high value assets' and welfare reforms, the financial viability of the HRA has worsened. A series of mitigating actions to improve this position have been recommended by the HRA Business Planning Steering Group (section 5 of this report) which include:

- 52 week rent year (agreed by Cabinet on 24 January 2017)
- Reduce responsive repairs budget
- Reduced and re-phased Capital Programme
- Actions to reduce rent loss through arrears and voids (empty properties)

4.7 These actions have been built into the accounts and the HRA Business Plan resulting in the healthier forecasts contained in the HRA Budget report included on this agenda. It is important to note that the budget projections assume that all the measures identified above are successful. Therefore there is still the risk that the HRA balances may be lower than forecast if any of the above actions are not as successful as hoped.

4.8 Many of the programmes for 2017/18 have already been procured in 2016/17 to ensure delivery on the ground does not slip due to any individual contracts ending and starting.

4.8.1 The **Central Heating Programme** will continue in order to remove the risk of large scale heating failures as a result of the age of boilers and the non-availability of the required parts.

4.8.2 The **roof replacement** programme will continue to be one of the largest areas of works to ensure that properties maintain the Decent Homes Standard. The roofing programme will also run in conjunction with chimneys, soffits and fascias and rainwater goods, to minimise the need to scaffold.

4.8.3 A programme is included for the **replacement of aging UPVC windows;** these replacements will in the main continue to precede the installation of **External Wall Insulation** to non-traditional and solid wall properties.

4.8.4 New programmes have been included for parking area resurfacing and garage site improvements. However, following the repairs and maintenance review these are only aimed at reducing the risk of potential insurance claims, due to slips and trips in these areas and do not include improvement work to the structure of the garages themselves.

4.8.5 Members previously approved a programme of environmental improvements at **Barrow Hill, London Boroughs Estate** and continued provision has been made for this work.

4.8.6 Provision has also been made to deliver a **new build housing scheme** at Rufford Close, Boythorpe (4 units) and at Manor Drive, Brimington (5 units).

4.8.7 The **Non Traditional (PRC) Housing stock** remains one of the key areas for modernisation and a programme of works has been included, following the results of a structural survey, continuing with **the Trusteel and the BISF** properties in 2017/18. Work will not commence to the **Unity** properties until further work has been completed to understand the exact defects and to identify a solution where work can be completed with tenants in-situ.

4.8.8 The successful programme of **strategic housing acquisitions** has been continued to allow the purchase of properties which meet a strategic housing need, including former Right to Buys.

5.0. Tenant Involvement and Consultation

5.1 In July 2016 a Steering Group was established to consider the implications for the Housing Revenue Account (HRA) Business Plan following national housing policy changes, including the reduction in rents for 4 years until April 2020 and to make recommendations as to how these implications can be mitigated. The Steering Group comprises of cross party elected members, officers and tenants.

5.2 This Steering Group have been involved in both the financial review of the HRA and the review of Repairs and Maintenance. In December 2016, they recommended to the Corporate Cabinet and Corporate Management Team a series of recommendations to mitigate the worsening financial position within the HRA which included;

- A £500,000 reduction in the responsive repairs budget in 2017/18 and each of the following two financial years,

- after which the budget will be increased by inflation (CPI). A separate report detailing this recommendation is included on this agenda.
- A reduced and re-phased capital programme

These recommendations were endorsed by the Corporate Cabinet and Corporate Management Team, pending the approval of Cabinet.

5.3 During the review, the HRA Business Plan steering group and other tenants have played an integral part in reviewing and/ prioritising the Capital Programme, including debating and agreeing the principles which support our investment programme. They have for the first time developed a 5 year capital programme and have set the investment principles, set out below, based on the stock condition survey requirements and areas in which there is a high level of responsive repairs spend.

6.0 **Investment Principles**

6.1 The Borough has been divided into 13 Local Investment Programme Areas (LIP) based on the housing allocation areas. Work in these areas has then been prioritised across the five year programme depending on the level of investment needed according to the stock condition survey and the amount of recent expenditure on repairs and maintenance in those areas. The area with the highest level of need and expenditure will receive work in the first year, reducing to year 5. This programme of work can be seen in **Appendix 2**.

6.2 The work has been packaged into four distinct types, with routine decent homes internal work e.g. kitchens, bathrooms, heating, rewires continuing on a year by year basis depending on whether that work is required to ensure the property continues to meet the decent home standard. The other packages include;

- Externals – Works to the exterior of a property e.g. windows, doors, roofs, pointing and external wall insultation
- Blocks – Exterior work as described above to blocks of flats
- Unity – The work to ensure the future structural stability of the council’s 122 Unity dwellings

- Environmentals – Fencing, gates, footpaths communal areas

6.3 No area will receive work in more than one package in each year. This is to ensure that all tenants benefit from some investment in their home or area in each of the 5 years. All of the work required to the properties in that area, in that package will be carried out in that one year. This will ensure efficiencies in terms of contractors on site and reduced disturbance for tenants.

7.0 Supporting Local Contractors

7.1 The sustained value of the Capital Programme is not only welcome but gives us the opportunity to, in some way, offset some of the worst effects of the current economic downturn on local contractors. The introduction of a five year programme, for the first time, will allow Operational Services to plan for future works and make changes to the workforce in terms of numbers of operatives, trades and whether they work on capital or responsive repairs programmes of work.

7.2 Housing Services continue to take a key role in the council's corporate arrangements for the procurement of contracts and their management. Where possible a clause is included in contracts to ensure a proportion of local labour.

8.0 Operational Services Share Of Programme

8.1 **Appendix 1** also shows the portion of the Capital programme that it is proposed to allocate to OSD. This is an increase on previous year's allocations both in terms of value and proportion of the programme and has been achieved in discussion with the Commercial Services Manager to ensure continued operational effectiveness.

8.2 Where possible, the Operational Services Division 'share' of the Housing Capital Programme will be increased by at least £500,000 in each year in order to ensure a consistent level of income and work for the workforce. This will also mitigate OSD against the reducing responsive repairs budget in each of the next three years by £500,000 per annum. This is covered in a separate report on this agenda.

9.0 Financial Implications

9.1 The recommended capital programme for the next 5 years is a reduced capital programme against that currently contained in the HRA Business Plan, which was based on a stock condition survey carried out in 2013/14. This programme has be derived at by analysing the stock condition survey, identifying programmes or work that can be deferred in the early years and where disinvestment can take place. This has delivered a revised programme which saves £7million over the next five year period than that previously covered in the 2016/17 HRA Business Plan.

9.2 This saving will provide some mitigation to the HRA against changes in national housing policy affecting its financial viability and will contribute to ensuring that the HRA Business Plan remains balanced, sustainable and self-financing in the longer term.

9.3 In order to ensure that the Business Plan remains up to date and is based on an up to date understanding of the investment needs of the Housing Stock, a revised stock condition survey is due to be carried out before the end of the 2016/17 financial year. The costs associated with this survey are included in the 2016/17 housing capital programme.

9.4 Once the results of this stock conditions survey have been received, they will be input into the HRA Business Plan to identify any further implications to the financial viability of the Business Plan and a report will be brought to members.

10.0 Risk management

Description of the Risk	Impact	Likelihood	Mitigating Action	Impact	Likelihood
Failure to maintain Decent Homes Standard targets due to re-phased capital programme	Low	Low	Resources will be targeted to areas at risk of Decent Homes Standard failure.	Low	Low

Worsening Tenant Satisfaction due to re – phased capital programme	Medium	Medium	Ensure that tenants and members are involved in the review of future maintenance services Publicise the 5 year programme of works to tenants so they can see when homes in their community will benefit from improvement work	Low	Low
Declining Stock Condition due to re-phased capital programme	Low	Low	Carry out a new stock condition survey in early 2017 to inform the HRA Business Plan and to ensure future investment needs are met	Low	Low
Health Impacts on occupants	Medium	Medium	Ensure Capital Investment continues in the non-traditional housing stock, which exhibit the most issues linked with poor health e.g. cold and damp conditions	Low	Low

11.0 **Equalities Impact Assessment (EIA)**

11.1 A full Equality Impact Assessment is attached at **Appendix 3**.

12.0 **Recommendations**

12.1 That Cabinet recommends that:

a) The Housing (Public Sector) Capital Programme for 2017/18 is approved and its procurement, as necessary, be authorised.

b) The Housing (Public Sector) Capital Programmes for 2018/19 to 2021/22 are provisionally authorised.

c) The Operational Services Division share of the Programme be approved.

d) The Housing Manager be authorised to vire between programme heads and budgets to manage the Capital Programme as set out in the report.

13.0 **Reasons for recommendations**

13.1 The council will be able to maintain its 'Decent Homes Standard' targets in line with the Council's Vision and Corporate Plan.

13.2 The condition of the Public Sector housing stock and its environment will be maintained and improved.

13.3 To contribute to the aims of the Borough Housing Strategy and to deliver the HRA Business Plan.

Glossary of Terms *(delete table if not relevant)*	
e.g. HRA	*Housing Revenue Account*

Decision information

Key decision number	**698**
Wards affected	**ALL**
Links to Council Plan priorities	To provide value for money services.

Document information

Report author	**Contact number/email**
Alison Craig	**345156 / alison.craig@chesterfield.gov.uk**
Background documents These are unpublished works which have been relied on to a material extent when the report was prepared.	
None	
Appendices to the report	
Appendix 1	Analysis of resources
Appendix 2	Investment Plan Timetable
Appendix 3	EIA

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HOUSING CAPITAL PROGRAMME - 2017 / 18 + 4 Year plan Appendix 1

	2016 Carry forward (Estimated)	2017/18 Proposed	2017/18 OSD Share	2018/19 Provisional	2019/20 Provisional	2020/21 Provisional	2021/22 Provisional
PROPOSED INVESTMENT PLAN:							
Future Major Repairs							
Kitchens	0	400,000	0	400,000	400,000	400,000	400,000
Bathrooms	0	100,000	0	100,000	100,000	100,000	100,000
Central Heating	0	600,000	600,000	600,000	600,000	600,000	600,000
Rewiring	0	600,000	600,000	600,000	600,000	600,000	600,000
CO Detector Retro Programme	0	50,000	50,000	50,000	0	0	0
Smoke Detector Replacement	0	45,000	45,000	45,000	0	0	0
Blocks (External Works)	0	0	0	740,950	745,495	734,975	719,020
Unity Properties	0	0	0	0	557,760	634,365	69,195
Specialist (Lift Replacements)	0	0	0	0	0	0	58,140
Estate Environmentals	750,000	1,938,050	0	1,001,950	1,111,200	1,049,550	970,400
Communal Lighting Replacement	0	25,000	25,000	25,000	0	0	0
Internal Soil Stacks	0	50,000	50,000	50,000	0	0	0
Stairlift Replacement	0	10,000	0	10,000	10,000	10,000	10,000
4G Filters and Door Entry Cameras and Sky+	0	25,000	0	25,000	0	0	0
Sheltered Refurbishment	2,865,000	2,865,000	0	1,000,000	1,000,000	1,000,000	0
New Build inc. fees	530,000	1,080,000	1,080,000	550,000	550,000	550,000	550,000
Externals;							
Door Renewals	0	100,000	100,000	40,000	50,000	50,000	100,000
Roof Renewals inc Hanging Tiles	200,000	2,253,000	2,253,000	2,100,000	2,000,000	2,000,000	2,000,000
DPC/Damp Works and Pointing General	200,000	550,000	550,000	350,000	1,000,000	645,050	1,200,000
Windows	1,000,000	1,552,000	0	66,000	217,500	200,000	481,670
Contingent Major Repairs;							
Asbestos Removal Works	50,000	70,000	0	22,302	188,686	215,686	179,686
Fire Risk Works/Bin Stores	30,000	180,000	180,000	150,000	250,000	250,000	250,000
Fire Safety Sprinkler Systems	0	40,000	0	40,000	40,000	40,000	40,000
Fire Risk Assessments	0	50,000	0	6,000	41,000	14,000	50,000
Asbestos Management / R&D Surveys	36,000	395,811	0	200,000	200,000	200,000	200,000
Communal Doors inc. Door Entry System	0	50,000	0	50,000	0	0	0
Related Assets;							
Garage Site Improvements	200,000	300,000	0	125,000	125,000	125,000	125,000
Footpath Proactive Maintenance	100,000	200,000	200,000	125,000	125,000	125,000	125,000
Structural Works	0	300,000	300,000	250,000	250,000	250,000	250,000
Exceptional Extensive;							
External Wall Insulation + PRC Programme	2,500,000	2,500,000	0	4,750,000	10,150,721	10,150,721	10,150,721
Demolitions;							
Markham Court Duckmanton (from 8823)	70,000	70,000	0				
Sheltered Scheme Demolition (Duewell)	0	100,000	0				
Disabled Adaptations	0	750,000	750,000	750,000	750,000	750,000	750,000
Catch up works	0	0	0	0	0	0	0
Improvements	0	0	0	0	0	0	0
Neighbourhood Action Plan-Barrow Hill Imps	1,890,000	1,890,000	0	2,220,000			
	10,421,000	**19,138,861**	**6,783,000**	**16,442,202**	**21,062,362**	**20,694,347**	**19,978,832**
Miscellaneous spend							
RTB Mobility Fund	20,000	20,000	0				
Property Acquisitions	0	300,000	0	300,000	300,000	300,000	300,000
Contingency	0	100,000	0	100,000	100,000	100,000	100,000
TOTAL	**10,441,000**	**19,558,861**	**6,783,000**	**16,842,202**	**21,462,362**	**21,094,347**	**20,378,832**
FINANCED BY		**2017/18**		**2018/19**	**2019/20**	**2020/21**	**2021/22**
Revenue Financing		5,546,861		1,951,202	7,726,362	7,024,347	5,964,832
Supported Borrowing		0		0	0	0	0
Unsupported Borrowing		0		0	0	0	0
Useable Capital Receipts		3,640,000		4,107,000	2,611,000	2,611,000	2,611,000
Grants and Contributions		0		0	0	0	0
Major Repairs Reserve		10,372,000		10,784,000	11,125,000	11,459,000	11,803,000
TOTAL RESOURCES AVAILABLE		**19,558,861**		**16,842,202**	**21,462,362**	**21,094,347**	**20,378,832**
Note:							
Responsive & Cyclical	**0**	**8,691,000**	**0**	**8,191,000**	**7,691,000**	**7,845,000**	**8,002,000**

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Borough Local Investment Programme Areas By Year **Appendix 2**

LIP AREA	External	Blocks	Unity	Environmental
Barrow Hill-New Whittington-Old Whittington	5	4		3
Birdholme-Grangewood	5	2		1
Boythorpe-St Augustines	3	2		4
Brampton-Loundsley Green-Walton	4	5		1
Brimington	4	2	5	3
Duckmanton-Poolsbrook-Inkersall	1	2		5
Dunston-Newbold Moor-Whittington Moor	1	3		2
Green Farm Estate-Holme Hall	5	5		1
Hady-Hasland-Spital-Tapton-Town Centre	2	5	4	2
Highfields-Newland Dale-Pevensey-Peveril-Stonegravels	3	4		5
Lowgates-Mastin Moor	4	4		4
Middlecroft-Staveley	5	4		4
Newbold	2	2	3	2

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Chesterfield Borough Council

Equality Impact Assessment - Full Assessment Form

Service Area: **Housing Services**
Section:
Lead Officer: **Alison Craig**

Title of the policy, project, service, function or strategy the preliminary EIA is being produced for: **Housing Capital Programme 2017/18 and through to 2021/22**

Is the policy, project, service, function or strategy:

Existing ☐
Changed ☒
New/Proposed ☐

STEP 1 – MAKE SURE YOU HAVE CLEAR AIMS AND OBJECTIVES

What is the aim of the policy, project, service, function or strategy?

The Housing Capital Programme finances the major repair and improvements to the Council housing stock. Capital Improvement works include; kitchen and bathroom replacements, central heating upgrades, roof/chimney replacements, rewiring, window/door replacements, disabled adaptations, health and safety related works.

The 2017/18 Capital Programme is slightly reduced in comparison to that of 2016/17 at £19.5million

Who is the policy, project, service, function or strategy going to benefit and how?

The Capital Programme is for the benefit of all Council tenants and in certain instances leaseholders of ex council flats.

What outcomes do you want to achieve?

For all tenants to have the opportunity of a Decent Home, which is accessible and suitable for their needs.

What barriers exist for both the Council and the groups/people with protected characteristics to enable these outcomes to be achieved?

Some tenants have specific cultural requirements e.g. Male workers where only a female Muslim is present, carrying out improvements during specific religious festivals (Ramadan), however work can be planned to meet the requirements of the tenant.

STEP 2 – COLLECTING YOUR INFORMATION

What existing data sources do you have to assess the impact of the policy, project, service, function or strategy?

The ongoing Tenant Participation programme and in particular the consultation activities which take place with tenants before capital improvement works begin help us to develop programmes of work tailored to the individual needs of tenants with protected characteristics. We also have data available from previous capital improvement works which can give us an indication of future needs.

STEP 3 – FURTHER ENGAGEMENT ACTIVITIES

Please list any additional engagement activities undertaken to complete this EIA e.g. met with the Equalities Advisory Group, local BME groups, Employee representatives etc. Could you also please summarise the main findings.

Date	**Engagement Activity**	**Main findings**
Ongoing	Tenant Participation Programme	Range of individual requirements identified with tenants.

STEP 4 – WHAT'S THE IMPACT?

Is there an impact (positive or negative) on some groups/people with protected characteristics in the community? (think about race, disability, age, gender, religion or belief, sexual orientation and other socially excluded communities or groups). You may also need to think about sub groups within each equalities group or protected characteristics e.g. older women, younger men, disabled women etc.

Please describe the potential impacts both positive and negative and any action we are able to take to reduce negative impacts or enhance the positive impacts.

Group or Protected Characteristic	**Positive impacts**	**Negative impacts**	**Action**
Age – including older people and younger people.	Capital improvements work can include adaptations related to age and disability.		
Disabled people – physical, mental and sensory including learning disabled people and people living with HIV/Aids and cancer.	Capital improvements work includes disability adaptations to properties.		
Gender – men, women and transgender.	N/A	N/A	
Marital status including civil partnership.	N/A	N/A	
Pregnant women and people on maternity/paternity. Also consider breastfeeding mothers.	N/A	N/A	
Sexual Orientation – Heterosexual, Lesbian, gay men and bi-sexual people.	N/A	N/A	
Ethnic Groups		A negative impact	Actions are already

		could arise where tenants have specific cultural requirements e.g. Male workers where only a female Muslim is present, carrying out improvements during specific religious festivals (Ramadan).	in place to mitigate these negative impacts, our Customer Liaison Officers work with the tenants to support them through the improvement work and as the work is planned it can be scheduled in to meet the requirements of the tenant.
Religions and Beliefs including those with no religion and/or beliefs.		As above in Ethnic Groups.	As above in Ethnic Groups.
Other groups e.g. those experiencing deprivation and/or health inequalities.	Tenants may be experiencing deprivation and health inequalities. The Capital investment programme helps to tackle these issues by improving housing conditions.		

From the information gathered above does the policy, project, service, function or strategy directly or indirectly discriminate against any particular group or protected characteristic?

Yes ☐
No ☒

If yes what action can be taken to stop the discrimination?

STEP 5 – RECOMMENDATIONS AND DECISION MAKING

How has the EIA helped to shape the policy, project, service, function or strategy or affected the recommendation or decision?

The EIA highlighted the importance for strong Tenant participation at an early stage in improvement planning and additional permanent employee resources for this purpose are part of the report.

How are you going to monitor the policy, project, service, function or strategy, how often and who will be responsible?

The Housing Capital Improvement Programme is monitored annually.

STEP 6 – KNOWLEDGE MANAGEMENT AND PUBLICATION

Please note the draft EIA should be reviewed by the appropriate Head of Service/Service Manager and the Policy Service before WBR, Lead Member, Cabinet, Council reports are produced.

<u>Reviewed by Head of Service/Service Manager</u>
Name: Alison Craig
Date: 13th January 2017

<u>Reviewed by Policy Service</u>
Name:
Date:

Final version of the EIA sent to the Policy Service ☐

Decision information sent to the Policy Service ☐

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For publication

Capital Strategy & General Fund Capital Programme 2017/18

Meeting:	Council Cabinet
Date:	23 February, 2017 21 February, 2017
Cabinet portfolio:	Finance & Governance
Report by:	Director of Finance & Resources

For publication

1.0 Purpose of report

1.1 To approve the General Fund Capital Strategy and Programme for the financial year 2017/18.

2.0 Recommendations

2.1 That the Capital Strategy be approved (**Appendix A**).

2.2 That the updated General Fund Capital Programme expenditure and financing be approved (**Appendix B**).

2.3 That the new schemes in para. 8.3 are noted for future Capital Programme allocations but their approval is subject to satisfactory Business Cases and Cabinet/Council agreement.

2.4 That the prioritised “waiting list” of schemes are noted (para 8.4).

CHESTERFIELD
BOROUGH COUNCIL

3.0 **Background**

3.1 The Capital Programme for 2016/17 was approved as part of the budget setting process in February 2016. Updates to the Programme were included in the budget monitoring reports to the full Council on 12th October and 14th December 2016.

3.2 Major capital additions to the programme during the year have been the expansion of the Town Hall restack to £2.7m and the Northern Gateway scheme at £9.4m over a 4 year period.

3.3 The Programme is heavily dependent on financing from capital receipts but in the current economic climate generating the receipts continues to be a challenge. Kier continue to provide an accelerated receipts programme which is incentivised through a commission payment on the receipts generated.

3.4 This report is due to considered by Cabinet at its meeting on 21 February, 2017 where it is recommended that the report be supported and referred to Full Council for approval.

4.0 **Capital Strategy**

4.1 The Capital Strategy provides the framework which governs how the Council manages its capital expenditure. A copy of the recommended Capital Strategy is included at **Appendix A**. The aim of the Strategy is to ensure that the capital expenditure is affordable in both revenue and capital terms and is directed at the Council's priority schemes.

4.2 The Council's revenue budget is under severe pressure so it is important that the cost of any borrowing for capital purposes is removed from the revenue budget as quickly as possible. The Council has assets and the potential to release significant capital sums from the disposal of surplus or poorly performing assets. The Strategy, therefore, includes, in the "Financing Capital Expenditure" section on the second page:

"*To minimise the revenue budget implications of prudential borrowing, it should be repaid as soon as possible from the revenue savings generated, other revenue provision or from future capital receipts".*

4.3 The planned disposal of land at Linacre, together with other disposals, provides an opportunity to repay a proportion of prudential borrowing used to finance the new Queen's Park Sports Centre (as agreed in the 2014/15 Capital Programme report) and are required to repay the Town Hall Restack costs in 2019/20.

4.4 In the Local Government Grant Settlement 2015 the Government included a new flexibility to allow the use of capital receipts to fund revenue expenditure provided that the expenditure is on transformation projects which are designed to deliver on-going savings. It is proposed that the flexibility will be available for capital receipts secured between 1st April 2016 and 31st March 2019.

5.0 UPDATED EXPENDITURE FORECASTS

5.1 **Updated Programme** – An updated capital programme forecast (expenditure and financing) is included at **Appendix B**. The Programme covers the current financial year and three years ahead. A commentary on the most significant schemes in the Programme is provided below.

5.2 **New Schemes** - the updated programme includes the schemes that were added to the Programme during the financial year and some new proposals.

5.2.1 The schemes that were approved by the full Council and added to the Capital Programme in the year include:

- Northern Gateway, £9.4m approved 27th July 2016;
- Chesterfield Museum Store, £190k approved 27th July 2016;
- Winding Wheel Lifts, £95k approved 12th October 2016;
- Market Hall Café, £72k approved 12th October 2016;
- Town Hall restack, increased by £1.866m to £2.7m, approved 14th December 2016.

5.2.2 Other fully funded schemes that have been added to the Programme include:

- Increase in Disabled Facilities Grants of £302k for 16/17 only, funded by the Better Care Fund;
- River Doe Lea realignment, £110k funded by Flood Risk Management grant from the Environment Agency.

5.3 Progress on Current Major Schemes

5.3.1 **Town Hall Restack** – started on site in January 2017 with the majority of the spend falling in 2017/18.

5.3.2 **Queens Park Sports Centre** – the project is now complete and the Centre opened to the public in January 2016. Work is underway to agree the final account and to secure the final grant funding from Sport England of £30k.

5.3.2 **Waterside Canal Infrastructure Works** –The scheme involves the Council carrying out canal related infrastructure works and financing this work through a £2.4m loan from the Sheffield City Region LEP Growing Places Fund. The Council will recover all the costs it incurs through a separate agreement with the landowner.

The loan agreement with Sheffield City Region for the canal infrastructure works has been agreed and signed. Although this element of the scheme has not yet started, the Council drew down the loan from Sheffield City Region in July 2016 to prevent having to forfeit entitlement to the loan. The interest rate on this loan is 1.3%. We have invested this money until it is required but in the present economic climate it is not possible to invest the money at a rate equal or higher than the rate of interest payable to SCR. **Work must begin by July 2017 to comply with the terms of agreement.**

5.4 Recurring Schemes

5.4.1 **Disabled Facilities Grants** – the original capital programme included £650k for 2016/17. However Derbyshire County Council, who holds the Better Care Fund, confirmed an allocation of £952k for this year. Current combined commitment and spend is £927k so we expect to be close to fully committing this allocation in the year.

5.4.2 **Vehicle and Plant Reserve** – services make regular contributions from their revenue budgets into the Reserve to ensure that as and when vehicles and plant need replacing the resources are in place. The Vehicle & Plant expenditure included in the Capital Programme is, therefore, fully funded by a transfer from the Vehicle and Plant Reserve.

6.0 Capital Financing

6.1 **Financing Resources** – the capital financing resources forecast is shown in **Appendix B**. The main sources of capital finance and how they are being used to fund the current capital programme are summarised below:

- Prudential borrowing – capital expenditure can be financed from borrowing provided the borrowing is affordable, prudent and sustainable. The current Capital Programme includes borrowing that the Council has previously approved of £2m for the Town Hall restack but only £1.4m is currently required. As described in Section 4 above, the aim is to repay borrowing as soon as possible from revenue savings generated by the schemes or by setting aside capital receipts from asset sales.

- Grants and contributions:
  2016/17 - £3.0m in total including £1.6m SCRIF contribution for Chesterfield Waterside Basin Square, £0.95m DFG's and £0.34m Flood Relief Grant;

  2017/18 - £3.9m in total including £2.2m SCRIF contribution to Northern Gateway scheme, £1.1m SCRIF contribution for Chesterfield Waterside and £0.65m DFG's.

  2018/19 - £2.2m in total including £1.6m SCRIF contribution to Northern Gateway scheme and £0.65m DFG's.

  2019/20 - £2.7m in total including £2.0m SCRIF contribution to Northern Gateway scheme and £0.65m DFG's.

- Reserves - contributions from earmarked reserves towards ICT, vehicle and plant replacements and match funding contributions re other grant funded schemes.

- Capital Receipts – see below.

6.2 **Capital Receipts** – the general rule is that capital receipts can only be used either to repay debt or to finance new capital expenditure. As reported in paragraph 4.4 above, the Government has introduced a relaxation to this rule for the period April 2016 to March 2019 which provides the flexibility to use capital receipts for revenue expenditure on transformation schemes that are designed to deliver on-going budget savings. The funding of the capital programme is heavily reliant on the generation of capital receipts so this additional use puts further pressure on what is already a scarce resource.

Capital receipts are only included in the programme once potential disposals have been identified and the property concerned is being actively marketed. Kier continue to provide additional resources to help accelerate the sale of assets in return for a commission payment on the sales concluded. Given the experience of recent years where the planned receipts at the start of the year were not achieved a more prudent approach has now been adopted for forecasting future receipts. Officers will continue to review whether additional resources are required to further accelerate disposals.

The capital receipts included in the Programme at Appendix B are:

<u>2016-17</u> – a full list of receipts is included at Appendix B including the fire station and Newbold Rd sites.

<u>2017-18</u> – receipts of £2m have been assumed including land at Ashgate Rd and Whitebank Close and the first tranche of land at Poolsbrook. Receipts from the sale of land at Linacre Road have slipped from 2017/18 and are now included for 2019/20.

<u>2018/19</u> – receipts of £1.4m have been assumed including land at Hollythorpe Close, Gorse Valley and the final tranche of land at Poolsbrook.

<u>2019/20</u> – receipts from the sale of land at Linacre Rd are still to be confirmed. An independent valuation is to be carried out on the value of this receipt.

The receipts forecasts are continually changing as delays are encountered on some disposals or when there are opportunities to accelerate others.

7.0 Net Financing Position

7.1 The funding surpluses / (deficits) for each of the financial years covered by the updated capital programme are summarised in the table below:

Forecast of Capital Resources Surplus / (Deficits) - £'000

	2016/17	2017/18	2018/19	2019/20
In year surplus	494	(494)	0	0

The forecasts are based on the latest profile of expenditure on currently approved schemes only i.e. before the inclusion of any new schemes. The key points to note are:

- 2016/17 – a surplus of £494k is forecast due to a higher level of capital receipts than originally anticipated and slippage in the start on site of major schemes.

- 2017/18 – a break-even position is forecast but this is based on a prudent level of capital receipts (£2.0m), prudential borrowing of £1.4m and by reducing the amount of debt to be repaid from capital receipts. The deferral of debt repayment, however, does add further pressure to the revenue budget as a minimum revenue provision for debt repayment, based on the estimated life of the asset being financed, has to be charged to the revenue account whilst the debt remains in place.

- 2018/19 – a break-even position is forecast again based on a prudent level of capital receipts (1.3m). The forecast also assumes that £0.1m of the receipts will be used to repay borrowing relating to the refurbishment of the Market Hall.

- 2019/20 – a break-even position is forecast based on a prudent level of capital receipts. The forecast also assumes that £4.9m of the receipts will be used to repay borrowing relating to the refurbishment of the Market Hall, Town Hall restack and the building of the new Queens Park Sports Centre. Dependent on the level of the Linacre Rd capital receipt, we may not have funds to repay borrowings as planned at this point.

8.0 Growth Requests

8.1 The forecast Capital Programme in **Appendix B** shows that based on current forecasts there will be no surplus resources available to fund new schemes until 2020/21 without PWLB/internal borrowing. In this climate new schemes can only be added to the Programme where:

(a) They are aligned with a Council Plan priority; and

(b)The additional funding required has been identified and secured.

Where the funding cannot be identified the schemes will be added to a prioritised list of growth requests and added to the Programme as resources become available.

8.2 The options for creating some additional financing resource include:

- Accelerating **capital receipts** into an earlier year or identifying new assets for a quick disposal;
- **Prudential borrowing** where there is a strong invest-to-save case which shows that the borrowing costs are affordable and sustainable.
- Securing external **grant** support.

8.3 **Growth Request Schemes** proposed for the Capital Programme in 2017/18 are shown below. These schemes are not included in the current capital programme set out in this report and Appendix B.

Scheme Description	Capital Implications	Rationale
Artificial pitches (redevelopment of old QPSC site)	Cost £800k to £1m	Achievement of £85k net income per annum.
Commercial catering – QPSC and North Lodge	£106k	Refurbishment of QPSC Café £46k and commercialisation of North Lodge £60k to generate income
ICT Development	£2.05m	Modernisation programme to deliver 'Digital platform' for service delivery Savings would be used to payback (tbc).
Saltergate Multi	£0.5m to	Current budgeted cost of

Storey car park	£1m	£3.5m. Contractor 'Balvac' has indicated that specification change required for concrete and other costs may increase costs of between £0.5m to £1m. This will be reviewed by the client.

In order to finance the schemes listed above, we require either:

- Further capital receipts of £4m in 2017/18, or
- PWLB borrowing of £4m

8.4 2016/17 schemes outstanding and prioritised by SLT but waiting for availability of capital receipts/borrowings after earmarking sums for the Efficiency Plan are:

Priority	**Scheme Description**	**Capital Implications**	**Rationale**
1	Car Parks pay on exit machines - Beetwell St	£74k	Replace/update ticket machinery
2	Pomegranate Roof	£135k	Part roof replacement and increasing the number of rainwater outlets to relieve blockages and the lack of drainage to certain parts of the roof.

8.5 In addition to the above growth requests there were a number where the SLT in 2016/17 recommended deferring a decision, including:

- Open Market reconfiguration – to allow time for the financing and VAT recovery implications to be fully explored.
- Playground improvements – to be considered as part of the Parks and Open Spaces Strategy Action Plan.

8.6 Starts on any scheme that is included in the Capital Programme will not be made until the Cabinet has approved the detailed business case.

9.0 Risk Management

9.1 The risks relating to the capital programme generally are set out in the table below. For individual capital projects the risks are considered in detail at the project appraisal stage.

Description of the Risk	Current Risk		Mitigating Action	Target Risk	
	Impact	Likelihood		Impact	Likelihood
Overspends on schemes	Medium (3)	Possible (3)	Effective planning & monitoring	Medium (3)	Unlikely (2)
Slippage on schemes	Medium (3)	Possible (3)	Regular and effective monitoring	Medium (3)	Unlikely (2)
Capital receipts – disposals delayed or unable to complete	Very High (5)	Likely (4)	Control starts on uncommitted schemes until finance in place. Include only planned disposals in resources forecast. Borrow internally from reserves or short term prudential borrowing.	High (4)	Possible (3)
Reductions in Government Grants	High (4)	Possible (3)	Other external funding opportunities. Asset Management Plan to generate capital receipts.	Medium (3)	Possible (3)
Lack of capacity to deliver a number of major schemes at the same time	High (4)	Likely (4)	Carefully manage the number of projects and hence risks in play at any one time.	Med (3)	Unlikely (2)
Exempt VAT recovery – a number of current schemes have exempt VAT implications. The cumulative impact could cause the Council to exceed its exempt VAT recovery threshold and then be unable to recover <u>any</u> exempt VAT in that year.	V. High (5)	Possible (3)	Starts on schemes delayed until VAT issues resolved. In-year monitoring. VAT planning for a number of years ahead. Obtaining expert external advice.	V. High (5)	Unlikely (2)

10.0 Equalities Impact Assessment (EIA)

10.1 The equalities issues relating to particular capital projects are considered separately at the project appraisal stage.

11.0 Alternative Options to be Considered

11.1 The proposed Capital Programme is based on the previously approved schemes within the current Capital Programme plus the addition of new schemes recommended by the Senior Leadership Team. Previous commitments could be reviewed and other priorities determined for growth requests.

12.0 Recommendations

12.1 That the Capital Strategy be approved (**Appendix A**).

12.2 That the updated General Fund Capital Programme expenditure and financing be approved (**Appendix B**).

12.3 That the new schemes in para. 8.3 are noted for future Capital Programme allocations but their approval is subject to satisfactory Business Cases and Cabinet/Council agreement.

12.4 That the prioritised "waiting list" of schemes are noted (para 8.4).

13.0 Reasons for recommendations

13.1 To update the Council's General Fund Capital Programme and ensure that it is affordable and deliverable over the medium term.

Glossary of Terms	
SCRIF	Sheffield City Region Investment Fund

Decision information

Key decision number	**692**
Wards affected	**ALL**
Links to Council Plan priorities	To provide value for money services

Document information

Report author	**Contact number/email**
Helen Fox	email: helen.fox@chesterfield.gov.uk Tel: 01246 345452
Background documents These are unpublished works which have been relied on to a material extent when the report was prepared.	
None	
Appendices to the report	
Appendix A	Capital Strategy
Appendix B	General Fund Capital Programme

APPENDIX A

CAPITAL STRATEGY (2017/18)

Introduction

The Capital Strategy provides the framework which governs how the Council manages its capital expenditure programmes. The Council maintains two Capital Programmes, one for the General Fund and one for the Housing Revenue Account which, although they are accounted for separately, are both subject to the arrangements outlined in this strategy.

Purpose and Objectives

The purpose of the Strategy is to ensure that capital investment contributes to delivering the Council's strategic priorities.

The objectives of the Strategy are to ensure that:

- Capital expenditure supports a defined priority of the Council;
- The Capital Programme is realistic, affordable and well managed;
- Any on-going revenue cost implications are identified and incorporated into the Medium Term Financial Plan;
- Wherever possible, capital expenditure is focussed on areas that yield on-going revenue savings and efficiencies;
- Strategic procurement is used to achieve value for money.

Policy and Financial Framework

The Capital Strategy is one of a suite of plans and strategies that fit within the financial framework. It is closely linked to the:

- Council Plan – which defines the strategic priorities
- Medium Term Financial Plan – affordability in revenue terms
- Asset Management Plan – asset disposal, retention and improvement options.
- Housing Revenue Account Business Plan – the investment in existing stock to meet the required standard and in new builds.

Financing Capital Expenditure

Funding for capital expenditure can be from:

- Capital Receipts – from the sale of surplus or under-performing assets.
- Grants and Contributions – from external bodies.

- Prudential Borrowing – where a business case shows that the borrowing is affordable, sustainable and prudent or as short term financing to cover delays in securing capital receipts. To minimise the revenue budget implications of prudential borrowing, it should be repaid as soon as possible from the revenue savings generated, other revenue provision or from future capital receipts.
- Councils' own resources – contributions from revenue or the use of reserves.

Prioritisation

The financing resources are scarce and face competing demands. Bids for capital expenditure are, therefore, subject to a rigorous evaluation process to ensure that the available resources are focused on the statutory and strategic priorities. Bids are first considered by the Senior Leadership Team before being put before the Council for final approval. The criteria used in the appraisal process include:

- Links to the corporate and service priorities.
- The affordability in capital terms – the level of funding required and the availability of external grants or contributions.
- The affordability of the scheme in revenue budget terms over the longer term (i.e. whole life costs)
- The opportunity to invest capital in order to produce revenue budget savings (income or cost savings).
- The risks and opportunities associated with the scheme.

Management

Each year the full Council approves the Capital Programmes covering the medium term. Progress is monitored throughout the year by Officers and regular updates provided for Members (Financial Planning Group, Cabinet and full Council). Post-completion reviews are to be undertaken for all major schemes to ensure that the original objectives are met and to ensure that any lessons are learnt and shared.

Conclusion

The Capital Strategy provides a framework for managing capital investment throughout the Council and is designed to ensure that the scarce capital resources are used in the most effective way. The strategy is reviewed annually.

Appendix B

GENERAL FUND CAPITAL PROGRAMME 2017/18

Code	CAPITAL EXPENDITURE	16/17 £'000	17/18 £'000	18/19 £'000	19/20 £'000
8907	Brampton Flood Resilience Work	247			
2750	IT Strategy (from ICT Reserve)	8	23	0	0
8445	Vehicles & Plant (V&P Reserve)	395	256	196	27
8295	Home Repairs Assistance	275	275	275	275
8292	Disabled Facilities Grants	952	650	650	650
8868	Market Hall Refurbishment	11			
8833	Erin Road Pumping Station	7			
	Car Parks - Replacement of Ticket Machines	100			
	Building Maintenance - Replacement IT System	13			
8912	Queen's Park Sports Centre - New Build	308			
8953	Queen's Park Sports Centre - Demolition of Old Centre	200	65		
8943	Town Hall Alterations (GPGS)	436	2,280		
8938	Replacement of Winding Wheel Boilers	4			
8930	Improvements to Whitebank Close Sportsground	3			
8928	CBC Innovation Centres ICT Upgrade	192			
8951	SHLC - Redesign of Administrative Areas	46			
8952	Chesterfield Museum Store	114	76		
	Replacement of Winding Wheel Lift	95			
	Market Hall Café Refurbishment	72			
	Waterside (loan)	2,400			
	Grant to Chesterfield Waterside Ltd - Basin Square Infrastructure	1,620	1,080		
	Northern Gateway - Refurbishment of Saltergate MSCP	50	2,588	862	
	Northern Gateway - Streetworks/Environmental Imps	15	889	296	
	Northern Gateway - Managed Office Space			1,410	3,290
	Doe Lea Flood Resilience Work	90	20		
		7,653	**8,202**	**3,689**	**4,242**
8928	CBC Innovation Centres ICT Upgrade (Rev)	81			
	Total Expenditure	**7,734**	**8,202**	**3,689**	**4,242**

	16/17 £'000	17/18 £'000	18/19 £'000	19/20 £'000
CAPITAL FINANCING				
Prudential Borrowing - Town Hall restack	0	1,392	0	0
Grants & Contributions - see below	3,003	3,916	2,254	2,700
Capital Receipts	2,868	2,046	1,270	6,300
ICT Reserve	8	23	0	0
Vehicle & Plant Reserve	395	256	196	27
Vehicle & Plant Reserve (Parking Equipment)	47			
Vehicle & Plant Reserve (QPSC Equipment	150			
TPIC Property Repairs Reserve (Cap)	70			
TPIC Property Repairs Reserve (Rev)	30			
Service Improvement Reserve	245	0	0	0
Property Repairs Reserve	430	0	0	0
Invest to Save Reserve	99	0	0	0
DSO/DLO Reserve (Repl. IT System)	13			
Home Repairs Reserve (Repaid Improvement Grants)	75	75	75	75
Budget Risk Reserve (Erin Road Pumping Station)	7			
Waterside loan	2,400			
Repay prud borrowing: Rose Hill CP Pay-on-Exit	(198)			
Repay prud borrowing: Loan to Chesterfield FC	(411)			
Repay prud borrowing: Ex-Fire Station Site	(536)			
Repay prud borrowing: Market Hall Refurbishment	(467)		(106)	(939)
Repay prud borrowing: QPSC New Build/Town Hall restack				(3,921)
Total resources available in year	**8,228**	**7,708**	**3,689**	**4,242**
Less total expenditure in year	7,734	8,202	3,689	4,242
Net in-year surplus / (deficit)	**494**	**(494)**	**0**	**0**
Surplus / (deficit) b/f from prev yr	0	494	0	0
Cum surplus / (deficit) c/f	**494**	**0**	**0**	**0**

	16/17 £'000	17/18 £'000	18/19 £'000	19/20 £'000
CAPITAL GRANTS ETC (Accruals Basis)				
S106: Whitebank Close Sportsground (Cap)	3			
Flood Relief Grant - CLG	45			
Flood Risk Management Grant - EA	292	20		
Disabled Facilities Grants (BCF / Derbys PCT)	952	650	650	650
Home Repairs Assistance Grants (FILT / SSE)	10	10	10	10
Grant to CWL Basin Square Infrastructure - SCRIF	1,620	1,080		
Northern Gateway (Refurb of Saltergate MSCP) - SCRIF	31	1,605	535	
Northern Gateway (Streetworks / Env Imps) - SCRIF	9	551	184	
Northern Gateway (Managed Office Space) - SCRIF			875	2,040
Staveley King George V Bowls Pavilion Ph 2 - Viridor / Entrust	11			
QPSC New Build - Sport England	30			
Grants Total	**3,003**	**3,916**	**2,254**	**2,700**

Appendix B

Description of Asset	Completed By 31-Oct-16 £	Projected Nov-16 - Mar-17 £	Prob Outturn 2016/17 £	Projected 2017/18 £	Projected 2018/19 £	Projected 2019/20 £
Sheffield Rd Fire Station 0.85ha		975,000	975,000			
Newbold School, Sale of FH with DCC		750,000	750,000			
Land at Hollythorpe Close, Eastwood Park			-		220000	
Freehold Reversion Chatsworth Rd Medical Centre	92,388		92,388			
Land at Rose Hill-Clarence Rd			-	48,630		
Land 6 Ashgate Rd / Ex-Goldwell Rooms CP			-	735,000		
Land Whitebank Close			-	398,730		
Land Gorse Valley Rd, Hasland (Winsick)			-		486,250	
Release of covenant - Basil Close		40,000	40,000			
Foxwood industrial estate		28,655	28,655			
87 New Square				250,000		
Land at Poolsbrook			-	563,500	563,500	
Compton St car park		50,000	50,000			
Spital Cemetery chapel				50,000		
Land N of Ashgate Rd & E of Linacre Rd			-			6,300,000
	92,388	1,843,655	1,936,043	2,045,860	1,269,750	6,300,000
Repayment of CFC Loan	858,048		858,048			
Repayment of JJHA Loan	74,063		74,063			
Total GF Capital Receipts	**1,024,499**	**1,843,655**	**2,868,154**	**2,045,860**	**1,269,750**	**6,300,000**

All figures expressed net of disposal costs except Ex-Newbold School Site (costs to be covered by the purchaser).

For publication

Treasury Management Strategy 2017/18

Meeting:	Council
Date:	23 February 2017
Report by:	Director of Finance & Resources

For publication

1.0 Purpose of report

1.1 To approve the Treasury Management Strategy Statement and the Annual Investment Strategy Statement for 2017/18.

1.2 To approve the Minimum Revenue Provision (MRP) policy for 2017/18.

2.0 Recommendations

2.1 That the Council affirms its adoption of CIPFA's Code of Practice on Treasury Management.

2.2 That the Treasury Management Strategy Statement and Annual Investment Strategy, including the Prudential Code Indicators be approved.

2.3 That the Minimum Revenue Provision policy is approved.

3.0 Background

3.1 The key aims of the CIPFA 'Code of Practice for Treasury Management in the Public Services' (the Code) are:

a) Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities;
b) Their policies and practices should make clear that the effective management and control of risk are prime objectives of their treasury management activities;
c) They should acknowledge that the pursuit of best value in treasury management, and the use of suitable performance measures, are valid and important tools to employ.

3.2 The Council first adopted the Code at its meeting on the 22nd October 2003. The Council is required to approve the Treasury Management and Investment Strategies and reaffirm its adoption of the Code before the start of each financial year.

3.3 CIPFA amended the Code in 2011 to take account of developments in the financial market place and the introduction of the Localism Act.

3.4 This report was considered by the Standards and Audit Committee at its meeting on 8 February, 2017 where it was resolved that report and its recommendations be supported and referred to Council for approval.

4.0 **Capital Programme & Financing**

4.1 The Prudential Code for Capital Finance in Local Authorities (the Code) is a professional Code that provides a framework for self-regulation of capital spending; in effect allowing councils to invest in capital projects which best meet their service delivery objectives as long as they are affordable, prudent and sustainable.

4.2 To facilitate the decision making process, the Code requires the Council to agree and monitor a number of prudential indicators covering affordability, prudence, capital expenditure, debt levels and treasury management.

4.3 **Capital Expenditure**

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously and those forming part of this budget cycle.

Capital expenditure £000	**2015/16 Actual**	**2016/17 Estimate**	**2017/18 Estimate**	**2018/19 Estimate**	**2019/20 Estimate**
General Fund	8,355	5,268	8,182	3,689	4,242
HRA	18,125	14,500	16,500	16,500	16,500
Total	26,480	19,768	24,682	20,189	20,742

The table below shows how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Capital expenditure £000	**2015/16 Actual**	**2016/17 Estimate**	**2017/18 Estimate**	**2018/19 Estimate**	**2019/20 Estimate**
Financed by:					
Capital receipts (GF & HRA)	3,336	3,568	6,180	5,271	4,051
Capital grants & contributions	5,651	2,933	3,896	2,254	2,700
Revenue Reserves & HRA Major Repairs Reserve	16,340	13,267	13,214	12,664	13,991
Net financing need for the year	**1,153**	**-**	**1,392**	**-**	**-**

4.4 **The Council's Borrowing Need - Capital Financing Requirement**

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources and measures the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each assets life.

The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council currently has no such schemes within the CFR.

The Council is asked to approve the CFR projections below. These projections exclude the loan from Sheffield City Region LEP for the £2.4m Waterside project.

£000	2015/16 Actual	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Capital Financing Requirement					
CFR – General Fund	14,450	12,371	13,361	12,761	7,524
CFR – HRA	136,405	134,359	132,343	130,358	128,403
Total CFR	150,855	146,730	145,704	143,119	135,927
Movement in CFR	(1,254)	(4,125)	(1,026)	(2,585)	(7,192)

Movement in CFR represented by					
Net financing need for the year (above)	1,153	-	1,392	-	-
Less MRP/VRP and other financing movements	(2,407)	(4,125)	(2,418)	(2,585)	(7,192)
Movement in CFR	(1,254)	(4,125)	(1,026)	(2,585)	(7,192)

4.5 Affordability Ratios

Ratio of financing costs to net revenue stream shows the trend in the cost of capital based on the programme against the net revenue stream (i.e. council tax for the General Fund and rent income for the Housing Revenue Account). The estimates of financing costs include current commitments and the proposals in the budget report.

%	2015/16 Actual	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
General Fund	4.62	5.60	4.90	4.32	3.09
HRA	18.58	18.59	18.88	18.70	17.85

The General Fund ratio increases in 2016/17 which reflects the prudential borrowing required to finance the rebuild of Queens Park Sports Centre and the Town Hall restack but this reduces in future years as capital receipts are set aside to repay that debt. The HRA ratio is fairly static due to both reducing financing costs and a reducing revenue stream as a result of the 1% per annum rent reduction requirement.

Estimates of the incremental impact of capital decisions on the Council Tax and housing rents identifies the revenue costs associated with proposed changes to the capital programme recommended in the budget report compared to the Council's existing approved commitments and current plans.

Incremental Impact of Capital Investment Decisions on Band D Council Tax

£	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Council tax - band D	0.30	1.01	1.22	2.87

The capital programme includes a project to reconfigure the Town Hall which when completed will provide an opportunity to generate rental income to support the revenue budget.

Incremental Impact of Capital Investment Decisions on Housing Rent Levels identifies the trend in the cost of proposed changes in the housing capital programme report compared to the Council's existing commitments and current plans, expressed as a discrete impact on weekly rent levels.

£	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Weekly Housing Rent Levels	0.01	0.06	0.11	0.20

This indicator shows the revenue impact on any newly proposed changes, although any discrete impact will be constrained by rent controls.

4.6 Minimum Revenue Provision

The Local Authorities (Capital Finance & Accounting) (England) Amendment Regulations 2008 require local authorities to agree a policy on the calculation of the Minimum Revenue Provision (MRP) for each financial year. The MRP is the amount the authority has to provide for the repayment of debt. The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

- **Based on CFR** – MRP will be based on the CFR (option 2);

  This option provides for an approximate 4% reduction in the borrowing need (CFR) each year.

  From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be:

- **Asset life method** – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction) (option 3);

These options provide for a reduction in the borrowing need over approximately the asset's life.

Prudential borrowing will continue to be used for invest-to-save type schemes, even where assets lives might be quite short, provided the anticipated efficiency savings are sufficient to cover the MRP charges i.e.the investment is self financing.

The Council has the discretion to determine the debt repayment policy for the HRA. The Policy from April 2013 is to set aside a provision for debt repayment based on 1.5% of the Capital Financing Requirement. This policy will be reviewed in later years as the Business Plan develops.

5.0 External Debt

5.1 The Code specifies a number of prudential indicators in respect of external debt. These are described below:

5.2 Limits to Borrowing Activity

- Operational Boundary - this is an estimate of the probable external borrowing during the year, it is not a limit and actual borrowing can vary for short periods during the year.

- Authorised Limit - represents the limit beyond which borrowing is not permitted. It includes estimates for long and short-term borrowing. The limit must be set and can be revised by the Council.

£000	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Operational Boundary	137,660	133,250	131,300	129,340
Authorised Limit	148,000	143,000	141,000	139,000

5.3 **Borrowing Strategy** - the current borrowing strategy is to bring the long term debt into line with the capital borrowing limit as determined by the Capital Financing Requirement. The Public Works Loans Board continues to be the main source of long-term financing.

6.0 Annual Investment Strategy

6.1 The Annual Investment strategy defines what categories of investments are to be used and the restrictions placed on their use. The primary objective is to protect capital and the maximisation of returns is secondary. The credit ratings of the approved counterparties for investments are regularly reviewed.

Appendix A provides details of permitted investments.

7.0 Recommendations

7.1 That the Council affirms its adoption of CIPFA's Code of Practice on Treasury Management.

7.2 That the Treasury Management Strategy Statement and Annual Investment Strategy, including the Prudential Code Indicators be approved.

7.3 That the Minimum Revenue Provision policy is approved.

8.0 **Reasons for recommendations**

8.1 To comply with regulations and recognised best practice.

Decision information

Key decision number	690
Wards affected	ALL
Links to Council Plan priorities	To provide value for money services.

Document information

Report author	**Contact number/email**
Helen Fox	01246 345452 helen.fox@chesterfield.gov.uk
Background documents These are unpublished works which have been relied on to a material extent when the report was prepared.	
None	
Appendices to the report	
Appendix A	Treasury Management Strategy Statement 2017/18

Treasury Management Strategy Statement 2017/18

Introduction

The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.

In October 2003, the Authority adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2011(the CIPFA code last reviewed in 2011) which requires the Authority to approve a treasury management strategy before the start of each financial year.

In addition, the Department for Communities and Local Government (CLG) issued revised Guidance on Local Authority Investments in March 2010 that requires the Authority to approve an investment strategy before the start of each financial year.

This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the CLG Guidance.

External Context

Economic background: The major external influence on the Authority's treasury management strategy for 2017/18 will be the UK's progress in negotiating a smooth exit from the European Union. Financial markets, wrong-footed by the referendum outcome, have since been weighed down by uncertainty over whether leaving the Union also means leaving the single market. Negotiations are expected to start once the UK formally triggers exit in early 2017 and last for at least two years. Uncertainty over future economic prospects will therefore remain throughout 2017/18.

The fall and continuing weakness in sterling and the near doubling in the price of oil in 2016 from market lows, have combined to drive inflation expectations higher. The Bank of England is forecasting that Consumer Price Inflation will breach its 2% target in 2017, the first time since late 2013, but the Bank is expected to look through inflation overshoots over the course of 2017 when setting interest rates so as to avoid derailing the economy.

Initial post-referendum economic data showed that the feared collapse in business and consumer confidence had not immediately led to lower GDP growth. However, the prospect of a leaving the single market has dented business confidence and resulted in a delay in new business investment and, unless counteracted by higher public spending or retail sales, will weaken economic growth in 2017/18.

Looking overseas, with the US economy and its labour market showing steady improvement, the market has priced in a high probability of the Federal Reserve increasing interest rates. The Eurozone meanwhile has continued to struggle with very low inflation and lack of momentum in growth, and the European Central Bank has left the door open for further quantitative easing.

The impact of political risk on financial markets remains significant over the next year. With challenges such as immigration, the rise of populist, anti-establishment parties and negative interest rates resulting in savers being paid nothing for their frugal efforts or even penalised for them, the outcomes of Italy's referendum on its constitution (December 2016), the French presidential and general elections (April – June 2017) and the German federal elections (August – October 2017) have the potential for upsets.

Credit outlook: Markets have expressed concern over the financial viability of a number of European banks recently. Sluggish economies and continuing fines for pre-crisis behaviour have weighed on bank profits, and any future slowdown will exacerbate concerns in this regard.

Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the European Union, Switzerland and USA, while Australia and Canada are progressing with their own plans. The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Authority; returns from cash deposits however continue to fall.

Interest rate forecast: The Authority's treasury adviser Arlingclose's central case is for UK Bank Rate to remain at 0.25% during 2017/18**.** The Bank of England has, however, highlighted that excessive levels of inflation will not be tolerated for sustained periods. Given this view and the current inflation outlook, further falls in the Bank Rate look less likely. Negative Bank Rate is currently perceived by some policymakers to be counterproductive but, although a low probability, cannot be entirely ruled out in the medium term, particularly if the UK enters recession as a result of concerns over leaving the European Union.

Gilt yields have risen sharply, but remain at low levels. The Arlingclose central case is for yields to decline when the government triggers Article 50. Long-term economic fundamentals remain weak, and the quantitative easing (QE) stimulus provided by central banks globally has only delayed the fallout from the build-up of public and private sector debt. The Bank of England has defended QE as a monetary policy tool, and further QE in support of the UK economy in 2017/18 remains a possibility, to keep long-term interest rates low.

For the purpose of setting the budget, it has been assumed that new investments will be made at an average rate of 0.62%, and that no new or replacement long-term loans will be necessary.

<u>Local Context</u>

On 31st December 2016, the Authority currently held £134.7m of borrowing and £47.8m of investments. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance Sheet Summary and Forecast

	31.3.16 Actual £000	31.3.17 Estimate £000	31.3.18 Forecast £000	31.3.19 Forecast £000	31.3.20 Forecast £000
General Fund CFR	14,450	12,371	13,361	12,761	7,524
HRA CFR	136,405	134,359	132,343	130,358	128,403
Total CFR	**150,855**	**146,730**	**145,704**	**143,119**	**135,927**
Less: External borrowing (actual) NB No breach of levels set out in 5.2 of report	-137,659	-133,245	-131,303	-129,336	-127,341
Internal borrowing	**13,196**	**13,485**	**14,401**	**13,783**	**8,586**
Less: Usable reserves	-32,471	-30,756	-27,073	-26,427	-21,503
Less: Working capital	-3,653	-3,637	-3,587	-3,562	-3,537
Investments (New borrowing)	**22,928**	**20,908**	**16,259**	**16,206**	**16,454**

The Capital Financing Requirement is the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying need to borrow for capital purposes.

The Authority has an increasing CFR due to the capital programme. Investments are forecast to increase to £50m by 31/3/18 but will fall in subsequent years as useable reserves are utilised to finance the HRA capital and General Fund revenue budget.

CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2017/18.

Borrowing Strategy

The Authority currently holds £133m of loans in 2016/17, a decrease of £2m million on the previous year, as part of its strategy for funding previous years' capital programmes. The forecast in table 1 shows that the Authority does not expect to need to borrow in 2017/18. The Authority may however borrow to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £143m in 2017/18.

Objectives: The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

Strategy: Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2017/18 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

In addition, the Authority may borrow short-term loans to cover unplanned cash flow shortages.

Sources: The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- Banks or building societies authorised to operate in the UK (including non-UK banks)
- UK public and private sector pension funds (except Derbyshire Pension Fund)
- Capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
-

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- operating and finance leases
- hire purchase
- Private Finance Initiative
- sale and leaseback

The Authority has previously raised the majority of its long-term borrowing from the PWLB but it continues to investigate other sources of finance, such as local authority loans and bank loans, that may be available at more favourable rates.

Municipal Bond Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a joint and several guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.

Short-term and Variable Rate loans: These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below.

Debt Rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

Investment Strategy

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's investment balance has ranged between £23m and £51m, and this is expected to increase in the forthcoming year to £50m.

Objectives: Both the CIPFA Code and the CLG Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

Negative Interest Rates: If the UK enters into a recession in 2017/18, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Strategy: The majority of the Authorities surplus cash remains invested in short-term unsecured bank deposits, certificates of deposit and money market funds. This represents a continuation of the strategy adopted in 2016/17.

Approved Counterparties: The Authority may invest its surplus funds with any of the counterparty types in table 2 below, subject to the cash limits (per counterparty) and the time limits shown.

Table 2: Approved Investment Counterparties and Limits

Credit Rating	**Banks & Building Societies**	**Other Local Authorities**	**UK Government**	**Corporates**	**Money Market Funds**
AAA	£5m 5 years	n/a	£5m 50 years	£5m 20 years	£5m 5 years
AA+	£5m 5 years	n/a	£5m 25 years	£5m 10 years	£5m 5 years
AA	£5m 4 years	n/a	£5m 15 years	£5m 5 years	£5m 5 years
AA-	£5m 3 years	n/a	£5m 10 years	£5m 4 years	£5m 5 years
A+	£5m 2 years	n/a	£5m 5 years	£5m 3 years	£5m 5 years
A	£5m 13 months	n/a	£5m 5 years	£5m 2 years	£5m 5 years
A-	£5m 6 months	n/a	£5m 5 years	£5m 13 months	£5m 5 years
BBB+	n/a	n/a	£5m 2 years	£5m 6 months	n/a
None	n/a	£5m 1 year	£5m 25 years	n/a	n/a
Pooled funds	£10m per fund				

Counterparty & Group Limits: Investments with each individual counterparty should not exceed £5m. The sum of investments with individual counterparties who belong to the same banking group shall not exceed £7.5m. The investment limit for Enhanced Money Market Funds is £15m per fund.

Credit Rating: Investment limits are set by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used.

Banks Unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks - these investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

Banks Secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk widely.

Pooled Funds: Shares in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Risk Assessment and Credit Ratings: Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other Information on the Security of Investments: The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisation's in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Specified Investments: The CLG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
    - the UK Government,
    - a UK local authority, parish council or community council, or

- a body or investment scheme of "high credit quality".

The Authority defines "high credit quality" organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating equivalent to or higher than the UK sovereign rating. For money market funds and other pooled funds "high credit quality" is defined as those having a credit rating of A- or higher.

Non-specified Investments: Any investment not meeting the definition of a specified investment is classed as non-specified. The Authority does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. The use of non-specified investments is limited to a maximum of 33% of total investments.

Table 3: Non-Specified Investment Limits

	Cash limit
Total long-term investments	Variable
Total investments without credit ratings or rated below [A-]	£3m
Total non-specified investments	33% of total investments

Liquidity Management: The Authority uses purpose-built cash flow forecasting software to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium term financial plan and cash flow forecast.

Treasury Management Indicators

The Authority measures and manages its exposures to treasury management risks using the following indicators.

Interest Rate Exposures: This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed will be:

	2017/18	2018/19	2019/20
Upper limit on fixed interest rate exposure	100%	100%	100%
Upper limit on variable interest rate exposure	50%	50%	50%

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

Maturity Structure of Borrowing: This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

	Upper	Lower
Under 12 months	15%	0%
12 months and within 24 months	15%	0%
24 months and within 5 years	45%	0%
5 years and within 10 years	45%	5%
10 years and above	50%	25%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment

Principal Sums Invested for Periods Longer than 364 days: The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

	2017/18	**2018/19**	**2019/20**
Limit on principal invested beyond year end	33%	25%	25%

Other Items

There are a number of additional items that the Authority is obliged by CIPFA or CLG to include in its Treasury Management Strategy.

Policy on Use of Financial Derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

Policy on Apportioning Interest to the HRA: On 1st April 2012, the Authority notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/ credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured annually and interest transferred between the General Fund and HRA at the Authority's average interest rate on investments, adjusted for credit risk

Investment Training: The needs of the Authority's treasury management staff for training in investment management are assessed annually as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change.

Staff regularly attends training courses, seminars and conferences provided by Arlingclose and CIPFA.

Investment Advisers: The Authority has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues. The quality of this service is reviewed regularly.

Investment of Money Borrowed in Advance of Need: The Authority may, from time to time, borrow in advance of need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Authority is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Authority's overall management of its treasury risks.

The total amount borrowed will not exceed the authorised borrowing limit of £143m for 2017/18. The maximum period between borrowing and expenditure is expected to be three years, although the Authority is not required to link particular loans with particular items of expenditure.

Financial Implications

The budget for investment income in 2017/18 is £0.3m, based on an average investment portfolio of £40m million at an interest rate of 0.62%. For the General Fund, the budget for debt interest paid in 2017/18 is £212k based on an average debt portfolio of £3.3m at an average interest rate of 5.9%. For the HRA, debt interest paid is forecast at £4.9m based on an average debt portfolio of £128m at an average interest rate of 3.8%.

Other Options Considered

The CLG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Director of Finance & Resources believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default;

		however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Appendix A – Arlingclose Economic & Interest Rate Forecast November 2016

Underlying assumptions:

- The medium term outlook for the UK economy is dominated by the negotiations to leave the EU. The long-term position of the UK economy will be largely dependent on the agreements the government is able to secure with the EU and other countries.
- The global environment is also riddled with uncertainty, with repercussions for financial market volatility and long-term interest rates. Donald Trump's victory in the US general election and Brexit are symptomatic of the popular disaffection with globalisation trends. The potential rise in protectionism could dampen global growth prospects and therefore inflation. Financial market volatility will remain the norm for some time.
- However, following significant global fiscal and monetary stimulus, the short term outlook for the global economy is somewhat brighter than earlier in the year. US fiscal stimulus is also a possibility following Trump's victory.
- Recent data present a more positive picture for the post-Referendum UK economy than predicted due to continued strong household spending.
- Over the medium term, economic and political uncertainty will likely dampen investment intentions and tighten credit availability, prompting lower activity levels and potentially a rise in unemployment.
- The currency-led rise in CPI inflation (currently 1.0% year/year) will continue, breaching the target in 2017, which will act to slow real growth in household spending due to a sharp decline in real wage growth.
- The depreciation in sterling will, however, assist the economy to rebalance away from spending. The negative contribution from net

trade to GDP growth is likely to diminish, largely due to weaker domestic demand. Export volumes will increase marginally.

- Given the pressure on household spending and business investment, the rise in inflation is highly unlikely to prompt monetary tightening by the Bank of England, with policymakers looking through import-led CPI spikes to the negative effects of Brexit on economic activity and, ultimately, inflation.

- Bank of England policymakers have, however, highlighted that excessive levels of inflation will not be tolerated for sustained periods. Given this view and the current inflation outlook, further monetary loosening looks less likely.

Forecast:

- Globally, the outlook is uncertain and risks remain weighted to the downside. The UK domestic outlook is uncertain, but likely to be weaker in the short term than previously expected.

- The likely path for Bank Rate is weighted to the downside. The Arlingclose central case is for Bank Rate to remain at 0.25%, but there is a 25% possibility of a drop to close to zero, with a very small chance of a reduction below zero.

- Gilt yields have risen sharply, but remain at low levels. The Arlingclose central case is for yields to decline when the government triggers Article 50.

	Dec-16	**Mar-17**	**Jun-17**	**Sep-17**	**Dec-17**	**Mar-18**	**Jun-18**	**Sep-18**	**Dec-18**	**Mar-19**	**Jun-19**	**Sep-19**	**Dec-19**	**Average**
Official Bank Rate														
Upside risk	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	**0.12**
Arlingclose Central Case	**0.25**	**0.25**	**0.25**	**0.25**	**0.25**	**0.25**	**0.25**	**0.25**	**0.25**	**0.25**	**0.25**	**0.25**	**0.25**	**0.25**
Downside risk	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	**0.40**

3-month LIBID rate														
Upside risk	0.05	0.05	0.10	0.10	0.10	0.15	0.25	0.25	0.25	0.25	0.25	0.25	0.25	**0.18**
Arlingclose Central Case	**0.25**	**0.25**	**0.25**	**0.30**	**0.30**	**0.30**	**0.30**	**0.30**	**0.30**	**0.30**	**0.30**	**0.30**	**0.30**	**0.29**
Downside risk	0.20	0.25	0.25	0.25	0.30	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	**0.34**
1-yr LIBID rate														
Upside risk	0.10	0.10	0.15	0.15	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30	**0.23**
Arlingclose Central Case	**0.60**	**0.50**	**0.50**	**0.50**	**0.50**	**0.50**	**0.50**	**0.60**	**0.70**	**0.85**	**0.90**	**0.90**	**0.90**	**0.65**
Downside risk	0.10	0.15	0.15	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	**0.24**
5-yr gilt yield														
Upside risk	0.25	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	**0.39**
Arlingclose Central Case	**0.50**	**0.40**	**0.35**	**0.35**	**0.35**	**0.40**	**0.40**	**0.40**	**0.45**	**0.50**	**0.55**	**0.60**	**0.65**	**0.45**
Downside risk	0.30	0.45	0.45	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	**0.47**
10-yr gilt yield														
Upside risk	0.30	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	**0.39**
Arlingclose Central Case	**1.15**	**0.95**	**0.85**	**0.85**	**0.85**	**0.85**	**0.85**	**0.90**	**0.95**	**1.00**	**1.05**	**1.10**	**1.15**	**0.96**
Downside risk	0.30	0.45	0.45	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	**0.47**
20-yr gilt yield														
Upside risk	0.25	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	**0.39**
Arlingclose Central Case	**1.70**	**1.50**	**1.40**	**1.40**	**1.40**	**1.40**	**1.40**	**1.45**	**1.50**	**1.55**	**1.60**	**1.65**	**1.70**	**1.75**
Downside risk	0.40	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	**0.57**
50-yr gilt yield														
Upside risk	0.25	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	**0.39**
Arlingclose Central Case	**1.60**	**1.40**	**1.30**	**1.30**	**1.30**	**1.30**	**1.30**	**1.35**	**1.40**	**1.45**	**1.50**	**1.55**	**1.60**	**1.41**
Downside risk	0.40	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	**0.57**

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<u>For publication</u>

2017/18 Budget & Medium Term Financial Plan

Meeting:	Council
Date:	23, February, 2017
Report by:	Director of Finance & Resources

For publication

1.0 **Purpose of report**

1.1 To consider the General Fund budget report and to make recommendations to the full Council on the budget allocations and council tax level for 2017/18.

2.0 **Recommendations**

2.1 **That Full Council:**

2.1.1 Approves the revised budget for 2016/17 (Section 5).

2.1.2 Notes the Local Government Finance Settlement (Section 7).

2.1.3 Notes the Collection Fund and the Tax Base forecasts (Section 11).

2.1.4 Approves the portfolio budgets and the overall revenue budget summary for 2017/18 (Section 13 and Appendix A).

2.1.5 Delegates authority to the Director of Finance & Resources in consultation with the Leader, Deputy Leader and Chief Executive to review what is required to ensure that maximum

CHESTERFIELD
BOROUGH COUNCIL

opportunity is taken from the flexibility available to use capital receipts for revenue purposes where such investment will lead to budget savings (paragraphs 13.8).

2.1.6 Notes the budget forecasts for 2017/18 and the medium term (Sections 13 & 14) and the strategy for addressing the projected deficits (Section 15).

2.1.7 Approves the growth request of £100k for an HS2 project officer to be funded from the Service Improvement Reserve (para 13.6).

2.1.8 Approves the estimates of reserves including:

a) Maintaining the General Working Balance at £1.5m (Section 16 and Appendix H).

b) Transferring from the Crematorium Capital Improvement & Revenue Reserves subject to JCC approvals in March 2017 £200k to a new Northern Gateway reserve to support underwriting the Jomast Coop development in 2018/19 and £250k into Business Rate Risk Reserve. Further explanation is set out later in the report (para 16.12).

c) Using £467,302 Insurance Reserve surplus funds as identified by our consultants Kerberos Risk Services Ltd in their December 2016 review, identifying we currently need insurance reserves and provisions of £1,390,127 and as at the 31st March 2016 we had insurance reserves and provisions totalling £1,857,429. Withholding £60,000 to cover insurance excesses and self-insurance charges, £407,302 can be used to reduce General Fund contributions into reserves, therefore supporting the budget position in 2017/18 and 2018/19 by £150,000 then £107,000 in 2019/20. Further explanation is set out later in the report. (para. 16.9).

2.1.9 Notes the budget risks and sensitivity analysis (Section 19).

2.1.10 Approves the Cabinet's recommended £5 Council Tax increase for 2017/18.

2.1.11 Approves the 2017/18 Council Tax Requirement and financing (Appendix J).

2.1.12 Notes the Director of Finance & Resources assurances (Section 24).

3.0 **Background**

3.1 This report covers the General Fund revenue budget and is one part of a suite of budget reports which together make up the Medium Term Financial Plan. The other budget related reports include the HRA Budget, HRA Rent Setting, HRA Capital Programme, General Fund Capital Programme and Treasury Management reports.

3.2 The Council's Budget Strategy (**Appendix C)** is to set a sustainable and affordable budget over the medium term. This report looks ahead over the coming five financial years to determine the resources available, what are the spending pressures/priorities and how a balanced budget can be achieved.

3.3 The major funding sources for the General Fund are Government grant (RSG), business rates growth, fees & charges (car parking, leisure income etc.), rental income from the Council's extensive industrial & commercial property portfolio and the council tax. The Government is, therefore, able to regulate a large proportion of the resources available to the Council through the grants it provides and by placing restrictions on Council Tax increases.

3.4 At a national level the Government is committed to balancing the public finances, though with the new government over a longer term. The cuts in the funding for local government will continue over the next few years in line with the proposals set out in Treasury spending statements.

3.5 The Local Government Finance Settlement in December 2016 confirmed:

- Our 4 year RSG settlement funding will fall from £1.2m in 2017/18 to £0 in 2020/21.
- New Homes Bonus (NHB) funding will be reduced from 6 years in 2016/17 to 5 years in 2017/18 and then 4 years afterwards. In addition a 0.4% base line (based on council tax property numbers) will be introduced in 2017/18, which

means that NHB funding will only be available for Councils building or bringing back into use properties above the expected baseline number. The implications for Chesterfield are set out in paragraph 9.3 of this report.

- The apprenticeship levy commencing April 2017 will be set at 0.5% of an employer's pay bill less an allowance of £15k. The costs to the Council from 2017/18 will be £82k shared between the General Fund (£31k) and Housing Revenue Account (£51k).

3.6 The Local Government Association and others continue to issue warnings about councils' abilities to continue to deliver services, both discretionary and statutory, in the future and about the increasing likelihood that some councils could be reaching a tipping point.

3.7 The timing and implications of the Government plans to move to 100% business rates are an uncertainty for future funding to the Council. The outcome of the pilot areas 'testing' 100% business rate retention is unclear at this stage. Business Rates have been revalued nationally for 2017/18 and the level of appeals is an unknown risk. The Council continues to benefit from the risk/benefits available to it through being in the Derbyshire pool and will remain in the pool for 2017/18.

3.8 **<u>This report does not allow for the impact of the possible award of 80% business rates mandatory relief to the local NHS Trust</u>**. An agent acting on behalf of a number of NHS Trusts has written to their local councils claiming that the Trusts are entitled to 80% mandatory relief. Nationally, this is a very significant issue given the size of the premises concerned, the potential on-going loss of Business Rate income is significant and the cost of up to six years back-dating will be enormous. For the Council the on-going loss of income from its 40% share is approximately £0.3m per annum (40% x £0.8m) and £2m of a back-dated refund (40% x £5m). At the national level the Local Government Association has taken up the issue and is taking legal advice from counsel. If there any developments on this issue by the date of the Council meeting an update will be provided at the meeting.

3.9 The Council Tax must be set at the Council meeting on 23rd February, which means that the Cabinet must now finalise its proposals for achieving a balanced budget.

4.0 Policy & Financial Planning Framework

4.1 A copy of the Council's Financial Strategy is attached at **Appendix D.** Its overall aim is to establish a framework for aligning the revenue and capital spending proposals with the Council's strategic priorities. This report covers the application of the strategy for the next five years. The Medium Term Financial Plan (MTFP) itself is supported by other financial strategies including the Capital Strategy, the Treasury Management Strategy and the Asset Management Plan.

4.2 The MTFP is just one of a number of plans and strategies that link into the overall Council Plan; others include the Workforce Plan, the HRA Business Plan, the Local Development Framework, etc. These are designed to help ensure that the Council provides efficient and effective services, delivers value for money and achieves continuous improvement.

4.3 The Council Plan should guide the Council's resource allocation and performance management arrangements. The Council Plan has been developed in tandem with the preparation of the Medium Term Financial Plan and both plans will be included on the same agendas for the Council and Cabinet meetings.

5.0 Revised Budget 2016/17

5.1 The Council approved the original budget for 2016/17 on 25th February 2016. The original budget allowed for a reduction in General Government Grant (Settlement Funding) of £0.5 million and no change in retained Business Rates Baseline income. The Council Tax had been increased by £5 to £149.89 for a Band 'D' property. After allowing for planned savings of £1,051k this left a deficit of £236k to be met from other savings to be identified in the year or from reserves.

5.2 2016/17 has proved another challenging year in terms of budget management but significant savings totalling £800k have been made. There have been managed budget variances, both increases and decreases. Budget monitoring reports were presented to the Cabinet and full Council during the year and the position changed at each stage. The table below provides a summary of the net forecast at each reporting stage:

Table – 2016/17 Surplus / (Deficit) Forecasts Through the Year

Date	**Net surplus / (deficit)**	**Change on previous**
Feb 16 – approved budget	(236)	0
Sept' 16 – end of quarter 2	(326)	(90)
Dec'16 – revised budget	(186)	142
Feb'17 – this final budget report	105	290

The revised portfolio budgets for 2016/17 were reported to the Cabinet on the 13th December as part of the first draft budget report. Full details of variances on the portfolio budgets were included in the respective reports.

Since then further work has been undertaken through budget monitoring and challenge sessions to identify other possible variances for inclusion in the final budget report. The updated revised budget forecast for 2016/17 shows an estimated surplus of £105k, subject to the planning budget being on target and no significant variances to other budgets. (**Appendix A)**.

5.3 The revised budget assumes a contribution of £450k from the Derbyshire Business Rate Pool. This is based on the figures supplied by each of the Pool members to the end of December 2016. The possibility of NHS Trusts being eligible for 80% Mandatory Charity Relief on business rates remains a risk outlined in paragraph 3.8.

5.4 Every effort will be made through strict budgetary control to achieve a surplus by the end of the financial year. Any final surplus will be transferred to the Budget Risk Reserve or a deficit met from the reserve.

6.0 2017/18 Funding Sources

6.1 Significant changes to the way in which local government is funded were introduced in April 2013. Under the previous funding system a large element of the Council's budget requirement was financed by a pre-announced and fixed level of central government funding but this has been replaced with one which transfers more risk to local authorities. The most significant changes relate to the amount of Business Rates income retained through the retention scheme and the impact on Council Tax income as a result of the Localisation of Council Tax Support. At the same time the Government's austerity measures have resulted in significant cuts in Government RSG funding. The impact of these changes and details of the other major income sources available to the Council are described in more length below.

7.0 Local Government Finance Settlement

7.1 The Provisional Settlement was announced this year, on the 15th December 2016. Details of the Final Settlement are to be published and approved by the House of Commons on 22nd February 2017.

7.2 The Settlement provided final figures for 2017/18 but also included indicative figures for the following three years. The Government offered any council that wishes to take it up a four-year funding settlement to 2020/21. Chesterfield Council took up the offer on 14th October and submitted an Efficiency Plan as part of the process.

It is important to note that the Government qualified the offer by stating that final grant determinations (of the funding figures produced) in future years will still be subject to change as the business rate multiplier changes and to reflect transfers of functions and mergers etc. The Government also says that future years allocations could change owing to unforeseen events but does not indicate if this includes unforeseen economic events such as failing to meet its fiscal targets.

7.3 The **Settlement Funding Assessment (SFA)** is calculated by the Government and sets the starting position in terms of the estimate of the funding available to the Council. The funding is a combination of Formula Funding and other funding streams that were previously paid as specific grants. The Assessment is calculated by using the Formula Funding Methodology that has been used in previous years, subject to some minor changes. The Funding Assessment is made up of two elements, Business Rates Baseline Funding and Revenue Support Grant.

Table – Settlement Funding Assessments					
	2016/17 adjusted	**2017/18**	**2018/19**	**2019/20**	**2020/21**
Revenue Support Grant	1,836	1,239	859	434	0
Business Rates Baseline	3,087	3,150	3,251	3,367	3,451
Settlement Funding Assessment	**£4,923k**	**£4,389k**	**£4,110k**	**£3,801k**	**£3,451k**
Change between years: £		-£534k	-£279k	-£309k	-£350k
%		-11%	-6%	-7%	-9%
Cumulative change from 16/17 : £		-£534k	-£813k	-£1,122k	-£1,781k
%		-11%	-16%	-22%	-36%

The Settlement no longer provides a guaranteed level of funding as the Business Rate Funding element is just the Government's estimate of income and this will be replaced by the Council's own estimate when setting the budget.

7.4 **Revenue Support Grant** (**RSG**) – The RSG system continues to provide a mechanism for the Government to retain control over, and reduce the level of, local government funding. The level of RSG in the Settlement Funding Assessment table in para.7.3 shows that RSG will decline to £0 by 2020/21.

8.0 Business Rates Retention

8.1 At the start of the scheme (April 2013) the Government estimated a Business Rate income target for each Billing Authority as their share (the proportionate share) of the national target. The table below shows how this estimate was shared between the Government (50% Central Share), the Major Preceptors (9% to the County Council and 1% to the Fire Authority) and the Council (40%). The Council's share was then compared to its BR Baseline Funding level for 2013/14 (£2,947k) and the excess was to be paid to the Government as a '**tariff**' (£10,635k).

Calculation of Tariff at the start of the BR system (2013/14)		
	Share of Total %	**Amount £'000**
Estimated BR Aggregate (EBRA) – national total	100%	**21,797,109**
CBC Billing Authority proportionate share (0.155777%)		**33,955**
Government/Central share Major preceptors share CBC BR Baseline	50% 10% 40%	**16,977** **3,396** **13,582**
Total	100%	**33,955**
CBC – BR Baseline **Less BR Baseline Funding Level**		**13,582** **(2,947)**
Tariff		**10,635**

8.2 The calculation above was used to set the 'tariff' at the start of the scheme but the tariff is then increased each year by the increase in the Small Business Rate Multiplier (SBRM) which in turn was to be linked to RPI (Retail Price Index). The actual increases, however, have been capped as follows:

The Small Business Rates multiplier (SBRM) has, decreased from 48.4p to 46.6p in 2017/18. The Council's tariff payment for 2017/18 has decreased to **£10,887,543** (£11,141,329 in 2016/17).

8.3 The actual level of income from Business Rates to be included in the budget for 2017/18 will be based on the Council's estimate of income as shown on the NNDR1 Return. The NNDR1 return was approved by the Employment & General Committee on the 23rd January 2017. The NNDR1 return shows an estimated Net Yield of £36,925,752 with the Councils 40% share as £14,770,300. The Councils share is then reduced by the **tariff** payment of £10,887,543 leaving £3,882,757. At the same time the Council will qualify for £753,213 of Section 31 grants to make up for the loss of income from the changes to business rates announced in the Autumn Statement (small business rate relief extension, etc.). The excess of the combined amount (£4,635,970) over the Baseline Funding Assessment of £3,150,422 i.e. £1,485,548 is then subject to a 50% 'Levy'. In 2017/18, because the Council has joined the Derbyshire Business Rates Pool, the Levy will not be paid to the Government but instead will form part of the Pooling calculation which will return some of the money back to the

Council, currently estimated to be £300k (subject to a national decision on NHS trusts' entitlement to 80% Mandatory relief).

8.4 There is also a **Safety Net** mechanism in place to protect authorities from excessive decreases in BR income below their BR Funding level. A safety net payment will be triggered if an authority sees its share of BR income in any year decline by more than 7.5% of its BR Funding Baseline. The Council's **Safety Net threshold is £2,914k** (i.e. £3,150,422 x 92.5%). This means that the Council's share of the BR **income could fall by £236k** below its Funding Baseline of £3,150k before it qualifies for a safety net payment. If a Council is a member of a Business Rates Pool it is the Pool that must fund the Safety Net and not the Government. The estimate of BR income per the NNDR1 return is well above the Baseline level so it is highly unlikely that the Safety Net provisions will apply.

The major issue regarding the BR system has been the time taken by the Valuation Office Agency (VOA) to assess and deal with back-dated appeals originating in 2014/15. The VOA have committed its resources in 2016/17 into carrying out a national revaluation of all properties in the UK to create a new rating list which will come into effect on the 1st April 2017. As a result we have estimated that we will have £3.6m of outstanding appeals at the end of 2016/17 and due to the new rating list have estimated we will have an additional £1.2m of appeals in 2017/18. At the end of the 2015/16 financial year there was a deficit of £5.2m on the BR account due to having to create a £4.6m provision for back dated appeals. The projected deficit on the BR account for 2016/17 is £266k, the Councils share of the deficit, at 40%, equates to £106k and this has been included in the budget for 2017/18.

9.0 Other Government Grants

9.1 Details of the other grants included in the budget forecasts are included at **Appendix G**. Further detail on the most significant grants is included below.

9.2 **Housing & Council Tax Benefits Administration Grant** – the main admin grant generally reduces each year due to assumed efficiency savings. **Appendix G** and the table below provide a comparison of the allocations over recent years:

Benefits Admin Subsidy				
Year	**Status**	**Grant allocation**	**Change on previous year**	
			£'000	**%**
2012/13	Actual	876,040		
2013/14	Actual	838,812	-37,228	-4%
2014/15	Actual	764,879	-73,933	-9%
2015/16	Actual	725,600	-39,279	-5%
2016/17	Estimate	662,900	-62,700	-9%
*2017/18	Estimate	**607,010**	-55,890	-8%
**2018/19	Estimate	574,010	-33,000	-5%

*For 2017/18, both the elements funded by the Department for Communities & Local Government and the Department for Work & Pensions have been confirmed.

**The budget assumes a reduction in grant of 5% in 2018/19 to reflect the roll out of universal credit. The pace of withdrawal may increase at a faster rate by 10% or 20% as universal credits are rolled out across all customer groups. If funding is reduced the Council will need to negotiate corresponding reductions in the cost of the service which is provided by Arvato.

9.3 **New Homes Bonus (NHB)** - the grant was first announced in the Spending Review 2010. The money has been historically top-sliced from the Local Government Finance allocation to fund NHB. There has, therefore been, a strong argument for using some, if not all, of the allocations to support the revenue budget. This view is supported by the Minister of State for Housing and Planning's comment in the 2016/17 Provisional Allocations letter that "*Councils are free to spend the Bonus as they choose, including on front-line services and keeping council tax low*".

The grant is paid as a reward/incentive for increasing the housing supply and is intended to help councils finance the costs which new housing and an increased population create. The allocation for each year is paid for a period of six years and is "un-ring-fenced", which means that there are no restrictions on its use.

The Local Government Finance settlement in December 2016 following consultation proposals in the summer announced major changes to NHB:

- The NHB payments would reduce from 6 years in 2016/17 to 5 years in 2017/18 and 4 years for every year from 2018/19, in line with the preferred position in the consultation.
- A baseline for housing growth is to be set at an initial baseline of 0.4% subject to annual reviews.
- The Government will revisit the case for withholding NHB from areas not planning or delivering on housing growth from 2018-19.

The effect on the changes for the Borough have been significant. The grant expected in 2016/17 is £909,000 but is expected to fall to £2,240 by 2020/21.

New Homes Bonus (NHB)	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
2011/12	126,907					
2012/13	100,843					
2013/14	123,662	123,662				
2014/15	107,600	100,569				
2015/16	154,306	154,306	154,306			
2016/17	295,859	295,859	295,859	295,859		
2017/18		2,240	2,240	2,240	2,240	
2018/19			0	0	0	0
2019/20				0	0	0
2020/21					0	0
2021/22						0
Total NHB	**909,177**	**676,636**	**452,405**	**298,099**	**2,240**	**0**

The Council historically has not built or brought back into use a large number of properties, figures are in the 100-200 net additional homes annually. Based on this and projected new building constrained by local house prices, land remediation and developers land banking, it is difficult with any certainty to project the Borough building above the new baseline 0.4% of council tax band properties in order to get NHB. Therefore being prudent in the budget **Appendix A** we have assumed no new NHB from 2018/19 resulting in a 'dramatic' decline in income as set out in the table above.

10.0 Fees & Charges

10.1 The Council's policy for Fees and Charges (**Appendix E**) requires charges to be set at a level to at least recover costs but reduced concessionary rates are permissible to ensure equal access to services. Charges are reviewed annually taking into account comparisons with other similar authorities, the case for continuing concessions, the cost recovery position, etc. Fees & Charges represent a significant income to the Council and total more than the income raised through the council tax. For 2017/18 the budget includes £9.5 million (£8.9m in 2016/17) from fees and charges compared to only £4.4 million from the council tax. The main income sources and the assumed increases for 2017/18 are summarised in **Appendix F**.

11.0 Council Tax & Collection Fund

11.1 Income raised locally through the council tax represents the other major financing source for the General Fund revenue budget.

11.2 **Collection Fund Balance** – before calculating the council tax for the coming year the estimated balance on the current year's Council Tax elements of the Collection Fund must be established and taken into account. The balance on the Collection Fund was reported to the Cabinet on 24th January 2017. There is an estimated surplus balance of £367,981 at the end of March 2017. The surplus is shared amongst the major precepting authorities; the Borough's share is £38,296 (10.4%).

11.3 **Tax Base** - the Tax Base provides an estimate of how much each £1 of Council Tax would raise. The Tax Base is expressed as the equivalent number of Band 'D' dwellings in the borough. The Employment and General Committee approved the Tax Base on 23rd January 2017 as:

Tax Base – Band 'D' Properties

Area	2016/17	2017/18	Increase / (Decrease)	
			No.	%
Brimington Parish	2,243.44	2,276.05	32.61	1.5
Staveley Town	4,019.61	4,087.94	68.33	1.7
Chesterfield Area	22,008.53	22,143.93	135.40	0.6
Total	28,271.58	28,507.92	236.34	0.8

Since April 2013 the tax base has been reduced as a result of the support given under the Localised Support Scheme being treated as a 'discount'. This reduced the tax raising ability of the precepting authorities but this is compensated to some extent by the receipt of grant direct into the General Fund and by other changes to discounts and council tax support criteria which are designed to increase the tax base.

11.4 **Referendum Limit** – the capping regime was replaced some years ago with a requirement to hold a referendum if the proposed council tax increase exceeds a limit set by the Secretary of State. The limit for 2017/18 has been set at 2% but with a concession for district councils which allows them to increase their council tax by a maximum of £5 or 2%. The £5 increase is equivalent to an increase of 3.34%.

11.5 **Evaluation of the Options** – the table below compares the options of either increasing the council tax by 1.99% or £5:

Table - 2017/18 Council Tax Options

	Yield from increase £	**Band 'D' tax £**	**Band 'A' tax £**
2016/17 Council Tax	0	149.89	99.92
1.99% increase	84,954	152.87	101.91
£5 pa on Band 'D'	142,540	154.89	103.25
Difference £5 v 1.99%	**57,586**	£2.02 pa or 3.9p per week	£1.34 pa or 2.6p per week

For local tax payers the impact of a £5 per annum increase on the Band 'D' tax, compared to the current council tax, is 3.34% in percentage terms, but low in monetary terms, for a;

- **Band 'A'** property (more than half the properties in the Borough) equivalent to £3.33 per annum or 6.4 pence per week;
- **Band 'D'** equivalent to £5.00 per annum or 9.6 pence per week.

The Council's share of the overall tax bill is approximately 10% so the increase will only have a relatively small impact on the total shown on the bill.

The MTFP in **Appendix A** assumes that the £5 option will be available and taken-up in each of the four years from 2016/17 to 2019/20. The cumulative gain over the four years, compared to the 1.99% alternative, is therefore £222k.

11.6 **Council tax support** is treated as a 'discount' which means that the Council's Tax Base is reduced. The Tax Base is used to calculate how much income the Council can raise through the Council Tax, a reduction in the base reduces the potential income. To help compensate for this loss the Government pays a grant to Billing Authorities and Major Precepting Authorities. In 2013/14 the grant was separately identified. From 2015/16 the grant has been 'rolled-in' to the overall funding settlement and is no longer separately identifiable. The original grant funding included £66k relating to the parished areas and the Government said that there was an expectation that this element of the grant would be passed on to parished areas. The Cabinet agreed at its meeting on 22nd October 2013 to reduce the grant passed over to the parishes by 10%, i.e. £6,600, in 2016/17 and to apply the same reduction (£6,600) in future years.

11.7 The initial grant allocation was less than the amount received in previous years under the national Council Tax Benefit Scheme. In setting up the first Local Support Scheme for 2013/14 the Council agreed a number of measures to help address the funding gap. The Local Scheme has to be approved before the start of each financial year. On the 14th December 2016 the Council agreed to continue with the 2016/17 Council Tax Support Scheme in 2017/18. The measures designed to recover some of the cost of the scheme were grouped into two packages as follows:

The first package of measures relate to reductions in the benefit/support entitlement for those of working age only, as pensioners are protected, and included the requirement to pay 8.5% of the liability and the removal of the Second Adult Rebate.

The second package of measures relate to maintaining the changes to other Council Tax discounts, including:

- Reducing the period of 100% empty and unfurnished property relief to just 3 months (from 6 months);
- Removing the remaining 10% of Second Homes discount; &
- Introducing a 150% surcharge for properties that have been empty for more than 2 years.

11.8 The financial risks associated with providing council tax support have now effectively transferred from central to local government. If, for example, a number of local people were made redundant and they then qualified for Council Tax Support, the discount given will remove a proportion of their properties from the Tax Base. It also presents an opportunity because when people move off support the tax base will increase. The risks are shared by all of the precepting authorities through the workings of the Collection Fund.

12.0 Draft Budgets

12.1 The following assumptions have been made in preparing the draft budgets:

Table – Budget Assumptions					
		2016/17	**2017/18**	**2018/19**	**19/20**
Pay inflation		1%	1%	2%	2%
Energy inflation		3%	2%	3%	3%
Business rates increase		3.0%	1.0%	2.0%	2.0%
Vacant posts allowance		£240k	£240k	£240k	£240k
Council tax increase / freeze grant		£5	£5	£5	£5
Settlement Funding		-16.2%	-14.5%	-13.7%	-6.5%
Fees & Charges Increase		+3%	+3%	+3%	+3%
Future service pension contribution rate		13.2%	13.2% + £140k	13.2% + £140k	13.2% + £140k
National Insurance		+3.4% = 33% increase	1%	2%	2%
Investment returns (gross)		0.83%	0.62%	0.55%	0.88%

The risks and uncertainties related to the assumptions are considered in the Risk Management section later in this report.

12.2 Since the draft Portfolio budgets were considered by the Cabinet on 13th December 2016, a number of actions have been implemented in order to produce savings, the actions included:

- **Budget Challenge sessions** with all CMT members and the relevant service managers in January 2017;
- **Continuing control** on expenditure and filling vacant posts;
- **Budget Action Plan** – which includes some of the big ticket items such as Voluntary Redundancies/Retirements, review of terms and conditions, etc. (Appendix B);
- ″**Stop or reduce**″ programme of reviews - To date the Corporate Cabinet and SLT has identified savings of £76k for 2017/18, increasing to £126k in later years, through this process subject to Council approvals. This programme has so far targeted a limited number of service areas but in time all non-statutory services will be reviewed through this process;
- Budget monitoring by Service Managers and Accountancy.

A summary of the overall budget including the latest changes is shown in **Appendix A**. The Budget Book for 2017/18 with the updated portfolio budgets will be included with the report to the full Council.

13.0 2017/18 Net Expenditure Estimate

13.1 The Medium Term forecast approved a year ago, by the Full Council on 26th February 2016, showed a deficit, before savings targets, of £2.0m in 2017/18.

13.2 The table below provides a summary of the budget deficit forecasts which have been reported to the Cabinet during the current financial year 2016/17:

(Deficit) / Surplus Forecasts			
Stage	**Cabinet**	**2016/17 £'000**	**2017/18 £'000**
Start of the year	23rd Feb	(236)	**28**
Revised budget report after 6 months	15thNov	(326)	**(594)**
1st draft budget report	13th Dec	(186)	**(62)**
Latest Forecast	21st Feb	105	**(209)**

13.3 The budget forecast for 2017/18 in **Appendix A** assumes a £5 Council Tax increase. The forecast shows a deficit of £209k but this is after cease and reduce savings targets. The deficit before allowing for the cease and reduce savings target is, therefore,

£286k which represents a significant improvement on the deficit forecast 12 months ago of £2.0m, but still a challenging figure.

13.4 Investment interest provides an important source of income to support the revenue budget. It is very difficult to predict how and when interest rates will move in the current economic climate. Gross returns of 0.62% in 2017/18 are currently forecast. Each ¼% movement is equivalent to +/- £100,000, of which only approximately 35% or £35k impacts on the General Fund. Further details are included in the Annual Treasury Management and Annual Investment Strategy report.

13.5 Budget Savings Proposals – a number of savings proposals were identified at a series of corporate cabinet/CMT workshops. Savings identified and delivered and the Cease & Reduce proposals are included in the budget at **Appendix A**. A summary of these savings and the proposed savings for 2017/18 is included in **Appendix B**. A risk assessed provision for non-achievement for each proposal has been built into the budget forecasts in **Appendix A**.

13.6 Budget Growth Requests – the draft budgets are based on current service levels and do not include any provision for growth. The future budget deficit forecasts make it difficult to earmark resources to fund growth requests at this stage. Any growth funding will have to be restricted to:

a) Priority activities where corresponding savings can be found from another budget (i.e. virement);
b) True invest-to-save projects where the initial funding can be met from the Invest-to-Save Reserve; or
c) Funding one-off corporate priority projects from the Service Improvement Reserve.

One growth request has been put forward. This is a request for £100k over 2 years to fund a HS2 project officer. The case for this is set out below:

Following the latest proposals from HS2 for high speed services stopping at Chesterfield station and a maintenance depot at Staveley, the council has become more involved in the partnership work underway to support and develop the case for a station and depot going ahead. Within both the D2N2 and Sheffield City

Region areas, government is expecting a growth strategy to be prepared by July 2017 that will show the potential benefits of HS2 and how local partners will maximise those. Partners are therefore looking to Chesterfield Borough Council to lead the work required to set out the growth potential in this area. Whilst work has been underway for some time regarding the depot at Staveley, a station in Chesterfield is a more recent announcement and so significant additional work is required to catch up with other parts of the growth strategies in D2N2 and SCR and, more importantly, ensure economic benefits to Chesterfield are not lost. With existing capacity already fully deployed in the development and growth service area, there is a need for additional project capacity to lead this work on behalf of the council and engage with a wide range of partners, in particular the county council. An additional provision of £100k from uncommitted reserves, to be spent across 2017-18 and 2018-19, is therefore proposed. This would be subject to Joint Cabinet and Employment and General Committee approving the case for this additional staffing resource. Current uncommitted reserves are the Invest-to-Save Reserve (£106k) and the Service Improvement Reserve (£378k).

13.7 Living Wage - The budget for 2017/18 and future years includes the cost of implementing an allowance scheme to bring lower pay scales up to the Living Wage.

- All staff currently on NJC Green Book terms and conditions who receive a basic hourly rate of pay of less than £8.45 will receive an additional allowance for the living wage to bring their basic pay to that level.
- This will not apply to craft workers as they receive bonuses which take their hourly pay above this level.
- This allowance will be awarded from April to April each year and will be reviewed annually taking into account any increases in the voluntary Living Wage set in November and annual increases negotiated through the pay settlement agreement.
- This allowance will only be awarded on basic pay and overtime payments will continue to be paid at the current rate of pay without the additional allowance.
- This allowance may be withdrawn at any point in the future if budget dictates.

13.8 Capital Receipts Flexibility - the general rule is that capital receipts can only be used to finance new capital expenditure or to repay debt. The Government introduced a relaxation to this rule, for the three financial years commencing April 2016, which will allow capital receipts to be used for revenue expenditure on transformation projects which are designed to save money.

It is recommended that delegated authority be given to the Director of Finance & Resources in consultation with the Leader, Deputy Leader and Chief Executive to review what is required and take the required action to ensure the maximum flexibility for the council in relation to capital receipts.

13.9 Council Tax Options – the draft budget assumes that the £5 Council Tax increase option is taken in 2017/18.

13.10 Strategy for funding the deficit –The Council's key response to tackling future budget deficits is its transformation programme called "Great Place: Great Service" (GPGS), the "Cease or Reduce" reviews and the Budget Savings Action Plan. The planned savings of £209k in 2017/18 will provided they are delivered in full and in good time, balance the 2017/18 budget. Further savings proposals will be developed in 2017/18 to tackle the increasing deficits forecast in the medium term. These savings are larger and will be more challenging involving difficult decisions: e.g. voluntary redundancies, changes to terms and conditions, PPP contract review, waste contract review, ceasing and reducing services etc. Every effort will be made to avoid having to use reserves to support the budget as the reserves would be better spent on things that will produce on-going revenue budget savings.

14.0 Medium Term Forecast - 2017/18 through to 2021/22

14.1 It is good financial practice for authorities to consider their budgets over the medium term and not just for the year ahead. The announcement of our RSG 4 year settlement in December 2016 has helped with certainty on the level of income we forecast. Our Business Rates Baseline also comes in the December Local Government Finance Settlement (LGFS) though it is not until we complete the NNDR1 in January that we can more accurately determine our Business Rates income. Predicting the future levels of Business rates income is not possible accurately due to: uncertainty around appeals, the annual completion of the NNDR, levels of business activity and pooling outcomes. A best estimate based on Government information provided in the LGFS and through the use of advisors is made.

14.2 The MTFP assumes that the £5 Council Tax increase option will be applied until 2019/20. The medium term forecast has been prepared based on the best available information in order to help with the longer term planning of priorities and transformation change.

14.3 The assumptions made in drafting the medium term forecast are set out in the table at para.12.1 above. Some of the assumptions built into future years' budgets may also be subject to considerable variation as described in the Risk Management section below. The table below provides a summary of the deficits/savings targets over the medium term:

	2017/18 £'000	**2018/19 £'000**	**2019/20 £'000**	**2020/21 £'000**	**2021/22 £'000**
Deficit forecast before planned savings	(238)	(700)	(1,459)	(2,053)	(1,995)
GP:GS savings	46	116	116	241	241
Stop or Reduce proposals	76	126	126	126	126
Net Surplus / (Deficit)	**(208)**	**(458)**	**(1,217)**	**(1,686)**	**(1,628)**
Change on previous year – deficit (increase)/ decrease		(250)	(759)	(469)	58

Any recurring savings made in the early years will also help to reduce the deficit forecasts in the later years.

The forecasts are based on current levels of service provision with no allowance for future growth.

The scale of the forecast deficits means that work must continue in 2017 to monitor progress on the planned savings proposals and to identify new savings proposals in order to be able to produce balanced and sustainable budgets for future years.

15.0 Budget Savings

15.1 The Council has a good track record of delivering balanced budgets. The scale of the savings required in 2017/18 and future years means that delivering savings must continue to be a priority for the Council. This, however, will become progressively more difficult since the easier options have already been implemented. The Council's key response to tackling future budget deficits is its transformation programme called "Great Place: Great Service" (GPGS). The GPGS Programme focuses on the four key strategies of Customer Service, ICT, Workforce and Asset Management to transform and modernise service delivery. The "Cease or Reduce" programme of service reviews will continue until all service areas have been covered.

15.2 The budget forecasts highlight the need to deliver significant budget savings year after year. Details of the savings proposals developed by the Corporate Cabinet and the Corporate Management Team (CMT) are included in **Appendix B**. Delivering these savings quickly and at the same time planning for further savings in future years will be a huge challenge. Individual budget savings proposals will require tight programme management to ensure that they are delivered on time and produce the required level of saving. The Corporate Cabinet and CMT will have to continue to develop other proposals which are needed to address the medium term deficit forecasts. The Financial Planning Group and Overview and Performance Scrutiny Forum must continue to monitor the progress.

16.0 Reserves & Balances

16.1 The Council maintains a General Working Balance plus a number of other earmarked reserves. A review of all the reserves and provisions has been undertaken as part of the budget process.

16.2 **General Working Balance** – the working balance provides a cushion for cash flow shortages and a contingency for unforeseen events. The minimum prudent level for the working balance is a matter of professional judgement based on past experience, the level of other earmarked reserves and an assessment of future risks. The balance is being maintained at £1.5m to recognise the range of risks the Council is currently exposed to, particularly those relating to the Business Rates Retention scheme as described in para 19.1 below. The Retained Business Rates risks relate to back-dated appeals and the possible increase in claims for 80% mandatory relief. An updated financial risks assessment is provided in **Appendix I,** which indicates that a balance of £1.5m should be adequate. A balance of £1.5m is equivalent to 14% of the Council's budget requirement. Over the medium term the Council will need to continually review the minimum balance required as budget risks and the level of other earmarked reserves change.

16.3 **Earmarked reserves** are held to meet known or anticipated liabilities. Details of the earmarked reserves held by the Council, including their purpose and predicted movements over the next five years are included in **Appendix H**. Details of the main reserves are provided below.

16.4 **Budget Risk Reserve** – This reserve provides a supplement to the Working Balance to cover any budget risks and to help finance any severance costs resulting from voluntary staffing reductions and through implementing the Transformation Programme. The table below shows the opening balance in the reserve as at 1st April 2016 and the currently approved or anticipated movements on the reserve:

Table – Budget Risk Reserve		
Balance b/fwd 1st Apr 2016		1,043
Movements/commitments:		
Further Land Charges costs	(16)	
15/16 Growth – Public Sector Stock Condition	(26)	
Health & Safety prosecution	(25)	
Erin Road Pumping Station	(7)	
Local Plan professional fees	(15)	
Group litigation – postal services	(7)	
Dilapidation costs – Whitting Valley	(17)	
IDOX buy-out of lease - repayment	99	
PSN Compliance costs	(80)	
VR/VER's	(444)	
Transfers from other reserves & balances	36	
DSO Surpluses	tbc	(502)
Add: estimated budget surplus in 2016/17	tbc	105
Uncommitted Balance		**646**

The remaining balance should be maintained to help the Council through this difficult period of budget reductions e.g. to finance severance costs arising from voluntary staffing reductions.

16.5 **Invest to Save Reserve** – The purpose of the reserve is to invest and deliver savings. These savings should have been returned to the Invest to Save Reserve over a reasonable amount of time. The savings were however paid into the General Fund as a policy to support the revenue budget.

The table below shows the opening balance in the reserve as at 1st April 2016 and the currently approved or anticipated movements on the reserve:

Table - Invest-to Save Reserve		
Balance b/fwd 1st Apr 2016		274
Movements/commitments:		
Local Collective Agreement	(10)	
Car park improvements	(111)	
Property Fund Selection Service	(7)	
Budget Savings Delivery Fund (para 13.6)	(40)	(168)
Uncommitted Balance c/fwd		**106**

16.6 **Service Improvement Reserve** – this is used to finance one-off type investments to support the delivery of the Council's priorities, where the aim is service improvement rather than a financial return. The table below shows the opening balance in the reserve at 1st April 2016 and the currently approved or anticipated movements on the reserve:

Table - Service Improvement Reserve		
Balance b/fwd 1st Apr 2016		**989**
Movements/commitments:		
Market Hall cafe	(72)	
Linacre Master Planning	(39)	
TPIC/DIC telephony system - rev	(31)	
TPIC/DIC telephony system - cap	(173)	
Northern Gateway	(100)	
HLC Admin space	(46)	
Town Hall restack	(135)	
Car parking improvements	(15)	

Budget Savings Delivery Fund (para 13.6)	(110)	
TPIC/DIC - 2016/17 Repayment	110	(611)
Uncommitted Balance		**378**

16.7 **Property Repairs Fund** - established to even-out the peaks and troughs of property maintenance costs - services pay in a predetermined contribution each year which has been calculated to cover their property maintenance costs over a ten year period. A new ten-year plan is required in 2017/18 which then needs to be reviewed annually and contributions adjusted to reflect any significant changes. A balance of £500k in this reserve is considered to be sufficient, therefore, £430k has been earmarked to finance schemes in the Capital Programme including £95k for replacing the Winding Wheel lifts, £270k for the Town Hall restack and £61k for Chesterfield museum store.

16.8 **Vehicle, Plant & Equipment Fund** - operates as a replacement reserve for major items of vehicle, plant, wheeled bins or equipment. Services pay in annual contributions spread over the estimated useful life of an asset so that when it falls due for replacement the funding is available. The estimated balance on this fund at March 2017 is £273k. Details of future movements on this reserve are included in the General Fund Capital Programme report.

16.9 **Insurance Fund (provision and reserve)** - the Council maintains these funds to cover insurance policy excesses and self-insured risks. In December 2016 we instructed Kerberos Risk Services Limited to review the current level of our Insurance Funds. We are required to review the level of our Insurance Funds every 3 years, the previous review was completed in 2013. The subsequent report from the consultants indicated that we currently need insurance reserves and provisions of £1,390,127 and as at the 31st March 2016 we had insurance reserves and provisions totalling £1,857,429 therefore we have surplus funds of £467,302. However, during 2016/17 we needed £60,000 to cover insurance excesses and self-insurance charges, therefore £407,302 could potentially be transferred to other Earmarked Reserves. The proposal is to use this to reduce General Fund contributions into reserves supporting the budget position in 2017/18 and 2018/19 by £150,000 then £107,000 in 2019/20. The reserve is reviewed every three years with the next one due in 2019.

16.10 **Appendix H** shows that the total of all reserves and provisions are forecast to reduce by £3.3m (£3.1m General Fund and £0.2m DSO's) from £11.0m at the start of 2016/17 to £7.7m by the end of the financial year.

16.11 The reduction in the level of reserves by reducing the amount of cash available for investment has a direct impact on the revenue budget by reducing the amount of investment interest received. It is important that Members appreciate that the earmarked reserves are held for specific purposes. All fund balances will be reviewed again as part of the 2016/17 final accounts process.

16.12 The Joint Crematorium Committee (JCC) on the 12th December 2016 agreed to reduce Revenue Reserves to a minimum working balance of £250,000 releasing £465,000 to shareholders. Operating surpluses are estimated at £356,000 for 2016/17. CBC's share of these distributions is provisionally £452,000 exceeding our budget for 2016/17 of £268,000. This gives a 'windfall' to reserves of £184,000. In addition a further report will be taken to the JCC in March recommending a reduction in the Unallocated Capital Improvement Reserve from £783,000 to £233,000. If agreed the effect of this decision and the above would release to CBC Reserves a sum of £486,000 as a 'one off'. These reserves can then be re-distributed and used to support revenue spend and income generation. The proposal is to put £200,000 into a new Northern Gateway Reserve to cover our 2018/19 potential underwriting of Co-op leases. We also need to ensure our Business Rates Reserves are strengthened if further appeals are successful. New business rates valuations have taken place for 2017 and our reserves were 'depleted' settling GP premises successful claims in 2016/17. Therefore £250,000 should be added to the reserve. The balance of £36,000 would be transferred to Budget Risk Reserve.

17.0 Consultation

17.1 The consultation meeting with the business ratepayers' representatives took place on 28th January 2017. Issues discussed included the changes to the business rates system, the small business rate relief scheme, the Council's budget forecasts and the council tax increase options.

17.2 Consultation with Council Taxpayers took place at a Community Assembly meeting on 11th January 2017. The Council Plan and budget were discussed and council tax increase options.

18.0 Scrutiny

18.1 The Overview and Performance Scrutiny Forum has received budget updates on the budget setting process at its meetings on 22nd November 2016.

19.0 Risk & Sensitivity Analysis

19.1 The budget estimates are based on the best available information but inevitably there is a degree of risk and uncertainty in some of the assumptions made. The most significant risks and issues are described below with further information provided in **Appendix I**.

- **Cuts in Government Grants** – this is a risk facing most public sector organisations. The Final Settlement for 2017/18 will be published and approved by the House of Commons on 22nd February 2017. Indicative figures were provided as part of the provisional Local Government Finance Settlement in December 2016. The changes to the New Homes Bonus grant system has presented a significant drop in income for the Borough. As described in para. 9.5 the system has undergone significant change. The estimated allocation for 2017/18 is £676k and in the MTFP it has been assumed that this will be stepped down to £452k by 2018/19 and decline to £2k by 2020/21.

- **Delivering budget savings** at the required level and at the right time continues to be a major challenge for the Council. Although the Council has a good track record of tackling budget deficits and delivering significant staff costs savings through voluntary redundancy, restructuring and vacancy control, some of the individual savings targets from 2016/17 have not been met (e.g. PPP, terms and conditions, investments etc.). The Council learns from its experience of what has and has not worked well in the past in order to improve the process going forward. Future budget savings proposals are now subject to an individually risk assessed non-achievement factor. Delivering savings is becoming increasingly difficult as the easier options are exhausted, which means that further improvements to the planning and estimating of savings will be required.

- **Investment Interest** - The current Base Rate is 0.25% but there is little sign that the Monetary Policy Committee will start to increase base rates in the foreseeable future unless forecast inflation rises. The assumed gross rate of return on the Council's investment funds in 2017/18 is 0.62%. For each 0.25% that rates actually deviate from the forecast the investment return will increase or decrease by approximately £100k (35% or £35k to the General Fund). The forecast for 2018/19 assumes a further reduction to 0.55% in 2018/19 before recovering to 0.88% in subsequent years but this will clearly be dependent on the pace of the economic recovery. Officers will continue to seek alternative investment instruments in an attempt to improve returns but it should always be remembered that the rule for local government investing is that security of capital is the overriding consideration. Government regulations and CIPFA guidance make it clear that 'security' of capital is the primary consideration, followed by 'liquidity' and then 'yield'.

- **Fees and charges** income – the state of the economy could have a significant impact on the Council's income particularly from areas like car parking, leisure memberships, cultural events, planning fees, land charges, etc. The 2017/18 budget targets for the key income sources are shown in **Appendix F**. Car parking income is the largest single income source. In the medium term car parking income on certain sites is under pressure due to location and competition. Saltergate multi-storey will undergo a significant £4m capital refurbishment programme in 2017/18 and we have budgeted for a loss of £213k in income for 2017/18. It is expected other car parks may receive some of the custom.

- **Property rents** – the state of the economy also impacts on the Council's ability to generate rental income from its extensive industrial, commercial and retail property holdings. Currently occupancy levels remain very high 95%+ and demand for good rental property across Chesterfield is high. The Council continues to invest in its rental properties in terms of: IT, broadband, repairs and maintenance etc.

- **HRA cost sharing** - under the self-financing arrangements it is important to be able to demonstrate that any recharges to the HRA are fair and reasonable.

- **Staff pay** – Local government **pay awards** are outside of the Treasury's control as they are subject to free collective bargaining between the national employers and trade unions through the National Joint Council (NJC). A pay award of 1% has been agreed for 2017/18. Each 1% increases the costs to the General Fund by £140k. The budget incorporates the 1% uplift for 2017/18 and beyond in the operating budgets. A further 1% above the NJC estimate of 1% has also been budgeted for from 2018/19 should pay awards rise to 2%.

- **Energy costs** – the gas and electricity budgets within the General Fund total £775k in 2017/18. The increases in future energy prices are very difficult to forecast. An allowance of 2% per annum has been made in 2017/18 and 3% in future years. Each 1% variance from this provision equates to £7.75k per annum.

- **Insurance costs** – The Council was insured with the Municipal Mutual Insurance Company until 1993 when the Company went into administration. The Company is still dealing with claims, mainly employer's liability claims, related to the period of cover. The Scheme of Arrangement, however, allows the Company to claw back some or all of the claims paid since 1993 if a solvent run-off is not possible. The Company lost an appeal to the Supreme Court about the trigger date for employer liability insurance; the Court ruled that it is the insurer at the date of exposure that is responsible for disease or injury claims. The decision led to the triggering of the Scheme of Arrangement and the claw back provisions. The Council has a provision of £384k (para 16.9 above) to cover future claw back payments as the full extent of the Company's exposure to long-tail occupational disease claims unfolds. The second claw back payment of £137k, based on 25% of past settlements, was paid in April 2016.

- **New Homes Bonus** Grant (NHB) – the budget forecasts a significant decline in NHB following the provisional Local Government Finance settlement announcement in December 2016.

  i. NHB payments would reduce from 6 years in 2016/17 to 5 years in 2017/18 and 4 years for every year from 2018/19.
  ii. A baseline (expected house building before NHB is now awarded) for housing growth is set at an initial baseline of 0.4% for 2017/18 and can be reviewed annually.

  The implication for Chesterfield due to our low house building forecasts (based on historical building and developer challenges around house prices and site conditions) means NHB income will fall from £676,640 in 2017/18 to £2,240 in 2020/21. This is a significant loss of income for the Council outside its control, imposed by Government.

- **Localisation of Business Rates** from April 2013 – the baseline starting point for 2013/14 is intended to ensure that no council is worse off than it would have been if the Formula Grant system continued. For future years the Council will share in any growth in income above its baseline level at a rate of 20% after the Levy payment but will also carry a 40% share of any reduction in income below the baseline up to the Safety Net Threshold (a maximum exposure of £236k in 2017/18 which must be from the Pool if a member of a pooling arrangement). The Council, therefore, now shares the risk of changes to BR income due to new builds, demolition, exemptions and appeals, a risk that previously rested with the Government.

  The liability for Levy payments has been avoided in 2017/18 by the continued operation of the Derbyshire Business Rates Pool. The future of 'pooling' beyond 2017/18 is uncertain.

  Further opportunities to retain a greater share of Business Rate income will be explored as part of the devolution deals before full retention comes into effect in 2020.

  Over the short and medium term there are further developments that are likely to have a negative impact on Business Rate income, including:

- Schools converting to academies, in line with Government policy, and becoming eligible for 80% mandatory relief;
- The possibility of NHS Trusts becoming eligible for 80% mandatory relief and the risk of it being back-dated. This has not been factored into the draft budgets at the moment but it has the potential to significantly change our budget position in 2017/18 and all future years. An update will be provided to the Council at the earliest opportunity as this issue develops**.**
- The new Rating List has been introduced in 2017 which is based on property rental values in 2015 and could create significant shifts. It is not clear at this stage how any significant changes will be softened by transitional measures to phase-in the changes over a period of time.

In the longer term, the system is due to be 'reset' in 2020 alongside the move to 100% retention. There is, therefore, a risk that some of the retained growth accumulated up to that point could then be lost if the 'tariff' is increased to reflect the higher tax base.

- **Localisation of Council Tax Support** from April 2013 – details of the new arrangements and the measures the Council has put in place to finance the local scheme are detailed in paragraphs 11.7 to 11.10. Previously the national scheme was fully funded by the Government and the Government therefore carried the financial risks. Under the new, localised arrangements, the Council together with the other precepting bodies carries the risk of the tax base reducing if the number of claimants increases and the risk of fund deficits if the collection rate falls below the estimated level.

- **Universal Credit** – Universal Credit will replace all current means tested working age benefits, including housing benefit which is currently administered by local authorities. It will be introduced on a phased basis in Chesterfield from November 2017, with the end date currently uncertain. The change could have significant implications for benefits staff and systems. For the General Fund the financial risks relate to the loss of the administration function, possible redundancy and/or contract penalties, residual costs, etc. There is insufficient information available at this time to be able to assess the likely financial implications. The medium term financial plan assumes an 8% reduction in administration income. There is also a significant risk for the Housing Revenue Account as rent arrears could increase when housing benefit is paid directly to tenants and monthly in arrears. The Council will be working with DWP and Arvato in 2017/18 to manage the risks and changes needed.

- **Pension Costs** – The latest review of the Pension Fund was undertaken in 2016 and sets the revised employer contribution rates to apply for the three years commencing April 2017. The revised rates have been built into the medium term forecast. The next review is due in three years' time. The MTFP includes a provision of £140k per annum for pension costs increases.

n) **Major Capital Schemes** - there are currently a number of major developments planned in the Borough where the Council is providing financial support or guarantees. The Council works closely with Sheffield City Region (SCR) on these projects. e.g. Waterside (supported by a £2.4m GPF loan and £2.6m SCR grant), Northern Gateway (supported by £5.5m SCR grant) and Peak Resort (supported by a £2.9m SCR grant). The Council is providing an £840k guarantee for rental units underwriting the Coop development over 5yrs from 1 April 2018, etc. The Council has also commenced in Autumn 2016 a £2.7m capital programme to refurbish the Town Hall, which will be completed in early 2018.

o) **VAT** – the Council can only recover the VAT incurred on the provision of exempt activities, such as the letting of premises or educational/coaching services, if that VAT does not exceed a prescribed level (currently £419k). If the level is exceeded then none of the exempt VAT, not just the excess amount, can be reclaimed. The construction of the new Queen's Park Sports Centre in 2015/16, with the College a major user of the facility, means the Council's exempt proportion has increased. There is a risk that any further significant capital expenditure in an area that includes exempt activities could cause the limit to be breached

20.0 Business Rates

20.1 Although the Council is responsible for the collection of business rates and retains a proportion of the income, the rate multiplier is set by the Government. There are two rate multipliers which have been announced as;

- The 'small business' rate - A new rates listing has been produced which will be effective from the 1st April 2017 and the 'small business' rates multiplier has been set at **46.6p** for 2017/18 (48.4p in 2016/17).
- The non-domestic rating multiplier – is the small business multiplier plus an adjustment to fund the estimated cost of the small business rate relief scheme. The supplement for 2017/18 is 1.3p giving a multiplier of **47.9p** (49.7p in 2016/17).

20.2 In his Autumn statement in November 2016 the Chancellor announced changes affecting a number of reliefs including:

- <u>Small Business Rate Relief</u> –The Government will permanently double Small Business Rate Relief (SBRR) from 50 per cent to 100 per cent and increase the thresholds to benefit a greater number of businesses. Businesses with a property with a rateable value of £12,000 and below will receive 100 per cent relief. Businesses with a property with a rateable value between £12,000 and £15,000 will receive tapered relief. 600,000 small businesses, occupiers of a third of all properties, will pay no business rates at all - a saving worth up to £5,900 in 2017-18. An additional 50,000 will benefit from tapered relief. The Government will increase the threshold for the standard business-rates multiplier to a rateable value of £51,000, taking 250,000 smaller properties out of the higher rate. This will reduce business rates for many small businesses - including some high-street shops.

  The Council receives a S31 grant from central government which fully funds the impact of the reduction in business rate income arising from the small business rate relief. For 2017/18, the grant is estimated to be £752k

- <u>Retail Relief and Reoccupation Relief</u> funding has now ceased. The Council cannot afford to continue with the schemes so it needs to formally close them down. The Retail Relief scheme provided a £1,500 discount for all retail premises including, pubs, cafes and restaurants (but excluding banks and betting offices) with a rateable value below £50,000 in 2015/16. Reoccupation Relief provided a 50% discount for up to 18 months where a ratepayer occupies an empty property for retail purposes between April 2014 and March 2016 where that property had been empty for a year or more.

21.0 Other Local Council Taxes

21.1 The special items to be added to the tax in **parished areas** are:

- **Staveley Town Council -** Band 'D' tax increased by 1.8% to £90.21 (£88.64 in 2016/17); &
- **Brimington Parish Council** – Band 'D' tax increased by 1.9% to £21.66 (£21.25 in 2016/17).

21.2 **Derbyshire County Council** has agreed on 8th February 2017 to increase its council tax by 3.99% to £1,211.66 (£1,165.17 in 2016/17).

21.3 **Derbyshire Police & Crime Commissioner** set its precept and council tax on 17 February 2017- the Band D tax will be £180.60, an increase of 1.99% (£177.07 in 2016/17).

21.4 **The Derbyshire Fire** and Rescue Authority set its precept and council tax on 23rd February 2017 – the Band D tax will be £72.58 an increase of 1.98% (£71.18 in 2016/17).

21.5 Details of the council taxes for each major preceptor and by each tax band will be calculated once all of the precepts are received and the table in **Appendix K** will be completed.

22.0 Calculation of Expenditure

22.1 The calculation of expenditure required under Section 32 of the Local Government Finance Act is shown at **Appendix J**.

23.0 Legal Implications

23.1 It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. Before setting the level of the council tax the Council must have agreed a balanced budget, differentiated by services, which is sufficient to meet estimated revenue expenditure, levies, contingencies, any deficit estimated to be brought forward from previous years, and any amounts required to be transferred between funds. The council tax itself must be sufficient to cover the difference between the agreed budget less government grants credited to the income and expenditure account, and any other expenditure which must be met from the Collection Fund, less any surplus (or plus any deficit) brought forward from previous years.

24.0 Chief Financial Officers Assurances

24.1 The Local Government Act 2003 (section 25) requires the Chief Financial Officer (CFO) to report on the robustness of estimates and the adequacy of financial reserves when the statutory calculations to determine the Council Tax are reported. The CFO is the officer responsible for the administration of the Council's financial affairs for purposes of Section 151 of the Local Government Act 1972.

Robustness of estimates – subject to the risks highlighted elsewhere in this report, the Director of Finance & Resources is satisfied that the estimates are based on the best available information and that procedures are in place to ensure the estimates are accurate and reliable. Budget responsibility is devolved to service managers who are best placed to complete the budget working papers. The central Accountancy Team co-ordinate the budget process and check through all budget working papers. The Council’s procedures, experienced staff and approach to risk management should minimise the inherent risks and uncertainties in the forecasting process.

The achievement of the planned budget savings targets and the remaining deficits, present a challenge for the Council. The Council has a proven track record for delivering significant savings, for example;

- 2013/14 - from an original savings requirement of £868k to a revised <u>surplus</u> of £193k.
- 2014/15 - from an original savings requirement of £347k to a revised <u>surplus</u> of £40k.

- 2015/16 – from an original savings requirement of £680k to a <u>surplus</u> of £225k.
- 2016/17 – from an original savings requirement of £1,266 to an estimated surplus of £105k.

A plan of savings proposals for 2017/18 has been developed to cover the deficit of £209k. The real challenge will be in in developing the savings plans required for 2018/19 and beyond. Management arrangements have to be put in place for each of the projects within the plan.

Budgets will continue to be monitored on a monthly basis throughout the year so that any required corrective action can be taken at the earliest opportunity and the medium term forecasts will be continually updated as part of that process.

24.2 **Level of reserves** - details of the Council's reserves are provided in Section 16 above and in **Appendix H**. The General Fund working balance is being maintained at £1.5m to recognise the financial risks the Council currently faces particularly in relation to Business Rate income. The updated Budget Risk and Sensitivity Analysis in **Appendix I** supports the minimum working balance of £1.5m.

In addition to the Working Balance the Council could also use the £378k uncommitted balance in the Service Improvement Reserve to support the revenue budget if required. It is important to remember, however, that reserves can only be used once and they, therefore, can only provide a short term solution to any funding shortfall.

The policy on the use of reserves will, therefore, continue to be to use earmarked reserves for their intended purpose with surplus reserves being used for investment in the Council’s priorities or for transformation schemes which are designed to produce on-going revenue budget savings. Indeed, the reserves have been used quite extensively over recent years to invest in services in order to deliver longer term efficiency savings.

The reserves have declined from 2016/17 but are still considered adequate for 2017/18 (subject to the decision on the eligibility of NHS Trusts for 80% mandatory business rate relief or other significant business rates appeals). Also, the position in future years will depend on the Council's success in delivering the required budget savings.

The Council also maintains a number of earmarked reserves for financing capital expenditure and equalising expenditure between years. The balances in these other reserves are considered adequate for the medium term.

HRA - The Council has set a higher minimum working balance of £3.0m for its Housing Revenue Account to recognise the increased risks it carries under the new self-financing arrangements from April 2012. The HRA budget forecast for next year shows that this balance can be achieved.

25.0 Conclusions

25.1 2016/17 - at the start of the financial year the budget indicated that the Council would make savings of £680k in the year to produce a balanced budget. In the summer the Council was projecting a year end budget deficit of £236k this fell to £185k by the end of 2016. Services continued to operate well in terms of income projections against budget (leisure centres, business units, theatre, winding wheel, some car parks) and costs were controlled. A number of restructurings took (e.g. Spirepride) place and voluntary redundancies continued to reduce the Council's wage bill. The Derbyshire business rates pool delivered a 'windfall' £450k against a budget of £250k at the end of 2016. This enabled the budget to come into balance more quickly in the final quarter of 2016/17. The latest revised budget forecast shows that despite the failure to deliver on some of the savings proposals, other income and budget savings more than compensated, producing an estimated budget surplus of £105k.

25.2 2017/18 – The Council faces a reduction in its Settlement Funding Assessment (RSG/Business Rates Baseline) of £0.6m in 2017/18. To help offset these and other pressures there are plans to increase our income from Council Tax and operations and to deliver savings of £238k in year to achieve a balanced budget.

The budgets have been prepared on the assumption that the Council takes the option to increase the Council Tax by £5 per annum for a Band 'D' property. This has provided an additional £57.6k above the 1.99% limit. It is important for the long term financial sustainability of the Council that it takes every opportunity available to it to increase its tax base. Even after the £5 increase, the Council will still be required to deliver a package of planned savings to avoid a budget deficit in 2017/18.

Although the Council has a good track record of delivering savings, the challenge of implementing savings on this scale and within such a tight timescale should not be underestimated. The Council does have reserves which could be used to bridge a short term deficit but, given that the deficit forecasts are increasing year-on-year and the fact that reserves are declining and can only be used once, the aim must be to find the required savings within the financial year. After many years of funding cuts finding savings is becoming increasingly more difficult.

25.3 Medium term – The deficit forecasts for future years get progressively worse due to cuts in Government funding and the loss of NHB. There is, however, an expectation that Councils will be able to increase their Business Rates tax base to boost their income but this is limited. Business Rates income is an increasingly important element of the Council's income so it is important that the tax base grows and that the option of "Pooling" continues to be available in future years. Based on the current savings plans and forecasts, the Council should be able to deliver the 2017/18 budget savings. However the savings required in 2018/19 of £458K and £1.2m in 2019/20 and beyond will be more difficult to implement. The deficits in later years continue to grow as funding cuts have reduced income more quickly than costs are falling. We are therefore still locked into a sustained period of budget and staffing reductions. Effective arrangements will have to be put in place to ensure that not only are the planned savings in the short term delivered but also that work continues to identify and implement further savings that will involve reducing the non-statutory services provided in readiness for later years. Over the five-year period of the Medium Term Financial Plan cumulative savings of £1.7m must be delivered.

25.4 The medium term forecast shows that the Council continues to face significant financial challenges in the years ahead and all the indications are that this is likely to continue over the longer term, through to 2021. The Council's ability to deliver discretionary services will inevitably come under threat over the next few years due to the funding reductions. Whilst the Council has a good track record of delivering budget savings, the task is getting increasingly difficult. It is evident that difficult spending decisions are going to have to be made by Cabinet/Council in 2017 and that the Council will no longer be able to continue to provide the breadth and quality of discretionary services that it currently offers.

26.0 Alternative Recommendations

26.1 To propose alternative budget allocations and/or council tax level.

27.0 Recommendations

27.1 **That Full Council:**

27.1.1 Approves the revised budget for 2016/17 (Section 5).

27.1.2 Notes the Local Government Finance Settlement (Section 7).

27.1.3 Notes the Collection Fund and the Tax Base forecasts (Section 11).

27.1.4 Approves the portfolio budgets and the overall revenue budget summary for 2017/18 (Section 13 and Appendix A).

27.1.5 Delegates authority to the Director of Finance & Resources in consultation with the Leader, Deputy Leader and Chief Executive to review what is required to ensure that maximum opportunity is taken from the flexibility available to use capital receipts for revenue purposes where such investment will lead to budget savings (paragraphs 13.8).

27.1.6 Notes the budget forecasts for 2017/18 and the medium term (Sections 13 & 14) and the strategy for addressing the projected deficits (Section 15).

27.1.7 Approves the growth request of £100k for an HS2 project officer to be funded from the Service Improvement Reserve (para 13.6).

27.1.8 Approves the estimates of reserves including:

a) Maintaining the General Working Balance at £1.5m (Section 16 and Appendix H).

b) Transferring from the Crematorium Capital Improvement & Revenue Reserves subject to JCC approvals in March 2017 £200k to a new Northern Gateway reserve to support underwriting the Jomast Coop development in 2018/19 and £250k into Business Rate Risk Reserve. Further explanation is set out later in the report (para 16.12).

c) Using £467,302 Insurance Reserve surplus funds as identified by our consultants Kerberos Risk Services Ltd in their December 2016 review, identifying we currently need insurance reserves and provisions of £1,390,127 and as at the 31st March 2016 we had insurance reserves and provisions totalling £1,857,429. Withholding £60,000 to cover insurance excesses and self-insurance charges, £407,302 can be used to reduce General Fund contributions into reserves, therefore supporting the budget position in 2017/18 and 2018/19 by £150,000 then £107,000 in 2019/20.

27.1.9 Notes the budget risks and sensitivity analysis (Section 19).

27.1.10 Approves the Cabinet's recommended £5 Council Tax increase for 2017/18.

27.1.11 Approves the 2017/18 Council Tax Requirement and financing (Appendix J).

27.1.12 Notes the Director of Finance & Resources assurances (Section 24).

28.0 Reasons for Recommendations

28.1 In order to meet the statutory requirements relating to setting a budget and the council tax.

Decision information

Key decision number	**693**
Wards affected	**All**
Links to Council Plan priorities	To provide value for money services

Document information

Report author	Contact number/email
Kevin Hanlon	kevin.hanlon@chesterfield.gov.uk 01246 345451

Background documents These are unpublished works which have been relied on to a material extent when the report was prepared.
Budget working papers

Appendices to the report	
Appendix A	General Fund Revenue Budget Summary
Appendix B	Savings Targets
Appendix C	Budget Strategy
Appendix D	Financial Strategy
Appendix E	Fees & Charges Policy
Appendix F	Analysis of Fees & Charges Income
Appendix G	Revenue Grants
Appendix H	Reserves & Balances
Appendix I	Budget Risks & Sensitivity Analysis
Appendix J	Section 32 Statement
Appendix K	Council Taxes

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GENERAL FUND REVENUE ESTIMATES SUMMARY

	2016/17		2017/18	2018/19	2019/20	2020/21	2021/22
	Original	Revised	Estimate	Estimate	Estimate	Estimate	Estimate
	£	£	£	£	£	£	£
Per Lead Member reports:							
Deputy Leader of the Council	**691,170**	709,550	**644,560**	657,720	668,150	712,930	723,310
Cabinet Member for Economic Growth	**(234,980)**	(483,710)	**(378,710)**	(364,820)	(382,180)	(302,350)	(286,980)
Cabinet Member for Town Centre and Visitor Economy	**(300,510)**	(618,330)	**(417,860)**	(672,590)	(491,900)	(554,640)	(510,420)
Cabinet Member for Health and Wellbeing	**7,955,840**	6,937,510	**7,138,700**	7,380,660	7,613,350	7,641,940	7,662,420
Cabinet Member for Customers and Communities (GF)	**2,024,550**	2,132,290	**2,130,800**	2,247,510	2,286,160	2,338,890	2,390,490
Cabinet Member for Finance and Governance	**3,629,370**	3,834,790	**3,663,480**	3,728,840	3,876,320	3,813,420	3,837,490
Cabinet Member for Business Transformation	**236,260**	543,760	**496,720**	439,640	452,090	457,480	465,340
Portfolios Total	**14,001,700**	**13,055,860**	**13,277,690**	**13,416,960**	**14,021,990**	**14,107,670**	**14,281,650**
Spirepride surplus	(75,000)	(148,000)	**(258,000)**	(259,000)	(279,000)	(293,000)	(295,000)
Trading surplus	0	(5,000)	**(47,000)**	**(47,000)**	**(47,000)**	**(47,000)**	**(47,000)**
Apprentice Levy			**30,500**	30,800	31,100	31,400	31,700
Living Wage	73,000						
Holiday Pay on overtime etc	12,000						
Crematorium surplus	(268,290)	(268,290)	**(250,000)**	(250,000)	(250,000)	(250,000)	(250,000)
Audit consortium surplus		(17,400)					
GP:GS	**(156,470)**	**134,900**	**46,610**	**(115,400)**	**(115,400)**	**(240,840)**	**(240,840)**
Savings - "Stop or Reduce" Programme	**(200,550)**	**0**	**(75,713)**	**(126,166)**	**(126,158)**	**(126,165)**	**(126,159)**
Savings Proposals 2016/17	**(1,051,000)**	**0**					
Less allowance for delay etc	**378,600**	**0**					
Pay award contingency				141,000	141,000	141,000	141,000
Pension Costs - 2017 Revaluation			**140,000**	140,000	140,000	140,000	140,000
Staff vacancies allowance	(150,000)		**(240,000)**	**(240,000)**	**(240,000)**	**(240,000)**	**(240,000)**
Total Service Expenditure	**12,563,990**	**12,752,070**	**12,624,087**	**12,691,194**	**13,276,532**	**13,223,065**	**13,395,351**
Interest & capital charges	(2,058,360)	(1,764,470)	**(1,918,440)**	(2,017,900)	(2,408,290)	(2,496,810)	(2,496,810)
Contrib to/(from) Invest to Save	**0**	**0**	**0**	0	0	0	0
Contrib to/(from) Service Improve't Reserve	**25,320**	**(162,900)**	**(14,000)**				0
Contrib to/(from) Revenue Risk Reserve		(338,400)	**0**	0	0	0	0
Contrib to/(from) Earmarked Reserves	**0**	0	**(150,000)**	(150,000)	(107,000)	0	0
Contribution to R&R Fund	146,000	146,000	**146,000**	146,000	146,000	146,000	146,000
Bad debt provision	50,000	40,000	**50,000**	50,000	50,000	50,000	50,000
New burden grants/other income		(44,949)					
Surplus/(deficit) - savings target	**(236,411)**	**105,264**	**(208,899)**	**(458,367)**	**(1,217,482)**	**(1,686,058)**	**(1,628,193)**
NET EXPENDITURE	10,490,539	10,732,615	**10,528,748**	10,260,927	9,739,760	9,236,197	9,466,348
Total Savings Target	**(1,265,831)**		**(238,002)**	**(699,933)**	**(1,459,040)**	**(2,053,063)**	**(1,995,192)**

GENERAL FUND REVENUE ESTIMATES SUMMARY

	2016/17		2017/18	2018/19	2019/20	2020/21	2021/22
	Original	Revised	Estimate	Estimate	Estimate	Estimate	Estimate
	£	£	£	£	£	£	£
Financed By:							
RSG	1,836,074	1,836,074	1,239,465	859,193	434,451	0	0
Business Rates Baseline	3,087,390	3,087,390	3,150,422	3,251,779	3,367,446	3,451,632	3,537,923
Settlement Funding	4,923,464	4,923,464	4,389,887	4,110,972	3,801,897	3,451,632	3,537,923
Retained Business Rates Growth	659,320	856,365	854,445	897,313	918,425	935,717	953,443
Business rate pooling	412,000	450,000	300,000				
NNDR Fund Surplus/(Deficit)	(1,851,506)	(1,851,506)	(106,426)				
Contrib (to)/from Business Rate Reserve	1,185,568	1,185,568		252,391			
Council tax support grants to parishes	(46,301)	(46,301)	(39,686)	(33,071)	(26,456)	(19,841)	(13,226)
Council Tax Fund Surplus/(Deficit)	68,221	68,221	38,296				
New Homes Bonus	902,146	909,177	676,640	452,400	298,100	2,240	0
Council Tax (taxbase x tax below)	4,237,627	4,237,627	4,415,592	4,580,922	4,747,795	4,866,450	4,988,208
TOTAL FINANCING	10,490,539	10,732,615	10,528,748	10,260,927	9,739,760	9,236,197	9,466,348
Council Tax Income:							
Taxbase Growth				0.5%	0.5%	0.5%	0.5%
Taxbase Estimate	28,271.58	28,271.58	28,507.92	28,650.46	28,793.71	28,937.68	29,082.37
Tax increase			3.34%	3.23%	3.13%	1.99%	1.99%
Band 'D' Tax	149.89	149.89	154.89	159.89	164.89	168.17	171.52
Yield =- taxbase x Band 'D'	4,237,627	4,237,627	4,415,592	4,580,922	4,747,795	4,866,450	4,988,208
BR Growth Retention:							
Growth rate							
CBC 40% share of income	14,816,238	15,129,446	14,770,300	15,289,000	15,827,000	16,222,675	16,628,242
Less tariff	(11,141,329)	(11,141,329)	(10,887,543)	(11,237,824)	(11,637,555)	(11,928,494)	(12,226,706)
Add s31 grant re SBRR	580,483	649,508	751,752	779,000	808,000	828,200	848,905
Add s31 grant re other refiefs	19,739	22,540	1,461		0	0	0
Gross income before levy	4,275,131	4,660,165	4,635,970	4,830,176	4,997,445	5,122,381	5,250,441
Less Baseline Funding	(3,087,390)	(3,087,390)	(3,150,422)	(3,251,779)	(3,367,446)	(3,451,632)	(3,537,923)
Growth	1,187,741	1,572,775	1,485,548	1,578,397	1,629,999	1,670,749	1,712,518
Levy (NB 50% on nndr3 not nndr 1)	(593,870)	(786,388)	(742,774)	(789,199)	(815,000)	(835,375)	(856,259)
Adjs to Levy & Tariff	(177,478)	(177,478)	(173,777)	(178,885)	(184,714)	(188,957)	(193,306)
Retained BR re renewable energy	12,100	12,100	55,900	57,000	58,140	59,300	60,490
Grant re Multiplier Cap	230,827	235,356	229,548	230,000	230,000	230,000	230,000
BR Growth Retained above Baseline	659,320	856,365	854,445	897,313	918,425	935,717	953,443
Add Baseline Funding	3,087,390	3,087,390	3,150,422	3,251,779	3,367,446	3,451,632	3,537,923
Total BR Income Retained	3,746,710	3,943,755	4,004,867	4,149,092	4,285,871	4,387,349	4,491,366

2017/18 BUDGET ACTION PLAN SAVINGS

What	Who	Risk Assess't: Rating / non-achiev %	2017/18 £'000	18/19 > £'000
Vol. Redundancy/Retirements	CEO			
Gross saving		**Low**	105.0	316.0
Less prov for non-achiev't		5%	(5.0)	(16.0)
Net Saving			**100.0**	**300.0**
Review of Terms & Conditions	KH			
Gross saving		**High**	100.0	200.0
Less prov for non-achiev't		50%	(50.0)	(100.0)
Net Saving			**50.0**	**100.0**
Card Payment Fees	RS			
Gross saving		**Medium**	16.0	29.0
Less prov for non-achiev't		25%	(4.0)	(7.0)
Net Saving Cease & Reduce			**12.0**	**22.0**
Toilets Annual savings target	MB			
Gross saving		**High**	39.0	56.0
Less prov for non-achiev't		50%	(19.5)	(28.0)
Net Saving Cease & Reduce			**19.5**	**28.0**
Community Rooms Annual savings target	AR			
Gross saving		**High**	7.0	20.0
Less prov for non-achiev't		50%	(3.5)	(10.0)
Net Saving Cease & Reduce			**3.5**	**10.0**
Bowling Greens Annual savings target	MB			
Gross saving		**Medium**	17.5	25.0
Less prov for non-achiev't		25%	(4.4)	(6.3)
Net Saving Cease & Reduce			**13.1**	**18.8**
Hasland Village Hall Annual savings target	AR			
Gross saving		**High**	10.0	17.0
Less prov for non-achiev't		50%	(5.0)	(8.5)
Net Saving Cease & Reduce			**5.0**	**8.5**
CCTV Annual savings target	MB			

APPENDIX B

2017/18 BUDGET ACTION PLAN SAVINGS

What	Who	Risk Assess't: Rating / non-achiev %	2017/18 £'000	18/19 > £'000
Gross saving		**Medium**	30.0	52.0
Less prov for non-achiev't		25%	(7.5)	(13.0)
Net Saving Cease & Reduce			**22.5**	**39.0**

Energy Annual savings target	KH			
Gross saving		**Medium**	78.0	78.0
Less prov for non-achiev't		25%	(19.5)	(19.5)
Net Saving			**58.5**	**58.5**

Totals - all proposals				
New savings for 2017/18 onwards			**208.5**	**458.5**
Cease & Reduce from 2017/18 onwards			**75.6**	**126.3**

Provision for non-achievement (high 50%, med 25% low 5%)

BUDGET STRATEGY

The overall objective is - "to deliver a balanced and sustainable budget in the longer term". To achieve this the Council will:

- Prepare budgets annually covering a five-year period - the objective will be to produce a balanced budget in year and set out how to balance the medium term budgets.

- Direct or re-allocate resources to priority areas.

- Target low priority and discretionary areas of spend when looking for savings, including cease and reduce proposals, voluntary redundancy, vacancy control, restructures and none statutory services.

- Identify and manage budget risks effectively.

- Estimate annual savings targets and seek to achieve these through business transformation, joint working, internal re-structuring and alternative service delivery methods.

- Rigorously scrutinise all growth requests, both statutory and discretionary, particularly in relation to how they contribute to the corporate objectives, their affordability and sustainability.

- Maximise income generation opportunities. Fees and charges to be reviewed at least annually applying the Council's approved 'Charges Policy'.

- Aim to set increases in the Council Tax at a level to produce a much stronger tax base in view of our very low comparative tax.

- Consult stakeholders on spending/saving plans and tax increases.

- Only approve supplementary budgets where a budget cannot be transferred (vired) from elsewhere and only when there is a legal requirement, the event was unforeseen and unavoidable, or any other case of extreme urgency.

- Adopt sound asset management practices including identifying under-utilised and poor performing assets for disposal.

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Appendix D

FINANCIAL STRATEGY

1. A five year forward plan will be maintained, reviewed and rolled forward each year as part of the budget process, encompassing:
    - Proposed development of services and opportunities to develop income.
    - Budget savings plans including: ‘cease and reduce’ activity; voluntary redundancies; vacancy control; cost control etc.
    - A General Fund revenue expenditure forecast.
    - A capital expenditure and resources plan.
    - A HRA budget.
    - Proposed use of reserves and balances.

2. Within constraints imposed by either Government legislation or the economic climate, sufficient resources (both capital and revenue) should be secured or reserved to enable the Council to:
    - Produce a balanced budget.
    - Deliver and invest services which help to achieve its priorities and objectives.
    - Maintain a capital programme which will not only improve the range of facilities provided for the public but will also adequately maintain the existing asset base.

3. Every effort will be made to keep revenue spending within a reasonable percentage of the previous year's level. Wherever possible, new service developments should be funded from savings, grant or additional income.

    The Council's revenue budget shall be prepared in accordance with the Council's budget strategy.

4. General Fund balances will only be used to reduce the Borough Council's call on the Collection Fund in exceptional circumstances, e.g. to meet significant non-recurring expenditure, to even out major fluctuations or to keep within imposed spending limits.

5. In order to sustain its capital programme, the Council has plans:
    - To raise capital receipts by an average of £1-2 million a year (in addition to those from the sale of Council houses) in 2017/18 and 2018/19. Further significant receipts will need to be identified from 2019/20 and LINACRE remains a key asset to be disposed/developed.

- To continue to bid and benefit from grants from bodies such as: Sheffield City Region, HCA, Sport England etc.
- Where appropriate, encourage private sector schemes either on their own or jointly with the Council.
- Seek to maximise receipt of capital grant.

6. The current policy is to maintain a minimum Working Balance of £1.5 million for the General Fund and £3.0 million for the HRA. In addition a prudent level of earmarked reserves will be maintained for known liabilities and to even-out charges to the revenue account (e.g. property repairs, self-insurance claims, vehicle & equipment replacement reserves etc.). The level of all reserves and balances will be reviewed at least annually.

7. At the close of a financial year, unless there are unusual circumstances:
   - Any under-spending on General Fund will be transferred to the Budget Risk Reserve except to the extent that approval is given to carry forward unspent budgets to the subsequent financial year or are required to meet future revenue spending, in which case they will remain in the General Working Balance;
   - Any overspending will be met from the Budget Risk Reserve or General Fund balance.
   - Any D.L.O./D.S.O. surpluses arising in the year which are not required for operational purposes will be allocated as follows:-
     (i) the Maintenance of Buildings D.L.O. surplus relating to Housing repairs work will be transferred to the Housing Revenue Account.
     (ii) an amount equivalent to any remaining surpluses will be transferred to the Budget Risk Reserve.

8. The Council's asset portfolio of land and property is being reviewed annually in order to:
   - Identify poorly performing or under-used assets for disposal.
   - Draw up a longer-term acquisition and disposal plan.
   - Minimise void periods on investment property.
   - Ensure prompt reviews of rent in accordance with lease terms.
   - Review and extend the property repair and renewal plan.
   - Invest in assets which generate income.

9. Fees and charges are reviewed in accordance with the Council's Charging Policy and in all cases will review them at least annually.

10. The budget risks will be identified and assessed at the start of each financial year and monitored throughout the year on a quarterly basis.

11. The financial strategy should be kept under continuous review in the light of developing legislation and the perceived needs of the Borough.

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CHARGING POLICIES

CHARGING PRINCIPLES
♦ To make a charge wherever identifiable groups benefit directly from a service, rather than it being a general benefit to the entire community.
♦ Fees and charges should aim to recover the full cost of the service except where: a) There is an opportunity to maximise income; or b) Members determine that a reduction or subsidy should be made for specific reasons.
♦ That where charges are reduced from full cost the reason for the reduction is reviewed periodically (at least annually) to ensure that it remains valid.
♦ People on low incomes and/or suffering disadvantage through poverty or social exclusion may be charged less to ensure equal access.
♦ Differential charges for residents/non-residents may be appropriate.

CHARGING TARGETS
The objectives of charging should be translated into specific measurable targets. The development of targets should be done: a) in general terms as part of the annual review process; and b) in detail as part of Best Value Reviews.

CHARGING DECISIONS **Information to be included in all charging reports**
Analysis of the impact of the proposed charge on: Corporate and service objectives Charging targets
Previous year's experience: Price increase Affect on demand Performance against targets
Analysis of local competition (if any)
Current charge
Proposed charge
Percentage increase
Estimated income
Estimated costs
Income as a percentage of costs
Number of users
Subsidy / Surplus per user
Reason for subsidy (if there is one)

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APPENDIX F

FEES & CHARGES INCLUDED IN THE BUDGET FORECASTS

Description	2016/17 original £'000	2016/17 revised £'000	2017/18 estimate £'000	2017/18 % Rev to Est	2018/19 estimate £'000	2018/19 %	2019/20 estimate £'000	2019/20 %	2020/21 estimate £'000	2020/21 %	2021/22 estimate £'000	2021/22 %
Trade Waste	578	635	654	3%	672	3%	690	3%	708	3%	727	3%
Bulky Waste	41	54	55	3%	57	3%	58	2%	59	3%	61	3%
Tidy Streets incl. Pest Control	43	48	48	0%	48	0%	48	0%	48	0%	48	0%
Industrial processes	17	16	16	0%	16	0%	16	0%	16	0%	16	0%
Licensing	288	308	311	1%	311	0%	311	0%	311	0%	311	0%
Land Charges	74	75	77	3%	77	0%	77	0%	77	0%	77	0%
QPSC	1,297	1,723	1,739	1%	1,791	3%	1,844	3%	1,899	3%	1,956	3%
SHLC	1,145	1,160	1,194	3%	1,229	3%	1,266	3%	1,303	3%	1,342	3%
Parks	71	79	81	3%	83	2%	85	2%	88	4%	90	2%
Cemeteries	240	215	232	8%	239	3%	246	3%	254	3%	261	3%
Winding Wheel - promotions & lettings	404	454	474	4%	454	-4%	454	0%	455	0%	455	0%
Pomegranate - productions	638	723	692	-4%	695	0%	698	0%	701	0%	704	0%
Planning fees	430	430	430	0%	430	0%	430	0%	430	0%	430	0%
Markets (excl. Market Hall)	601	521	553	6%	561	1%	561	0%	570	2%	570	0%
Market Hall	357	345	346	0%	343	-1%	337	-2%	337	0%	337	0%
Market Hall Café	0	0	249	0%	324	30%	337	4%	350	4%	365	4%
CCTV - external	36	38	37	-3%	37	0%	38	3%	39	3%	29	-26%
Car Parking (incl. season tickets)	2,598	2,424	2,327	-4%	2,518	8%	2,568	2%	2,696	5%	2,696	0%
Total	**8,858**	**9,247**	**9,515**	**7%**	**9,885**	**4%**	**10,064**	**2%**	**10,342**	**3%**	**10,475**	**1%**

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APPENDIX G

GRANTS & CONTRIBUTIONS INCLUDED IN THE BUDGET FORECASTS

Grant Type & Description	2016/17		2017/18	2018/19	2019/20	2020/21	2021/22
	original £	revised £	estimate £	estimate £	estimate £	estimate £	estimate £
Revenue Support Grant	1,836,074	1,836,074	1,239,465	859,193	434,451	0	0
New Homes Bonus	902,146	909,177	676,640	452,400	298,100	2,240	0
Housing Benefit Admin	619,480	662,900	607,010	574,010	543,010	514,010	487,010
Housing Benefit - Main Subsidy	37,769,240	35,531,210	35,531,210	35,531,210	35,531,210	35,531,210	35,531,210
Business Rates Admin	164,110	164,110	163,817	163,817	163,817	163,817	163,817
Tourism DMS, NEDDC/BDC	8,160	8,000	8,000	8,000	8,000	8,000	8,000
GP Referral scheme, Public Health	44,730	44,730	29,820	0	0	0	0
Walking for Health/Five 60/etc., Public Health	32,780	43,680	20,270	0	0	0	0
Eastwood Park/Hasland Village Hall, HLF	20,880	20,880	20,880	0	0	0	0
King George V Playing Fields, Staveley TC	6,260	6,260	6,260	6,260	6,260	6,260	6,260
Chester Street Pocket Park, DCLG	0	10,510	0	0	0	0	0
Parks, club/Friends group/s.106 monies	0	15,350	0	0	0	0	0
Children's Play Areas/Parks, s.106 monies	31,600	31,400	15,920	15,170	13,080	13,080	13,080
Woodlands, Forestry Commission	9,500	8,500	8,500	8,500	8,500	8,500	8,500
Highways Amenity M/nance, DCC	105,980	105,980	105,980	105,980	105,980	105,980	105,980
Weed Spraying, DCC	24,440	24,440	24,440	24,440	24,440	24,440	24,440
Supporting People Grant, DCC	353,480	302,550	318,560	0	0	0	0
Community Safety	22,380	15,710	15,710	15,710	15,710	15,710	15,710
Total Revenue Grants	**41,951,240**	**39,741,461**	**38,792,482**	**37,764,690**	**37,152,558**	**36,393,247**	**36,364,007**

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Appendix H

MOVEMENTS ON RESERVES & PROVISIONS

Tiltle	Purpose	B/Fwd 1st Apr 16 £'000	2016/17 In /(out) £'000	B/Fwd 1st Apr 17 £'000	2017/18 In /(out) £'000	B/Fwd 1st Apr 18 £'000	2018/19 In /(out) £'000	B/Fwd 1st Apr 19 £'000	2019/20 In /(out) £'000	B/Fwd 1st Apr 20 £'000	2020/21 In /(out) £'000	B/Fwd 1st Apr 21 £'000	2021/22 In /(out) £'000	B/Fwd 1st Apr 22 £'000
Vehicles & Plant	Replacement fund	**750**	422 (948)	**224**	423 (535)	**112**	423 (326)	**209**	423 (134)	**498**	423 (714)	**207**	423 (324)	**306**
Wheeled Bins Replacement Fund	Replacement fund	**99**	- (50)	**49**	61 (50)	**60**	61 (50)	**71**	61 (50)	**82**	61 (50)	**93**	61 (50)	**104**
Property Repairs	Even-out 10 year repairs programme	**783**	1,343 (1,596)	**530**	1,343 (1,182)	**691**	1,343 (1,170)	**864**	1,343 (1,169)	**1,038**	1,343 (1,170)	**1,211**	1,343 (1,170)	**1,384**
ICT Reserve	Replacement fund	**132**	146 (278)	**0**	146 (146)	**0**	146 (146)	**0**	146 (146)	**0**	146 (146)	**0**	146 (146)	**0**
DLO/DSO Reserve	Provision for improvements	**364**	- (237)	**127**	-	**127**	- -	**127**	- -	**127**	- -	**127**	- -	**127**
Museum Exhibits	Opportunity purchases fund	**25**	- -	**25**	- -	**25**	- -	**25**	- -	**25**	- -	**25**	- -	**25**
Theatre Restoration	Improvements to theatre/WW from levy on ticket sales	**191**	90 (89)	**192**	90	**282**	90	**372**	90	**462**	90	**552**	90	**642**
Insurance Reserve - caims not yet reported	Self insurance element claims not yet reported	**567**	30 -	**597**	- -	**597**	- -	**597**	- 0	**597**	- 0	**597**	- 0	**597**
Insurance Provision - current claims	Self insurance element of reported claims	**837**	226 (654)	**409**	226 (226)	**409**	226 (226)	**409**	226 (226)	**409**	226 (226)	**409**	226 (226)	**409**
MMI - Insurance Provision	To fund liability of claims unpaid due to MMI insolvency	**87**	- (67)	**20**	- (10)	**10**	- (10)	**0**	- -	**0**	- -	**0**	- -	**0**
MMI - Insurance Reserve	To fund liability of claims unpaid due to MMI insolvency	**366**	30 (32)	**364**	- (30)	**334**	- (30)	**304**	- (30)	**274**	- (30)	**244**	- (30)	**214**
Severn Trent Water	Tenant consultation	**30**	- -	**30**	- -	**30**	- -	**30**	- -	**30**	- -	**30**	- -	**30**
Repaid Improvement Grants	Private sector grants clawed back from recipients	**255**	100 (105)	**250**	100 (105)	**245**	100 (105)	**240**	100 (105)	**235**	100 (105)	**230**	100 (30)	**300**
Planning LDF Review Provision	Provision for cost of LDF review	**260**	- (100)	**160**	-	**160**	- -	**160**	- -	**160**	35 -	**195**	35 -	**230**
Transport Co Pensions	Provsion for the pension cost of former employees.	**913**	23 (45)	**891**	23 (50)	**864**	22 (50)	**836**	22 (50)	**808**	22 (50)	**780**	22 (50)	**752**
Flood Restoration	Flood defence/prevention	**74**	- (45)	**29**	- -	**29**	- -	**29**	- -	**29**	- -	**29**	- -	**29**
New Home Bonus		**0**	909 (909)	**0**	677 (677)	**0**	452 (452)	**0**	298 (298)	**0**	2 (2)	**0**	- -	**0**
Asset Management		**17**	- (17)	**0**	- -	**0**	- -	**0**	- -	**0**	- -	**0**	- -	**0**
Business Rate Reserve		**1,438**	250 (1,185)	**503**	-	**503**	- (253)	**250**	- -	**250**	- -	**250**	- -	**250**
Budget Risks Reserve	To cover future budget risks	**1,043**	171 (613)	**601**	30 (24)	**607**	30	**637**	9 -	**646**	- -	**646**	- -	**646**
Service Improvement		**989**	34 (564)	**459**	34 (132)	**361**	34 (25)	**370**	8 -	**378**	-	**378**	- -	**378**
Invest to Save Fund	Pump priming for schemes with a pay-back	**274**	- (121)	**153**	- (47)	**106**	- -	**106**	- -	**106**	- -	**106**	- -	**106**
GF Deficit Reduction Reserve		**0**	407 -	**407**	- (150)	**257**	- (150)	**107**	- (107)	**0**	- -	**0**	- -	**0**
Northern Gateway Reserve		**0**	200 -	**200**	- 0	**200**	- -	**200**	- -	**200**	- -	**200**	- -	**200**
Crematorium	CBC 55% Share of Reserves Released	**0**	486 (486)	**0**	- -	**0**	- -	**0**	- -	**0**	- -	**0**	- -	**0**
General Fund Working Balance	Required to prevent supplementary in year council tax increase	**1,500**	-	**1,500**	-	**1,500**	- -	**1,500**	- -	**1,500**	- -	**1,500**	- -	**1,500**
TOTALS		**10,994**	(3,274)	**7,720**	(211)	**7,509**	(66)	**7,443**	411	**7,854**	(45)	**7,809**	420	**8,229**

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Appendix I

KEY BUDGET RISKS & SENSITIVITY ANALYSIS 2017/18

Description	Budget Risk	Risk Assessment				Containment Actions			Progress
		Probability	Impact	Value £000'S	Comment	What	Who	When	
Achieving income targets - leisure, car parks, etc	Net expenditure falls if economy severly dips or switch to competitors. 5% of budgets.	Med	High	292	Key Leisure, Business Unit, Car Park income	Base budgets adjusted.Monthly budget monitoring + marketing & promotional activities.	Service Managers	Monthly	
Car parking income declines (Northern Gateway Saltergate site budgeted £213k income loss in 2017/18)	Loss of income £106k.	High	High	106	Med-term issue	Will negotiate with monitoring and pricing.	Service Manager/CFO	Monthly	
Investment returns - not achieving budget.	Each 1/4% = £20k gross to Gen Fund.	Low	High	20		Cautious estimate. Monitor Quarterly	Cap Acct	Monthly	
Energy costs inflation	3% in budget each extra 5% = £50k fy	Low	Med	50		Fixed rate contracts on renewal to provide stability - Gas Sept; Electric Apr & Oct	Facilities Mgr (Kier)	On-going	
Benefits - high spend £37m+ with complicated grant scheme.	Increase in expd with less than 100% subsidy. Failure to Comply with Regulations	Low	High	200		Regular monitoring of claims processed. Staff Training	Benefits Manager (Arvato)	Quarterly	
Ind & Comm. Property portfolio - reduced rent income during economic downturn and due to disposals to generate capital receipts.	Industrial & commercial £100k. Vicar Lane £50k Pavements £50k	Med	High	200		Monitor voids.Flexible Payments for existing. Planned Disposal Programme	Estates Officer (Kier)	Monthly	
Any other unforeseen significant expenditure		High	High	100		Maintain adequate working balance/ insurance fund + effective risk mgt.	SLT, CMT, budget holders, Accty	On-going	

Appendix I

KEY BUDGET RISKS & SENSITIVITY ANALYSIS 2017/18

Description	Budget Risk	Risk Assessment				Containment Actions			Progress
		Probability	Impact	Value £000'S	Comment	What	Who	When	
Exit strategy for expenditure funded by fixed term grants.	Use of reserves for VR	Low	High	-		Avoid directly employing staff, if do ensure on short term contracts and redundancy provision included in budget.	Staff submitting grant applications.	On-going	
VAT - 5% exempt limit exceeded	Limit exceeded £250k un-recoverable plus excess amount.	Low	High	419		Monitoring	Deputy Chief Acct - Vat	Monthly	PPP will increase the threshold.
Further cuts in Government Grants beyond those assumed in the forecast.	Settlement figures for RSG 4 yrs known.	Low	High	-		Monitor developments	CFO	On-going	
Pension costs increases under LGPS revaluations.	1% pa budgeted, deficit reductions rising	Med	High	-	Med-term issue	Define pensionable elements and monitor impact.	CFO	Mar-17	
MMI – risk of insolvent run-off following recent ruling on EL claims.	'Clawback' beyond the £384k provision (£1.4m claims settled).	Med	High	250		Clawback rate currently 25%. Provision of £384k established and in line with Insurance Fund review completed in 2016.	CFO	On-going	
Tightening of the HRA ring-fence – grounds maintenance costs: Gross £310k -GF Contrib. £170k =HRA 140K	Costs transfer from the HRA to the Gen Fund	Low	High	70		Review the current cost sharing arrangements.	Housing Manager	On-going	
Town Hall Restack budget	Risk of overspend 3% on £2.7m	Low	High	81	Med-term issue	Budget assumes funding withdrawn in 201/15.	Service Manager	2017	
Achieving VR saving targets	Failure to achieve risk reduced target, by a further £100k.	Low	High	-		Monitor progress - target £100k in 2017	CFO	monthly	
Achieving vacant post saving targets	20% of £240k target	Low	Med	48		Target rmonotoring required monthly on staff turnover	CFO/HR	quarterly	
Collection Fund - Council tax collection rate below target.	Loss of interest. Coll'n Fund deficit to following year CBC Share 10%	Med	Med	25		Monitor the collection rate.	Revs Manager (Arvato)	Monthly	

Appendix I

KEY BUDGET RISKS & SENSITIVITY ANALYSIS 2017/18

Description	Budget Risk	Risk Assessment				Containment Actions			Progress
		Probability	Impact	Value £000'S	Comment	What	Who	When	
Localisation of council tax support	Increased take-up by pensioners or working age; and Collection rate on amounts required to pay.	Med	High	10	Med-term issue	Monitoring claims and income so remedial action taken asap.	CFO	monthly	
Localisation of business rates	Income exceeds forecasts - only 20% of	Med	Med	-					
	Income below baseline up to the Safety Net limit; exposure = £236k + £854k above baseline+ £300k pooling	Med	High	1,390		Monitor income	CFO	quarterly	
Crematorium	New Co structure leads to VAT and Corporation tax via HMRC effecting forescast profit of £250k	Med	High	100		Review new structure tax efficient	CFO/Crem Manager	quarterly	
Busines Rates Pool	Below budget	Med	Med	50		Consertive growth estimate	CFO	Jan-18	

Gen Fund Rev Budget	**Total exposure**			**3,411**					
	Allowance %	**Prob**	**Total £000**	**Allow £000**		**Impact assessment:**			
Risk allowance	90%	High	206	185		**High = £50k or more**			
	50%	Med	2,317	1,159		**Med = £10k-£49k**			
	10%	Low	888	89		**Low = less than £10k**			
Risk allowance			**3,411**	**1,433**					

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Appendix J

CALCULATION OF EXPENDITURE – SECTION 32 LGFA '92

	2017/18 **£**
Gross Expenditure – Chesterfield Borough Council	109,898,656
Special Items	
- Staveley Town Council Precept - (£356,293 in 16/17)	368,763
- Brimington Parish Council Precept - (£47,672 in 16/17)	49,299
Total Special Items	418,062
Gross Expenditure 31A (2)	**110,316,718**
Gross Income – Chesterfield Borough Council	(100,006,862)
Revenue Support Grant	(1,239,465)
Business Rates Baseline Need	(3,150,422)
Retained Non Domestic Rates Growth	(1,154,445)
Gross Income Including Use of Reserves 31A (3)	**(105,551,194)**
Collection Fund (Surplus)/Deficit : Council Tax	**(38,296)**
Non Domestic Rates	**106,426**
Council Tax Requirement 31A (4)	**4,833,654**
Taxbase (28,271.58 in 2016/17)	**28,507.92**
Average Band 'D' Tax (incl. Parishes)	£169.56
Percentage Increase - (2016/17 £164.18, +4.09%)	+3.28%
C.B.C.'s Council Tax	**£154.89**
Percentage Increase - (2016/17 £149.89, +3.45%)	+3.34%

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APPENDIX K

COUNCIL TAXES 2017/18

COUNCIL TAXES								
COUNCIL AREA	VALUATION BAND/PROPORTION OF BAND 'D' TAX							
	A	B	C	D	E	F	G	H
	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
	£	£	£	£	£	£	£	£
CHESTERFIELD BOROUGH:								
Staveley Town	163.40	190.63	217.87	**245.10**	299.57	354.03	408.50	490.20
Brimington Parish	117.70	137.31	156.93	**176.55**	215.78	255.01	294.25	353.10
All Other Areas	103.26	120.47	137.68	**154.89**	189.31	223.73	258.15	309.78
MAJOR PRECEPTING AUTHORITIES:								
Derbyshire CC	807.77	942.40	1,077.03	**1,211.66**	1,480.92	1,750.18	2,019.43	2,423.32
Derbyshire Fire & Rescue	48.39	56.45	64.52	**72.58**	88.71	104.84	120.97	145.16
Derbyshire Police	120.40	140.47	160.53	**180.60**	220.73	260.87	301.00	361.20
	0.6667	0.7778	0.8889	1.0000	1.2222	1.4444	1.6667	2.0000

TOTAL COUNCIL TAX PAYABLE IN EACH AREA								
COUNCIL AREA	VALUATION BAND/PROPORTION OF BAND 'D' TAX							
	A	B	C	D	E	F	G	H
	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
	£	£	£	£	£	£	£	£
Staveley Town	1,139.96	1,329.95	1,519.95	**1,709.94**	2,089.93	2,469.92	2,849.90	3,419.88
Brimington Parish	1,094.26	1,276.63	1,459.01	**1,641.39**	2,006.14	2,370.90	2,735.65	3,282.78
All Other Areas	1,079.82	1,259.79	1,439.76	**1,619.73**	1,979.67	2,339.62	2,699.55	3,239.46

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For publication

Council Tax 2017/18

Meeting:	Council
Date:	23 February, 2017
Report by:	Director of Finance & Resources

For publication

1.0 Purpose of report

1.1 To set the Council's own Council Tax for 2017/18.

1.2 To set the aggregate amounts of Council Tax for 2017/18, including all of the precepting authorities, for each area/category of dwelling within the Borough in accordance with requirements of the Local Government Finance Act 1992.

2.0 Background

2.1 The suite of budget setting reports (Medium Term Financial Plan, Capital Budget and Treasury Management) are included as separate items on the agenda. The detailed Portfolio budgets are available on the Councils website (in Your Council / Your Chesterfield / Publication Scheme / What We Spend and How We Spend It). The budget reports form the basis of the Council Tax recommendation in this report.

2.2 The Borough Council, as the Tax Collecting Authority, is required by the Local Government Finance Act, 1992 to set the Council Tax for its area by adding its own tax to those of the Major Precepting Authorities (in this case Derbyshire County Council, Derbyshire Fire & Rescue Service and Derbyshire Police and Crime Commissioner) and the local Precepting Authorities (in this case Staveley Town Council and Brimington Parish Council).

2.3 Under section 52ZB of the Local Government Act 1992 the Council is required to determine whether its relevant basic amount of council tax for a financial year is excessive. Where the increase exceeds the principles determined by the Secretary of State the authority is required to hold a council tax referendum. For 2017/18 an increase is deemed to be excessive for a shire district council if it is 2% or more above the 2016/17 level and more than £5 above the 2016/17 level.

3.0 Recommendations

3.1 That it be noted that at its meeting on 23rd January 2017 the Employment and General Committee calculated the following tax base amounts for the year 2017/18 in accordance with regulation made under Section 31B of the Local Government Finance Act 1992 as:

(a) **28,507.92** being the amount calculated for the whole Council area.

(b) For those areas to which a parish precept applies:

Staveley Town Council	4,087.94
Brimington Parish Council	2,276.05

3.2 That the Council approves the calculation of the Council Tax requirement for the Council's own purposes for 2017/18 (excluding parish precepts) as **£4,415,592**.

3.3 That the following amounts be calculated for the year 2017/18 in accordance with Sections 31 to 36 of the Act:

(a) **£110,316,718** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act (gross expenditure) taking into account all precepts issued to it by Parish Councils;

(b) **£105,551,194** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act (gross income including grants and the use of reserves);

(c) **£38,296** being the surplus on the Council tax elements of the Collection Fund and **£106,426** being the deficit on the Business Rate elements

(d) **£4,833,654** being the amount by which the aggregate at 3.3(a) above exceeds the aggregate at 3.3(b) above plus 3.3(c), calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. Please note that this is the total of the Borough's requirement of **£4,415,592** plus the total parish precepts of **£418,062**.

(e) **£169.56** being the amount at 3.3(d) above divided by 3.1(a) above, calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).

(f) **£418,062** being the aggregate amount of all special items (parish precepts) referred to in Section 34(1) of the Act.

(g) **£154.89** being the amount at 3(e) above less the result given by dividing the amount at 3(f) above by the amount at 3.1(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates. The tax does not exceed the principles set by the Secretary of State for determining excessive tax increases and triggering a referendum.

<u>Parts of the Council's area</u>:

(h) The following being the amounts calculated by adding the amount at 3.3(g) to the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned in 3.3(f) divided in each case by the amount at 3.1(b), calculated by the Council, in accordance with Section

34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more items relate.

Parish	**Band 'D' Tax £**
Staveley	245.10
Brimington	176.55

(i) The amounts given by multiplying the amounts at 3.3(g) and 3.3(h) by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands:

Part of the Council's area	**Valuation Band**							
	A	**B**	**C**	**D**	**E**	**F**	**G**	**H**
	£	**£**	**£**	**£**	**£**	**£**	**£**	**£**
Staveley Town Council	163.40	190.63	217.87	245.10	299.57	354.03	408.5	490.20
Brimington Parish Council	117.70	137.31	156.93	176.55	215.78	255.01	294.25	353.10
All other parts of the Borough	103.26	120.47	137.68	154.89	189.31	223.73	258.15	309.78

3.4 That it be noted that for the year 2017/18 the Derbyshire County Council, the Derbyshire Fire and Rescue Service and the Derbyshire Police & Crime Commissioner have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Precepting Authority	**Valuation Band**							
	A	**B**	**C**	**D**	**E**	**F**	**G**	**H**

Derbyshire County Council	£ 807.77	£ 942.40	£ 1,077.03	£ 1,211.66*	£ 1,480.92	£ 1,750.18	£ 2,019.43	£ 2,423.32
Derbyshire Fire & Rescue Service	48.39	56.45	64.52	72.58	88.71	104.84	120.97	145.16
Derbyshire Police & Crime Commissioner	120.40	140.47	160.53	180.60	220.73	260.87	301.00	361.20

*The Derbyshire County Council Tax increase of 3.99% includes 2.00% to support the delivery of adult social care duties and responsibilities in 2017/18, equivalent to an additional £23.30 for dwellings in Council Tax Valuation Band 'D', which is included in the £1,211.66 in the table above.

3.5 That, having calculated the aggregate in each case of the amounts at 3.3(i) and 3.4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2017/18 for each of the categories of dwellings shown below:

	Valuation Band							
Part of the Council's area	**A 6/9**	**B 7/9**	**C 8/9**	**D 9/9**	**E 11/9**	**F 13/9**	**G 15/9**	**H 18/9**
Staveley Town Council	£ 1,139.96	£ 1,329.95	£ 1,519.95	£ 1,709.94	£ 2,089.93	£ 2,469.92	£ 2,849.90	£ 3,419.88
Brimington Parish Council	1,094.26	1,276.63	1,459.01	1,641.39	2,006.14	2,370.90	2,735.65	3,282.78
All other parts of the Borough	1,079.82	1,259.79	1,439.76	1,619.73	1,979.67	2,339.62	2,699.55	3,239.46

4.0 Reason for recommendations

4.1 There is a statutory requirement for the Council to set a balanced budget and a Council Tax for each financial year. The format of the Council Tax resolution is based on the model recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA).

Document information

Key decision number	**694**
Wards affected	**All**
Links to Council Plan priorities	To provide value for money services
Report author	**Contact number/email**
Helen Fox	Tel: 01246 345452 Email: helen.fox@chesterfield.gov.uk
Background documents These are unpublished works which have been relied on to a material extent when the report was prepared.	
Budget working papers	

For publication

Chesterfield Borough Council's Council Plan – 2017/18 update

Meeting:	Council
Date:	23 February, 2017
Report by:	Policy and Communications Manager

For publication

1.0 **Purpose of report**

To present for approval the Council Plan 2015-2019, updated for 2017/18.

2.0 **Recommendations**

2.1 That the Council Plan is approved as the council's strategic framework to monitor our performance against key aims and objectives and to prioritise resources.

2.2 That the Deputy Leader is delegated to approve any minor drafting changes that may be required in order to improve the readability of the plan.

3.0 **Background**

3.1 In 2015/16 the council moved from the production of a one year plan to a four year strategic Council Plan following a recommendation from the Local Government Association's peer challenge in late 2013. A four year Council Plan is one element of the council's response to this which, along with a revised medium term financial plan and strengthened transformation programme, is enabling the council to plan effectively for the financial and policy challenges it faces.

3.2 The plan defines the council's key priorities and aims, based on those identified by Executive Members and officers and taking account of a wide range of evidence. The plan is aimed at providing focus, setting out priorities that will require collected corporate effort during the period. It is not an attempt to describe every service that the council will provide; this will be covered by service plans on an annual basis.

3.3 The Council Plan has been updated to show the progress made during the first two years of the plan 2015/16 and 2016/17 and to highlight the priority areas for the remaining two years of the plan. The updated Council Plan is attached at Appendix A.

3.4 This report is due to considered by Cabinet at its meeting on 21 February, 2017 where it is recommended that the report be supported and referred to Full Council for approval.

4.0 Council Plan emphasis, structure and process

4.1 The refreshed plan provides continuity with the 2015/16 version of the plan, maintaining the same vision, three overarching priorities, four year aims and council values.

4.2 Whilst the overall framework of the plan is maintained from the previous version, the annual key objectives and progress has been revised and updated.

4.3 In the first two years of the Council Plan (2015/16 and 2016/17) we have made significant progress on our priorities. For many of our priority areas we have already put in train the policies, processes and resources needed to deliver for the remainder of the plan, for example achieving local labour clauses on a 100% of eligible developments. These priorities remain important to us and our communities and we will continue to monitor performance and take action to ensure delivery by the end of the plan period. Key highlights of the achievements so far for each priority area are detailed within this 2017/18 update.

4.4 There are however other areas that still require further collective effort to deliver. These are the areas we will be concentrating on for the remainder of the plan (2017/18 and 2018/19). These priorities and the delivery actions we intend during the remainder of the plan are clearly detailed within this update.

4.5 The revised plan has been produced through a series of discussions and workshops with Executive Members, Scrutiny Chairs and officers from the Senior Leadership Team and Corporate Management Team. Although the plan has been produced within a tight timeframe, there will be further opportunities for engagement with staff and partners as more detailed planning takes place for delivery of the corporate priorities, particularly through service planning. A final check of the plan for consistency and readability will be carried out before it is disseminated.

4.6 The plan will be made available on-line through the website, although it may be necessary to produce a small number of print copies.

5.0 Monitoring and review arrangements

5.1 Following approval of the revised Council Plan, Corporate Management Team members will produce service plans for their areas. These will provide more detail on how each service will contribute to the relevant corporate priorities, together with the other activities that form the core functions of each service area. These service plans will provide the framework for setting the objectives for individual teams and members of staff for the coming year (2017/18).

5.2 The key Council Plan projects will be monitored via the new Programme Management Office arrangements. This provides a robust and consistent framework which can be utilised across the Council for managing, delivering and reporting progress against key projects.

5.3 There will also be twice yearly opportunities for Overview and Scrutiny to consider the Council Plan progress and to help develop benefit maximisation or mitigating actions to keep performance on track.

6.0 **Risk management**

Risks	Impact	Likelihood	Mitigating Action	Residual Impact	Residual Likelihood
Failure to make sufficient progress on plan delivery	H	M	Priorities, aims and projects are challenging but realistic. They provide a focus for the use of resources during the period	M	L
Failure to complete projects on time/budget/to quality standards.	H	M	Performance management approach partially developed and further progress planned to ensure proper attention paid to progress on projects and to drive action where necessary to bring progress back on track	H	L
Core services unable to identify contribution to the corporate priorities	M	M	Service plans will be used to make the link between the contribution of teams and individual members of staff, and the corporate plan	L	L
Failure to resource priorities in the plan	M	M	Specific commitments have been accounted for in 16/17 budgets. Delivery of 4 year targets will be kept under review as part of the medium term financial plan; plan will be used to focus the use	M	L

			of staff resources		

7.0 **Equalities**

7.1 Equality, diversity and social inclusion have been key considerations during the development of the plan and our values. As programmes and projects are developed to deliver our vision and priorities the appropriate level of equality analysis and community engagement will be undertaken. Overall the plan is considered to have a positive equality impact contributing to reducing health inequalities and financial exclusion which are significant areas of concern within the Borough.

8.0 **Recommendations**

8.1 That the Council Plan is approved as the council's strategic framework to monitor our performance against key aims and objectives and to prioritise resources.

8.2 That the Deputy Leader is delegated to approve any minor drafting changes that may be required in order to improve the readability of the plan.

9.0 **Reason for recommendations**

9.1 To provide the council with a clear statement of its strategic priorities for 2015-2019 and a framework within which decisions can be made about the allocation of resources.

Decision information

Key decision number	**702**
Wards affected	**ALL**

<u>Document information</u>

Report author	Contact number/email
Donna Reddish – Policy and Communications Manager	email: donna.reddish@chesterfield.gov.uk Tel: 01246 345307

Appendices to the report	
Appendix A	Council Plan 2017/18 update

Chesterfield Borough Council Plan (2015-2019)

Summary

Our vision: Putting our communities first

Our priority: to make Chesterfield a thriving borough. To deliver this, we will focus on four objectives:

1. To make sure that local people benefit from growth in Chesterfield Borough
2. To continue delivering regeneration projects that will make Chesterfield Borough a better place
3. To develop our great town centre
4. To improve access to technology that meets the needs of our residents, businesses and visitors

Our priority: to improve the quality of life for local people. To deliver this, we will focus on four objectives:

5. To increase the supply and quality of housing in Chesterfield Borough to meet current and future needs
6. To increase the quality of public space for which the council has responsibility through targeted improvement programmes
7. To improve the health and well-being of people in Chesterfield Borough
8. To reduce inequality and support the more vulnerable members of our communities

Our priority: to provide value for money services. To deliver this, we will focus on a single objective:

9. To become financially self-sufficient by 2020, so we can continue to deliver the services our communities need.

Our values:

- Customer focused – delivering great customer service, meeting customer needs.
- Can do – striving to make a difference by adopting a positive attitude.
- One council, one team –proud of what we do, working together for the greater good.
- Honesty and respect – embracing diversity and treating everyone fairly.

1. Introduction

This plan describes the priorities for Chesterfield Borough Council over the next four years. We have chosen a four year period as it gives us time to properly plan ahead, without trying to speculate about what our communities will need and expect in the distant future. It does not cover in detail everything that we do as a council (this will be covered by our service plans on an annual basis). Instead it features the activities where we will be focusing our efforts and where we want to see a real shift over those four years.

In putting the plan together, we have been guided by our simple vision:

Putting our communities first

As a council, we are here to serve and support our communities. Those communities include our residents and tenants, our businesses, our visitors, our students and our voluntary groups. It is these communities that make Chesterfield Borough a great place to live, work and visit. And it is these communities that we seek to put first as a council in all that we do.

This vision shows through in the recent work we have done on behalf of our communities, from transforming the historic Market Hall to securing five prestigious Green Flag awards for our parks, from attracting nationally recognised productions to our cultural venues to investing £52 million to achieve the Decent Homes Standard for all council homes. Our commitment to this vision has led to rising levels of resident and tenant satisfaction with our services. It is evident in the many ways in which we regularly engage with our communities about those services.

The plan should be read alongside other key plans for the borough, in particular our Local Plan: Core Strategy (2011-2031) which sets out proposals for the development and use of land in Chesterfield Borough.

2. Context

Our achievements

There is a great deal to be proud of as we look back on the work delivered by the council and its partners in the last few years. We have taken important steps to secure **the future of Chesterfield Borough**, getting the green light from the Planning Inspectorate for our Local Plan: Core Strategy which sets out how land across the borough will be used over the next 20 years. This includes a number of major regeneration schemes, such as Chesterfield Waterside and Peak Resort. We have played an active role in partnership working with other councils in order to bring additional benefits to Chesterfield Borough, for example securing the devolution of powers and funding from Whitehall as a member of the Sheffield City Region Combined Authority and the local enterprise partnership for Derbyshire and Nottinghamshire.

The council has continued to provide services that **improve the environment we live in**. Five of our parks (Queen's Park, Holmebrook Valley Park, Poolsbrook Country Park, Eastwood Park and the Crematorium Grounds) have been awarded the prestigious Green Flag Award. Standards of cleanliness have improved across the borough and many of our parks have benefitted from refurbishment and improved play facilities, including a £1.3m project at Eastwood Park. Our historic Market Hall received a £4m redevelopment and a conservation area has been established for Chatsworth Road.

By embracing growth and attracting investment to Chesterfield Borough, we have been **improving the economy and employment prospects** for our communities. £2.2m of Regional Growth Fund money has been awarded to local businesses and £100m of support provided to attract new businesses to the Markham Vale Enterprise Zone. The Destination Chesterfield partnership has put the town on the map and its 160 business champions promote Chesterfield Borough as a great place to do business.

The council has taken further steps to **provide great leisure and cultural facilities**. The new £11.25m Queen's Park Sports Centre provides high quality accessible facilities, as well as a base for Chesterfield College students. We have invested in the Pomegranate Theatre and the Winding Wheel, upgrading our cultural venues to bring larger and more varied shows to Chesterfield and attracting £495,000 in Arts Council England funding. We have seen our visitor numbers increase, with over three million a year now bringing £140 million into our economy each year.

As the landlord for almost 9.500 homes, we pride ourselves on **providing a responsive housing service**. We made a £32m investment in our housing stock to bring all our council homes up to the Decent Homes Standard in 2015/16 and continue to invest substantial sums in maintaining this standard. Our £3m Parkside Housing Scheme provides high quality homes for older people and new affordable housing has recently been completed at Chesterfield Waterside. The council has also invested in the Local Authority Mortgage Scheme to help local people make their first step on the property ladder.

The council has delivered these achievements despite a reduction to the funding it receives from central government. We have therefore worked hard to **become more efficient**, investing in a programme of transformation that is improving how we use our offices and depots, how our staff deliver our services and how our customers are able to access our services.

Chesterfield Borough in 2017

Every year we publish a 'State of the Borough' report, which includes a wide range of facts and figures about the borough that we use to help shape the services we provide. The latest report shows that the population of the borough has increased by 5,000 in the ten years between 2001-2011, with 3,400 more households forming in the same period. The proportion of those households that are privately renting has doubled in this time, from 6.2% to 12.4%, reflecting a national shift away from owner occupation. Our population has become more diverse and there are over 900 households with no residents for whom English is their main language.

Our State of the Borough report shows that there remain some particular **challenges** for the council and the communities it serves. The levels of skills and qualifications of our residents remain below the county and national averages. Whilst unemployment has fallen, it remains a particular issues for younger people and those who are long-term unemployed. There are significant variations in the health of those in the borough, with life expectancy in the most deprived areas 10 years lower for men and 7.6 years lower for women when compared with the least deprived areas. Almost a fifth of our year 6 children are classed as obese and alcohol related hospital admissions, smoking related deaths and adult obesity remain key concerns. The borough contains a number of areas that rank among the 10% most deprived in the country and about 3,900 children live in poverty.

Looking to the future

The council is preparing for changes that will affect us and many other councils across the country. We know that the amount of funding we receive from central government will continue to reduce, falling to almost nothing by the end of the period covered by the plan. Therefore we will need to continue to find savings, as well as looking at other ways to bring in income to fund the services we provide. We will need to work even more closely with partners, building on sharing services and joining up with others to have a greater presence and take on more powers that currently sit in Whitehall.

We know that reforms underway to the welfare system will continue to have an impact on our communities and that we will need to continue to respond through our housing and support services. We know that the population will continue to change, with an increasing proportion of older people with different expectations and service needs. We know that as technology develops, many of our residents, visitors and businesses will expect to engage with our services in different ways and will look for improved access to technology in our towns, villages and business centres.

Our plan sets out how we will be responding to these challenges and we know that doing so will also require some changes to how we work and development in the skills of our staff. Thankfully we already have a highly skilled and committed workforce and a strong record of developing our teams to ensure they provide the quality services our communities expect and deserve.

In the first two years of the Council Plan (2015/16 and 2016/17) we have made significant progress on our priorities. For many of our priority areas we have already put in train the policies, processes and resources needed to deliver for the remainder of the plan, for example achieving local labour clauses on a 100% of eligible developments. These priorities remain important to us and our communities and we will continue to monitor performance and take action to ensure delivery by the end of the plan period. Key highlights of the achievements so far for each priority area are detailed within this 2017/18 update.

There are however other areas that still require further collective effort to deliver. These are the areas we will be concentrating on for the remainder of the plan (2017/18 and 2018/19). These priorities and the delivery actions we intend during the remainder of the plan are clearly detailed within this update.

Our priorities: to make Chesterfield a thriving borough

Chesterfield Borough is already successful in attracting businesses and visitors, bringing income and jobs that benefit our communities. The council has played a lead role in driving growth and regeneration, working closely with the business community and partners in other public sector organisations. We have a diverse and appealing offer for those living and working here and this continues to support a strong visitor economy. However, in an increasingly competitive country and in a global economy, it is vital that Chesterfield Borough continues to thrive. We also need to keep pace with the demands and expectations of those that live, work and visit our Borough and take a long-term view of what needs to be in place to sustain growth in the future.

To deliver this priority, we have set out our key objectives:

1. To make sure that local people benefit from growth in Chesterfield Borough

As we continue to attract businesses and visitors to Chesterfield Borough, it is important that local people are able to benefit from the growth. We will support new and existing businesses, and work with our partners to make sure that local people have the right skills to take the job and training opportunities that are created. As well as supporting our existing businesses to grow, we want to continue attracting new investors and encouraging new businesses to start up.

We made significant progress towards our aims during the first half of the plan term (2015/16 – 2016/17):

- Agreeing local labour clauses on all eligible major developments
- Working with Peak Resort and other businesses to maximise employment opportunities for local people. The Peak Resort will provide 1,300 jobs when it opens, and hundreds more during the construction phase
- We launched the apprentice town initiative with Chesterfield College, there are now over 5000 apprentices studying with Chesterfield college. We have also had considerable success with the Ambition programme which targets young people not in work, education or training. 105 young people started the programme in 2016/17and so far 32 have gained work experience placements and 34 have secured employment.
- The new £17million Sheffield City Skills Bank was launched in May 2016, providing a flexible pot of funding for businesses to access and enable delivery of 42,000 qualifications. 12 Chesterfield businesses have already secured skills deals to the value of £92,820 and benefitting 111 individuals. A further 44 Chesterfield companies have skills deals in the pipeline which will upskill 780 individuals to the value of £340,214.
- Skills Bank builds on the previous Sheffield City Region ‘Skills Made Easy’ programme which completed in July 2016. This programme supported 188 Chesterfield employers to deliver 362 training plans including plans for 170 apprentices.
- We introduced dedicated business support advisers into Chesterfield Borough as part of the Sheffield City Region and D2N2 Growth Hubs to help businesses to survive and thrive and have implemented a growth strategy and action plan to achieve sustainable growth
- In October 2014 there were 2910 businesses in Chesterfield Borough by October 2015 there were 3190 and by October 2016 there were 3275 businesses. This is an uplift of 12.5% compared to the national increase of 8.4%
- In 2015 (October) there were 3190 businesses in Chesterfield, by . This compares to 2910 businesses in 2014, a year on year increase of 280 or 9.6%. This was ahead of the increase seen nationally which was 8.4%.
- Over the last three years the percentage of the working age population out of work has declined from 3% in November 2013 to 1.8% in November 2016. The unemployment rate in Chesterfield has been either at parity or just below the national rate since September 2015.
- The rate of youth unemployment (18 – 24 year olds) has declined significantly over the last three years, from 8% in November 2013 to 3.8% in November 2016.

2. To continue delivering regeneration projects that will make Chesterfield Borough a better place

The council has been leading work across Chesterfield Borough to bring forward sites to create more jobs, housing and growth in the area. We will continue to drive this activity, maintaining momentum on sites where work is underway and building a pipeline of activity for the future.

We made significant progress towards our aims during the first half of the plan term (2015/16 – 2016/17):

- We have made significant progress in the development of Chesterfield Waterside. This includes starting the work on the infrastructure to the first phase of Waterside Basin Square enabling the development of the Basin Square and Station Approach character areas. We have also held pre-application discussions with potential developers with the scope agreed for 300 rented apartments, a hotel and 7,500 sqm commercial floorspace.
- Staveley and Rother Valley Corridor will include up to 2000 houses and 30,000 sqm of new employment land, a new Local Centre accessible to existing residents in the surrounding area and improvements to the River and Canal environments. We have been progressing this by developing a funded delivery plan, pre-application meetings with landowners including detailed design and masterplan reviews. There has also been extension liaison with Derbyshire County Council regarding education and highways and the Homes and Communities Agency on the impact of HS2.
- Occupancy at Markham Vale Enterprise Zone is increasing with several large developments taking place on the site. Major works have started on opening up the northern part of Markham Vale, this will facilitate up to 1 million sq. ft. of development land. We are working with partners to attract new, relocating and expanding businesses to explore the opportunities this will bring to open up the site for development.

3. To develop our great town centre

A vibrant town centre is important for the whole of the Chesterfield area, as it will drive and support our plans for growth. It brings economic benefits and rightly remains a source of pride for our residents. Recent years have shown how challenging it can be to maintain a busy and thriving town centre and it is important we continue to shift and adapt our offer, whilst preserving what is best from our proud history and tradition.

We made significant progress towards our aims during the first half of the plan term (2015/16 – 2016/17):

- We have adopted a revised masterplan and developed an implementation plan for Chesterfield town centre which has a strong focus on town centre management.
- We have continued to develop the cultural programme at our venues including satellite broadcasts. The programming has been extremely successful and well received by repeat and new customers. In our latest satisfaction survey over 95% of our customers were satisfied with the Pomegranate Theatre and Winding Wheel.
- We have firmly established the monthly Artisan market with an average uptake of 60 stalls, building from 40 stalls initially. This has resulted in an uplift of footfall on these Sundays to the town centre. Feedback from cafes and shops is that trade significantly improves on Artisan Market days.
- Alongside this we have introduced a quarterly Young Persons Market. We have only had one event so far but this was a success with 20 stalls, we now have 25 young people for the next event. Again this adds to the market and town centre offer and increases footfall.
- The overall event programme for the town centre has been strengthened through aligning with the Healthy High Streets Programme, which sees corporate businesses like M&S, Boots, Wilko, Greggs all working with Markets, Pavements and Vicar Lane to add value and strengthen the existing offer as well as new initiatives including the Pumpkin Hunt for halloween, a Santa’s Grotto in the Market Hall.
- Our town centre occupancy levels remain at over 90%
- We have worked with the Peak District Destination Management Organisation to increase visitor numbers to Chesterfield.
- The economic impact of tourism in Chesterfield Borough for 2015/16 was £164 million, an increase of 2.7% from 2014/15. Visitors numbers have increased by 2.6% over the same period with 3.5 million visits per annum. This industry now supports 2,116 full time equivalent jobs in the borough.
- Customer satisfaction with the visitor information centre remains extremely high at 93% and one of our key attractions the Museum has a satisfaction rating of 94%. We have also achieved extremely high Visitor Attraction Quality Assurance Scheme results for the Museum 81% overall with 97% for the quality of the welcome. This is an independent assessment by Visit Britain.
- The Northern Gateway site development is underway including improvements to the multi-storey car park and the redevelopment of the former Co-op building. This will include a hotel, bars and restaurants and a gym.

4. To improve access to technology that meets the needs of our residents, businesses and visitors

Our expectations regarding technology have shifted massively over the last ten years. If we wish to continue attracting businesses to locate here and people to visit, it is important that our business parks and our town and district shopping centres reflect these shifting expectations. By increasing our investment in technology, we will also make sure that our residents have greater opportunities to access modern and responsive council services, and our staff are suitably equipped to provide this.

We made significant progress towards our aims during the first half of the plan term (2015/16 – 2016/17):

- We delivered the latest digital connectivity to tenants at our innovation centres and have improved digital connectivity at our leisure centres and cultural venues.
- A draft digital strategy has been prepared in conjunction with our partners including the University of Derby. We are aiming to develop the delivery mechanism by April 2017.
- We launched our new website which is accessible on a variety of devices including mobile phones and tablets. The website will focuses on improving user experience with significant improvements in navigation and service access.
- We have also launched an improved e-planning service to improve access for customers and consultees

Our focus for 2017/18 to deliver a thriving borough:

During the final two years of the Council Plan we will be focusing our efforts and resources on the following areas:

Aim	Key activities for 2017/18 – 2018/19
Maximise the impact of skills related programmes for the benefit of Chesterfield businesses and residents to enhance the local economy.	• Creating a skills action plan for Chesterfield which ensures that local people & businesses have clear advice, signposting and support with regards to the range of programmes available and recognises specific 'skills agenda' activity such as Apprentice Town and activity connected to major regeneration projects (2017/18) • Produce a performance dashboard for all skills and employment schemes that shows how Chesterfield benefits and provides a mechanism to monitor report and influence progress. (2017/18) • Refresh the skills fact card for Chesterfield (2017/18) • Ensure the effectiveness of local labour clauses on 100% of all major planning applications (2017/18 and 2018/19) • Host an annual skills conference aligned with local and regional growth priorities (2017/18 and 2018/19)
Start on site with the regeneration of the Staveley and Rother Valley Corridor and ensure that local benefits are maximised as plans develop for the proposed HS2 maintenance depot.	• Developing a HS2 Growth Strategy that includes the maintenance depot (2017/18) • Working with landowners to secure planning permission for the first phase of development (2018/19) • Preparing a major scheme business case for the Regeneration Route (2018/19)
Extend the town centre offer	• Delivering a successful healthy high streets

for our residents and visitors.	initiative (2017/18) • Reviewing and revising the Town Centre masterplan (2017/18) • Undertaking a feasibility study of developing a business improvement district for Chesterfield, this includes possible enhancement of town centre events. (2017/18) • Significant progress on the Northern Gateway development (20171/8 and 2018/19)
Sustain town centre occupancy levels at 90% or higher and increase occupancy levels at the outdoor market, reaching 90% by the end of the period.	• Continuing to support new initiatives including evening markets, young people's markets etc. (2017/18) • Considering the feasibility of creating a single market in the 'square' (2018/19)
Adopt a growth strategy that recognises the impact to Chesterfield's economy from the range significant growth opportunities emerging in Chesterfield, including HS2 and Peak Resort.	• Develop a HS2 Economic Impact Study (2017/18) • Develop a HS2 Growth Strategy (2017/18) • Adopt a revised growth strategy for Chesterfield's economy (2017/18)
Increase the value of the visitor economy by at least 5%, bringing in an additional £7m per annum.	• Developing a visitor economy action plan (2017/18) • Supporting the development of the Peak Resort gateway (2017/18 and 2018/19) • Supporting the development of Peak Resort Phase 2 (2017/18 and 2018/19)

Our priorities: to improve the quality of life for local people

Satisfaction with services provided by the council is rising and many of our residents enjoy a good quality of life. We continue to provide a clean, safe and green environment and increase the range of leisure services available. More housing is being built to meet the needs of our communities and as the landlord for over a fifth of the homes in Chesterfield Borough; we have recently ensured all of those houses are of a decent standard. However, we know that our communities still look to the council to bring further improvements and to provide for people and places that do not currently enjoy the standards they need and expect.

To deliver this priority, we have set out our key objectives:

1. To increase the supply and quality of housing in Chesterfield Borough to meet current and future needs

We know that access to decent housing is vital for the quality of life and well-being of communities. We will continue to work to support our existing residents and plan for future growth by providing the right housing offer across Chesterfield Borough. This needs to be housing that meets the changing pattern of the lives and aspirations of our residents, housing that is affordable and housing that will attract people coming into the new jobs created in the area.

We made significant progress towards our aims during the first half of the plan term (2015/16 – 2016/17):

- Published a draft new Local Plan and completed phase 1 of the consultation
- Launched the Community Infrastructure Levy to help meet the infrastructure needs and priorities necessary for the sustainable development of Chesterfield.
- Procured advice on the setting up of a company to enable the Council to build houses for sale and rent. Consideration is taking place on the options available, risks and potential rewards, timescales and an indication of the additional resources required if this activity is taken forward.
- All CBC Council homes currently meet the decent homes standard. We invested £32 million in 2015/16 and £29 million in 2016/17 in our council housing stock to ensure that it continues to meet the decent homes standard and deliver affordable warmth for our tenants
- Carried out an assessment of the number of long-term empty properties within the Borough and prioritised them for appropriate action
- Delivered around £200,000 of assistance to vulnerable homeowners through the provision of an interest free loan. This programme is assisting people to stay in their homes and increasing independent living.

2. To increase the quality of public space for which the council has responsibility through targeted improvement programmes

The council is able to make a significant difference to the quality of people's lives through the way it maintains and improves the estates, buildings and open spaces it owns and manages. Working with communities, it will continue to deliver a rolling programme of improvements that make places across the borough cleaner, safer and greener. We will do this by investing our own resources and attracting additional funding, as well as looking for alternative uses and/or owners for those assets and spaces that are no longer serving communities well.

We made significant progress towards our aims during the first half of the plan term (2015/16 – 2016/17):

- We have made progress on the estate regeneration at Barrow Hill including approved scheme, an approved budget and planning permission for the scheme. The works will start in 2017/18.
- Several of ours parks and open spaces have been improved including the development of a £350,000 sports pavilion at Eastwood Park, petanque piste at Eastwood Park, a new sensory garden and café terrace at Holmebrook Valley park and refurbished children's play areas at five local parks. We have also supported many groups with masterplanning for parks and open spaces and attracting funding.

- We now have five green flags for our parks - Queen's Park, Eastwood Park, Holmebrook Valley Park, Poolsbrook Country Park and the Crematorium
- The vast majority of our tenants (82%) are extremely satisfied with their neighbourhood as a place to live and our extensive improvement housing improvement programme has helped us to achieve extremely high satisfaction rates for our services as a landlord (88%).

3. To improve the health and well-being of people in Chesterfield Borough

The life expectancy of Chesterfield Borough residents varies significantly between areas, being 10 years lower for men and almost 8 years lower for women in the most deprived areas compared to the least deprived. We will continue to work with our partners to improve all aspects of health, especially those such as obesity, alcohol abuse and self-harm, where our residents are currently less healthy than the national average. We know that a whole range of factors have an impact on people's health and the objectives we have set to bring additional jobs and better housing will lead to health improvements. As a council, we can also focus on increasing participation in leisure activities through the services we provide and working closely with partners who provide a wider range of services to tackle some of the underlying reasons for poor health.

We made significant progress towards our aims during the first half of the plan term (2015/16 – 2016/17):

- Over 90 events per annum are delivered or supported by CBC in parks and open spaces across the Borough. Activities range from regular events like park run, football tournaments, netball, walking for health, dog clubs and running clubs etc. to large scale events including Chesterfield Pride, Fake Festival and galas. We have also had a large range of activities for children and young people including school holiday activities, diversionary sporting activities mini orienteering, nature safari events etc.
- Parks across the Borough have also benefitted from support of hundreds of volunteer hours during the year, taking part in activities including bulb and tree planting, dry stone walling, fencing improvements and litter picking to name a few.
- We estimate that over 17,000 people per annum been actively engaged in this programme of activity many of them children and young people.
- We opened the new £11.25m Queen's Park Sports Centre and have increased membership rates to over 3000 members at each of leisure centres (Queen's Park and the Healthy Living Centre in Staveley).
- We supported a range of high profile sporting events including the Chesterfield Marathon and the Aviva Women's cycling race, as well as supporting neighbourhood level activities such as walking for health groups and targeted exercise groups.

- The Chesterfield Health and Wellbeing Partnership is making significant progress on the locality action plan to improve health and wellbeing outcomes for our communities. A healthy workplaces action plan has also been developed with employees to improve health and wellbeing for our workforce.
- We were successful in our application to became an affiliate member of the Healthy Cities/Communities Network and now benefit from access to peer support, best practice, collaboration opportunities and increased lobbying strength
- We have improved tenant participation activities and events to improve service delivery and encourage further take up of services.

4. To reduce inequality and support the more vulnerable members of our communities

We will build on the support that we have already provided to those members of our communities most in need and work with our partners to make sure our collective resources are used effectively to support vulnerable people across Chesterfield Borough. We will particularly address social exclusion through improving access to financial support, making sure our residents know where to go for additional help and bringing agencies together to target help where it can have most impact.

We made significant progress towards our aims during the first half of the plan term (2015/16 – 2016/17):

- We have continued to support key community and voluntary sector organisations to provide financial inclusion services. We have service levels agreements in place with key advice agencies including the Citizens Advice Bureau, Derbyshire Unemployed Workers Centre and Derbyshire Law Centre. The £266,160 funding package is aimed at providing a range of community legal services, employment, sickness, debt and benefits advice.
- With a range of partners we have delivered eight intensive support and advice projects in key areas including Barrow Hill, Brimington, St. Helens, Grangewood, Holemehall and Middlecroft. Bespoke housing, financial, health, benefits, employment and legal advice and support has been offered within a community setting. Over 1,200 households have had access to this scheme during 2015/16 and 2016/17.
- We have reviewed our Equality, Diversity and Social Inclusion Strategy and support to reduce inequality, enhance community cohesion and ensure that factors such as deprivation and health inequalities are fully integrated into decision making processes and policy development
- We introduced an assessment process for an applicant's ability to manage and maintain a tenancy before allocating council housing and provided support to those not yet able to sustain a tenancy
- All our staff are paid at least the living wage.

- We provided increased support for homeless people through additional housing advice workers and a dedicated ‘No Second Night Out’ worker
- We launched a joint North Derbyshire Homelessness Strategy. This built upon the partnership work already in place across the three authorities and provides a strong platform for accessing external funding for further prevention activities.

Our focus for 2017/18 to improve the quality of life for local people:

During the final two years of the Council Plan we will be focusing our efforts and resources on the following areas:

Aim	Key activities for 2017/18 – 2018/19
Work with our partners to improve the health and well-being of people in the borough and reduce the gap in health outcomes between the most and least deprived.	• Continue to develop and deliver the Chesterfield Health and Wellbeing Partnership locality plan (2017/18 and 2018/19) • Adopt a “health in all policies” approach to embed improved health and wellbeing outcomes in all council policies and plans (2017/18) • Produce a Health and Wellbeing Strategy and supporting action plan (2017/18) • Continue to develop with partners local community-led actions for increasing participation in physical activity in our seven most deprived neighbourhoods building on the community asset approach (2017/18 and 2018/19) • Develop an approach for co-commissioning of VCS delivered services with our public health and CCG partners (2017/18) • Develop and deliver programmes with partners to improve health outcomes associated with the following topic areas within target groups - Falls prevention (2017/18) - Alcohol (2018/19) - Obesity (2018/19)
Provide and expand our homelessness support and prevention services in partnership with Bolsover and North East Derbyshire councils.	• Establish a North Derbyshire Homeless Forum to take the lead role in developing and implementing the North Derbyshire Homeless Strategy (2017/18) • Undertake a review and implement a new IT system to process and monitor homeless presentations with a key focus on homeless prevention (2017/18) • Undertake a review of working practices to ensure the efficient implementation and delivery of the pending Homeless Reduction Bill (2017/18) • Undertake a peer review in preparation for attaining the Homeless Gold Standard to deliver

	further improvements to homelessness services (2018/19)

Our priorities: to provide value for money services

The council has a strong record in delivering good value for money services. In recent years it has been able to find the savings necessary to balance its budget, whilst still providing a wide range of services with which our communities are increasingly satisfied. It has improved the efficiency of running services and continues to operate to high standards of governance and accountability. It looks to make effective use of the assets that it owns and to develop opportunities for bringing in income in order to fund the services our communities need. However, the financial challenges are growing and we see more and more councils looking to transform into very different types of organisation. Chesterfield Borough Council also needs to change and has been looking at new approaches in response to these financial challenges.

To deliver this priority, we have set out our key objectives:

1. **To become financially self-sufficient by 2020, so we can continue to deliver the services our communities need**.

   This means that we will need to fill the gap that is left as central government funding is reduced. Our RSG will fall from £1.8m in 2016/17 to £0 in 2020/21. In addition we have further pressures from declining New Homes Bonus Income projected to fall from £909,000 in 2016/17 to £0 in 2020/21 due to changes announced by Government in December 2016. Further uncertainty will exists around Business Rates income and a move to 100% retention. (currently around £4.4m per year) reduces to almost zero by the end of this plan period. It is only by prioritising 'balancing the books' that we will be able to continue to serve our communities and deliver the services they need and expect from us.

   To do this, we will continue to look at how we provide services more efficiently and to plan for making future budget savings. We will develop those areas where we could generate more income from our services and assets. And we will need to consider whether the council should continue to provide all of the services it does at present, or whether some might be better provided in partnership with others. Doing these things, will mean changing the nature of the council and how it works. Continuing to operate as we do now will not be sufficient given the scale of the financial challenges that face us. It will mean that we need to build on the existing skills of our staff and take some considered risks.

   We made significant progress towards our aims during the first half of the plan term (2015/16 – 2016/17):

- We reviewed and strengthened our Great Place: Great Service transformation programme. The business case has been completed providing re-assurance over payback periods and longer term savings (500K per annum by 2020) to contribute towards achieving a balanced budget.
- We developed a new operating model for the council so that we are prepared to meet future challenges.
- The Town Hall restack has been started, this includes freeing up space within the town hall for income generation.
- Developed a project management office which will increase the effectiveness and co-ordination of project management and allow us to prioritise resources for maximum benefit.
- We are undertaking more commercial trading to secure a profit to reinvest in council services. This includes establishing a Trading Board and governance arrangements drafted to allow for adequate planning and scrutiny of all potential trading. Activity so far includes commercial building works for which we now have trusted trader status and we are developing a commercial catering function and with partners across Derbyshire introduced a commercial building control service
- Over 200 of our staff are now able to work in an agile way. All our identified flexible workers have been issued with laptops or tablets to facilitate home and agile working.
- The new Council Intranet has been launched to improve internal communication and collaborative working.
- We rolled out on-line bookings for our cultural and leisure facilities to maximise income generation opportunities.
- A new Housing system went live which has improved the way that housing repairs are managed and jobs are allocated between different teams. A mobile app allows staff to work in an agile way by receiving jobs on a tablet and updating data on the move.

Our focus for 2017/18 to provide value for money services:

During the final two years of the Council Plan we will be focusing our efforts and resources on the following areas:

Aim	Key activities for 2017/18 – 2018/19
Ensure the council has a balanced budget each year, making up the reduction in central government grant through savings and increased income.	• Retain budgetary discipline and income maximisation strategy including (2017/18 and 2018/19): - Budget challenge and vacancy control - Focusing on maximising core income streams (leisure centres, venues and business units etc.) - Careful investment in new projects and activities that generate a realistic/material

	return – using the business case approach - Exploration of external grant funding opportunities - Continuing the focus on operational service efficiencies - Reviewing cost/spend arrangements with service providers • Improvements to our risk management strategy and risk management processes to ensure increased awareness and mitigation of potential external financial risks (2017/18)
Develop a rolling five year plan for the use our surplus land assets, investing in opportunities that will bring sustained revenue to the council to use for delivering services.	• Continue to work with Derbyshire partners on the "One Public Estate" initiative including ensuring all asset information is available via the project database. (2017/18 and 2018/19) • Revise the Corporate Asset Management Strategy and complete a review of surplus asset disposal plans for 2017 - 2021(2017/18) • Develop detailed asset disposal plans for 2017/18 and 2018/19 (2017/18) and complete an external review of disposal process (2017/18) • Review success of 2017/18 disposal plan (2017/18) and the 2018/19 plan (2018/19)
Take a more commercial approach where appropriate, including developing new services and selling existing services to new customers.	• Work with our partners to continue to develop a more commercial approach for Crematorium management (2017/18) • Commercial catering function to go live starting with the Market Hall (2017/18) and moving into other Council facilities (2018/19) • Feasibility study of the potential for developing a property development company (2017/18) • Commercial work programme developed and delivered for next phase of commercialisation activity (2017/18 and 2018/19)
Improve the technology that supports our service delivery and increase the skills and capacity of our staff to work in a more commercial manner.	• Commercial skills training for all visitor information centre and cultural venues staff (2017/18) • Procure ICT platform to support service delivery and commercial approach (2017/18) • Implement 1st phase of digital improvements – 5 services online (2017/18) • Implement Microsoft Office 365 (2018/19) • Commercial skills training for all customer services and leisure staff (2018/19) • Implement Assisted Digital customer programme (2018/19) • Achieve 3* SOCITM Better Connected rating for our website (2018/19)

	• Implement 2nd phase of digital improvements – 10 services online (2018/19)

How we will work

The council has four values that describe how we want to work to achieve our vision.

We are **customer focused**: delivering great customer service, meeting customer needs. We regularly carry out satisfaction surveys to find out what our communities and residents think of the services we provide. We engage with our residents, tenants, visitors and businesses through a wide range of groups, forums and on-line, seeking their views on our services and how we can improve them. We look to deal promptly and effectively with complaints and always welcome comments and compliments.

We take a **can do** approach: striving to make a difference by adopting a positive attitude. Our staff come up with and deliver solutions to problems and regularly go the extra mile to ensure our communities are well served. We take a ‘public sector first’ approach to service delivery, believing in the benefits to our communities that come from a public service ethos. We contribute actively to partnerships with other organisations within Chesterfield Borough and beyond our boundaries. We manage our suppliers and contractors fairly but robustly to make sure we are getting the best from the public money we spend.

We act as **one council, one team**: proud of what we do, working together for the greater good. The council has recently restructured, moving away from rigid departments to encourage teams to work more closely together. We value regular and open engagement with all staff and carry out regular surveys to find out how we can improve as an employer. We invest in the development of our staff, regularly attracting additional funding for training. We promote a commercial outlook within our teams, to make sure we secure value for money and look for opportunities to generate additional income that we can then invest in service delivery.

We believe in **honesty and respect**: embracing diversity and treating everyone fairly. The council has a strong record of going well beyond its statutory equality duties and regularly works with partners to host and promote events throughout the borough that celebrate diversity. Our staff and elected members work well together and individuals are able to express their views openly within their teams and at wider meetings and events.

Our annual employee survey provides a valuable source of feedback on how well we are doing in light of these values. We are committed to taking action in response to the survey each year, working with our staff to improve satisfaction scores and increase employee engagement.

Get in touch

Whether you are a member of staff, a resident, work in a local business or for one of our partner organisations, we welcome your views about this plan. You may want to contribute to its delivery, find out more about what we do or suggest activities that you feel are missing. If so, please contact us at:

Website and Social Media

Website – www.chesterfield.gov.uk

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Twitter - https://twitter.com/chesterfieldbc

YouTube - https://www.youtube.com/channel/UC7EjAgwra2iKCwC0YKf7Niw

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9am to midday on Saturdays for payments only

For publication

Senior Pay Policy Statement 2017/18

Meeting:	Council
Date:	23 February, 2017
Report by:	Human Resources Manager

For publication

1.0 **Purpose of report**

1.1 To seek approval to a revision of the current Senior Pay Policy Statement in accordance with the Localism Act 2011 and the Local Government (Transparency Requirements) (England) Regulations 2014.

2.0 **Recommendation**

2.1 That Council considers the revised Senior Pay Policy Statement for approval.

3.0 **Background**

3.1 A first version of this Policy was developed in March 2012 following the implementation of the Localism Act 2011. Section 38 (1) of the Act requires that English and Welsh local authorities produce a Senior Pay Policy Statement for 2012/13 and each financial year after that. In 2014, the Department for Communities and Local Government published a revised Local Government Transparency Code on 3 October 2014 which sets out the requirement to publish data relating to Senior Pay.

CHESTERFIELD
BOROUGH COUNCIL

3.2 The objective for publishing this information is to increase public transparency and local democratic accountability in how senior pay is set in local authorities. The intention is for Councils to be able to demonstrate value for money in the remuneration package of the senior managers and also show the role that local councillors play in determining senior reward.

3.3 The Policy has to be approved by Full Council each year and published on the Council's website. A copy of the Senior Pay Policy Statement 2017-18 is attached at Appendix 1.

3.4 This report is due to be considered by Cabinet at its meeting on 21 February, 2016 where it is recommended that the revised Senior Pay Policy is supported and referred to Council for approval.

4.0 Key issues

4.1 There has been no additional guidance been issued for this year's Pay Policy Statement but changes have been made to the policy to reflect the implementation of the new Corporate Management Structure.

4.2 Should there be any significant changes in pay and conditions during the financial year, then the Policy will be updated accordingly.

5.0 Consultation

5.1 As this Senior Pay Policy Statement is a legislative requirement and a revision to the original Policy agreed in 2012, no consultation has taken place with Trade Unions. They have, however, been provided with a copy of the draft Policy and advised that this will be published on approval by full Council.

6.0 Financial implications

6.1 There are no financial implications directly relating to the publication of this Policy Statement.

7.0 Risk management

Risk	Likelihood (H/M/L)	Impact (H/M/L)	Mitigating action
Failure to publish Senior Pay Policy Statement	L	H	The current policy is available on the intranet. Approval at Full Council in March will ensure we meet the statutory deadlines for publication. Any further guidance provided will be incorporated into the policy to ensure it meets the legislative requirements
Failure to update and publish Statement on an annual basis	L	H	The policy is to be added to the Forward Plan to ensure that it is reviewed annually. HR Manager to keep up to date with guidance and advice on these issues to ensure changes are incorporated as appropriate

8.0 Equalities Impact Assessment (EIA)

8.1 A preliminary Equalities Impact Assessment is attached at Appendix 2.

9.0 Recommendation

9.1 That Council considers the revised Senior Pay Policy Statement for approval.

10.0 Reasons for recommendations

10.1 To meet the requirements of the Localism Act 2011 by publishing this policy by 31 March 2017

Decision information

Key decision number	706
Wards affected	**All**
Links to Council Plan priorities	To provide value for money services.

Document information

Report author	**Contact number/email**

Kate Harley **HR Manager**	**Tel: 01246 345366** **email:** **kate.harley@chestefield.gov.uk**

Background documents These are unpublished works which have been relied on to a material extent when the report was prepared.	
None	

Appendices to the report	
Appendix 1	Senior Pay Policy 2017/18
Appendix 2	Preliminary EIA
Appendix 3	Corporate Management Structure
Appendix 4	2016 and 2017 Pay scales and allowances
Appendix 5	2016 – 18 Craft Pay Rates
Appendix 6	LGPS 2014 Discretions

Appendix 1

Senior Pay Policy Statement

Policy
Guiding Principles
2017/18

Prepared by:	**Human Resources**
Date:	**February 2017**
For Review:	**February 2018**

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CONTENTS

Senior Pay Policy Statement

1. Introduction

1.1 Legislation

Section 38 (1) of the Localism Act 2011, requires all local authorities in England and Wales to produce a Senior Pay Policy Statement which is updated on an annual basis.

The Act and supporting statutory guidance provide details of matters that should be included in this statutory pay policy, which must be complied with when setting the terms and conditions of Chief Officers. The policy must be formally approved by full Council each year and published on the Council's website.

In addition, the Department for Communities and Local Government published a revised Local Government Transparency Code on 3 October 2014. The Local Government (Transparency Requirements) (England) Regulations 2014 regulates the Code which sets out the information local authorities are required to publish.

1.2 Scope

This Senior Pay Policy Statement will cover the following areas:

- The principles underpinning the Council's pay policy for the whole of the workforce
- The Council's policy on the level and elements of remuneration for each Chief Officer
- The Council's policy on the remuneration of its lowest-paid employees, along with a definition of 'lowest-paid employees'
- The Council's policy on the relationship between the remuneration of its Chief Officers and other officers
- The Council's policy on other specific aspects of Chief Officers' remuneration
- Information about terms and conditions of service for Chief Officers, particularly those that represent a cost to the Council
- The Council's policy on making discretionary payments on early termination of employment
- The Council's approach to remuneration at all levels to balance the need to secure and retain high-quality employees and avoiding excessive cost to the taxpayer
- The factors that are taken into account in deciding on what point of a scale a recruit is appointed, and by whom any decision is made
- An indication of the percentage rate at which the employer's pension contributions is set
- Information about re-employment of employees in receipt of a local government pension

1.3 Context

Chesterfield Borough Council recognises that, in the context of managing scarce public resources, remuneration at all levels needs to be adequate to secure and retain high quality employees dedicated to delivering public services, whilst at the same time not being unnecessarily generous and excessive.

It is essential that local authorities are able to determine their own pay structures in order to address local priorities and to compete in the local labour market. It is recognised that senior management roles in local government are complex and diverse with managers working in a highly politicised environment where often national and local pressures conflict.

If the council is to maintain its high performance, then it must be able to retain and attract high calibre leaders to deliver the complex agenda.

1.4 Definitions

The term Chief Officer covers the following Senior Leadership roles at Chesterfield Borough Council

- **Chief Executive**
- **Executive Director x 2**
- **Director of Finance and Resources**

At a meeting of the Joint Employment & General and Cabinet Committee on 15 December 2015, a new Corporate Management structure was approved creating the following new roles:

- Director of Finance and Resources
- Commercial Services Manager
- Customers, Commissioning and Change Manager
- Economic Growth Manager
- Health & Wellbeing Manager
- Housing Manager
- Policy & Communications Manager

With the exception of the new Director of Finance and Resources, these new posts were employed at the third tier level and were employed on Chief Officer terms and conditions. Implementation of the new structure took place during 2016 and the final appointment, the Director of Finance and Resources was implemented November 2016.

The statutory duties of Head of Paid Service and Section 151 Officer are incorporated into the post of Chief Executive and the new Director of Finance and Resources carries out the responsibilities of the Section 151 officer. The duties of the Monitoring Officer are incorporated into the post of Regulatory and Local Government Law Manager.

2. Background to Pay and Grading

2.1 Whole Workforce

In order to secure equal pay within the organisation, the NJC job evaluation scheme was applied to all posts covered by the NJC for Local Government Employees (excluding Chief Officers).

A new grading structure was implemented in 2003 for the whole workforce (excluding Chief Officers and Craft Workers) with negotiations then continuing with the relevant Trade Unions to complete the Single Status exercise.

An equal pay audit was undertaken on all evaluated posts to:

- Analyse the pay arrangements for all the Council employees
- Identify any differences in levels of pay between men and women
- Review the reasons for, and possible causes of, difference in pay, in particular whether these can be attributed to direct or indirect sex discrimination, and
- Identify how to close gaps in pay that cannot be attributed to reasons/causes other than sex discrimination.

The final Pay and Conditions were later agreed in the form of a Local Collective Agreement in November 2007. The actual salary at each point is determined by the National Joint Council (NJC) Pay Award, the last one being awarded as at 1 April 2016 for two years. The two year pay deal also saw the start of a longer term national review of the pay spine which it is recognised is necessary to meet the challenge set by the National Living Wage. While the 2016-18 pay deal will make considerable progress in meeting that challenge, there will still be a need to increase the bottom pay point by a further 16% to achieve the Government's target of 60% of median earnings (currently forecast to be around £9.00 per hour) in 2020.

2.2 Living Wage

The new legislative requirement to pay the National Living Wage of £7.20 comes into force from 1 April 2016. However the council was committed to paying the Living Wage determined by the Living Wage Foundation and this was implemented from 1 April 2016 at the rate of £8.25 per hour for staff at spine points 12 and below. Council are considering whether to increase this amount to £8.45 per hour from 1 April 2017 in line with the National Voluntary Living Wage as set in November 2016.

2.3 Corporate Management Team

In 2014, a review of the Corporate Management Team (CMT) was carried out and a revised structure agreed in June 2014. See Appendix 1.

This restructure resulted in the deletion of the Deputy Chief Executive and Head of Service posts and the creation of two new Executive Directors and Director of Finance and Resources.

With the challenges facing the council both now and over the next 3 to 5 years, it was essential for the new Senior Leadership Team to have the skills and capabilities to deliver the changes required.

Following the implementation of the above new structure, a review commenced of the roles at the next tier of management. In December 2015, agreement was reached for seven new roles to be created to ensure that the Corporate Management and Senior Leadership Teams, could effectively deliver the objectives in the Council Plan in the context of the challenges facing the council. The revised structure was fully implemented in November 2016.

3. Senior Management Salaries

3.1 Senior Leadership Team - Benchmarking

In deciding on appropriate salaries for the new senior leadership positions in 2014, a benchmarking exercise was carried out into emerging management structures across district/borough councils in England. The research found that there was a move away from annual incremental progression through an agreed salary scale, to senior officers now being appointed on spot salaries.

The salaries for the current Senior Leadership posts effective from 1 April 2017 are shown in the table below (subject to 1% pay rise being implemented).

Incremental points	**Chief Executive**	**Executive Director**	**Director of Finance and Resources**
1	£98,071	£88,442.67	£80800
2	£100,737.40		
3	£103,401.78		
4	£103,986.57		
5	£106,599.44		

A revised pay agreement was agreed with Chief executives in 2016 covering the two year period 1 April 2016 31 March 2018. This agreement awarded a

1% cost of living rise and was implemented from 1 April 2016. See Appendix 2.

3.2 Package over £100,000

Where the salary package of any post exceeds £100,000, full council will be given the opportunity to approve the level of remuneration. The salary package is defined as base salary, any routinely paid allowances, bonus fees and other benefits in kind which are due under the contract.

3.3 New Corporate Management Team

The new Corporate Management Team was implemented from March 2016, and comprised of 6 manager posts with new job roles. These all include an identical set of corporate responsibilities, together with a set of service specific responsibilities.

There was also a change to the Senior Leadership Team which saw the Chief Finance Officer role being deleted and the new Director of Finance and Resources post established.

The new CMT roles and the new Director of Finance and Resources role were evaluated by a senior adviser to the Local Government Association, using the LGA Chief Officer method of job evaluation. The recommended salary bands took account of comparable roles in other local authority organisations.

To provide consistency with the approach taken to other roles within the Senior Leadership Team, the Director of Finance and Resources was appointed on a spot salary of £80,000.

Post	Incremental Range			
	1	2	3	4
Director of Resources	£80,000			
Commercial Services Manager	£57,500	£60,000	£62,500	£65,000
Customers, Commissioning and Change Manager	£57,500	£60,000	£62,500	£65,000
Economic Growth Manager	£57,500	£60,000	£62,500	£65,000
Health & Wellbeing Manager	£57,500	£60,000	£62,500	£65,000
Housing Manager	£57,500	£60,000	£62,500	£65,000
Policy & Communications Manager	£50,000	£52,500	£55,000	£57,500

These pay scales will be uplifted in line with the national pay award on an annual basis.

4. Terms and Conditions of Service

The Chief Executive is employed under the terms and conditions of service of the Joint Negotiating Committee for Chief Executives of Local Authorities, and the Executive Directors, Director of Finance and Resources and Corporate Management team under the terms and conditions of service of the Joint Negotiating Committee for Chief Officers of Local Authorities.

There are currently no additional local agreements relating to the employment of chief officers that represent a charge on the public purse, with the exception of election duties (see following paragraph).

5. Additional Payments

5.1 Election Duties

The Chief Executive receives fee payments pursuant to his appointment as Returning Officer at elections. The fees paid in respect of parish, district and county council elections vary according to the size of the electorate and number of postal voters and are calculated in accordance with a fee structure determined by Derbyshire County Council. Fee payments for national and European elections are set by central government and are, in effect, not paid by the council, as the fees are reclaimed.

5.2 Acting Up Payments

Acting up payments are made where an employee may undertake the full duties and responsibilities of a higher graded post. For employees at Scale 8 and above (which includes Chief Officers) a continuous qualifying period of four weeks will apply before payment can be made. Further details are set out in paragraph 8 of the Local Collective Agreement.

5.3 Honoraria

An honorarium is payable in circumstances where an employee carries out additional duties which are at a higher level than those in their substantive post, but there is no entitlement to a higher salary. Further details are set out in Paragraph 9 of the Local Pay Agreement.

5.4 Telephone Rental

A line rental may be paid to any Chief Officer who is expected to be contactable at home. The same payment is made to all eligible employees, regardless of grade.

A mobile telephone is provided to employees at the discretion of the Service Manager where it is considered appropriate for the delivery of the service. The cost of the monthly rental is paid as well as business related calls.

5.5 Car Mileage and Expenses

All employees, including Chief Officers, are able to claim for mileage and expenses occurred for business reasons only. A review of car mileage payments was carried out in 2012/13 and a decision made by Cabinet in July 2013 to implement the HMRC rates for mileage claims. These revised payments have been applied to all employees claiming mileage since March 2014. Essential user allowance is no longer paid. Expenses are paid in accordance with the Council’s Subsistence Policy.

5.6 Other financial benefits

Post holders employed under the terms and conditions relating to Chief Executives and Chief Officers are not in receipt of any financial benefits that are not also available to other employees.

They are exempt from receiving the following benefits which other employees receive:

- Unsocial hours payments
- Overtime Payments

The Chief Executive and Chief Officers do not receive any additional payments relating to performance related pay, bonuses or ex-gratia benefits.

6. Incremental Progression

The policy of the council in respect of incremental progression is the same regardless of the level of the post and is set out at paragraph 1 of the Local Collective Agreement. On taking up employment, individuals will normally start at the bottom spinal column point of the appropriate grade; however, there is discretion to appoint at a higher point depending on skills, experience and any market factors which could impact on the ability to otherwise recruit to the post.

In the case of a Chief Officer appointment, this decision would be made by the Chief Executive. The Appointments Panel would make this decision for any Chief Executive appointment (in accordance with the council’s constitution).

7. Lowest Paid Employees

Following the implementation of Single Status and the NJC Job Evaluation Scheme, local grades were implemented. The lowest paid employees are determined by those whose job evaluation score was between 250-279, which placed them on Scale 1 at SCP 4-6. From 1 October 2015, the NJC for Local government Employees agreed that the bottom Spinal Column Point would be removed as this would be lower than the National Minimum Wage. The lowest grade now starts at SCP 6 however all employees up to SCP 12 receive the voluntary living wage increase.

8. Relationship between salaries

The ratio of the Council's top earner to that of its median paid employee is 6.96

This ratio has been based on year to date taxable earnings for the financial year 2016 to 31 December 2016.

9.Pensions

9.1 Contributions

Employees of the Council (including Chief Officers) pay a contribution to the Local Government Pension Scheme relative to their annual full-time equivalent pensionable pay (including pensionable allowances):

Band	Range (£)	Contribution Rate
1	£0 to £13,600	5.5%
2	£13,601 to £21,200	5.8%
3	£21,201 to £34,400	6.5%
4	£34,401 to £43,500	6.8%
5	£43,501 to £60,700	8.5%
6	£60,701 to £86,000	9.9%
7	£86,001 to £101,200	10.5%
8	£101,201 to £151,800	11.4%
9	More than £151,801	12.5%

An assessment is undertaken on an annual basis to determine the contribution rate.

Following changes under the LGPS regulations in 2014, all employees now have an option to pay half contributions and build up half of the normal pension. This is known as the 50/50 section of the scheme and is designed to be a short-term option for when times are financially difficult.

The Employer's contribution at Chesterfield is currently 13.2% of pensionable pay.

9.2 Discretions

There are a number of discretions available under the Local Government Pension Scheme applicable to all employees. The aim of the Chesterfield Borough Council Policy on discretions is to ensure:

- fairness and equity in funding and contribution levels are adequate to meet future demands
- elected members are made aware of the financial consequences of decisions
- the age, skills and experience profile of the organisation is balanced

The discretions agreed for all employees are set out at Appendix 3.

9.3 Re-employment of employees in receipt of a pension

The council has a statutory duty to appoint on merit and will always seek to appoint the best candidate for a position based on skills, knowledge, experience and abilities.

Under the terms of the Local Government Pension scheme, an employee who has retired from local government service and is in receipt of a pension may reapply for local government employment. However, where this happens the pension maybe subject to abatement, i.e. if the pension added to the new salary is higher than the original salary then the amount of pension will be reduced accordingly.

There are currently no re-employed pensioners in senior management positions and no previously employed Chief Officer has returned under a contract for services.

Where a former employee has left on the grounds of redundancy, the Council will apply the provisions of the Redundancy Modifications Order regarding recovery of the redundancy payment, if relevant.

10. Payments on Termination of Employment

Payments on termination of employment will be made under the LGPS or in accordance with the discretions set out above. Other payments may be made where the council has specific legal advice to the effect that a payment may be necessary to eliminate risk of claims against the Council.

Any severance payment currently over £100,000 must be agreed by full council.

A decision is still expected following the consultation relating to Public Sector Exit Payments. If agreed, this legislation will place a cap of £95,000 on the total package for employees leaving public sector employment.

11. Publication of Information

Information relating to the salaries of senior management is already published on the council's website. This policy statement, which has been approved by Full Council, will also be made available and placed on the website from March 2017.

APPENDIX 2

Chesterfield Borough Council

Equality Impact Assessment - Preliminary Assessment Form

The preliminary impact assessment is a quick and easy screening process. It should identify those policies, projects, services, functions or strategies which require a full EIA by looking at negative, positive or no impact on any of the equality groups.

Service Area: HR & Payroll Service Solution Lead
Section: HR
Lead Officer: Kate Harley

Title of the policy, project, service, function or strategy the preliminary EIA is being produced for: **Senior Pay Policy Statement**

Is the policy, project, service, function or strategy:

Existing ☐
Changed ✓

Q1 - What is the aim of your policy or new service?

To set out the Council's policy in relation to the pay and remuneration for Chief Officers in accordance with Section 38 (1) of the Localism Act 2011 and the Local Government Transparency Code. The aim of developing and publishing this policy is to provide transparency to the remuneration packages for Chief Officers and explain the rationale for the pay and grading of Chief Officers. The term Chief Officers refers to the Chief Executive, Executive Directors and Director of Finance and Resources.

Q2 - Who is the policy or service going to benefit?

The policy is not going to benefit any specific group, however, ensuring transparency to the remuneration packages for Chief Officers should benefit employees and the wider public.

Q3 - Thinking about each group below, does, or could the policy, project, service, function or strategy have an impact on protected characteristics below? You may also need to think about sub groups within each characteristic e.g. older women, younger men, disabled women etc.

Please tick the appropriate columns for each group.

Group or Protected Characteristics	Potentially positive impact	Potentially negative impact	No impact
Age – including older people and younger people.			x
Disabled people – physical, mental and sensory including learning disabled people and people living with HIV/Aids and cancer.			x
Gender – men, women and transgender.			x
Marital status including civil partnership.			x
Pregnant women and people on maternity/paternity. Also consider breastfeeding mothers.			x
Sexual Orientation – Heterosexual, Lesbian, gay men and bi-sexual people.			x
Ethnic Groups			x
Religions and Beliefs including those with no religion and/or beliefs.			x
Other groups e.g. those experiencing deprivation and/or health inequalities.			x

If you have answered that the policy, project, service, function or strategy could potentially have a negative impact on any of the above characteristics then a full EIA will be required.

Q4 - Should a full EIA be completed for this policy, project, service, function or strategy?

Yes ☐
No ☒

Q5 - Reasons for this decision:

Whilst this policy sets out the principles which underpin the council's pay policy for the whole of the workforce, the key purpose is to publicise how the council reaches its decision on the pay of Chief Officers and any other benefits. It is a requirement of the Localism Act 2011 that the pay policy statement is approved by full council and published by 31 March 2017

Please e-mail this form to the Policy Service before moving this work forward so that we can confirm that either a full EIA is not needed or offer you further advice and support should a full EIA be necessary.

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APPENDIX 1

New Corporate Management Structure - 2016

(New roles in bold)

Senior Leadership Team

Chief Executive

Executive Director	Executive Director	**Director of Finance and Resources**

Corporate Management Team

Economic Growth Manager	**Housing Manager**
Commercial Services Manager	**Health and Wellbeing Manager**
Customers, commissioning and Change Manager	**Policy and Communications Manager**

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National Joint Council for Local Government Services

Employers' Secretary:
Sarah Messenger

Trade Union Secretaries
Justin Bowden, GMB
Fiona Farmer, Unite
Heather Wakefield, UNISON

Address for correspondence:
Local Government House
Smith Square
London SW1P 3HZ
Tel: 020 7187 7373
info@local.gov.uk

Address for correspondence:
UNISON Centre
130 Euston Road
London NW1 2AY
Tel: 0845 3550845
localgovernment@unison.co.uk

To: Chief Executives in England, Wales and N Ireland
(copies for the Finance Director and HR Director)
Members of the National Joint Council

16 May 2016

Dear Chief Executive,

2016 and 2017 PAYSCALES & ALLOWANCES

The rates of pay applicable from **1 April 2016** and **1 April 2017** are attached at **Annex 1**.

The new rates for allowances up-rated in line with the headline pay increase of one per cent in each year are set out at **Annex 2**.

Agreement has been reached with the NJC Trade Union Side on these rates, (with UNISON and GMB voting to accept).

Joint Reviews of Term-Time Working and the National Pay Spine:
The NJC will shortly agree and publish Terms of Reference and timetables for these reviews.

Yours sincerely

Sarah Messenger
Justin Bowden
Fiona Farmer
Heather Wakefield

Joint Secretaries

ANNEX 1

SCP	1 April 2016		1 April 2017	
	per annum	per hour*	per annum	per hour*
6	£14,514	£7.52	£15,014	£7.78
7	£14,615	£7.58	£15,115	£7.83
8	£14,771	£7.66	£15,246	£7.90
9	£14,975	£7.76	£15,375	£7.97
10	£15,238	£7.90	£15,613	£8.09
11	£15,507	£8.04	£15,807	£8.19
12	£15,823	£8.20	£16,123	£8.36
13	£16,191	£8.39	£16,491	£8.55
14	£16,481	£8.54	£16,781	£8.70
15	£16,772	£8.69	£17,072	£8.85
16	£17,169	£8.90	£17,419	£9.03
17	£17,547	£9.10	£17,772	£9.21
18	£17,891	£9.27	£18,070	£9.37
19	£18,560	£9.62	£18,746	£9.72
20	£19,238	£9.97	£19,430	£10.07
21	£19,939	£10.34	£20,138	£10.44
22	£20,456	£10.60	£20,661	£10.71
23	£21,057	£10.91	£21,268	£11.02
24	£21,745	£11.27	£21,962	£11.38
25	£22,434	£11.63	£22,658	£11.74
26	£23,166	£12.01	£23,398	£12.13
27	£23,935	£12.41	£24,174	£12.53
28	£24,717	£12.81	£24,964	£12.94
29	£25,694	£13.32	£25,951	£13.45
30	£26,556	£13.76	£26,822	£13.90
31	£27,394	£14.20	£27,668	£14.34
32	£28,203	£14.62	£28,485	£14.76
33	£29,033	£15.05	£29,323	£15.20
34	£29,854	£15.47	£30,153	£15.63
35	£30,480	£15.80	£30,785	£15.96
36	£31,288	£16.22	£31,601	£16.38
37	£32,164	£16.67	£32,486	£16.84
38	£33,106	£17.16	£33,437	£17.33
39	£34,196	£17.72	£34,538	£17.90
40	£35,093	£18.19	£35,444	£18.37
41	£36,019	£18.67	£36,379	£18.86
42	£36,937	£19.15	£37,306	£19.34
43	£37,858	£19.62	£38,237	£19.82
44	£38,789	£20.11	£39,177	£20.31
45	£39,660	£20.56	£40,057	£20.76
46	£40,619	£21.05	£41,025	£21.26
47	£41,551	£21.54	£41,967	£21.75
48	£42,474	£22.02	£42,899	£22.24
49	£43,387	£22.49	£43,821	£22.71

*****hourly rate calculated by dividing annual salary by 52.143 weeks (which is 365 days divided by 7) and then divided by 37 hours (the standard working week in the National Agreement ‘Green Book’)

Part 3 Paragraph 2.6(e) Sleeping-in Duty Payment:

1 April 2016	1 April 2017
£34.34	£34.68

RATES OF PROTECTED ALLOWANCES AT 1 APRIL 2016 and 1 APRIL 2017 (FORMER APT&C AGREEMENT (PURPLE BOOK))

Paragraph 28(3) Nursery Staffs in Educational Establishments - Special Educational Needs Allowance

1 April 2016	1 April 2017
£1,227	£1,239

Paragraph 28(14) Laboratory / Workshop Technicians

City and Guilds Science Laboratory Technician's Certificate Allowance:

1 April 2016	1 April 2017
£199	£201

City and Guilds Laboratory Technician's Advanced Certificate Allowance:

1 April 2016	1 April 2017
£145	£146

Paragraph 32 London Weighting and Fringe Area Allowances £ Per Annum

Inner Fringe Area:

1 April 2016	1 April 2017
£832	£840

Outer Fringe Area:

1 April 2016	1 April 2017
£579	£585

Paragraph 35 Standby Duty Allowance - Social Workers (1)(a)(i) Allowance - Per Session

1 April 2016	1 April 2017
£27.62	£27.90

FORMER MANUAL WORKER AGREEMENT (WHITE BOOK)

Section 1 Paragraph 3 London and Fringe Area Allowances £ Per Annum

Inner Fringe Area:

1 April 2016	**1 April 2017**
£832	£840

Outer Fringe Area:

1 April 2016	**1 April 2017**
£579	£585

Joint Negotiating Committee for
Local Authority Craft & Associated Employees

To: **Chief Executives in England and Wales (N Ireland for information)**
(with copies for HR Director, Finance Director and DLO Manager)
Members of the Joint Negotiating Committee

17 May 2016

Dear Chief Executive,

2016-18 CRAFT PAY RATES

Agreement has now been reached on rates of pay applicable from **1 April 2016** and **1 April 2017**.

The cash figures below have been applied to the annual salary figures as set out in the previous Craft JNC 2014-16 pay agreement and these increases apply **only** to those employees who are currently paid the **specific** annual salaries as set out in **Annex 1**.

Pay award with effect from **1 April 2016**:

- £930 (equivalent to 6.72%) on Building Labourer grade
- £436 (equivalent to 2.95%) on Heating & Ventilation Mate grade
- £580 (equivalent to 3.89%) on Building Operative grade
- £210 (equivalent to 1.31%) on Plumber grade
- £276 (equivalent to 1.67%) on Engineer & Electrician grade
- 1.00% on all allowances

Pay award with effect from **1 April 2017**:

- £475 (equivalent to 3.22%) on Building Labourer grade
- £375 (equivalent to 2.46%) on Heating & Ventilation Mate grade
- £300 (equivalent to 1.93%) on Building Operative grade
- £300 (equivalent to 1.85%) on Plumber grade
- £300 (equivalent to 1.79%) on Engineer & Electrician grade
- 1.00% on all allowances

For **all other** Craft JNC employees (regardless of job title and designation) whose rate of pay differs from the salaries set out in **Annex 1**, but is still contractually linked to the annual settlement reached by the Craft JNC, the pay award is as follows:

From 1 April 2016: 1.00% on basic salary and allowances
From 1 April 2017: 1.00% on basic salary and allowances

Yours sincerely,

Sarah Messenger
Brian Rye
Joint Secretaries

ANNEX 1

1. CRAFT & ASSOCIATED EMPLOYEES

Pay for craft & associated employees from the pay week including **1 April 2016** and **1 April 2017** are as follows:

Designation	1 April 2016 per week	1 April 2016 per annum	1 April 2017 per week	1 April 2017 per annum
1. Building Labourer	£283.28	£14,771	£292.39	£15,246
2. Heating & Ventilation Mate	£292.23	£15,238	£299.43	£15,613
3. Building Craft Operative	£297.39	£15,507	£303.15	£15,807
4. Plumber	£310.51	£16,191	£316.26	£16,491
5. Engineer & Electrician	£321.65	£16,772	£327.41	£17,072

1. APPRENTICES & TRAINEES

RATES LINKED TO RESPECTIVE CRAFT RATES EXPRESSED IN PERCENTAGE EQUIVALENTS OF THE FULLTIME CRAFTWORKERS RATE OF PAY.

2.1 Building & Civil Engineering Apprentices (excluding plumbers)

(a) Building Industry Apprentices following a recognised training course. Rate per week and rate for calculation of overtime and other premium payments from the pay week including **1 April 2016** and **1 April 2017** are as follows (percentage of full time rate is denoted in brackets).

Age at Entry	1st Year		2nd Year and Until Skills Test or NVQ Level 2 is Passed		On Passing Skills Test or NVQ Level 2	
	1 April 2016	1 April 2017	1 April 2016	1 April 2017	1 April 2016	1 April 2017
16 Years	£163.56 (55%)	£166.73 (55%)	£208.17 (70%)	£212.20 (70%)	£282.52 (95%)	£287.99 (95%)
17 Years	£163.56 (55%)	£166.73 (55%)	£252.78 (85%)	£257.68 (85%)	£282.52 (95%)	£287.99 (95%)

(b) Building and Civil Engineering entrants over 18 years of age. Normal period of three years. Rate per week and rate for calculation of overtime and other premium payments from the pay week including **1 April 2016** and **1 April 2017** are as follows (percentage of full time rate is denoted in brackets).

Age at Entry	1st Year		2nd Year		3rd Year	
	1 April 2016	1 April 2017	1 April 2016	1 April 2017	1 April 2016	1 April 2017
Entrants over 18 Years	£252.78 (85%)	£257.68 (85%)	£267.65 (90%)	£272.83 (90%)	£282.52 (95%)	£287.99 (95%)

(a) Young Labourers. When 16 and 17 year olds are not fulfilling the full duties of a Building Labourer locally determined rates will apply.

2.2 Apprentice Plumbers

Plumbing Apprentices following a recognised training course. Rate per week and rate for calculation of overtime and other premium payments from the pay week including **1 April 2016** and **1 April 2017** are as follows (percentage of full time rate is denoted in brackets). *Plumbing Apprentices with no ACS.

Age at Entry	1st Year		2nd Year		3rd Year		4th Year*		4th Year	
	1 April 2016	1 April 2017	1 April 2016	1 April 2017	1 April 2016	1 April 2017	1 April 2016	1 April 2017	1 April 2016	1 April 2017
16 Yrs	£170.78 (55%)	£173.94 (55%)	£217.36 (70%)	£221.38 (70%)	£279.46 (90%)	£284.63 (90%)	£285.67 (92%)	£290.96 (92%)	£294.98 (95%)	£300.45 (95%)
17 Yrs	£170.78 (55%)	£173.94 (55%)	£248.41 (80%)	£253.01 (80%)	£279.46 (90%)	£284.63 (90%)	£285.67 (92%)	£290.96 (92%)	£294.98 (95%)	£300.45 (95%)
18 Yrs +	£248.41 (80%)	£253.01 (80%)	£263.93 (85%)	£268.82 (85%)	£279.46 (90%)	£284.63 (90%)	£285.67 (92%)	£290.96 (92%)	£294.98 (95%)	£300.45 (95%)

2.3 Apprentice Engineers & Electricians

Engineering and Electrical Apprentices following a recognised training course. Rate per week and rate for calculation of overtime and other premium payments from the pay week including **1 April 2016** and **1 April 2017** are as follows (percentage of full time rate is denoted in brackets).

Age at Entry	**1st Year**		**2nd Year**		**3rd Year**		**4th Year**	
	1 April 2016	**1 April 2017**	**1 April 2016**	**1 April 2017**	**1 April 2016**	**1 April 2017**	**1 April 2016**	**1 April 2017**
16 Yrs	£176.91 (55%)	£180.07 (55%)	£225.15 (70%)	£229.19 (70%)	£289.48 (90%)	£294.67 (90%)	£305.57 (95%)	£311.04 (95%)
17 Yrs	£176.91 (55%)	£180.07 (55%)	£257.32 (80%)	£261.93 (80%)	£289.48 (90%)	£294.67 (90%)	£305.57 (95%)	£311.04 (95%)
18 Yrs +	£257.32 (80%)	£261.93 (80%)	£273.40 (85%)	£278.30 (85%)	£289.48 (90%)	£294.67 (90%)	£305.57 (95%)	£311.04 (95%)

3. LONDON & FRINGE AREA ALLOWANCES

Agreement has been reached for increases in the London and Fringe Area Allowances. The new allowances, to operate from the pay week including **1 April 2016** and **1 April 2017** are as follows:

	1 April 2016	**1 April 2017**
Greater London Area	£2,515	£2,540
Inner Fringe	£832	£840
Outer Fringe	£579	£585

3.1 Existing Allowances – Merging

Employees in receipt of local allowances exceeding the allowances set out above will continue to receive such allowances on a personally protected basis, subject to the excess merging in any future increases in fringe area allowances.

3.2 Calculation of Bonus, Overtime and Other Premia

The allowances set out above will not be taken into account in the calculation of bonus, overtime, shift and other premium payments with the following exception: employees whose place of employment falls within an area which prior to the date and terms of this settlement previously attracted the London or any similar allowance will be entitled to have bonus, overtime and other premium payments calculated on the amount of the previous allowance (if any) taken into account for this purpose before the date of this settlement.

4. TOOL ALLOWANCES

4.1 Engineers & electricians

Agreement has been reached for increases in Tool Allowances. The new allowances, to operate from the pay week including **1 April 2016** and **1 April 2017** are as follows:

1 April 2016	1 April 2017
£7.17	£7.24

4.2 Builders

Agreement has been reached for increases in Tool Allowances. The new allowances, to operate from the pay week including **1 April 2016** and **1 April 2017** are as follows:

	1 April 2016	1 April 2017
Carpenters	£6.63	£6.70
Bank Masons	£5.20	£5.25
Mason Fixers	£3.37	£3.40
Plasterers	£3.37	£3.40
Bricklayers	£3.37	£3.40
Painters (overall allowance)	£3.37	£3.40
Wall and Floor Tilers	£3.37	£3.40
Street Masons and Paviours	£3.37	£3.40
Plumbers	£7.63	£7.71
Carpenters and Joiner Apprentices	£6.63	£6.70
Mason (banker of fixer) Apprentices	£3.37	£3.40
Painter Apprentices (overall allowances)	£3.37	£3.40

Plasterer Apprentices	£3.37	£3.40
Bricklayer Apprentices	£3.37	£3.40
Plumber Apprentices	£7.63	£7.71

5. OTHER PAYMENTS

5.1 Electricians

In addition to the rates set out in Paragraph 2 the plus rates shown below will be payable hourly with effect from the pay week including **1 April 2016** and **1 April 2017** are as follows: and are to be taken into account for all purposes. They shall be paid to electricians who are required to perform exacting diagnostic work over a wide range of modern electronic and control equipment, in addition to more usual maintenance or new work. This payment when made to an electrician shall absorb any existing payment to him related to the exercise of higher skills. It will be for the authority to determine, after consultation, which electricians, if any, shall receive the plus rate. In the event of disagreement the signatories to this agreement will be available for advice.

1 April 2016	1 April 2017
£0.49	£0.49

5.2 Building & Civil Engineering Craftsmen

With effect from the pay week including **1 April 2016** and **1 April 2017** Plumbers/Welders and Heating and Ventilating Engineers required by an authority to possess one or more current certificates of competency in welding who are designated as plumbers/welders or Heating and Ventilating Engineers/Welders by an authority shall be paid the following supplements:

	1 April 2016	1 April 2017
Gas or ARC Certificate	£0.40	£0.40
Gas and ARC Certificate	£0.83	£0.84

5.3 Plumbers

Where a plumber who has met the appropriate ACOP standard and holds a Registration Card, is required by the local authority on a regular and ongoing basis to use those skills on gas installation, he/she will be paid a supplement as shown below from the pay week including **1 April 2016** and **1 April 2017**.

1 April 2016	**1 April 2017**
£10.00	£10.10

6. EXTRA PAYMENTS

6.1 Storage of Tools & Clothing

The Employers' maximum liability for loss of tools as set out in Section 2, Sub Section A, Appendix C will be increased as shown below:

1 April 2016	**1 April 2017**
£1,374	£1,388

6.2 Extra Payment for Work in Discomfort & Inconvenience

With effect from the pay week including **1 April 2016** and **1 April 2017** falls the following extra payments will apply.

(a) Work at Heights

Detached Work Calculated from the Point of Control	**1 April 2016**	**1 April 2017**
Above 15m and up to 30m	£0.05	£0.05
Above 30m and up to 45m	£0.08	£0.08
Above 45m and up to 60m	£0.31	£0.31
Above 60m and up to 75m	£0.40	£0.40
Above 75m and up to 90m	£0.48	£0.48
'Exposed Work' at Height on Buildings		
Above 40m and up to 50m	£0.03	£0.03
Above 50m and up to 60m	£0.05	£0.05
Above 60m and up to 75m	£0.08	£0.08

The extra payments to be increased by £0.02 per hour for each 15 metres above 75 metres

Operating a Free-Standing Tower Crane from a Control Platform Above Ground Level	**1 April 2016**	**1 April 2017**
Control platform over 15m and up to 30m above ground level	£0.03	£0.03
Control platform over 30m and up to 45m above ground level	£0.05	£0.05
Control platform over 45m above ground level	£0.08	£0.08
Work in Swings, Cradles or Boats, or Boatswains Chairs	£0.37	£0.37

(a) Furnace Firebrick Work & Acid-Resisting Brickwork

	1 April 2016	**1 April 2017**
Furnace or similar hot work up to 49°C (120°F)	£0.05	£0.05
For brickwork involving the use of acid-resisting bonding material	£0.08	£0.08

(a) General – Exceptional kinds of work lasting more than 1 hour in conditions which involve:

	1 April 2016	**1 April 2017**
work in water **and/or** close contact with dirt or filth **and/or** prolonged exposure to dust or spray or particles of a kind likely to cause irritation **and/or** prolonged exposure to the special conditions met in confined underground spaces (such as tunnels or deep basements) and in trenches, pits and wells 6 metres or more below ground level, namely poor ventilation or light, dampness, dust or the noise resulting from the use in such spaces of mechanical plant tools **and/or** work in artificially low temperatures below 5°C (41°F) such as in refrigerated or cold stores	£0.10	£0.10
repair or active independent sewers or cleaning out independent:		
sewage plants, filter beds septic tanks and cess pools	£0.20	£0.20
Labourers when using in the course of their normal work mechanically driven compressed air or percussive drills, picks, spades, rammers, tampers or hammers	£0.10	£0.10
When using a cartridge operated rivet gun	£0.10	£0.10
Painters using in the course of their normal work air supplied or airless paint spray machines	£0.10	£0.10

6.3 Extra Payments for Continuous Extra Skill or Responsibility
With effect from the pay week including **1 April 2016** and **1 April 2017** the following extra payments will apply

	Above Labourers' Basic Rate Per Week	
	1 April 2016	**1 April 2017**
A	£11.97	£12.09
B	£12.95	£13.08
C	£15.35	£15.50
D	£21.57	£21.79
E	£23.50	£23.73
F	£24.45	£24.69
G	£27.32	£27.59
H	£28.76	£29.05
I	£34.05	£34.39
J	£35.00	£35.35
K	£38.36	£38.74
L	£39.79	£40.19
M	£41.24	£41.65
N	£46.03	£46.49

7.4 Extra Payments for Intermittent Responsibility
With effect from the pay week including **1 April 2016** and **1 April 2017** the following extra payments will apply:

	1 April 2016	**1 April 2017**
Labourer erecting, altering or dismantling simple access scaffolding with a working platform no higher than 5 metres	£0.14	£0.14
Operatives, other than craft operatives, employed on dry-cleaning stone work by mechanical process for the removal of protective material and/or discoloration. (Employers to provide suitable masks)	£0.69	£0.70

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APPENDIX 6

LGPS 2014
DISCRETIONS POLICY FOR CHESTERFIELD BOROUGH COUNCIL

DERBYSHIRE COUNTY COUNCIL PENSION FUND

A - Mandatory Requirements of Policy Statement

DISCRETION & REGULATION	POLICY ON INDIVIDUAL DISCRETIONS
Whether, how much, and in what circumstances to contribute to a shared cost APC scheme **Reg 16(2)e & Reg 16(4)d** An APC is payment of pension contributions to cover a break in pensionable service. If the break in service is an authorised break, for example, the 'no pay' period of maternity leave and the person opts to pay for the break within 30 days from the end of the break, the shared cost APC automatically applies. The shared cost is split two thirds employer, one third scheme member. If the person opts to pay an APC to buy extra pension the shared cost option does not apply.	This discretion will be agreed in exceptional circumstances and after consideration of the costs that would apply
Whether all or some pension benefits can be paid if a member aged 55 or over reduces their hours/grade and continues to work ("flexible retirement") **Reg 30(6) & TPR 11(2)** Flexible retirement means that the member can begin drawing their pension whilst continuing to work but on reduced hours or pay. There will not normally be direct and immediate costs to the employer if the employer agrees to do this, as the member's pension will be reduced accordingly to allow for any early withdrawal, as is the case for any early retirement.	The Council will consider employee requests to take flexible retirement on a case by case basis after taking into factors such as service delivery and any costs that may apply.
Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement **Reg 30(8)** Employers can choose to 'waive' the reduction that would normally apply because the member would be taking their pension early. As the full pension would	The general policy is not to waive the actuarial reduction on flexible retirement however the Council

be being paid for longer, this means that we would expect to pay out more pension in the member's lifetime.	retains the discretion to approve in exceptional circumstances and after consideration of costs
Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age **Reg 30(8)** As above but for early retirement	 The general policy is not to waive the actuarial reduction on flexible retirement however the Council retains the discretion to approve in exceptional circumstances and after consideration of costs
Whether to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £6,500 p.a.) **Reg 31:** Employers are allowed to purchase additional pension on a member's behalf up to a limit which provides additional pension of £6500 per annum. In our experience, we tend to find that this discretion is rarely used but when it is used it is cases of redundancies or compromise agreements etc.	 The general policy is not to agree additional pension however the Council retains the discretion to approve in exceptional circumstances and following approval by the appropriate committee
Whether to "switch on" the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60. **TP Schedule 2 para 2 (2)** The rule of 85 applies to some members who originally joined the LGPS before 2006. It allows members who meet the rule to retire earlier than the normal pension age, taking their pension benefits in full. However, under the LGPS2014 Regulations certain members would lose some of the rule of 85 protections if they wished to draw their pension benefits before 55 and 59. Hence this discretion allows the protections to be re-instated by the employer but this will have cost implications	 The general policy is not to agree to this 'switch on' however the Council retains the discretion to approve in exceptional circumstances and after consideration of costs

Whether to waive any actuarial reduction on pre and/or post April 2014 benefits paid early on compassionate grounds **TP3(1), TPSch 2, paras 2(1) and 2(2), B30(5) and B30A(5)** Employers can choose to 'waive' the reduction that would normally apply because the member would be taking their pension early on compassionate grounds. As the full pension would be being paid for longer, this means that we would expect to pay out more pension in the member's lifetime.	The general policy is not to waive the actuarial reduction on early payment of benefits on compassionate grounds. However the Council retains the discretion to approve in exceptional circumstances and after consideration of costs

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COUNCIL MEETING – 23 FEBRUARY 2017
MINUTES OF COMMITTEE MEETINGS

These Minutes are of Committee meetings taken under delegated powers since the last meeting of Council. The Minutes are for information only and there will be no questions or discussion on the Minutes at the Council meeting.

Please click on the links below to view the Minutes you want to read.

Appeals and Regulatory Committee	7 December 14 December 20 December 18 January
Employment and General Committee	5 December 23 January
Licensing Committee	4 January
Planning Committee	12 December 9 January 30 January
Standards and Audit Committee	23 November

If you require paper copies of the Minutes please contact:

Martin Elliott

Democratic Services, Town Hall, Chesterfield, S40 1LP

Tel: 01246 345236 email: committee.services@chesterfield.gov.uk

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CABINET

Tuesday, 13th December, 2016

Present:-

Councillor Burrows (Chair)

Councillors	T Gilby T Murphy Blank	Councillors	Huckle Serjeant A Diouf
Non Voting Members	Bagley J Innes		Hollingworth Wall

*Matters dealt with under the Delegation Scheme

105 DECLARATIONS OF MEMBERS' AND OFFICERS' INTERESTS RELATING TO ITEMS ON THE AGENDA

No declarations of interest were received.

106 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Brown and Ludlow.

107 MINUTES

RESOLVED –

That the minutes of the meeting of Cabinet held on 29 November, 2016 be approved as a correct record and signed by the Chair.

108 FORWARD PLAN

The Forward Plan for the four month period 1 January, 2017 to 30 April, 2017 was reported for information.

***RESOLVED –**

That the Forward Plan be noted.

109 **DELEGATION REPORT**

Decisions taken by Cabinet Members during October, 2016 were reported.

***RESOLVED –**

That the Delegation Report be noted.

110 **CHESTERFIELD BOROUGH LOCAL PLAN**

The Strategic Planning and Key Sites Manager submitted a report seeking approval for the draft Local Plan to be published so that a six week public consultation on it could commence on 5 January, 2017.

The report noted that the current planning policies which guide development in the borough were set out in the Local Plan Core Strategy, which had been adopted by the council in 2013, as well as some policies saved from the Replacement Chesterfield Borough Local Plan 2006. The Strategic Planning and Key Sites Manager advised that the Core Strategy provided the overall spatial strategy for the borough up to 2031, including housing and employment growth targets, as well as setting out policies for Development Control purposes. Since the Core Strategy was adopted by the Council in 2013, the government had made numerous changes to the planning system including new permitted development rights and the removal of the Code for Sustainable Homes. This had created the opportunity to review and refresh the Core Strategy and other associated policies.

The report included information about how the review had been conducted, as well as its scope. The draft Local Plan was attached as an appendix to the officer's report. The Strategic Planning and Key Sites Manager advised that draft Local Plan would be the subject of a minimum of six weeks public consultation in accordance with the council's adopted Statement of Community Involvement. It was proposed that the consultation period should start on 5 January, 2017.

***RESOLVED –**

1. That the draft Local Plan, and associated material be put forward for public consultation.

2. That the Strategic Planning and Key Sites Manager be delegated authority, in consultation with and with the agreement of the Deputy Leader and Cabinet Member for Planning, to make minor amendments and corrections to the Draft Local Plan and associated material in order to make it ready for public consultation.

REASON FOR DECISIONS

To allow consultation to be undertaken on a draft Local Plan in accordance with the council's published Statement of Community Involvement.

111 GENERAL FUND REVENUE BUDGET SUMMARY

The Director of Finance and Resources provided Cabinet with an update on the development of the General Fund Revenue Budget for 2017/18 and for future years. The report noted that due to uncertainties with regard to variable factors including the level of New Homes Bonus, the Business Rates revaluation and the Provisional Grant Settlement yet to be received, that the forecasts included in the report could change significantly in advance of the final budget that would be presented to Council for consideration in February, 2017.

The latest revised budget for 2016/17 showed a projected deficit of £186,000. The report noted that efforts were being made to eliminate the projected deficit, and that in January 2017 budget holders would be asked again to review their income and spend projections in order to identify further potential savings. The report noted that the use of reserves had increased significantly in 2016/17 in order to finance the upfront costs associated with the agile working required to enable the Town Hall restack scheme to begin, as well as to finance other costs needed to implement more efficient service delivery models across the council that would help to provide savings in future years. The Director of Finance and Resources noted the importance of replenishing the council reserves in order to not only balance the General Fund should this be required, but to also enable future investment in invest to save projects and service improvements.

The report noted that the current budget forecast for 2017/18 was showing a deficit of £62,000. The major challenges for budget setting in 2017/18 would, as in previous years, be delivering savings targets on time and at the required level. The report also included details of the current medium term financial forecasts which showed deficits in all years, increasing as reductions in government funding continued to impact on the council's finances.

The Director of Finance and Resources noted that in advance of the final budget for 2017/18 being agreed by full Council on 23 February, 2017 Cabinet Members and the Corporate Management Team would continue to look for further savings proposals for inclusion in the final budget.

The report did note that some of the council's income streams had increased and that subsidies to some services had as a consequence reduced. The Cabinet Member for Town Centre and Visitor Economy noted that the council's business-like approach to investing in high quality services and facilities was now showing positive financial outcomes.

***RESOLVED –**

1. That the updated budget projections for 2016/17, and future years, be noted.

2. That work continues to refine the draft estimates and to develop budget saving proposals.

REASON FOR DECISIONS

To keep Members informed on the development of the budget proposals for 2017/18 and to provide an update on the medium term financial forecasts.

112 LEADER AND CABINET MEMBER FOR REGENERATION REVENUE BUDGET 2016/17 - 2021/22

The Director of Finance and Resources reported on the draft Revenue Budget outturn for 2016/17 and explained significant variances from the original budget.

Details of the draft budget for 2017/18 were also provided.

***RESOLVED –**

1. That the probable outturn for the current financial year be noted.

2. That the draft estimates for 2017/18 and future years be noted.

REASON FOR DECISIONS

To enable the Council to set a balanced budget for 2017/18.

113 **DEPUTY LEADER AND CABINET MEMBER FOR PLANNING REVENUE BUDGET 2016/17 - 2021/22**

The Director of Finance and Resources reported on the draft Revenue Budget outturn for 2016/17 and explained significant variances from the original budget.

Details of the draft budget for 2017/18 were also provided.

***RESOLVED –**

1. That the probable outturn for the current financial year be noted.

2. That the draft estimates for 2017/18 and future years be noted.

REASON FOR DECISIONS

To enable the Council to set a balanced budget for 2017/18.

114 **CABINET MEMBER FOR BUSINESS TRANSFORMATION REVENUE BUDGET 2016/17 - 2021/22**

The Director of Finance and Resources reported on the draft Revenue Budget outturn for 2016/17 and explained significant variances from the original budget.

Details of the draft budget for 2017/18 were also provided.

***RESOLVED –**

1. That the probable outturn for the current financial year be noted.

2. That the draft estimates for 2017/18 and future years be noted.

REASON FOR DECISIONS

To enable the Council to set a balanced budget for 2017/18.

115 CABINET MEMBER FOR GOVERNANCE REVENUE BUDGET 2016/17 - 2021/22

The Director of Finance and Resources reported on the draft Revenue Budget outturn for 2016/17 and explained significant variances from the original budget.

Details of the draft budget for 2017/18 were also provided.

***RESOLVED –**

1. That the probable outturn for the current financial year be noted.

2. That the draft estimates for 2017/18 and future years be noted.

REASON FOR DECISIONS

To enable the Council to set a balanced budget for 2017/18.

116 CABINET MEMBER FOR HEALTH AND WELLBEING REVENUE BUDGET 2016/17 - 2021/22

The Director of Finance and Resources reported on the draft Revenue Budget outturn for 2016/17 and explained significant variances from the original budget.

Details of the draft budget for 2017/18 were also provided.

***RESOLVED –**

1. That the probable outturn for the current financial year be noted.

2. That the draft estimates for 2017/18 and future years be noted.

REASON FOR DECISIONS

To enable the Council to set a balanced budget for 2017/18.

117 CABINET MEMBER FOR HOUSING HOUSING GENERAL FUND REVENUE BUDGET 2016/17 - 2021/22

The Director of Finance and Resources reported on the draft Revenue Budget outturn for 2016/17 and explained significant variances from the original budget.

Details of the draft budget for 2017/18 were also provided.

***RESOLVED –**

1. That the probable outturn for the current financial year be noted.

2. That the draft estimates for 2017/18 and future years be noted.

REASON FOR DECISIONS

To enable the Council to set a balanced budget for 2017/18.

118 CABINET MEMBER FOR TOWN CENTRE AND VISITOR ECONOMY REVENUE BUDGET 2016/17 - 2021/22

The Director of Finance and Resources reported on the draft Revenue Budget outturn for 2016/17 and explained significant variances from the original budget.

Details of the draft budget for 2017/18 were also provided.

***RESOLVED –**

1. That the probable outturn for the current financial year be noted.

2. That the draft estimates for 2017/18 and future years be noted.

REASON FOR DECISIONS

To enable the Council to set a balanced budget for 2017/18.

119 LOCAL COUNCIL TAX SUPPORT SCHEME 2017/18

The Director of Finance and Resources submitted a report seeking approval for the Local Council Tax Support (CTS) Scheme for the next financial year (2017/18).

The Director of Finance and Resources advised that the scheme being recommended for adoption in respect of the next financial year (2017/18) was unchanged from that in 2016/17.

***RESOLVED –**

That it be recommended to Full Council that:

1. approval is given to continue with the current Local Council Tax Support Scheme for 2017/18. The scheme is based on The Council Tax Reduction Scheme England Regulations 2012 amended to reflect the following local decisions concerning the key principles of the scheme:

    - For those of working age the maximum amount of Council Tax that will be eligible for reduction is 91.5% of their full Council Tax Liability.

    - The Council continues its policy of disregarding war pensions for the purposes of calculating income in respect of the Council Tax Support Scheme.

    - The ‘taper’, i.e. the rate at which support is withdrawn as income increases be maintained at 20%.

2. the Director of Finance and Resources be granted delegated powers to update the 2017/18 scheme to reflect such up-ratings of premiums, allowances and non-dependent deductions as may be determined by the Department of Work and Pensions, and for other minor technical which may be required.

3. the current local council tax discounts, which were originally implemented in 2013/14, be continued.

REASON FOR DECISIONS

To ensure that the Council is able to continue to operate a localised scheme providing council tax support from April 2017.

120 HOME & COMMUNITIES AGENCY (HCA) ANNUAL REPORT TO TENANTS

The Housing Services Manager submitted a report on the draft Annual Report 2015/2016 to Tenants, as required by the Homes and Communities Agency (HCA). A copy of the text of the Annual Report was attached as an appendix to the officer's report

The Annual Report included details of the Housing Services' performance in 2015/16 against the HCA's standards and also made comparisons with previous years' performance. The report also set out the performance targets and details of service improvements (Local Offers) planned for the following year, 2016/17.

***RESOLVED –**

1. That the Annual Report to tenants be approved and published on the council's website

2. That an article is published in the December edition of the 'Our Homes' newsletter directing tenants to view the report on the council's website but also giving them the option of requesting a hard copy.

REASON FOR DECISIONS

To comply with regulatory requirements.

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CABINET

Tuesday, 24th January, 2017

Present:-

Councillor Burrows (Chair)

Councillors	T Gilby Bagley Blank A Diouf	Councillors	Huckle P Gilby Serjeant
Non Voting Members	Catt Dickinson		J Innes

*Matters dealt with under the Delegation Scheme

121 DECLARATIONS OF MEMBERS' AND OFFICERS' INTERESTS RELATING TO ITEMS ON THE AGENDA

No declarations of interest were received.

122 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Ludlow.

123 MINUTES

RESOLVED –

That the minutes of the meetings of Cabinet held on 6 and 13 December, 2016 be approved as a correct record and signed by the Chair.

124 FORWARD PLAN

The Forward Plan for the four month period 1 February to 31 May, 2017 was reported for information.

***RESOLVED –**

That the Forward Plan be noted.

125 MINUTES OF THE SHEFFIELD CITY REGION COMBINED AUTHORITY

The Minutes of the meetings of the Sheffield City Region Combined Authority held on 12 September, 24 October and 5 December, 2016 were reported for information.

***RESOLVED –**

That the Minutes be noted.

126 ANNUAL HOUSING REVENUE ACCOUNT RENT AND SERVICE CHARGE INCREASE

In accordance with the Local Government and Housing Act 1989, the Housing Manager and the Director of Finance and Resources submitted a report setting out proposed increases in Council house rent and service charge levels for 2017/18.

In 2012 the Council had entered into a Housing Revenue Account (HRA) self-financing agreement, and as a consequence was required to produce a HRA Business Plan that was financially viable, delivered reasonable standards for tenants and maintained properties to at least the minimum Decent Homes Standard. The report noted that in March, 2016 the Welfare Reform and Work Act 2016 had introduced rent policy within legislation for the first time. This had meant that from April, 2016, and in each year up to April 2020, Chesterfield Borough Council housing rents for existing tenants had to decrease by 1% from the chargeable rent for each individual property as they had been at, as on 8 July 2015.

The Housing Manager noted that with the role out of Universal Credit to all claimants in Chesterfield during 2017/18 the Housing Benefit element would no longer be paid directly to the council on a weekly basis but would instead be paid directly to tenants. This would be paid four weekly in arrears with responsibility for the payment of the rent to the council being with the tenant. As Universal Credit would be paid on a 52 week basis it was recommended that rent collection by the council should change from a 48 to a 52 week basis so to ensure that tenants would have sufficient income to pay their rent. The report noted that tenant consultation would take place on this and other proposed changes to the tenancy agreement during 2017/18.

The Housing Manager's report also outlined proposed increases to the Housing Revenue Account Service Charges for tenants. Increases to service charges were only proposed to ensure that the charges made covered the cost of providing the service.

***RESOLVED –**

1. That for 2017/18 individual social rents be set based on the current National Social Rent Policy, giving a cash rent decrease of 1.0% with effect from 3 April 2017.

2. That for 2017/18 and onwards, where a social rent property is re-let to a new or transferring tenant, the rent level be increased to the target rent for that property.

3. That for 2017/18 individual affordable rents be set based on the current National Social Rent Policy, giving a cash rent decrease of 1.0% with effect from 3 April 2017.

4. That for 2017/18 and onwards, where an affordable rent property is re-let to a new or transferring tenant the rent level be set by reference to 80% of the market rent for a similar property at the time of re-letting.

5. That from 3 April, 2017;

    I. heating service charges for Sheltered Schemes are increased from an average of £18.13 to £18.49 per week.

    II. garage rents are increased from £6.22 to £6.72 per week.

    III. that the annual rental charges for garage sites are increased as below:

        - Shale sites from £42.50 to £45.90
        - Asphalt sites from £53.50 to £57.80
        - Other sites from £58.50 to £63.20

    IV. Tenants Metered Water Charges are increased on average from £3.70 to £3.77 per week.

V. the weekly charges for the Garden Assistance Scheme are increased as below:

- Grass cutting and hedges from £4.45 to £4.70
- Grass only from £3.15 from £3.30
- Hedges only from £1.30 to £1.40

VI. the Sheltered Scheme service charge is increased from £12.57 to £12.78 per week.

VII. there is no increase in the Sheltered Scheme support charge.

VIII. the weekly charges for the Careline service (inclusive of equipment rental) are increased as below:

- Monitor and Response, £5.50 to £6.00
- Monitor, Response and support service, £8 to £8.50

IX. hire rates for Community Rooms be charged at a rate of between £8 and £20 for a 4 hour slot, dependent on the nature of the group hiring the room.

X. the weekly charge for communal staircase cleaning is increased from £1.74 to £2.10.

XI. the Tenant Home Contents Insurance Premium Tax is increased from 9.5% to 10%.

6. That from no later than 1 April, 2018 the council moves from collecting rent from a 48 to a 52 week basis, and that tenant consultation on this and other changes to the tenancy agreement takes place during 2017/18.

REASONS FOR DECISIONS

1. To enable the council to set the level of council house rents in accordance with Government guidelines.

2. To enable the council to set service charges for 2017/18 and to ensure that the cost of delivering services continues to break even.

3. To contribute to the council’s Corporate Priority ‘To improve the quality of life for local people’.

127 COLLECTION FUND REVISED ESTIMATES 2016/17

The Director of Finance and Resources presented the Collection Fund revised estimates for 2016/17. An estimated surplus of £367,981 on the Council Tax elements of the Collection Fund was expected.

Proposals were made about the allocation of the estimated surplus between the major precepting authorities (Derbyshire County Council, Fire and Police Authorities). These authorities would be able to take this surplus into account when calculating their Council Taxes for the financial year 2017/18.

***RESOLVED –**

That the estimated surplus on the Council Tax Collection Fund for 2016/17 of £367,981 be approved and allocated to the major precepting authorities as detailed at Appendix A of the Director of Finance and Resources’ report.

REASON FOR DECISION

To fulfil a statutory requirement and to feed into the budget setting process for 2017/18.

128 LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC

RESOLVED –

That under Regulation 21(1)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000, the public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972 – as they contained information relating to

3. information relating to financial and business affairs.

129 DISPOSAL OF 29 COBDEN ROAD

The Housing Manager submitted a report seeking approval to dispose of 29 Cobden Road, Chesterfield, as well as of the adjacent garage site.

The Housing Manager noted that over time the council had acquired a number of miscellaneous residential properties which had been held within the Housing Revenue Account and managed by the Housing Service. These properties were not ‘traditional’ council houses, in that they were not situated on the large municipal estates and had had a variety of uses over the years. The property at 29 Cobden Road had previously been used as accommodation by a supported housing provider, but had been empty since 2013. The reported noted that despite efforts to offer the property to other supported housing providers, due to Derbyshire County Council significantly cutting supported housing budgets the property was no longer viable for a provider to take on and use as supported housing.

The report included details of the alternative options for the site which had been considered and subsequently rejected; including leasing to another supported housing provider, refurbishment and subsequent sale as well as appropriation in to the Housing General Fund. It was recommended that the option that offered the best value for the council, and which would maximise the amount of the capital receipt realised for investment in the Housing Capital Investment Programme, was to sell the property on the open market. The report also recommended that that the adjacent garage site should also be sold. The alternative option for the garage site of investing in essential improvements to the garages had been discounted due to the high costs of the required improvement works and also the low level of returns offered by this option.

***RESOLVED –**

1. That the Housing Manager be authorised to dispose of 29 Cobden Road, Chesterfield.

2. That the Housing Manager be authorised to dispose of the garage site adjacent to 29 Cobden Road, Chesterfield and that there be an overage clause included in the terms of the sale to ensure that the council retains an interest in any future development value of the site.

REASONS FOR DECISIONS

1. To manage the council's Housing assets effectively and to support the Housing Capital Development programme.

2. To contribute to the Council's Priorities - 'to improve the quality of life for local people' and 'to provide value for money services'.

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CABINET

Tuesday, 7th February, 2017

Present:-

Councillor Burrows (Chair)

Councillors	T Gilby Bagley Blank A Diouf	Councillors	Huckle P Gilby Ludlow Serjeant
Non Voting Members	Catt		J Innes

*Matters dealt with under the Delegation Scheme

130 DECLARATIONS OF MEMBERS' AND OFFICERS' INTERESTS RELATING TO ITEMS ON THE AGENDA

No declarations of interest were received.

131 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Dickinson.

132 MINUTES

RESOLVED –

That the minutes of the meeting of Cabinet held on 24 January, 2017 be approved as a correct record and signed by the Chair.

133 FORWARD PLAN

The Forward Plan for the four month period 1 March to 30 June, 2017 was reported for information.

***RESOLVED –**

That the Forward Plan be noted.

134 **DELEGATION REPORT**

Decisions taken by Cabinet Members during December, 2016 and January, 2017 were reported.

***RESOLVED –**

That the Delegation Report be noted.

135 **LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC**

RESOLVED –

That under Regulation 21(1)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000, the public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972 – as it contained information relating to information relating to financial and business affairs.

136 **NORTHERN GATEWAY - PROGRESS REPORT ON NEGOTIATIONS FOR THE REDEVELOPMENT OF THE FORMER CO-OP BUILDING**

The Economic Development Manager and the Northern Gateway Project Manager presented a report to update members on the outcome of commercial negotiations with Jomast Developments with regard to the redevelopment of the former Coop building in Chesterfield.

On 27 July, 2016 Full Council had approved proposals support the re-development of the former Co-op building and had delegated authority to the Chief Executive, Leader of the Council and Chief Finance Officer, in conjunction with the Economic Growth Manager to finalise the necessary legal agreements (Minute No.17 2016/17). The Northern Gateway Project Manager advised that after approval being given by Full Council further commercial negotiations had taken place which had significantly amended the terms of the original legal agreements, the revised terms were considered acceptable but required further resolutions to be sought from Cabinet and Full Council.

The report noted that the redevelopment of the former Coop building was an integral part of the Northern Gateway Scheme and an essential component of the council's town centre master plan. The Northern Gateway Project Manager advised that Chesterfield currently lacked a family orientated restaurant offer, and the planned redevelopment would therefore broaden the appeal of the town centre as a 'destination' and would help to attract new visitors and shoppers to the town.

***RESOLVED –**

That it be recommended to Full Council:

1. That the progress being made in delivering the Northern Gateway scheme be noted.

2. That the preferred way forward to expedite the re-development of the former Co-op building, as detailed at section three of the officer's report, be approved.

3. That authority be delegated to the Cabinet Member for Economic Growth in consultation with the Director of Finance and Resources and the Economic Growth Manager to finalise the terms of the agreement with Jomast developments.

REASON FOR DECISIONS

To ensure the redevelopment of the former Co-op Building on Elder Way proceeds in a way that fits with Chesterfield Borough Council's SCRIF delivery programme, and in doing so, realise the physical, social and economic benefits of the development and stimulate investor confidence in Chesterfield town centre.

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JOINT CABINET AND EMPLOYMENT & GENERAL COMMITTEE

Tuesday, 10th January, 2017

Present:-

Councillor T Gilby (Vice-Chair in the Chair)

Councillors	Ludlow	Councillors	Simmons
	Bagley		Davenport
	Serjeant		A Diouf
	J Innes		P Gilby
	Elliott		
Non-Voting Members	Dickinson		
	Catt		

*Matters dealt with under the Delegation Scheme

25 DECLARATION OF MEMBERS' AND OFFICERS' INTERESTS RELATING TO ITEMS ON THE AGENDA

No declarations of interest were received.

26 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Burrows and Huckle.

27 MINUTES

RESOLVED –

That the Minutes of the meeting of the Joint Cabinet and Employment and General Committee of 1 November, 2016 be approved as a correct record and signed by the Chair.

28 LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF PUBLIC

RESOLVED –

That under Regulation 21 (1)(b) of the Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2000, the public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in the following Paragraphs of Part 1 of Schedule 12A to the Local Government Act 1972 – Paragraphs 1 and 4, on the grounds that it contained information relating to individuals and to consultations or negotiations in connection with any labour relations matter arising between the authority and employees of the authority.

29 POLICY AND COMMUNICATIONS RESTRUCTURE AND THE DEMOCRATIC SERVICES AND ELECTIONS SECTION WITHIN THE DIRECTORATE OF RESOURCES - PHASE 2 - POLICY, COMMUNICATIONS AND DEMOCRATIC SERVICES

The Policy and Communications Manager submitted a report recommending for approval a new employee structure which combined the current Policy and Communications Service with the Democratic Services section within the Directorate of Resources.

The Joint Cabinet and Employment and General Committee had approved phase 1 of the restructure on 1 November, 2016 which established a new Elections section within the Directorate of Resources. Recruitment to the posts of Electoral Services Manager and Elections Officer had been completed but recruitment to the permanent Elections Assistant post would be delayed pending phase 2 of the restructure as it offered potential suitable alternative employment for displaced employees.

The proposed changes in phase 2 of the restructure involved merging the Democratic Services section with the Policy and Communications Service. The new employee structure had been developed to support the aims and objectives of the Council’s Workforce Strategy and sought to deliver improved quality, efficiency, flexibility and resilience. The restructure also addressed succession planning concerns, provided improved collaboration opportunities across the service and a re-designed Member and Civic Support team to provide more efficient and effective support to members and the mayoralty.

The report outlined the consultations that had taken place with affected employees, trade unions and other key stakeholders; and provided details of the financial, human resources and people management implications.

Alternative along with their reasons for rejection were also included in the report.

***RESOLVED –**

1. That Phase 2 of the restructure of the Policy and Communications service and the Democratic Services and Elections section, which proposes a revised structure for the Policy and Communications service and Democratic Services, be approved.

2. That the Policy and Communications Manager in consultation with the HR Manager be authorised to make appointments to the revised structure.

REASON FOR DECISIONS

To deliver effective corporate services to meet the changing needs of the Council.

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OVERVIEW AND PERFORMANCE SCRUTINY FORUM

Tuesday, 10th January, 2017

Present:-

Councillor P Innes (Chair)

Councillors	Borrell	Councillors	Flood
	Callan		Sarvent
	Derbyshire		Caulfield
	Dyke		

Anita Cunningham, Policy and Scrutiny Officer
James Drury, Executive Director +++
Martin Elliott, Committee and Scrutiny Co-ordinator
Martin Key, Health and Wellbeing Manager ++
Rachel Lenthall, Committee and Scrutiny Co-ordinator
Rachel O’Neil, Customers, Commissioning and Change Manager +
Esther Thelwell, Senior Environmental Health Officer ++

+ Attended for Minute No. 40
++ Attended for Minute No. 41
+++ Attended for Minute No. 40 and 41
++++ Attended for Minute No. 42

38 DECLARATIONS OF MEMBERS' AND OFFICERS INTERESTS RELATING TO ITEMS ON THE AGENDA

No declarations of interest were received.

39 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors J Barr and Perkins.

40 CABINET MEMBER FOR BUSINESS TRANSFORMATION - GREAT PLACE, GREAT SERVICE PROGRESS REPORT

The Customers, Commissioning and Change Manager and Executive Director, James Drury, attended to provide members with a progress update on the Great Place, Great Service (GP:GS) transformation programme.

The Customers, Commissioning and Change Manager began with an introduction to the programme which had been reviewed and revised in December 2015. The programme was based on 6 key pillars and members were informed of the progress made for each pillar along with plans for the next 6 months. The key points for each pillar were:

Customer Service Delivery – There had been improvements to the rent collection process and public website. Developments had been made in procurement, Resource Link and the customer charter. The Customer Service Excellence accreditation had been retained and the support services review was underway. The next steps would be to develop and implement a Customer Services delivery plan.

Workforce Development – The pay and reward project and living wage had been implemented and occupational health drop in sessions had started. The E-Learning system was in development and the Investors in People (IIP) review had been completed. In the next 6 months the apprentice programme would be implemented, there would be improvements to leadership skills and capabilities, and work undertaken towards IIP re-accreditation.

Members asked if physio appointments for staff had been considered as part of the Occupational Health review. The Customers, Commissioning and Change Manager advised that the review had been done in consultation with COPE, the occupational health services provider, who had provided the recommendations, however members' comments would be fed back to the HR group.

ICT Development – The Council's new intranet, aspire, had been implemented and was increasingly used. Wi-Fi had been implemented in key public access buildings and the roll out of laptops and tablets for agile working was on-going. The Information Assurance Manager had been recruited and the Information Governance Framework and corresponding security policies developed. A digital strategy was in development along with some improvements to the ICT infrastructure and mobile telephony contract. The Public Services Network accreditation and annual ICT health check would take place in the coming months and there would be a complete contractual review of the Public Private Partnership contract.

Members recognised the need for significant work to the ICT core infrastructure and advised that they were still experiencing problems with ModGov and emails on their Ipads. James Drury advised that he would raise these issues with ICT.

Estate Rationalisation – Chesterfield Borough Council had continued to be a key partner in One Public Estate activity. The electronic property information mapping service (Epims) had been completed and the data was available to ward members. Derbyshire County Council's Register Office would relocate to the Town Hall from September 2017 as part of the Town Hall refurbishment project. The next steps would involve the development of a detailed asset management plan and the commencement of work on the museum store.

Commercialisation – The Commercial Strategy had been approved and training procured. Commercialisation work had been undertaken in the building service and Market Hall catering; in addition, work to establish authority owned companies for the crematorium and building control had begun. In the next 6 months the commercial work programme would be implemented and work to reduce the subsidies in Venues and Leisure by increasing income would take place.

Following the government's announcement of the locations of 14 planned Garden Village developments, members asked if there would be one built near Chesterfield. The Executive Director replied that Chesterfield had applied for one near Staveley but had been rejected. In relation to the commercialisation of the building service, members asked if greater clarity could be made of the services the council offers. The Customers, Commissioning and Change Manager advised that this would be fed back.

Development and Implementation of a Target Operating Model – The Target Operating Model had been developed and a Project Monitoring Office (PMO) had been implemented to track and manage change across the council. The PMO process would be embedded and member agreement would be sought on the new ways of working for the museum and venues.

The Customers, Commissioning and Change Manager advised that the GP:GS programme remained complex and faced some challenges due to limited resources. She added that it was important to communicate to the whole council that the Town Hall refurbishment was only one part of the GP:GS programme.

Members thanked the Customers, Commissioning and Change Manager and the Executive Director for attending and providing the update.

RESOLVED –

1. That the progress report be noted.

2. That the progress achieved and the planned work be supported.

3. That further progress be brought to the Overview and Performance Scrutiny Forum in 6 months' time.

4. That members take any issues arising from the GP:GS update to the work programme action planning day on 1 February, 2017, or alternatively notify the Policy and Scrutiny Officer to feed into the work programming process.

41 **CABINET MEMBER FOR HEALTH AND WELLBEING - REPORT FROM THE HEALTH AND WELLBEING MANAGER ON THE HEALTH AND WELLBEING STRATEGY**

The Health and Wellbeing Manager and Senior Environmental Health Officer attended to provide members with an update on the Health and Wellbeing strategy and changes to Public Space Protection Orders (PSPOs).

Health and Wellbeing Strategy

The Health and Wellbeing Manager began by advising members of the factors which influence health. Historically, the emphasis had been put on NHS treatment to improve health; however there had since been a shift of focus to lifestyle issues and living environments. Creating more jobs and utilizing the Council's controls on housing and planning were seen as key drivers behind making improvements to public health in targeted areas.

The Health and Wellbeing Manager explained the 7 domains of deprivation which make up the indices of multiple deprivation. Chesterfield's position amongst the English local authority districts included in the indices of multiple deprivation had worsened since 2010.

The deprivation figures were divided into 32,844 Lower Layer Super Output Areas (LSOAs) and more of Chesterfields LSOA's fell within the top 10% of most deprived areas in England than in 2010. From these figures, the Health and Wellbeing Manager summarised that the inequality gap in Chesterfield was widening.

The Health and Wellbeing Manager provided a summary of the health profile of Chesterfield borough residents. Key areas of concern included the number of children living in low income families and the number of children in Year 6 that were classified as obese. There were increasing gaps in life expectancy in the most deprived areas compared to the least deprived areas. In addition, a number of other health issues were significantly worse than the England average.

The Council was looking at various ways to drive improvements in health and wellbeing, these included providing fit and proper housing, maintaining good partnerships with other local authorities and outside bodies, and focussing on improving general activity. The development of the strategy must fit within existing health and wellbeing policies and align with the Council plan priorities. To support the development of the strategy, a Chesterfield Health and Wellbeing Partnership was set up 18 months ago which aligns its priorities with the Derbyshire Health and Wellbeing Board and other local partners.

The Health and Wellbeing Manager highlighted the key areas where improvements were being driven. These included obesity in children, inactivity, prevention of falls to reduce hip fractures and reductions in alcohol intake.

Members had concerns that under 25s caught drinking in an alcohol free zone were no longer taken to the GP for help. The Health and Wellbeing Manager advised that in some PSPO areas, the police had trialled offering a course on alcohol instead of a conviction. In addition, it could be possible to enforce a reduction in licensed hours under an Early Morning Restriction Order (EMRO). Members felt that this would not address the problems with people pre-loading with alcohol before going out. The Health and Wellbeing Manager replied that there would be opportunities to work with the licensed trade to prevent the sale of alcohol to intoxicated people.

Members felt that there needed to be community led approach however the current community work needed improving. The Health and Wellbeing

Manager replied that community work takes a long time to establish and a community group was ready to start work in Barrow Hill along with plans to set up a cluster in Staveley. There would be an evaluation of the projects before rolling them out in other areas.

Members suggested that more well-paid jobs were needed as people in low-waged jobs may not earn enough. The Executive Director added that there was partnership working taking place with employers and the college to boost the types of employment opportunities available.

Members raised concerns about care homes closing down and asked if there were any statistics on the amount that had ceased to operate. The Health and Wellbeing Manager advised that he would report back to members when he had that information.

PSPOs

The Senior Environmental Health Officer attended to provide members with an update on the development of a new PSPO to provide for enhanced dog control. The Health and Wellbeing Manager also outlined options for updating the existing Designated Public Place Order (DPPO) to extend controls on street drinking and related anti-social behaviour.

There were currently 6 dog control orders adopted by the Council in locations across the borough. As part of the review on the introduction of a new PSPO for dog control, the number of complaints for dog fouling, dogs off lead and dogs causing alarm or distress were analysed. In addition, a public consultation based on the current dog control orders was carried out from Monday 26 September to Friday 4 November, 2016. The consultation showed support for the current controls as well as the proposal for three new offences under PSPOs. Before implementation, further consideration would be given to the areas where the PSPO would be enforced, as well as the additional costs incurred.

Members were concerned that the current signs were too small and the new signs needed to be bigger. There were also issues with dog dirt being found on football pitches used by junior teams. The Senior Environmental Health Officer advised that football pitches were being considered as part of the PSPO.

The Health and Wellbeing Manager informed members of the options to use a PSPO instead of a Designated Public Place Order (DPPO) to give the police extra powers to tackle anti-social behaviour and drinking. Consideration of the options was still at an early stage and a further meeting with key stakeholders and partners would take place to develop a new PSPO, followed by a consultation period.

Members thanked the Health and Wellbeing Manager and Senior Environmental Health Officer for attending and providing the update.

RESOLVED –

1. That the progress report on the Health and Wellbeing Strategy be noted and supported.

2. That further progress on the Health and Wellbeing Strategy be brought to the Overview and Performance Scrutiny Forum in 6 months' time.

3. That the progress report in respect of dog controls under a new PSPO be noted.

4. That the results of the public consultation on dog controls and the next steps in respect of dog controls under a new PSPO be noted.

5. That the early discussions on possible changes to the street drinking controls and proposed next steps be noted.

6. That members take any issues arising from the updates on the Health and Wellbeing Strategy and PSPOs to the work programme action planning day on 1 February, 2017, or alternatively notify the Policy and Scrutiny Officer to feed into the work programming process.

42 **<u>SCRUTINY PROJECT GROUP PROGRESS UPDATES</u>**

The Committee and Scrutiny Co-ordinator, Martin Elliott, provided a report which reviewed and evaluated the Scrutiny Project Group on Concessions on Fees and Charges.

The project group's report was considered by Cabinet on 12 January, 2016 and all the recommendations had been approved. In accordance with the recommendation, an officer and member working group was established in May 2016 to devise a corporate concessions policy. The corporate concessions policy was approved by Cabinet in November, 2016 and all of the project group's recommendations had been implemented.

The Committee and Scrutiny Co-ordinator advised that in order to complete the review in a timely manner, the following key factors were instrumental in the project group's approach:

- Linking the project with the council's priorities and vision;
- Being results focussed;
- Referring back to the project scope throughout the review;
- Ensuring that all of the objectives set out in the initial project scope are "SMART";
- Distributing the research activity workload evenly between all members of the project group;
- Holding regular project group meetings;
- Focussing project group meetings on achieving objectives;
- Involving the relevant Cabinet Members from the outset;
- Using effective organisational and time management skills;
- Having good communication between the group members, the project group lead and officers throughout the project, and between the project group lead, the Committee and Scrutiny Co-Ordinator and the Policy and Scrutiny Officer during the report writing and decision making process;
- Maintaining the availability of dedicated officer support to the project group throughout the entire process.

Members felt that the report provided an accurate evaluation of the project and emphasized that each project needed to have a clear focus. Members thanked the Committee and Scrutiny Co-ordinator for attending and providing the report.

RESOLVED –

1. That the review and evaluation of the Scrutiny Project Group on Concessions on Fees and Charges be noted for future Scrutiny Project Group work.

2. That the review into Concessions on Fees and Charges be agreed as complete and removed from the Monitoring Schedule.

43 **SCRUTINY MONITORING**

The Scrutiny Monitoring Schedule was considered by the Forum.

RESOLVED –

1. That the Monitoring Schedule be approved.

2. That the following items be removed from the Monitoring Schedule:

    - OP4 Review into External Communications
    - OP5 ICT Developments (under Great Place, Great Service)
    - OP6 Services Fees and Charges Concessions

44 FORWARD PLAN

RESOLVED –

That the Forward Plan be noted.

45 WORK PROGRAMME FOR THE OVERVIEW AND PERFORMANCE SCRUTINY FORUM

The Policy and Scrutiny Officer advised that the first scrutiny work programme action planning day would be on 1 February, 2017 which would give all members the opportunity to raise items for consideration. Members were asked to encourage all members to attend the work programming days.

RESOLVED –

That the work programme be approved.

46 JOINT OVERVIEW AND SCRUTINY

The Policy and Scrutiny Officer advised Members that there had been no meetings of the Joint Overview and Scrutiny Panel due to changes taking place in the partnership working arrangements with North East Derbyshire District Council and Bolsover District Council. The Joint Board currently oversee two partnership arrangements, Internal Audit and Building Control, however Building Control had been undergoing a transformation project to become a unified Derbyshire-wide service operated as a limited company. In response to a member's question, the Policy and Scrutiny

Officer was not aware that the Joint Overview and Scrutiny Panel had looked into the matter of air pollution.

RESOLVED –

That the update be noted.

47 OVERVIEW AND SCRUTINY DEVELOPMENTS

The Policy and Scrutiny Officer advised Members that the Members Development Working Group had supported the proposals of offering training on procurement and questioning skills. The procurement training would take place on 19 January, 2017 and be delivered in house, all members had been invited to attend the training. The arrangements for the questioning skills training were still being developed.

RESOLVED –

That the update be noted.

48 MINUTES

RESOLVED –

That the Minutes be approved as a correct record and signed by the Chair.

ENTERPRISE AND WELLBEING SCRUTINY COMMITTEE

Tuesday, 6th December, 2016

Present:-

Councillor P Gilby (Chair)

Councillors	Perkins	Councillors	Catt
	Callan		Sarvent
	Dyke		V Diouf
	Bellamy +++		
	Serjeant ++		

Alison Craig, Housing Manager +
Anita Cunningham, Policy and Scrutiny Officer
Trevor Durham, Licensing Manager +++
Martin Elliott, Committee and Scrutiny Coordinator
Michael Rich, Executive Director ++

+ Attended for Minute No.38
++ Attended for Minute No.39
+++ Attended for Minute No.41

36 DECLARATIONS OF MEMBERS' AND OFFICERS' INTERESTS RELATING TO ITEMS ON THE AGENDA

No declarations were received.

37 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Derbyshire.

38 CABINET MEMBER FOR HOUSING - PROGRESS REPORT ON HOUSING POLICY AND THE HOUSING REVENUE ACCOUNT BUSINESS PLAN

The Housing Manager attended to provide a progress report on Housing Policy and the development of the Housing Revenue Account (HRA) Business Plan.

The Housing Manager advised that all the policies that had been announced in the 2015 Summer Budget including the reduction in social housing rents by 1% for 4 years, the freeze on working age benefits including the Local Housing Allowance, and the requirement on local authority housing providers to dispose of higher value assets, had now been enacted. It was noted however that the “Pay to Stay” policy where households with an income over £31,000 would have to pay market, or near market rent, with difference to the social rent being returned to Treasury, had now been made discretionary.

The Housing Manager reiterated that despite the self-financing arrangement that had begun in 2012 these changes would have a significant impact on the delivery of housing services in Chesterfield and the financial viability of the HRA Business Plan. These changes had created a situation where there had had to be a fundamental look at how the Business Plan would be managed in the future to ensure that it remained both sustainable and financially viable. In order to facilitate the review of the HRA Business Plan a steering group had been established in order to look at, and find ways, to fill revenue gaps in the HRA and to put forward a revised business plan. The steering group was comprised of Officers and Members including Councillor Perkins as the Scrutiny representative, with Councillor T Murphy the Cabinet Member for Housing, Chairing the meetings. The steering group had also been working in conjunction with the tenants sub-group.

The Housing Manager outlined the full list of recommendations that the steering group would be recommending to Cabinet for inclusion in the HRA Business Plan. These included:

Rents and Recovery

- Moving to a 52 week rent year and removing ‘rent free’ weeks to match universal credit payments and also to encourage a regular payment culture.
- Encouraging tenants in receipt of universal credit to arrange direct payment to landlord to prevent them from falling into arrears.

Voids and Lettings

- Decorating and carpeting difficult to let properties, instead of issuing decorating vouchers to make the properties more appealing to potential tenants.

- Marketing properties via Rightmove/Zoopla/Social Media/ Voluntary Sector in order to compete with the private rented sector and to encourage applications from working tenants who may have not previously considered council housing.
- Leasing blocks of flats to other local authorities with full maintenance responsibilities.

Repairs and Maintenance

- Reviewing tenant repairing obligations e.g. Tenants taking more responsibility for own repairs and damage.
- Charging tenants where they fail to keep an appointment for a repair.

The proposals had been created after a high level of tenant involvement and consultation and it was noted that many of the more difficult and challenging proposals had been suggested by tenants. The Housing Manager emphasised that all the financial assumptions used in drafting the new HRA Business Plan, as well as all the mitigating measures proposed needed to be realised in order for the HRA Business Plan to be viable into the future.

Members asked several questions about the proposals and areas for savings including how much was being spent on “responsive repairs” by the council. The Housing Manager advised that the current cost of responsive repairs was around £1000 for each property each year. This figure was well above the amount spent on responsive repairs by other authorities and as there needed to be £1.5 million saved from the repairs budget over the next three years responsive repairs was a key area for savings to be realised. Members also asked about the introduction of fixed term tenancies. The Housing Manager advised that fixed term tenancies had previously been discretionary but were now mandatory, however the legislation stated that the length of a fixed term was “up to 10 years” so there was some flexibility in how fixed term tenancies were implemented.

The Housing Manager also provided details to the committee regarding the recent meeting between the Leader, the Cabinet Member for Housing and the Housing Manager with the Housing Minister in Westminster which had been arranged by Chesterfield MP, Toby Perkins. Members thanked the Housing Manager for attending to provide the progress report and for answering their questions.

RESOLVED –

1. That the progress report be noted.

2. That Chesterfield MP, Toby Perkins be thanked for arranging the meeting of the Leader, the Cabinet Member for Housing and the Housing Manager with the Housing Minister.

3. That the recommendations to Cabinet made by the Steering Group for inclusion in the Housing Revenue Account Business Plan regarding Rents and Rent Recovery, Voids and Lettings and Repairs and Maintenance, be supported.

4. That any further comments or questions from members regarding the recommendation made by the steering group be directed to Councillor Perkins as the Scrutiny Committee's representative on the steering group.

5. That further progress reports on Housing Policy and the Housing Revenue Account Business Plan be brought to the Enterprise and Wellbeing Scrutiny Committee as required.

39 CABINET MEMBER FOR TOWN CENTRE AND VISITOR ECONOMY - PROGRESS REPORT ON THE CONSULTATION ON THE FUTURE OF THE OLD QUEEN'S PARK SPORTS CENTRE

The Cabinet Member for Town Centre and Visitor Economy and Executive Director, Michael Rich, attended to provide a progress report on the consultation on the future use of the site of the former Queen's Park Sports Centre. The Executive Director advised that a contractor had been appointed for the demolition of the old sports centre and that work would begin in January, 2017 taking 12 weeks to complete.

The public consultation on the future use for the site of the former Queen's Park Sports Centre had taken place between 12 September and 23 October and had received 583 responses. A full report on the consultation responses had been produced and published on the council's website. The Executive Director provided an overview of the consultation process, the principles which had been used when considering potential uses for the site, and of the responses received to the consultation. The Executive Director advised that research had been carried out prior to the consultation on the potential demand for the council's preferred option of 3G sports pitches which had shown that there was a demand for such a facility in the area. The consultation process had shown that while respondents had suggested a wide and diverse range of other potential uses for the site, they had been broadly supportive of the principles that had informed the council's preferred option of 3G sports pitches.

The consultation had shown that an ice rink on the site was a popular alternative use; however advice sought in advance of the consultation process had shown that a standalone ice rink, even if it were to be delivered using a low-cost design solution, would struggle to be financially self-sustaining. This was due to amongst other factors, it having an overlapping catchment area for users with other local ice rinks in Sheffield, Doncaster and Sutton-in-Ashfield.

The Executive Director outlined the next steps of the process in the making of the decision on the new use of the former sports centre site and advised that a decision in principle for the use of the site would be made by Cabinet on 24 January, 2017. The Cabinet Member for Town Centre and Visitor Economy stressed the importance of stakeholder engagement in the planning and development processes for any future facilities on the site.

Members asked if consideration had been given to any spectator facilities for the 3G pitches. The Executive Director noted that any space for spectators could be limited, but did advise that this issue could be looked at further during consultation on any agreed proposals. Members also asked whether consideration would be given to implementing any of the other ideas received during the consultation as it appeared that the option to install 3G pitches was being heavily favoured by the council. The Executive Director advised that none of the other suggestions received met all of the criteria set out for the use of the site. However consideration would be given to see if some of the other ideas could be looked at for implementation elsewhere in the park. The Cabinet Member for Town Centre and Visitor Economy noted that the council's Playing Pitch Strategy had identified a shortfall of smaller playing pitches in the Borough, and that it was these types of pitches that were being considered for the site in order to meet the identified need. The Cabinet Member also noted that it was important that any solution proposed for the site was able to pay back the investment made quickly, which the 3G pitches were able to do.

Members noted that 52.7% of the responses received had been from women and asked whether in depth analysis of the data received from the consultation had been made to see if the option of 3G pitches was supported by all sections of the community. Members saw it as essential that any proposed development of the site must be based on evidence of a broad appeal to, and with the support of, the local community. The Executive Director advised that further analysis of the data could be made to look at how different genders and age groups had responded to the consultation. Members asked whether the "footprint" of the proposed 3G pitches would be the same as the old sports centre and also whether any consideration had been given to increasing or reducing the size of the car parks on the site. The Executive Director advised that the demand for any pitches would be further assessed and that nothing had been discounted at this stage.

Members thanked Cabinet Member for Town Centre and Visitor Economy and Executive Director, Michael Rich for attending to provide the progress report and for answering their questions. Councillors Sarvent and Catt were also thanked as proposed Scrutiny Project Group Leads for their comments, and members were also pleased to see the building demolition works moving forwards.

RESOLVED –

1. That the progress report be noted.

2. That the Chair, Vice-Chair and Councillors Catt and Sarvent, meet with the Cabinet Member for Town Centre and Visitor Economy, and Executive Director Michael Rich in January, 2017 to further discuss the consultation.

3. That members would like to see comments from external bodies in relation to the proposals early, such as from Historic England.

4. That further progress reports on the consultation on, and the future use of the site of the former Queen's Park Sports Centre be brought to the Enterprise and Wellbeing Scrutiny Committee as required.

40 CORPORATE WORKING GROUPS

Councillor Perkins provided an update from the meetings of the Housing Revenue Account Business Plan steering group.

Councillor Perkins noted that the group's main objective was to look at ways to address the revenue gaps in the HRA and to put forward a revised business plan. As a consequence of this priority task there had not yet been an opportunity to consider, possibly through the Survey of Tenants and Residents (STAR), the measuring of the impact of housing improvements on health. Councillor Perkins noted that the Health and Wellbeing Manager will be attending the February, 2017 meeting of the Enterprise and Wellbeing Scrutiny Committee to discuss his priorities for coordinating the council's approach to health and wellbeing and that this would provide an opportunity to discuss how health and wellbeing priorities could be linked to the operation of the Housing Revenue Account Business Plan.

RESOLVED –

That the progress report be noted and the matter of monitoring the impact of housing improvements on health be raised with the Health and Wellbeing Manager for discussion at the next meeting.

41 SCRUTINY MONITORING

The Committee considered an update on the implementation of approved Scrutiny recommendations.

Councillor Bellamy, Chair of the Appeals and Regulatory Committee and the Licensing Manager attended to provide a progress report on the Hackney Carriage Licence Unmet Demand Survey. In 2010, a survey had been carried out which had resulted in the Appeals and Regulatory Committee limiting the number of hackney carriages licensed by the Council. A further unmet demand survey took place in 2013 and in February 2014 where the Appeals and Regulatory decided to maintain the limit at 110 hackneys and asked that a further survey would be undertaken after a period of three years. The Licensing Manager provided an overview of the report's findings which had shown that there was currently no unmet demand for Hackney Carriages in the Borough. After considering the survey results the Appeals and Regulatory Committee had subsequently resolved at its meeting on 30 November, 2016 that the limit of 110 Hackney Carriage licences should be retained.

Members thanked Councillor Bellamy and the Licensing Manager for attending and for providing the progress updates on the committee's recommendations.

RESOLVED –

1. That the monitoring report be approved.

2. That the Hackney Carriages Licence Limit item (EW4), be removed from the monitoring schedule as the committee was satisfied that its recommendation had now been fully implemented.

42 **FORWARD PLAN**

The Forward Plan was considered.

RESOLVED –

That the Forward Plan be noted.

43 **SCRUTINY PROJECT GROUPS**

Councillor Derbyshire, project group Lead Member for the Play Strategy Scrutiny Project Group, was unable to attend the meeting; the Councillor Gilby as Chair updated Members in her absence. The Principal Green Spaces Officer had been unavoidably off work recently so the production of the draft strategy had been delayed; it was however noted that the Principal Green Spaces Officer would be back at work soon. Councillor Gilby noted that documentation had been circulated to the project group members with regard to the development of the strategy which had asked for their comments and input.

Councillor Gilby, project group Lead Member for the Sport and Cultural Activities Scrutiny Project Group, provided members of the committee with a progress report on the group's work. The final task for the project group was to review and monitor the final sign-off with the contractor. Councillor Gilby advised that the last remaining aspects regarding the sign off with the contractor of the new Queen's Park Sports Centre had now been agreed with the council and that early in the new year project group members would be meeting with the both the new build project board as well as the contractor. Councillor Gilby advised that details regarding this meeting would be brought to the committee at the earliest opportunity.

RESOLVED –

That the progress reports on the Scrutiny Project Groups be noted.

44 WORK PROGRAMME

The Committee considered its Work Programme.

RESOLVED –

1. That the Work Programme be approved.

2. To confirm that the Health and Wellbeing Manager will be attending the February, 2017 meeting of the Enterprise and Wellbeing Scrutiny Committee in order for the committee to receive further information about his role and his priorities for coordinating the council's approach to health and wellbeing.

3. That the Committee and Scrutiny Coordinator pursues the possibility of members receiving the agendas and minutes from the HS2 Staveley Depot board to bring them up to date with current developments around HS2 and their impact on Chesterfield and surrounding areas.

45 MINUTES

The Minutes of the meeting of the Committee held on 4 October, 2016 were presented.

RESOLVED –

That the Minutes be accepted as a correct record and be signed by the Chair.

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