

# **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 **Wednesday, 13 December 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 the Council held on 11 October, 2017 (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

7. Questions to the Leader

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

8. Change to Allocation of Seats to Political Groups and to Membership of Member Level Committees - 2017/18 (Pages 15 - 20)

9. Annual Audit Letter 2016/17 (Pages 21 - 28)

10. Risk Management Strategy and Annual Review (Pages 29 - 58)

11. Update on General Fund Capital Programme 2017/18 (Pages 59 - 70)

12. Quarter 2 Budget Monitoring 2017/18 & Updated Medium Term Financial Forecast (Pages 71 - 84)

13. Future Use of Former Queen's Park Sports Centre Site (Pages 85 - 178)

14. Local Council Tax Support Scheme 2018-19 (Pages 179 - 188)

15. Minutes of Committee Meetings (Pages 189 - 190)

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

16. To receive the Minutes of the Meetings of Cabinet of 3 and 10 October and 14 November, 2017 (Pages 191 - 208)

17. To receive and adopt the Minutes of the Meeting of the Overview and Performance Scrutiny Forum of 26 September, 2017 (Pages 209 - 216)

18. To receive and adopt the Minutes of the Meeting of the Community, Customer and Organisational Scrutiny Committee of 19 September, 2017 (Pages 217 - 226)

19. To receive and adopt the Minutes of the Meeting of the Enterprise and Wellbeing Scrutiny Committee of 10 October, 2017 (Pages 227 - 232)

20. Questions under Standing Order No. 19

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

21. Notice of Motion under Standing Order No. 21

To consider the motion submitted by Councillor Peter Innes in accordance with Standing Order No. 21:

*“This Council opposes the Home Secretary’s decision which rules out an inquiry into the behaviour of the police during the picketing at the Orgreave coking works in the summer of 1984.”*

By order of the Council,



Chief Executive

Chief Executive's Unit,  
Town Hall,  
Chesterfield

5 December 2017

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## COUNCIL

**Wednesday, 11th October, 2017**

Present:-

Councillor Davenport (The Mayor)

Councillors	Bagley	Councillors	Flood
	J Barr		P Gilby
	P Barr		T Gilby
	Bellamy		Hill
	Bingham		Hollingworth
	Blank		Huckle
	Borrell		J Innes
	Brady		P Innes
	Brittain		Ludlow
	Brown		Miles
	Brunt		A Murphy
	Callan		T Murphy
	Caulfield		Niblock
	D Collins		Perkins
	L Collins		Rayner
	Derbyshire		Redihough
	Dickinson		Sarvent
	A Diouf		Serjeant
	Dyke		Simmons
	Elliott		Slack
	Falconer		Wall

## **27 AMENDMENT OF ORDER OF BUSINESS**

In accordance with Standing Order No. 4.5 at the Mayor's discretion the order of business was changed to enable the Notice of Motion submitted under Standing Order No. 19 to be considered at Minute No. 33 immediately following the Public Questions to the Council submitted under Standing Order No. 12 at Minute No. 32.

**28     MINUTES****RESOLVED –**

That the Minutes of the meeting of the Council held on 19 July, 2017 be approved as a correct record and be signed by the Chair.

**29     MAYOR'S COMMUNICATIONS**

The Mayor referred to the following Mayoral engagements:

- Visiting a number of care homes across the borough that had recently gained their Dementia Care Framework Accreditation.
- Attending two events to celebrate the tenth anniversary of the Mercian Regiment, including an excellent military display at their parade at Newstead Abbey.
- Welcoming primary school children from the borough to the town hall and giving them a tour of the Mayor's parlour during Local Democracy Week, when the children learned about what the Council does, were able to choose their own Mayor for the day and take part in a real ballot.

The Mayor invited Members to join her and the Mayoress for drinks following the next full Council meeting in December, and to come in Christmas attire to support a collection for the Mayor's Appeal.

**30     APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Bexton, Burrows, Catt and V Diouf.

**31     DECLARATIONS OF MEMBERS' AND OFFICERS' INTERESTS RELATING TO ITEMS ON THE AGENDA.**

No declarations of interest were received.

**32     PUBLIC QUESTIONS TO THE COUNCIL**

Under Standing Order No. 12, the following questions were asked:

(1) by Mr Adrian Rimington:

“Cuts to benefits and services have disproportionately hit disabled people.

We are a group of disabled people called ‘Disability Campaigners’ running a campaign titled 'Give it Back!' Stop people on benefits paying council tax.

Until April 2013, people on benefits did not have to pay council tax. Since then, the disabled and/or unemployed are required to pay a measure of council Tax, typically £10 - £15 per month, money that they can ill afford to pay. Councils had some discretion about charging people on benefits, but 276 out of 326 councils in England chose to apply the levy. This takes disabled people below the basic living assessment on which benefits are based.

Local councils levy and collect the council tax, but we are aware the County Council gets the lion's share. We appreciate it is a big ask, but this levy is condemning disabled people to living below the basic living allowance and becoming more isolated, feeling persecuted, and having to cut down on food and heating, risking serious health problems.

Could we please have a statement of your support and how you would help disabled people by giving them their basic benefit entitlement back for them to at least have a chance to participate in the community and have access to basic needs? Please lobby your national parties to help change this unjust system.”

The Leader provided a verbal response to the question.

(2) by Laura Bagley:

"Will Chesterfield Borough Council follow other councils in supporting the 'votes at 16' campaign?

There are currently 1.5 million 16 and 17 year olds that are denied the vote in public elections in the UK. Lowering the voting age to 16 would empower young people to better engage in society and influence decisions that will define their future. People who can consent to medical treatment, work full time, pay taxes, get married or enter a civil partnership, and join the armed forces should also have the right to vote.

The Scottish Government took more positive steps towards a more inclusive political system when they passed the Scottish Elections (Reduction of Voting Age) Bill, which allows all 16 and 17 year olds to vote in all Scottish elections from May 2016. Young people's participation in the Scottish Referendum demonstrates that they are eager to engage. 75% of 16 and 17 year olds turned out to vote in a once in a lifetime opportunity to have their say in shaping the future of their country. Other young people across the UK should have the same democratic right.

A number of other councils have already supported this campaign and have passed motions in support. These include: Oldham, Bristol, Halton, Rotherham, Wolverhampton and Leeds City Council.

Will Chesterfield Borough council follow suit and support the campaign by passing a motion at tonight's council meeting? We must remember that democracy includes young people too."

The Deputy Leader provided a verbal response to the question.

### **33 NOTICE OF MOTION UNDER STANDING ORDER NO. 21**

It was moved by Councillor Serjeant and seconded by Councillor Huckle that,

"Chesterfield Borough Council supports the 'votes at 16' campaign."

On being put to the vote the motion was declared carried.

### **34 PETITIONS TO COUNCIL**

In accordance with Standing Order No.13 Council debated the following petition received from Miss Anastasia Antill, National Citizen Service (NCS) on 25 September, 2017:

"Accessibility issues in Chesterfield town centre.

We are aiming to improve our community by helping people with disabilities to get around the busy town centre.

As a group, we decided to base our NCS project on tackling the disabled access into the town centre as the research we had carried out, including speaking with members of the public, had shown that many people felt

that this was an issue, particularly around the market area. Most of the people we spoke to who had disabilities admitted that they struggled on a regular basis and often avoided going into town.

To improve access, we propose introducing wheelchair ramps at the side of the market to provide better surfaces for wheelchair users and widening the gaps between market stalls to enable wheelchair users to access the market more easily especially on market days.”

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

Miss Antill presented the petition and answered Members' questions.

## **RESOLVED –**

1. That the Council receives and notes the petition regarding matters of accessibility in the town centre.
2. That the petition and tonight's debate at Full Council be taken into account by Chesterfield Borough Council when developing the planned market reconfiguration project to improve both the accessibility and viability of the market and town centre.
3. That the Council encourages the local National Citizen Service group to continue to work with the Council and other key stakeholders to make the market and town centre more accessible to all and, in particular, to better plan and regulate the siting of street furniture, including the display of advertising ('A') boards.

## **35 QUESTIONS TO THE LEADER**

Under Standing Order No.14 Councillor Borrell asked the Leader about the circumstances of no play having been possible in the additional Derbyshire County Cricket Club match in Queen's Park in September despite the drainage work undertaken in late 2016, and enquired what steps were being taken to ensure play would be possible in future fixtures.

The Leader provided a verbal response.

**36 ELECTION TO THE BOROUGH COUNCIL - 21 SEPTEMBER, 2017**

The Chief Executive and Returning Officer reported that Councillor Keith Falconer had been elected as Councillor for the Holmebrook Ward at the by-election held on 21 September, 2017.

**RESOLVED –**

That it be noted that Councillor Keith Falconer had been elected as Councillor for the Homebrook Ward.

**37 CHANGES TO ALLOCATION OF SEATS AND COMMITTEE APPOINTMENTS 2017/18**

The Chief Executive reported that a review of the political balance of Committees had been undertaken in accordance with Section 15 of the Local Government and Housing Act 1989, following the election of Councillor Falconer (the Liberal Democrat Party candidate) as Councillor for the Holmebrook Ward on 21 September, 2017.

**RESOLVED –**

That the recent change to the political composition of the Council be noted and that the following changes to the membership of committees as proposed by the political groups be agreed:

**Overview and Performance Scrutiny Forum**

- addition of Councillor Falconer as a Liberal Democrat member;

**Enterprise and Wellbeing Scrutiny Committee**

- addition of Councillor Falconer as a Liberal Democrat member.

**38 QUARTER 1 BUDGET MONITORING 2017/18 & UPDATED MEDIUM TERM FINANCIAL FORECAST**

Pursuant to Cabinet Minute No. 45 (2017/18) the Director of Finance and Resources submitted a report to provide an update on the budget position at the end of the first quarter including the General Fund Revenue and Capital accounts, and the Housing Revenue Account (HRA).

**RESOLVED –**

1. That the financial performance in the first quarter of the financial year and the new medium term forecast, as set out in sections 4 and 6 of the report, be noted.
2. That the proposed use of reserves, as set out in section 5 of the report, be confirmed.
3. That the changes to the Housing Revenue Account budgets, as set out in section 7 of the report, be noted.

**39     TREASURY MANAGEMENT ANNUAL REPORT 2016/17 & MONITORING REPORT 2017/18**

Pursuant to Standards and Audit Committee Minute No. 17 (2017/18) the Director of Finance and Resources submitted a report for Members to consider the Annual Treasury Management Report for 2016/17 and the Treasury Management activities for the first five months of 2017/18.

**RESOLVED –**

1. That the outturn Prudential Indicators for 2016/17 be approved;
2. That the treasury management stewardship report for 2016/17 be approved;
3. That the treasury management position for the first five months of 2017/18 be noted.

**40     MINUTES OF COMMITTEE MEETINGS**

**RESOLVED -**

That the Minutes of the following Committees be noted:-

Appeals and Regulatory Committee of 12 and 19 July, 9 and 16 August and 6 and 13 September, 2017.

Employment and General Committee of 24 July and 31 August, 2017.

Licensing Committee of 22 August, 2017.

Planning Committee of 17 July, 7 and 29 August and 18 September, 2017.

Standards and Audit Committee of 20 September, 2017.

**41 MINUTES OF THE CABINET**

**RESOLVED –**

That the Minutes of the meetings of Cabinet of 11 July, 25 July and 12 September, 2017 be noted.

**42 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 25 July, 2017 be noted.

**43 MINUTES OF THE OVERVIEW AND PERFORMANCE SCRUTINY FORUM**

**RESOLVED –**

That the Minutes of the meeting of the Overview and Performance Scrutiny Forum of 27 June, 2017 be approved.

**44 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 11 July, 2017 be approved.

**45     MINUTES OF THE ENTERPRISE AND WELLBEING SCRUTINY COMMITTEE**

**RESOLVED –**

That the Minutes of the meeting of the Enterprise and Wellbeing Scrutiny Committee of 25 July, 2017 be approved.

**46     QUESTIONS UNDER STANDING ORDER NO. 19**

No questions had been submitted.

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## **For publication**

### **Change to Allocation of Seats to Political Groups and to Membership of Member Level Committees – 2017/18**

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Meeting: Council

Date: 13 December, 2017

Report by: Senior Democratic and Scrutiny Officer

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#### **1.0 Purpose of report**

The purpose of this report is to review the political balance of Committees in accordance with Section 15 of the Local Government and Housing Act 1989, following the notification to the Chief Executive of a change to political parties within Chesterfield Borough Council and to enable the Council to consider a proposed change to the membership of Member level Committees for the remainder of the 2017/18 municipal year.

#### **2.0 Recommendations**

That the recent changes to the political composition of the Council be noted and that the following changes to the membership of committees as proposed by the political groups be agreed:

##### **Appeals and Regulatory Committee**

- removal of Councillor Bexton as a UKIP member
- addition of Councillor Bexton as an Independent member
- replacement of Councillor D Collins with Councillor Hill as a majority group member

##### **Licensing Committee**

- removal of Councillor Bexton as a UKIP member
- addition of Councillor Bexton as an Independent member

### 3.0 Report details

#### Background

3.1 The Chief Executive was notified on 29 November, 2017 of a change to political parties within Chesterfield Borough Council. With effect from 29 November, 2017 Councillor Bexton advised the Chief Executive that he was no longer a member of UKIP and wished to be recognised as an Independent member.

3.2 Therefore the current composition of the Council is:

Labour:	37
Liberal Democrats:	9
Independent (Cllr J Barr):	1
Independent (Cllr Bexton):	1

3.3 The last review of political balance took place at the Council meeting on 11 October, 2017. Wherever possible, Committees are constituted in accordance with the provisions of the Local Government and Housing Act 1989. In terms of political balance, resulting from Councillor Bexton's change from representing UKIP to being an Independent member, it has been necessary to review the political balance of Committees.

3.4 The Local Government and Housing Act 1989 Section 15, requires Council to formally approve the revised political balance and revised allocation of places to the political groups in accordance with that political balance.

3.5 A local authority is treated as divided into political groups where at least one political group, which comprises at least two Members, is in existence.

3.6 The Council is obliged to review the representation of political groups and the determination of the allocation of seats in a number of prescribed instances and at least on an annual basis.

3.7 A determination of the allocation of seats by the Council must give effect to the following principles which are set out in Section 15 of the Local Government and Housing Act 1989. The principles have to be applied in priority order as follows:-

- (a) that not all the seats are allocated to the same political group;
- (b) that the majority of seats are allocated to a particular political group if the number of persons belonging to that group are a majority of the authority's membership;
- (c) subject to (a) and (b) above, that the total number of all seats of the ordinary committees allocated to each particular political group reflects the group's proportion to the membership of the authority;
- (d) subject to (a) – (c) above, that the number of seats allocated to a particular political group reflects that group's proportion of the membership of the authority.

3.8 Under the Local Government Act 2000, the Standards and Audit Committee is not subject to political balance requirements but by local choice the constitution says it will be politically balanced.

3.9 The effect of these principles is that, so far as practicable, seats should be allocated to the groups and individual members not in a political group in proportion to their membership as a whole, currently, Labour 37/48ths; Liberal Democrats 9/48ths, Independent (Cllr J Barr) 1/48th and Independent (Cllr Bexton) 1/48th. Each of the calculations has been adjusted to ensure the total number of seats are apportioned.

### **Proposed allocations**

3.10 Below is a table showing the proposed entitlements of the Groups. Where numbers appear in brackets they represent the change to the allocations agreed at the meeting of the Council held on 11 October, 2017.

<b>Body</b>	<b>Majority Group</b>	<b>Lib Dem. Group</b>	<b>UKIP</b>	<b>Ind. (Cllr J Barr)</b>	<b>Ind. (Cllr Bexton)</b>
Planning Committee	12	3	0	0	0

<b>Body</b>	<b>Majority Group</b>	<b>Lib Dem. Group</b>	<b>UKIP</b>	<b>Ind. (Cllr J Barr)</b>	<b>Ind. (Cllr Bexton)</b>
Planning Sub Committee	2	1	0	0	0
Appeals and Regulatory Committee	11	3	0 (-1)	0	1 (+1)
Licensing Committee	12	1	0 (-1)	1	1 (+1)
Employment and General Committee	5	1	0	0	0
Overview and Performance Scrutiny Forum	10	3	0	1	0
Community, Customer and Organisational Scrutiny Committee	6	2	0	0	0
Enterprise and Wellbeing Scrutiny Committee	6	2	0	0	0
Standards and Audit Committee	4	1	0	0	0

3.11 In addition to the above changes, the following change to Committee memberships is proposed by the majority group:

#### **Appeals and Regulatory Committee**

- Councillor Hill to replace Councillor D Collins.

### **4.0 Recommendations**

4.1 That the recent changes to the political composition of the Council be noted and that the following changes to the membership of committees as proposed by the political groups be agreed:

#### **Appeals and Regulatory Committee**

- removal of Councillor Bexton as a UKIP member
- addition of Councillor Bexton as an Independent member
- replacement of Councillor D Collins with Councillor Hill as a majority group member.

#### **Licensing Committee**

- removal of Councillor Bexton as a UKIP member
- addition of Councillor Bexton as an Independent member.

### **Decision information**

<b>Key decision number</b>	<b>NA</b>
<b>Wards affected</b>	<b>ALL</b>
<b>Links to Council Plan priorities</b>	To provide value for money services.

### **Document information**

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# Annual Audit Letter 2016/17

Chesterfield Borough  
Council

October 2017

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This report is addressed to the Chesterfield Borough Council (the Authority) and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. Public Sector Audit Appointments issued a document entitled Statement of Responsibilities of Auditors and Audited Bodies summarising where the responsibilities of auditors begin and end and what is expected from audited bodies. We draw your attention to this document which is available on Public Sector Audit Appointments website ([www.psaa.co.uk](http://www.psaa.co.uk)).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Tony Crawley, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers ([andrew.sayers@kpmg.co.uk](mailto:andrew.sayers@kpmg.co.uk)). After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing [generalenquiries@psaa.co.uk](mailto:generalenquiries@psaa.co.uk), by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

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## Section one

# Summary

This Annual Audit Letter summarises the outcome from our audit work at Chesterfield Borough Council in relation to the 2016/17 audit year. Although it is addressed to Members of the Authority, it is also intended to communicate these key messages to key external stakeholders, including members of the public, and will be placed on the Authority's website.



### VFM conclusion

We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM) for 2016/17 on 26 September 2017. This means we are satisfied that during the year the Authority had appropriate arrangements for securing economy, efficiency and effectiveness in the use of its resources

To arrive at our conclusion we looked at the Authority's arrangements in regard to informed decision making, sustainable resource deployment and working with partners and third parties.

### VFM risk areas

We undertook a risk assessment as part of our VFM audit work to identify the key areas impacting on our VFM conclusion and considered the arrangements you have put in place to mitigate these risks.

Our work identified the following VFM risk as highlighted in our External Audit Plan 2016/17:

**Delivery of Financial and Savings Plans** - Along with the rest of Local Government, the Authority continues to face similar financial pressures and uncertainties to those experienced by others in the local government sector. The Authority needs to have effective arrangements in place for managing its annual budget, generating income and identifying and implementing any savings required to balance its medium term financial plan.

We reviewed the financial outturn position against original plans, comparing the outturn with both the original and revised estimates for the financial year.

The original budget set by the Authority for 2016/17 showed a deficit position of £236k after allowing for planned savings of £1,051k.

At the year end the Authority has been able to balance the General Fund with a £100k surplus in 2016/17 in financially challenging times. This outturn position provides the Authority with an improved level of financial resilience against risks including uncertainties relating to the reduction in Government grants, NNDR and New Homes Bonus, alongside some flexibility to enable it to invest either to save or to generate returns.

The Medium Term Financial Plan currently projects that planned savings in the next two years are less than those previously achieved. A deficit of £209k and £458k is being forecast for 2017/18 and 2018/19 respectively. Nevertheless, this represents a significant challenge as it becomes harder to make savings year after year, and the increasing localisation of financial risk means that there is less certainty about income levels. We will continue to discuss the position and the Authority's plans and options in our regular liaison meetings with senior officers.

### Audit opinion

We issued an unqualified opinion on the Authority's financial statements on 26 September 2017. This means that we believe the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year.

## Section one

# Summary (cont.)

This Annual Audit Letter summarises the outcome from our audit work at Chesterfield Borough Council in relation to the 2016/17 audit year. Although it is addressed to Members of the Authority, it is also intended to communicate these key messages to key external stakeholders, including members of the public, and will be placed on the Authority's website.



### Financial statements audit

We did not identify any issues in the course of our audit that were considered to be material. To improve the transparency of financial reporting officers agreed that it would be better to show the impact of the change in the discount factor applied to social housing as an exceptional item on the face of the Comprehensive Income and Expenditure Statement in order to not confuse the underlying position. We identified a small number of presentational adjustments required to ensure that the accounts were compliant with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17, which the Authority amended.

The Authority has good processes in place for the production of the accounts and good quality working papers. Officers dealt efficiently with audit queries and the audit process has been completed within the planned timescales.

### Other information accompanying the financial statements

We review other information that accompanies the financial statements to consider its material consistency with the audited accounts. We reviewed the Annual Governance Statement and Narrative Report. We concluded that they were consistent with our understanding of the Authority.

### Whole of Government Accounts

The Authority prepares a consolidation pack to support the production of Whole of Government Accounts by HM Treasury. We are not required to review your pack in detail as the Authority falls below the threshold where an audit is required. As required by the guidance we have confirmed this with the National Audit Office.

### High priority recommendations

We are pleased to report that there are no high risk recommendations arising from our 2016-17 audit work and there are no outstanding agreed high priority audit recommendations from prior years.

### Certificate

We issued our certificate on 26 September 2017. The certificate confirms that we have concluded the audit for 2016/17 in accordance with the requirements of the Local Audit & Accountability Act 2014 and the Code of Audit Practice.

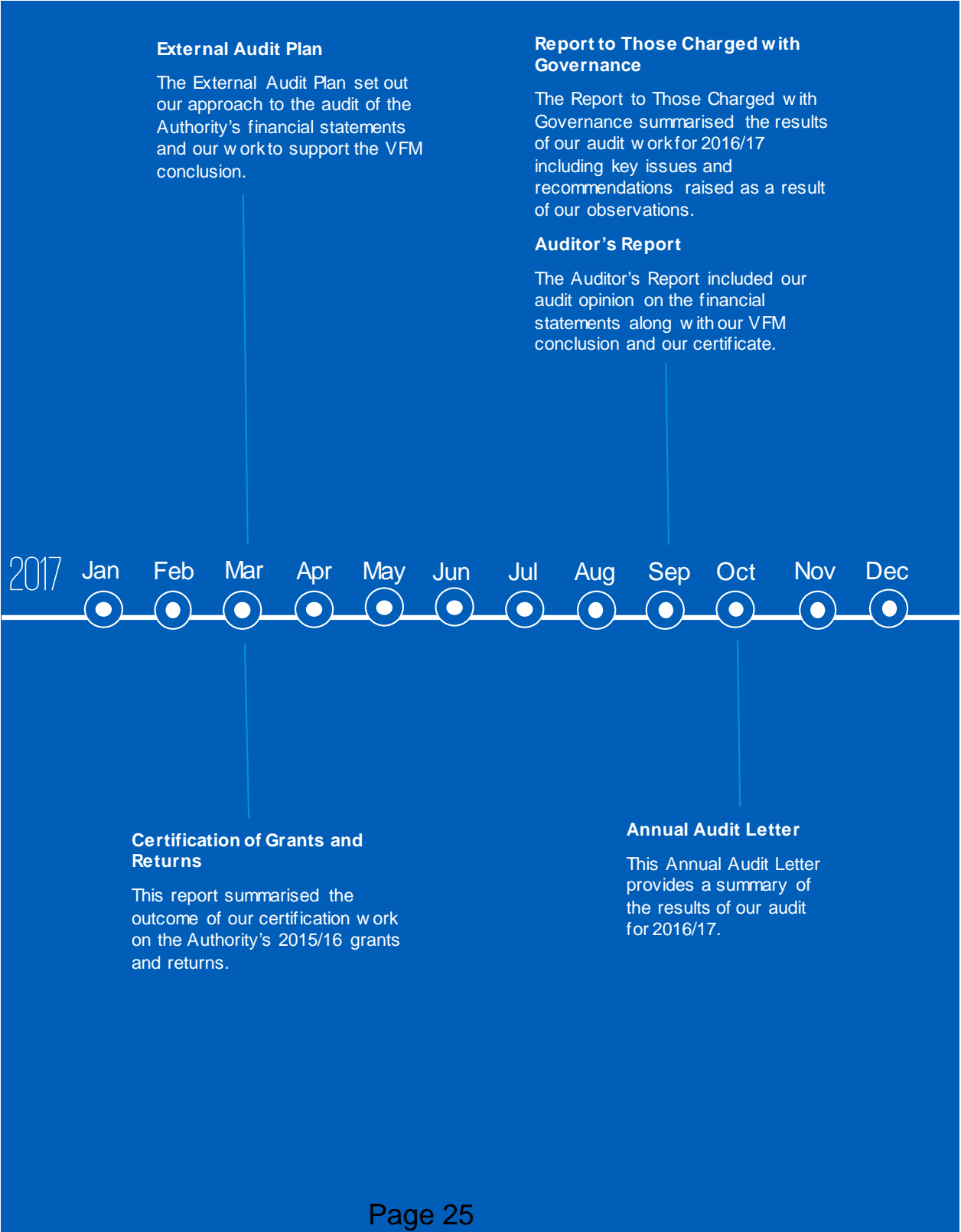
### Audit fee

Our fee for 2016/17 was £52,445 excluding VAT, which is in line with the planned fee. There were no additional fees for the financial statements audit.

During the year we also completed the certification of the 2015-16 housing benefit claim (total fees £6,465) and a review of the pooling of capital receipts return (£3,000).

# Summary of reports issued

This appendix summarises the reports we issued since our last Annual Audit Letter.



Appendix 2

# Audit fees

This appendix provides information on our final fees for the 2016/17 audit.

To ensure transparency about the extent of our fee relationship with the Authority we have summarised below the outturn against the 2016/17 planned audit fee.

External audit

Our final fee for the 2016/17 audit of Chesterfield Borough Council was £52,445, which is in line with the planned fee. There were no additional fees.

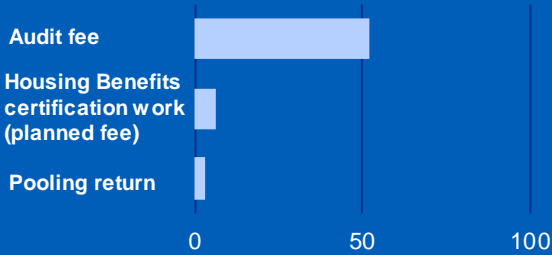
Certification of grants and returns

Under our terms of engagement with Public Sector Audit Appointments we undertake prescribed work in order to certify the Authority’s housing benefit grant claim. This certification work is still ongoing. The final fee will be confirmed through our reporting on the outcome of that work in March 2018.

Other services

We reviewed the Pooling of Housing Capital receipts return for 2015/16 during this year. The fee for this work as £3,000.

External audit fees 2016/17  
(£'000)



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## **For publication**

### Risk Management Strategy and Annual Review

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Meeting:	Council
Date:	13 <sup>th</sup> December 2017
Cabinet Portfolio	Cabinet Member for Governance
Report by:	Director of Finance & Resources

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## **For publication**

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### **1.0 Purpose of report**

- 1.1 To provide a report on the Risk Management developments during 2016/17 and to update the Risk Management Policy, Strategy and the Corporate Risk Registers for 2017/18.

### **2.0 Recommendation**

- 2.1 That the Risk Management Policy, Strategy and the Corporate Risk Register for 2017/18 be approved.

### **3.0 Background**

- 3.1 The Risk Management Strategy requires an annual review to be reported to the Council at the end of the financial year and the Corporate Risk Register at the start of the year.
- 3.2 The Standards and Audit Committee is required to consider the effectiveness of the Council's risk management arrangements.

- 3.3 This report and the risk management strategy were considered by the Standards and Audit Committee at its meeting on 22 November, 2017 where it resolved to note the progress made on developing the Council's approach to risk management during 2016/17 and to recommend for approval the Risk Management Policy, Strategy and Corporate Risk Register for 2017/18.

#### **4.0 Annual Review 2016/17**

- 4.1 The main focus of risk management activities during 2016/17 have focused on updating Service Risk Registers so that they reflect the revised Senior Leadership Team (SLT) and Corporate Management Team (CMT) structures alongside reviewing and updating the Corporate Risk Register.
- 4.2 Risk Management Training Workshops were facilitated by a specialist from our insurers Zurich Municipal (ZM) and were completed for each of the following service areas:-
- Customers, Commissioning and Change Management
  - Commercial
  - Economic Growth
  - Finance and Resources
  - Health and Wellbeing
  - Housing Services
  - Policy and Communications
- 4.3 These workshops were attended by the respective SLT and CMT officers together with their service managers and concentrated on identifying and discussing risks specific to their services areas (Service Risk Registers) and risks that spanned all services across the Council (Corporate Risk Register).
- 4.4 Following the workshops ZM supplied updated Service Risk Registers and a Corporate Risk Register for approval.
- 4.5 Sitting below the Corporate Risk Register there are seven Service Risk Registers. These contain risks that are linked to the corporate risks but which are managed at the service level and other, operational level, risks. The Service Risk Registers are annually reviewed by the Corporate Risk Management Group to

(a) ensure a consistency of approach and (b) check that links with the Corporate Risk Register were being maintained.

4.6 The key risks for 2016/17 included:

- Data Security and PSN compliance (achieved)
- Health & Safety enforcement
- ICT Network Security
- Budgetary and financial challenges (General Fund balanced for 2016/17)
- SCR uncertainty (we are now a non-constituent member)

## **5.0 Risk Management Policy and Strategy**

5.1 The Policy and Strategy documents are designed to clarify the corporate and operational elements and to further embed Risk Management within the organisation. The documents for 2017/18 are included in Appendix A.

## **6.0 Corporate Risk Register (CRR)**

6.1 The management of corporate risks is an essential component of good governance and helps to ensure the delivery of services. It is therefore important that the CRR is reviewed regularly to take account of any changes in risk levels and to identify any new risks.

6.2 The format and content of the CRR was updated for 2017/18 (para 4.2 to 4.4). Many of the corporate risks will be a permanent feature within the CRR whilst others, which relate to one-off type projects, will appear only for a limited period. The CRR Summary for 2017/18 is shown in Appendix B and the detailed Corporate Risk Register is shown in Appendix C.

6.3 The challenge for 2017/18 will be to implement the further actions highlighted or any other actions subsequently developed to bring the risk ratings to the 'target' level which reflects the Council's risk appetite i.e. the level of risk it is prepared to accept.

## **7.0 Risks and Uncertainties**

- 7.1 The failure to have effective risk management arrangements in place which will identify and manage risk could have serious consequences for the Council. The current key (red) risks to the Council in Appendix B/C are currently:

Description of Risk
CR1- Having a Sustainable Financial Plan - the ability to deliver priority services with the resources available.
CR6 - Protecting the Public & Staff (Health & Safety) - to ensure that we have systems in place to reduce the risk of accidents occurring and their severity.
CR9 - Procurement & Contract Management - to ensure that contracts are procured properly and deliver value for money.
CR4 - Investment & development of the ICT infrastructure - to ensure that a modern, efficient and reliable infrastructure is in place to support service delivery.
CR11 - Key Partnerships (e.g. PPP, Veolia) - to ensure that partnerships are used to support the delivery of the Council's priorities and that they are delivered to the specified standard.
CR12 - The provision of Social Housing - ensuring that the Council is able to support delivery of social housing and that there is a sustainable business plan for the Housing Revenue Account.

- 7.2 An evaluation of each of the Corporate Risks is included in Appendix B and C.

## 8.0 Financial Implications

- 8.1 The Council transfers £5,000 per annum into a Risk Management Reserve which is managed by the Corporate Risk Management Group. The movements on the reserve during 2016/17 were as follows:

Description	£
Balance b/fwd April 2016	5,000
Add contribution for the year	5,000
<u>Less expenditure/commitments:</u>	
Risk Management Consultancy – ZM	(5,000)
Counter Fraud Services	(669)
Estimated balance c/fwd at 31 <sup>st</sup> March 2017	4,331

- 8.2 The Council's insurance contract with Zurich included an allowance of £5k in 2016/17 and £5k for 2017/18 which must be used for risk management services provided by the company. The allowance was used in 2016/17, and will be used again in 2017/18, to help develop the corporate risk management arrangements.
- 8.3 The Council also maintains a number of earmarked reserves and provisions to cover the financial risks that it faces. The funds include the General Working Balance, the Budget Risk Reserve and the Insurance Reserve.

## **9.0 Equalities Consideration**

- 9.1 None arising from the contents of this report.

## **10.0 Recommendation**

- 10.1 That the Risk Management Policy, Strategy and Corporate Risk Register for 2017/18 be approved.

## **11.0 Reason for Recommendation**

- 11.1 To ensure that effective risk management monitoring and reporting arrangements are in place.

### **Decision information**

<b>Key decision number</b>	<b>754</b>
<b>Wards affected</b>	<b>All</b>
<b>Links to Council Plan priorities</b>	All

### **Document information**

<b>Report author</b>	<b>Contact number/email</b>
<b>Kevin Hanlon</b>	<b>Ext. 5451</b>

**Background documents**

These are unpublished works which have been relied on to a material extent when the report was prepared.

**Appendices to the report**

Appendix A	Risk Management Policy and Strategy
Appendix B	Corporate Risk Register Summary
Appendix C	Corporate Risk Register (Detail)

# **Chesterfield Borough Council**

## **Risk Management Strategy**

Version:	January 2017
Ratified By:	Corporate Risk Management Group
Date Ratified	TBC
Name of Executive Lead	Director of Finance and Resources
Date Issued	November 2017
Review date:	January 2018

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## Risk Management Statement

It is the Council's policy to proactively identify, understand and manage the risks inherent in our services and associated within our plans and strategies, so as to encourage responsible, informed risk taking.

Risk management is all about understanding, assessing and managing the Council's threats and opportunities. The Council accepts the need to take proportionate risk to achieve its strategic objectives, but expects these to be appropriately identified, assessed and managed. Through managing risks and opportunities in a structured manner, the Council will be in a stronger position to ensure that we are able to deliver our objectives.

As a result, through risk management, the aims & objectives of Chesterfield's Risk Management Strategy are:

- ◆ Ensure that risk management becomes an integral part of corporate and service planning, decision making & project management.
- ◆ Enable the Council to deliver its priorities and services economically, efficiently & effectively.
- ◆ Protect the council's position when entering into new partnerships and/or evaluating existing partnerships.
- ◆ Align risk management and performance management to drive improvement and achieve better outcomes.
- ◆ Guard against impropriety, malpractice, waste and poor value for money.
- ◆ That risk management training forms part of the normal training / induction programmes that are given to officers and members on an on-going basis.
- ◆ Ensure compliance with legislation, such as that covering the environment, health and safety, employment practice, equalities and human rights.
- ◆ Minimise the prospects of any damage to the Council's reputation and/or undermining of public confidence in the organisation.
- ◆ To have a performance framework that continues to allow managers to proactively track performance, and assess / deal with risk in a timely fashion.

We recognise that it is not always possible, nor desirable, to eliminate risk entirely. However, visibility of these areas is essential, so that the Council can explore external options, such as insurance.

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# Risk Management Strategy

## 1. Introduction

The effective management of risk is an important principle for all businesses to properly address. For local authorities such as Chesterfield, managing risk is a key element of our Corporate Governance responsibilities.

Risk Management has become an important discipline across all sectors of the economy since the turn of the decade. The Audit Commission has previously highlighted Risk Management as one of the key elements to having effective governance arrangements in place to meet corporate objectives.

This risk management strategy seeks to promote the identification, assessment and response to key risks that may adversely impact upon the achievement of the Council's stated aims and objectives. It also seeks to maximise the rewards that can be gained through effectively managing risk.

Risk Management is not new; the Council has been doing it effectively for many years. However, to comply with the Corporate Governance requirements the Council must ensure that its procedures are sufficiently formalised and reviewed at regular intervals to identify areas for improvement.

This strategy has been updated to clarify the arrangements for managing risk and to further embed Risk Management within the thinking of all Council employees, Officers and Members.

### 1.1 Purpose and objectives of the Strategy

The purpose of this Risk Management Strategy is to establish a framework for the effective and systematic management of risk, which will ensure that risk management is embedded throughout the Council and makes a real contribution to the achievement of the Council's vision and objectives. As a result, the objectives of this strategy are to:

- Define what risk management is about and what drives risk management within the Council;
- Set out the benefits of risk management and the strategic approach to risk management;
- Outline how the strategy will be implemented;  
and
- Identify the relevant roles and responsibilities for risk management within the Council.

Effective risk management will require an iterative process of identification, analysis, and prioritisation, action, monitoring and reporting of material risk. The processes required to deliver these objectives will need to ensure:

- Clear identification of corporate aims and priorities, service objectives and key actions.
- Specification of roles and responsibilities in respect of risk management activities.
- Consideration of risk as an integral part of corporate and business processes.
- Requirements to analyse, prioritise, respond to, monitor and report on material and significant risks.
- Specification of guidance and support arrangements to assist officers in their consideration of risk.
- Facilitation of shared organisational intelligence and learning.

### **1.2 The Scope of Risk Management**

Risk is anything that may prevent the Council from achieving its stated objectives. Risk management is the process of identifying what can:

- a. Go wrong, and then doing something about it; and/or
- b. Be an opportunity, and then trying to take advantage of it.

Risks will be managed through a series of provisions applying at different levels. These include:

- Expression of the corporate risk tolerance in corporate aims and service plans through application of our risk scoring methodology.
- At operational level by budget allocation and monitoring through effective performance management arrangements.
- At project level through application of established risk assessment techniques in compliance with business continuity planning.
- Good corporate governance provisions as provided by the Standards & Audit Committee's Terms of Reference.
- Incorporated into the Council's Annual Governance Statement.
- Examination of corporate and insurable risks to identify risk reduction measures (Corporate Risk Management Group).
- Provide for risk assessment evidence in all decision making processes of the Council by inclusion in Committee reportage.

- Maintain documented procedures, toolkits and guidance for use across the Council by application of the risk register process and usage advice.
- Provide officers with suitable information and training to enable them to perform their duty (Corporate Risk Management Group).
- Make all partners, providers and delivery agents aware of the Council's expectations on risk, both generally as set out in the Risk Management Policy, and where necessary, in particular areas of service delivery

### 1.3 Risk Management Definitions

There are a number of ways in which organisations express risks and as a result, the risk management definitions can vary. Therefore, we have included a risk management glossary of the Council's risk management definitions.

A full glossary of definitions can be found in **Appendix B**.

### 1.4 What is risk management?

Risk can be defined as ***“Risk can be defined as a threat that an event or action will adversely affect the Council's ability to achieve its objectives, perform its duties or meet expectations of its stakeholders”***

***Risk Management*** - Risk is unavoidable, organisations' must manage risk in a way that can be justified to a level which is tolerable and as a result, risk is the chance that an event will occur that will impact upon the Organisation's objectives. It is measured in terms of impact and likelihood.

The holistic approach is vital to ensure that all elements of the organisation are challenged including decision making processes, working with partners, consultation, existing policies and procedures and also the effective use of assets – both staff and physical assets.

The risks facing the Council will change over time, some changing continually, so this is not a one off process. Instead the approach to risk management should be continual and the risks and the approach to managing them should be reviewed regularly.

It is important to note that **risks can also have an upside**; their impact can in some cases be positive as well as negative. Risk is also often said to be the flipside of opportunity so the whole risk management process can also help the Council identify positive opportunities that will take it forward. Risk management needs to be seen as a strategic tool and will become an essential part of effective and efficient management and planning.

## 1.5 Why do we want (and need) to do risk management?

Risk management will, by adding to the business planning and performance management processes, strengthen the ability of the Council to achieve its objectives and enhance the value of the services provided.

**We are required to do it** - Risk management is something that the Council is required to do, for example:

- The CIPFA/SOLACE framework on Strategic Governance requires the Council to make a public assurance statement annually, on amongst other areas, the Council's Risk Management Strategy, process and framework. The framework requires the Council to establish and maintain a systematic strategy, framework and processes for managing risk.

**Benefits of risk management** - Successful implementation of risk management will produce many benefits for the Council if it becomes a living tool.

- Achievement of the Council's objectives and vision;
- A consistent approach to the way risks are managed throughout the Council;
- Improved informed decision making – risks reported and considered within Council decision making;
- Becoming less risk averse in innovation (because you understand) and hence are more innovative;
- Improved business planning through a risk based decision making process;
- A focus on outcomes not processes;
- Improved performance (accountability and prioritisation) - feeds into performance management framework;
- Better governance - and demonstration of it to stakeholders; and
- Helping to protect the organisation.

## 1.6 Where does risk management fit?

In short the answer is **“everywhere”**. Effective risk management should be applied within all decision making processes at an *appropriate scale*. So the risk management approach should encompass all types of risks and the table below may aid in the identification of risks to the Council.

## RISK MANAGEMENT POLICY & STRATEGY

Sources of risk	Risk examples
<b>STRATEGIC</b>	
<b>Infrastructure</b>	Functioning of transport, communications and infrastructure. Impact of storms, floods, pollution.
<b>Legislative and Regulatory</b>	Effects of the change in Central Government policies, UK or EU legislation, local and National changes in manifestos. Exposure to regulators (auditors/inspectors).
<b>Social Factors</b>	Effects of changes in demographic profiles (age, race, social makeup etc.) affecting delivery of objectives. Crime statistics and trends. Numbers of children/vulnerable adults 'at risk'.
<b>Technological</b>	Capacity to deal with (ICT) changes and innovation, product reliability, developments, systems integration etc. Current or proposed technology partners.
<b>Competition and Markets</b>	Cost and quality affecting delivery of service or ability to deliver value for money. Competition for service users (leisure, car parks etc). Success or failure in securing funding.
<b>Stakeholder related factors</b>	Satisfaction of the Council's taxpayers, Central Government, GOEM and other stakeholders.
<b>Political</b>	Local or national political issues that may impact on the Council meeting its Objectives
<b>Economic</b>	Affecting the ability of the Council to achieve its commitments
<b>Social</b>	Relating to the Council's ability to meet the effects of changes in demographic, residential or social/economic trends
<b>Environmental</b>	Environmental impact from Council, stakeholder activities (e.g. pollution, energy efficiency, recycling, emissions, contaminated land etc). Traffic problems and congestion.
<b>OPERATIONAL (Internal influences)</b>	
<b>Finance</b>	Associated with accounting and reporting, internal financial delegation and control, e.g. schools finance, managing revenue and capital resources, neighbourhood renewal funding taxation and pensions.
<b>Human Resources</b>	Recruiting and retaining appropriate staff and applying and developing skills in accordance with corporate objectives, employment policies, health and safety.
<b>Contracts and Partnership</b>	Failure of contractors to deliver services or products to the agreed cost and specification. Procurement, contract and life cycle management, legacy. Partnership arrangements, roles and responsibilities.
<b>Tangible Assets</b>	Safety and maintenance of buildings and physical assets i.e. plant and equipment, ICT equipment and control
<b>Environmental</b>	Pollution, noise, licensing, energy efficiency of day-to-day activities.
<b>Processes</b>	Compliance, assurance, project management, performance management, revenue and benefits systems, parking systems etc.
<b>Legal</b>	Relating to potential breaches of legislation
<b>Physical</b>	Related to physical damage, security, accident prevention and health & Safety
<b>Professional Judgement and Activities</b>	Risks inherent in professional work, designing buildings, teaching vulnerable children, assessing needs (children and adults).

## RISK MANAGEMENT POLICY & STRATEGY

Sources of risk	Risk examples
<b>CORPORATE GOVERNANCE</b>	
<b>Integrity</b>	Fraud and corruption, accountability, transparency, legality of transactions and transactions and limit of authority.
<b>Leadership</b>	Reputation, authority, democratic changes, trust and branding.
<b>Policy and Strategy</b>	Clarity of policies, communication. Policy Planning and monitoring and managing performance.
<b>Data and information for decision making</b>	Data protection, data reliability and data processing. Control of data and information. E-government and service delivery.
<b>Risk Management</b>	Incident reporting and investigation, risk analysis or measurement, evaluation and monitoring. Taking advantage of opportunities.

There is therefore a consistent approach from the top to the bottom of the Council. So a mechanism will exist for risks to be escalated up (bottom up) within the Council whilst the top risks are also explicitly identified and managed (top down).

In practice this means that the Council will carry out risk assessments and develop the following risk registers:

In practice, risks within the Council exist at many different levels (e.g., high level corporate risks to lower level everyday service based risks). For the purpose of this strategy, risks are split into two levels as follows:

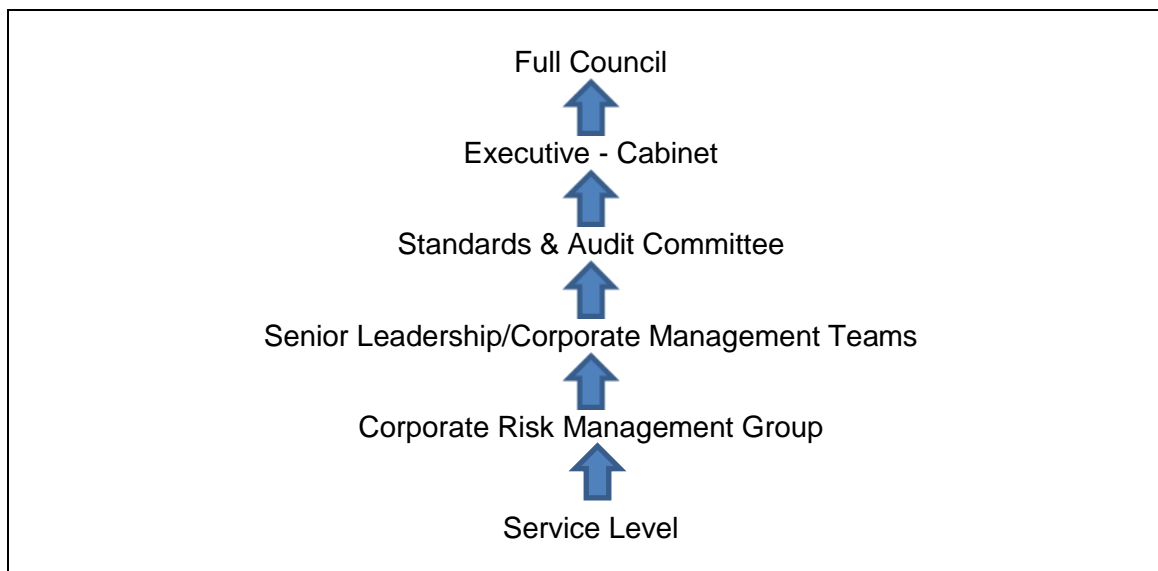
- **Corporate Risk Register** – the strategic, high level council risks related specifically to the achievement of the Councils objectives; and
- **Operational Risks** – service based risks that may prevent individual service aims and objectives being met (and therefore impact upon the attainment of corporate objectives).

Given the changing landscape of local government the importance of projects and partnerships are ever increasing, so a more specific and tailored risk management approach is required.

## 2. Risk Management Organisational Structure

### 2.1 Reporting structure

The reporting structure for risk management is summarised below:



The risk management process is a continuous one and risks can therefore be reported at any time. However risks will be formally reported as follows:

- The Full Council will receive a report on the Council's key risks twice a year.
- The Executive Members will receive quarterly risk management reports for information purposes.
- Standards & Audit Committee will review the effectiveness of the Risk Management arrangements and receive risk management reports twice a year.
- The Senior Leadership Team and Corporate Management Team will consider the Corporate Risk Management Group minutes and summary risk management reports on a quarterly basis.
- Overall responsibility for ensuring that the Council has the appropriate systems in place to manage business risk lies with the Council's Corporate Risk Management Group (CRMG). In effect, CRMG are the sponsors for Risk Management within the Authority. Responsibility for managing specific business risks at an operational level lies with Service Managers and their dedicated Officers. The Director of Finance and Resources will 'champion/coordinate' the process on behalf of CRMG.
- Service Managers are required to carry out a comprehensive review of their risk registers as part of the annual service planning process. In addition the service risk registers need to be reviewed every 2 months (prior to the CRMG meetings). All Service Risk Registers need to be posted on the Council's intranet site. Risk also needs to be a standing regular item at service management and team meetings, and service risks need to be communicated to relevant staff.

### 3. Roles and Responsibilities

In cases of operational risk, risk management will follow existing service management arrangements. Corporate risks will be managed at Senior Officer Level. The Corporate Risk Management Group will be accountable to the Corporate Management Team and will be the “driving force” behind developing and implementing the Council’s Risk Management Strategy. Membership of the Group is shown at **Appendix D**. The Group will seek to enhance the linkage between Service Line Managers and the Corporate Management Team.

Risk needs to be addressed at the point at which decisions are being taken. Where Members and Officers are asked to make decisions, they should be advised of the risks associated with recommendations being made as necessary. The Council needs to be able to demonstrate that it took reasonable steps to consider the risks involved in a decision. Risks must be addressed within Committee reports, as part of the corporate check.

There needs to be a balance between the efficiency of the decision making process and the need to address risk. All key reports, including new and amended policies and strategies, need to include a section to demonstrate that risks have been addressed.

In order to ensure the successful implementation of the strategy, roles and responsibilities have been reviewed and are updated in the following table;

Group or individual	Roles & Responsibilities
<b>Full Council</b>	<ul style="list-style-type: none"> <li>▪ Formal approve and adoption of the Risk Management Strategy (annually or as required);</li> <li>▪ Approve the Corporate Risk Register (annually);</li> <li>▪ Receive monitoring reports (mid and end of year);and</li> <li>▪ Contribute to the identification of Corporate risks.</li> </ul>
<b>Cabinet</b>	<ul style="list-style-type: none"> <li>▪ To review the Strategy and monitoring reports before going to the Full Council.</li> </ul>
<b>Standards &amp; Audit Committee</b>	<ul style="list-style-type: none"> <li>▪ To review the effectiveness of the Risk Management arrangements; and</li> <li>▪ Receive reports including the annual statement of Internal Control/external audit reports/effectiveness of internal audit.</li> </ul>
<b>Senior/ Corporate Management Team</b>	<ul style="list-style-type: none"> <li>▪ Scrutinise significant risks in more detail as part of their annual work programme, as appropriate;</li> <li>▪ Take corporate responsibility for risk;</li> <li>▪ Address issues that cannot be addressed within service budgets or risk management fund of an extreme or high assessment;</li> <li>▪ Receive report of all extreme or high assessments;</li> <li>▪ Receive minutes of Corporate Risk Management Group.</li> <li>▪ Nominate an Officer Champion for Risk Management;</li> <li>▪ Champion and take overall responsibility for implementing the Risk Management Framework and embedding risk management throughout the Council;</li> </ul>

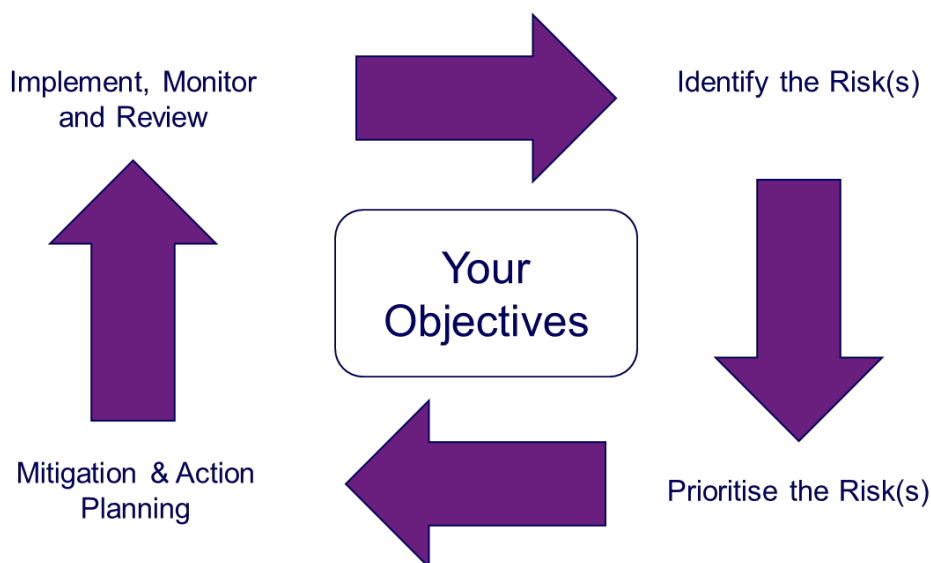
## RISK MANAGEMENT POLICY & STRATEGY

<b>Corporate Risk Management Group (CRMG)</b>	<ul style="list-style-type: none"> <li>▪ Meet (6 times a year) as per the CRMG timetable</li> <li>▪ Overall responsibility for ensuring that processes are in place to effectively manage risks within the Council;</li> <li>▪ Increase awareness of RM – cascade to service management teams and other team meetings;</li> <li>▪ Produce the Strategy and monitoring reports for members;</li> <li>▪ Identify and commission projects for Risk sub-groups;</li> <li>▪ Receive and consider reports from any Risk sub-groups;</li> <li>▪ Formulate monitor and update the Corporate risks register;</li> <li>▪ Review Service risk registers as per the CRMG timetable</li> <li>▪ Report to CMT at the defined frequency all highly scored risks;</li> <li>▪ Preparing and recommending changes to the risk management strategy;</li> <li>▪ Identifying and assessing risks;</li> <li>▪ Review Insurance claims analysis in order to identify ways of reducing or eliminating future claims;</li> <li>▪ Identify good practice and share learning;</li> <li>▪ Identify new and emerging risks for inclusion in the Corporate Risk Register or Operational Risk Registers;</li> <li>▪ Approve the use of the RM budget and Training days;</li> <li>▪ Arranging and providing risk management training as appropriate.</li> </ul>
<b>Service Managers</b>	<ul style="list-style-type: none"> <li>▪ Ensure that risk management is incorporated into service plans and project plans.</li> <li>▪ Review Service Risk Registers every 2 months.</li> <li>▪ Review risk treatment schedules as identified by the line managers and team leaders;</li> <li>▪ Review risk action plans and ensure they are implemented;</li> <li>▪ Contribute towards the identification and management of operational risks for their service;</li> <li>▪ Maintain awareness of and help promote the approved risk management strategy to all staff;</li> <li>▪ Ensure that risks which have been identified are addressed and mitigated and that any high risks are addressed urgently</li> <li>▪ Identify, analyse and profile operational risks through their individual monthly performance clinic. The role of the performance clinic is pivotal to challenging and understanding the risk view as well as gaining confidence that the risks will be managed.</li> <li>▪ To provide annual assurance on the effectiveness of controls in place to identify and mitigate risks within their service through the annual service planning process</li> <li>▪ To maintain awareness of and promote effective risk management techniques (incl. awareness of the strategy and policy) to all relevant staff; and</li> <li>▪ Ensure that risk issues are highlighted in reports to Members.</li> </ul>
<b>Line Managers &amp; Team Leaders</b>	<ul style="list-style-type: none"> <li>▪ Identify and analyse risks;</li> <li>▪ Undertake assessments at service level;</li> <li>▪ Evaluate risk/performance risk assessment</li> <li>▪ Prepare risk register entries;</li> <li>▪ Prepare the risk treatment schedule; and</li> <li>▪ Prepare risk action plan.</li> </ul>
<b>All Employees</b>	<p>All employees have a responsibility to:</p> <ul style="list-style-type: none"> <li>▪ Manage risk effectively in their job and report opportunities and risks to their service managers;</li> <li>▪ Participate in risk assessment and action planning where appropriate;</li> <li>▪ Adhere to Council policies and procedures; and</li> <li>▪ Attend training and development sessions as appropriate.</li> </ul>

<b>Project Leaders</b>	<ul style="list-style-type: none"> <li>Project leaders have a responsibility to ensure that the risks associated with their projects are identified, recorded and regularly reviewed as part of the project management process.</li> </ul>
<b>Internal Audit (Consortium Audit)</b>	<p>Internal Audit's role is to maintain independence and objectivity. Internal Audit is not responsible or accountable for risk management or for managing risks on management's behalf. Internal Audit will:</p> <ul style="list-style-type: none"> <li>Audit the risk management process;</li> <li>Assess the adequacy of the mechanisms for identifying, analysing and mitigating key risks;</li> <li>Provide assurance to officers and Members on the effectiveness of controls;</li> </ul> <p>And</p> <p>The Risk Register will drive the Internal Audit Plan to ensure resources are used on the areas of highest risk and where the need for assurance is greatest.</p>

## 4. Risk Management Process

The risk management process is the same for the management of both strategic and operational risks. The process comprises of the following four basic steps; these are indicated in the diagram below and should be driven by the Council's objectives.



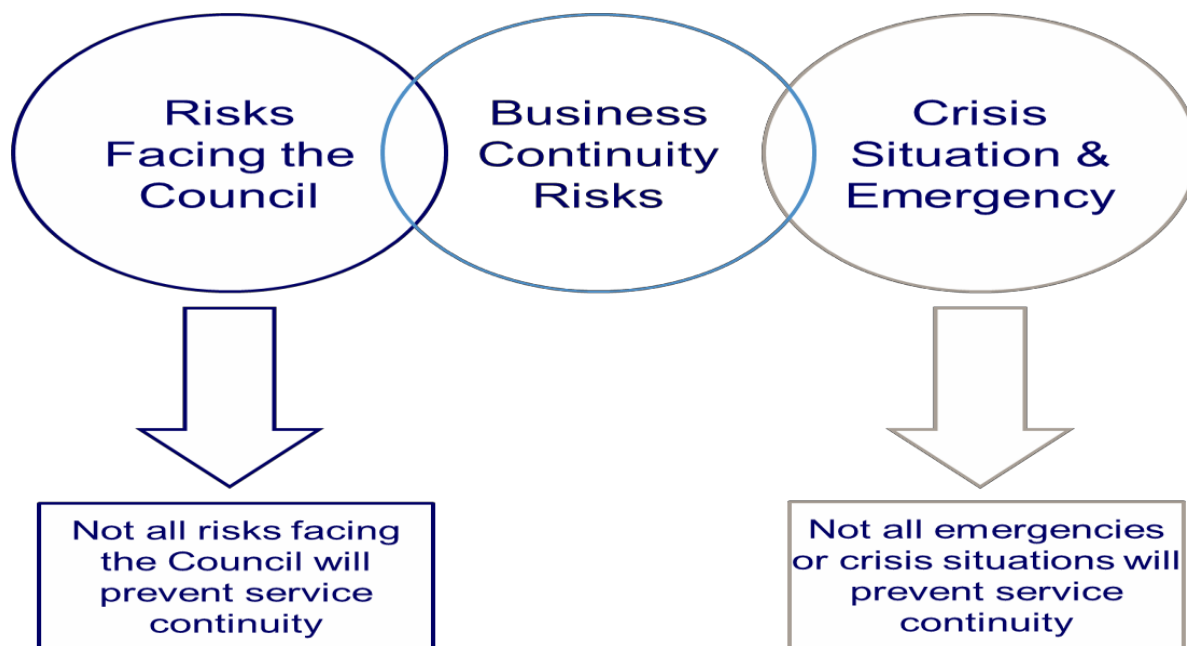
Having identified a risk there are four basic choices about how to deal with it – the 4T's:

- **Treat** the risk (i.e. do something about it)
- **Tolerate** the risk – (i.e. accept it as it is)
- **Transfer** the risk – (i.e. pass it to someone else, for example insurance)
- **Terminate** the risk – (i.e. cease the activity that gives rise to the risk)

## 5. Links to other Processes

### Risk management, emergency planning and business continuity

There is a link between these areas however it is vital for the success of risk management that the roles of each, and the linkages, are clearly understood. The diagram below sets out to demonstrate the differences.



**Risk management** is about trying to identify and manage those risks which are more than likely to occur and where the impact on the Council's objectives can be critical or even catastrophic.

**Business continuity management** is about trying to identify and put in place measures to protect the priority functions against catastrophic risks that can stop the organisation in its tracks. There are some areas of overlap e.g. where the I.T infrastructure is not robust then this will feature as part of the organisation risk assessment and also be factored into the business continuity plans.

**Emergency planning** is about managing those incidents that can impact on the community (in some cases they could also be a business continuity issue) e.g. a plane crash is an emergency, it becomes a continuity event if it crashes on the office.

## 6. Communication

The Risk Management Strategy can be found on the Council's intranet site so that all members of staff can have access and easily refer to it. The strategy will be reviewed each year and following any key changes e.g. Central Government policy, inspection regimes and following any internal reorganisation. The Strategy will be re-issued annually via the intranet site.

## **7. Training**

Workshops will be facilitated by experienced Officers and/or specialists in Business Risk Management. After attending the workshops, Officers should be sufficiently confident to undertake the process of risk identification within their service areas.

Risk analysis, control and monitoring, will lead to the determining of targets for improvements for inclusion in service plans.

## **8. Monitoring of Risk**

The Council will monitor risk in the following ways:

- Risk Assessments will be undertaken annually to reflect Service Plan Objectives and Key Actions.
- The Council risk register, both strategic and operational will be the prime record which contains risk assessments, mitigation controls and review frequency information in accordance with the Councils Risk Management Methodology.
- The Corporate Risk Management Group will comply with their Terms of Reference.
- Internal Audit will review the Council's risk management arrangements as part of its strategic audit plan.

## **9 Conclusion**

This strategy will set the foundation for integrating risk management into the Council's culture. It will also formalise the process to be applied across the Council to ensure consistency and clarity in understanding the role and benefits of corporate risk management.

Every two months reporting and escalation of risks should interlock with the existing arrangements for performance reporting. The intention being that the management of risk is incorporated into business plans and monitored through the performance management framework.

The adoption of the strategy will formalise the risk management work undertaken to date and will move the Council towards meeting the requirements of recognised best practice and inspection.

## APPENDIX A -RISK MANAGEMENT FRAMEWORK

	<b>Corporate Risk Register</b> (owner: Director of Finance and Resources)						
<b>Risk Register</b>	Resources	Customers Commissioning and Change	Housing	Economic Growth	Commercial Services	Health and Wellbeing	Policy and Communications
<b>Risk Register Owner</b>	Director of Resources	Customers Commissioning and Change Manager	Housing Manager	Economic Growth Manager	Commercial Services Manager	Health and Wellbeing Manager	Policy and Communications Manager
<b>Exec Member</b>	Kevin Hanlon  Deputy Leader & Cabinet Member for Planning	(Rachel O'Neil)  Cabinet Member for Business Transformation	(Alison Craig)  Cabinet Member for Housing	(Neil Johnson)  Leader & Cabinet Member for Regeneration / Cabinet Member for Town Centre & Visitor Economy	(Michael Brymer)  Leader & Cabinet Member for Regeneration / Cabinet Member for Housing	(Vacant)  Cabinet Member for Health and Wellbeing	(Donna Reddish)  Cabinet Member for Governance
<b>Service areas: Including related Business Continuity and Health &amp; Safety issues.</b>	Accountancy	Property and Procurement	Council Housing. HRA Business Planning & Strategy.	Development & Growth.	Landscape & Street-scene	Landscape & Street-scene	Policy
	Internal Audi	Business Transformation		Cultural & Visitor Services.	Operational Services	Environmental Health	Communications & Marketing
	Insurance	Support Services			Customer Services.	Sports & Leisure	
	Regulatory & Local Government Law	PPP Client					
	Democratic & Electoral Services.	GP:GS					
		Customer Services					



## APPENDIX C: GLOSSARY

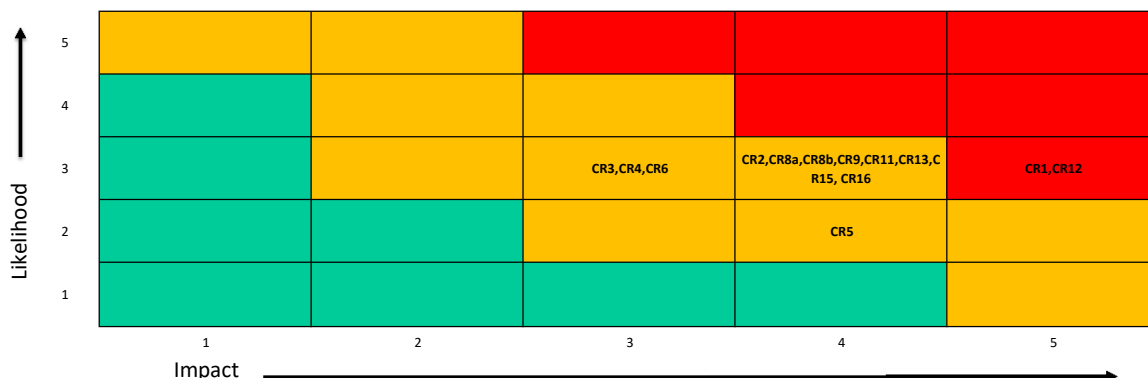
<b>Risk</b>	Risk can be defined as a threat that an event or action will adversely affect the Council's ability to achieve its objectives, perform its duties or meet expectations of its stakeholders.
<b>Hazard</b>	Anything that has the potential to cause harm.
<b>Risk Management</b>	Risk is unavoidable, organisations' must manage risk in a way that can be justified to a level which is tolerable and as a result, risk is the chance that an event will occur that will impact upon the Organisation's objectives. It is measured in terms of consequence and likelihood.
<b>Assessing risks</b>	The approach and process used to prioritise and determine the likelihood of risks occurring and their potential impact on the achievement of the Council's objectives.
<b>Contingency</b>	An action or arrangement that can be put in place to minimise the impact of a risk if it should occur.
<b>Control (control measures)</b>	Any action, procedure or operation undertaken to either contain a risk to an acceptable level, or to reduce the likelihood.
<b>Corporate Governance</b>	Set of internal controls, processes, policies, affecting the way the Council is directed, administered or controlled.
<b>Service risk</b>	Significant operational risks which affect the day-to-day activities of the council.
<b>Identifying risks</b>	The process by which events that could affect the achievement of the Council's objectives, are drawn out and listed.
<b>Risk Prioritisation</b>	Risk prioritisation is the process used to evaluate the hazard/ risk and to determine whether precautions are adequate or more should be done. The risk is compared against predetermined acceptable levels of risk.
<b>Impact</b>	The effect that a risk would have if it occurs.
<b>Issue</b>	An event or concern that has occurred or is taking place and needs to be addressed (as opposed to a risk which has not yet, or might not, occur).
<b>Consequence</b>	A measure of the impact that the predicted harm, loss or damage would have on the people, property or objectives affected.
<b>Likelihood</b>	A measure of the probability that the predicted harm, loss or damage will occur
<b>Risk Treatment</b>	The action(s) taken to remove or reduce risks
<b>Managing and controlling risks</b>	Developing and putting in place actions and control measures to treat or manage a risk.
<b>Control</b>	The control of risk involves taking steps to reduce the risk from occurring such as application of policies or procedures.
<b>Mitigation (Plan)</b>	A strategy that reduces risk by lowering the likelihood of a risk event occurring or reducing the impact of the risk should it occur.
<b>Objective</b>	Something to work towards – goal.
<b>Operational risk</b>	Risks arising from the day to day issues that the Council might face as it delivers its services.
<b>Overall risk score</b>	The score used to prioritise risks – impact multiplied by likelihood.
<b>Risk Assessment</b>	Analysis undertaken by management when planning a new process or changing an existing procedure to identify risks that may occur, their potential impact and likelihood of occurrence. It will also identify the controls needed to control the risk and who is responsible for this.
<b>Risk Register</b>	A risk register is a log of risks of all kinds that threaten an organisations success in achieving its objectives. It is a dynamic living document which is populated through the organisations risk assessment and evaluation process. The risk register enables risks to be quantified and ranked. It provides a structure for collating information about risks.

## APPENDIX D – CORPORATE RISK MANAGEMENT GROUP – MEMBERSHIP

Member	Officer	Title	Role
Member/Chair	Kevin Hanlon	Director of Finance and Resources	Chair and Resources Risk Lead
Member	Rachel O’Neil	Customers, Commissioning and Change Manager	Customers, Commissioning & Change Risk Lead
Member	Alison Craig	Housing Manager	Housing Risk Lead
Member	Neil Johnson	Economic Growth Manager	Economic Growth Risk Lead
Member	Michael Brymer	Commercial Services Manager	Commercial Services Risk Lead
Member	tbc	Health and Wellbeing Manager	Health & Wellbeing Risk Lead
Member	Donna Reddish	Policy and Communications Manager	Policy & Comms. Risk Lead
Member	Cllr Sharon Blank	Cabinet Member for Governance	Independent
Attendee	Peter Schriewersmann	PPP Site Director	PPP – arvato/Kier
Attendee	Sam Sherlock	Emergency Planning & Business Continuity	Business Continuity Support
	Gerard Rogers	Regulatory & Local Government Law Manager	Legal Service and Monitoring Officer
Attendee	Jenny Williams	Head of Internal Audit	Internal Audit Representative
Attendee	Marc Jasinski	Health and Safety	Health & Safety Representative
Attendee	Richard Staniforth	Deputy Chief Accountant	Finance , Risk & Insurance Representative
Attendee	Paul Robertson	Insurance	Insurance Representative
Attendee	Mick Blythe	PPP Client Officer	PPP Client Representative

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### Corporate Risk Register Summary



Risk Reference		Risk Rating (Maximum Score = 25)		
		Start of Year	Current	Target
CR1	Having a Sustainable Financial Plan - the ability to deliver priority services with the resources available.	15	15	15
CR2	Transformation / Change Management - managing change effectively to deliver the required transformational changes and savings.	12	12	8
CR3	Workforce - to ensure that we have the right skills and capacity to deliver the Council's priorities.	9	9	6
CR4	Investment & development of the ICT infrastructure - to ensure that a modern, efficient and reliable infrastructure is in place to support service delivery.	9	16	16
CR5	Emergency Planning & Business Continuity - to ensure that we are able to respond effectively to unexpected events, minimising any damage caused and keeping services running.	8	8	8
CR6	Protecting the Public & Staff (Health & Safety) - to ensure that we have systems in place to reduce the risk of accidents occurring and their severity.	9	12	16
CR7	Welfare Reform	N/A	N/A	N/A
CR8a	Information Governance - PSN compliance.	8	12	8
CR8b	Information Governance (Data Security) - to comply with the statutory and other requirements to ensure that the data we hold is held securely.	16	12	6
CR9	Procurement & Contract Management - to ensure that contracts are procured properly and deliver value for money.	12	12	16
CR10	Local and National Elections	N/A	N/A	N/A
CR11	Key Partnerships (e.g. PPP, Veolia) - to ensure that partnerships are used to support the delivery of the Council's priorities and that they are delivered to the specified standard.	12	12	16
CR12	The provision of Social Housing - ensuring that the Council is able to support delivery of social housing and that there is a sustainable business plan for the Housing Revenue Account.	15	15	12
CR13	Safeguarding Children and Vulnerable Adults - the ability to fulfill our moral and legal obligations to ensure a duty of care for children and vulnerable adults across our services and facilities.	12	12	8
CR14	Combined Authority	N/A	N/A	N/A
CR15	Non-Housing Property Maintenance Programme & Funding.	12	12	4
CR16	Brexit	12	12	9

## Corporate Risk Register

REF	RISK DESCRIPTION (HEADLINE)	RISK CAUSE	RISK EFFECT	EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK	CURRENT RISK RATING			FURTHER ACTION REQUIRED	TARGET RISK RATING			TARGET COMPLETION DATE(S)	RISK LEAD (Initials)
					LIKELIHOOD	IMPACT	RISK RATING (LxI)		LIKELIHOOD	IMPACT	RISK RATING (LxI)		
CR1	Having a Sustainable Financial Plan - the ability to deliver priority services with the resources available.	Changes in: - RSG, Business Rates retention & Growth, Council Tax limitation & collection rates, New Homes Bonus, etc. - Cost pressures e.g. pensions, pay, inflation, interest rates etc. - Other unforeseen events - Contracts - re-tender of the Waste Contract in 2018	- Re-assessment of the range & scope of services currently provided & the Corporate Plan priorities. - Short-term use of reserves - Worst case - financial failure - Critical external inspection / audit reports - Damage to reputation - Public expectations / reaction - Loss of member confidence - Loss of staff morale - Impact on Asset Management Plan - Significant increase in the cost of the waste contract	- 5 year MTFP produced - Prudent assumptions re income levels and collection rates - Budget monitoring & reporting (to FPG, Scrutiny & Cabinet) - Great Place: Great Service Programme approved - Asset Management Plan - Budget Challenge sessions - Expenditure and vacancy control	3	5	15	- Horizon scanning to identify future pressures & opportunities (on-going) - Assess implications of Local Gov't Finance review - NHB, retained business rates - Rigorous budget monitoring to identify variances early & implement corrective action (quarterly) - Regularly update the assumptions in the 5 year MTFP & model the options (quarterly) - Delivering the savings targets included in the budget and identify further significant savings or income generation - CMT / Exec Members Budget Group to identify & implement further budget cuts required to eliminate forecast deficits (on going) - Development of trading opportunities to increase income - Assess the business rates devolution proposals at the nation and the SCR CA level.	3	5	15	Short / Med term - balanced budget in Feb each year  Med / Long term - self sufficient by 2020	DoF&R  Supported by SLT
CR2	Transformation / Change Management - managing change effectively to deliver the required transformational changes and savings.	- Failure to develop & implement the required projects due to capacity issues, skills gaps, resistance to change, poor project management etc. - Competitor responses and other challenges to commercial activities.	- Loss of expertise and/or experienced staff - Scarce resources not used effectively - Budget shortfalls - Delivery timelines not adhered to - Increase in financial costs - Legal, financial and reputational implications if commercial activities not structured and managed	- Transformation strategy produced - Project academy - Increased focus on commercialisation - Great Place: Great Service programme - Staff and Union consultation - Political leadership & TU's meetings - £150k budget approved in 2016/17 to finance additional resources required to implement the savings targets	3	4	12	- Delivery of the current savings targets - CMT to prioritise resources onto cash releasing projects - Identify and secure other savings required to bridge any forecast deficit - Post implementation reviews - Training of a wider group of staff in transformation techniques - Improving communications and engagement with staff - 'Solid Foundations' work in GPGS - Develop the Target Operating Model (TOM)	2	4	8	March 2018	Business Transformation Manager  Supported by SLT
CR3	Workforce - to ensure that we have the right skills and capacity to deliver the Council's priorities.	- Loss of key people within the organisation e.g. loss of corporate memory and key skills - Lack of training - due to for example budgetary pressures - No effective succession planning - Difficulties in recruitment and retention of key skills / staff - Lack of mid to long term planning	- Inability to deliver services to the desired standard or projects effectively - Performance suffers due to low morale & job fears - Increased sickness (stress related) - Impact on staff health & well being - Financial e.g. severance costs arrangements	- Draft Workforce Strategy produced - EPD process / Competency frameworks - Communications - Leader / CEO staff briefings, Borough Bulletin etc. - Internal Comms Strategy - SLT / CMT restructure	3	3	9	- Workforce strategy to be approved (Apr '16) - Identify opportunities for staff development & succession planning (EPD process - June '15) - Review of staffing (as per service plans) - Voluntary redundancy / early retirement scheme (on-going). Implement CMT restructure (Q1 16/17)	3	2	6	March 2018	Service Managers
CR4	Investment & development of the ICT infrastructure - to ensure that a modern, efficient and reliable infrastructure is in place to support service delivery.	- Lack of resources and expertise to develop the infrastructure and manage the technology life cycle - Ad-hoc development and flawed project documentation - Reliance on Partner expertise and resources	- Inefficient & expensive services - Poor service outcomes - Additional Project delays	- ICT Strategy written & governance structure in place - Invest-to-Save budgets approved. - Strategies incorporated into GP:GS	4	4	16	- Resource and implement the ICT strategy and Invest significant financial capital - Enforce new governance - Centralise ICT budgets - Improve project documentation - Rationalise ICT assets	4	4	16	March 2018	PPP Client Officer  Supported by SLT
CR5	Emergency Planning & Business Continuity - to ensure that we are able to respond effectively to unexpected events, minimising any damage caused and keeping services running.	Inadequate or untested plans in place to respond to extreme events (e.g. severe weather, flooding, flu pandemics)	- Loss of damage to life or property - Financial (loss of revenue / additional costs) - Disruption to services - Damage to reputation	- Robust plans in place - Test exercise undertaken - Commission advice from DCC - Snow Wardens scheme - Improvements to ICT controls and back-up systems approved	2	4	8	- Continue to update plans to take account of new & emerging matters - Services area BCP's, including Business Impact Analysis, to be completed, regularly reviewed & additional measures implemented	2	4	8	March 2018	Emergency Planning Officer  Service Managers

## Corporate Risk Register

REF	RISK DESCRIPTION (HEADLINE)	RISK CAUSE	RISK EFFECT	EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK	CURRENT RISK RATING			FURTHER ACTION REQUIRED	TARGET RISK RATING			TARGET COMPLETION DATE(S)	RISK LEAD (Initials)
					LIKELIHOOD	IMPACT	RISK RATING (LxI)		LIKELIHOOD	IMPACT	RISK RATING (LxI)		
CR6	Protecting the Public & Staff (Health & Safety) - to ensure that we have systems in place to reduce the risk of accidents occurring and their severity.	- Failure to manage the health & safety risk of the Council's undertakings - Lack of training - Budget pressures - Ageing infrastructure	- Death or injury - Damage to property or the environment - Litigation or prosecutions - Financial - claims - Damage to reputation	- Corporate H&S group established - Preparation of Corporate H&S policy - 3 year H&S Improvement Programme agreed - Service level H&S plans - Control of contractors procedures & group established - Transport Code of Practice approved & being implemented - Two external H&S audits - Internal audit methodology developed and agreed - Record training undertaken and monitor refresh dates	4	3	12	Corporate H&S staff to undertake audits to ensure that: a) Policies and procedures are implemented and reviewed regularly; and b) the actions in the improvement programme are implemented c) Further resource H&S Improved on-line training systems	4	4	16	Ongoing	Business Transformation Manager
CR8a	Information Governance - PSN compliance.	Failure to gain PSN compliance and maintain a secure and up-to-date ICT infrastructure	- Service disruption - Data exchange with Government departments restricted - ICT network suffers breach or attack - Reputational damage - Financial loss	- Compliance achieved to July '16 - IT health check commissioned for Jan '16 - Reviewed and updated IT security audit	3	4	12	- IT health check mitigation plan - Ongoing review of IT health and action plan to remove known issues	4	2	8	Ongoing	PPP Client Officer and Law Manager (SIRO)
CR8b	Information Governance (Data Security) - to comply with the statutory and other requirements to ensure that the data we hold is held securely.	Data breach	- Reputation damage - Financial Loss - Service disruption - Poor customer outcomes	- Ensure statutory requirements are met - All staff given information security training in 2015 and 2016	3	4	12	- Information Assurance Manager in post - Recruit to post of Information Rights Officer - Implement new Information Assurance Strategy - Review of policies and procedures - Provide online training (as part of new online corporate training package) to staff, especially those with key and statutory roles.	2	3	6	March 2018	CCC Manage / Information Assurance Manager
CR9	Procurement & Contract Management - to ensure that contracts are procured properly and deliver value for money.	Failure to adequately manage Council contracts	Financial impact (valuable funding is used for rectification costs) - Increase in staff resource to defend the challenge - Potential litigation and fines being procured - The Council does not receive value for money - Discouraged providers may not tender for the contract in the future - potentially reducing the portfolio of providers	- Dedicated procurement & legal team of support where necessary on contract management - policies and procedures in place - scheme of delegation and guidance available - staff have been trained in general contractor management - New and specific contractor management training commenced during 2015 - New procurement contract with NHS	3	4	12	- Continue the roll out of the new training on contract management by the Corporate H&S team - Develop a Contracts Register and commence additional procurement training with links to contractor management	4	4	16	Ongoing	Business Transformation Manager
CR11	Key Partnerships (e.g. PPP, Veolia) - to ensure that partnerships are used to support the delivery of the Council's priorities and that they are delivered to the specified standard.	- Partnerships not delivered as promised - Breakdown in a key partnership relationship	- Reputation damage - Loss of trust - Service disruption	- Strategic board in place for PPP - Client function and supporting key Pis - Focus on HYR and ICT	3	4	12	- Negotiations taking place with key partners around contract delivery - Begin preparations for the Waste Collection re-tender in 2018 - SLT / CMT to develop relationships with key strategic partners	4	4	16	Ongoing	CCC Manager Commercial Services Manager
CR12	The provision of Social Housing - ensuring that the Council is able to support delivery of social housing and that there is a sustainable business plan for the Housing Revenue Account.	- Requirement to make an annual payment to Government reflecting the market value of high value housing likely to become vacant during that year and/or sell the most valuable Council housing stock as it becomes vacant. - Government controls on housing rents contrary to those agreed in self-financing statement - Requirement to charge a market or near market rent for households with an income of over £30,000 - Removal of Lifetime Tenancies for new tenants and replaced with a fixed term tenancy of between 2 to 5 years. - Introduction of a cap in the amount of rent that housing benefit will cover relevant to the LHA.	- Reduced resources within the HRA business plan due to the loss of rent income and/or increased rent arrears. - Loss of stock and inability to replace the stock which is sold due to reduced resources. - Increase in Right to Buy sales - Risk of being required to repay retained Right to Buy 1-4-1 receipts to Government - Increased administrative burden in implementing new policies.	- Using the Business Planning system to model the implications of possible scenarios. - Reprofitting of work / policies and procedures to achieve tenancy sustainment, deliver new policies	3	5	15	- Refresh the HRA Business Plan - Re-phasing of capital investment - Increased borrowing - Use of working balance - Review the debt repayment policy - Commission a stock conditioning survey - Review of repairs and maintenance standards and lifecycles of building components / asset performance / procurement to achieve efficiencies / revised stock condition survey against these revised standards.	3	4	12	Ongoing	Housing Mgt Team



## Corporate Risk Register

REF	RISK DESCRIPTION (HEADLINE)	RISK CAUSE	RISK EFFECT	EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK	CURRENT RISK RATING			FURTHER ACTION REQUIRED	TARGET RISK RATING			TARGET COMPLETION DATE(S)	RISK LEAD (initials)
					LIKELIHOOD	IMPACT	RISK RATING (LxI)		LIKELIHOOD	IMPACT	RISK RATING (LxI)		
CR13	Safeguarding Children and Vulnerable Adults the ability to fulfill our moral and legal obligations to ensure a duty of care for children and vulnerable adults across our services and facilities.	Inadequate policies, procedures, learning and development partnership working to safeguard children and vulnerable adults living in our communities, using our services and to protect the council, its staff (including agency staff), elected members and volunteers	<ul style="list-style-type: none"> <li>- Negative impact on the well-being of children and vulnerable adults</li> <li>- Reputation damage</li> <li>- Public expectations / reaction</li> <li>- Loss of Trust</li> <li>- Loss of Member confidence</li> <li>- Loss of staff morale</li> <li>- Critical external inspection / investigation</li> </ul>	<ul style="list-style-type: none"> <li>- Safeguarding lead roles identified</li> <li>- Safeguarding group established to develop effective response, audit and share best practice</li> <li>- Strong dialogue and engagement with key partners on Derbyshire Safeguarding Board</li> </ul>	3	4	12	<ul style="list-style-type: none"> <li>- Policy and procedures are being updated (Cabinet Dec 2015)</li> <li>- Learning and development requirements are being established and progressed</li> <li>- Pilot activity planned with key partners</li> <li>- Annual audit activity</li> </ul>	2	4	8	Ongoing	Exec Director All

## **For publication**

### **Update on General Fund Capital Programme 2017/18 (J000)**

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Meeting: Council

Date: 13<sup>th</sup> December 2017

Cabinet portfolio: Deputy Leader of the Council

Report by: Director of Finance & Resources

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## **For publication**

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### **1.0 Purpose of report**

1.1 To provide an update to the General Fund Capital Programme.

### **2.0 Recommendations**

2.1 The updated General Fund Capital Programme expenditure and financing arrangements, as set out in Appendix A to the report, be approved.

2.2 The new schemes, as outlined in paragraph 6.1 of the report, be noted.

2.3 The proposal to undertake further work to finalise the strategy document required to take advantage of the Government's capital receipts flexibility rules, as detailed in paragraphs 5.3 and 6.1 of the report, be approved.

2.4 The proposal to defer the repayment of prudential borrowing from capital receipts, including that in respect of the Queens Park Sports Centre and Market Hall refurbishment projects, as set out in paragraphs 5.4 and 7.1 of the report, be approved.

- 2.5 The proposed changes to the methods used to finance current schemes, as set out in paragraph 5.7 of the report, be approved.

### 3.0 **Background**

- 3.1 The Capital Programme for 2017/18 was approved as part of the budget setting process in February 2017. The programme included two major capital schemes, the Town Hall alterations and the Northern Gateway project.

- 3.2 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.

- 3.3 This report was considered by the Cabinet meeting on 3 October, 2017, where it was resolved that the recommendations at paragraphs 2.1 – 2.5 be approved by full Council.

### 4.0 **Updated Expenditure Forecasts**

- 4.1 Updated Programme – An updated capital programme forecast (expenditure and financing) is included at **Appendix A**. The Programme covers the current financial year and three years ahead.

- 4.2 New Schemes - the updated programme includes the schemes that were approved in February 2017 and some new proposals.

#### 4.3 Progress on Current Major Schemes

- 4.3.1 **Town Hall Alterations** – the building services division won the tender to carry out the alterations to the Town Hall required by Derbyshire County Council before the Registry Office is transferred here. This along with the removal of asbestos taking longer than anticipated means that the completion of this scheme has slipped. The project remains currently on budget.

#### 4.3.2 **Northern Gateway (Refurbishment of Saltergate MSCP)** -

Council recently approved the demolition and rebuilding of the car park on this site as a more cost effective solution than refurbishment. The £3m additional borrowing associated with this change was approved by Cabinet in July 2017 and are included in Appendix A.

#### 4.3.3 **Peak Resort** – this scheme provides upfront infrastructure works to provide access to the site prior to the first phase of the commercial development. This is fully financed by SCRIF funding.

#### 4.3.4 **Chesterfield Museum Store** – this scheme involves the refurbishment of a unit at Somerset Yard to allow museum storage. However due to unforeseen difficulties with the building, the museum storage is now to be housed in an industrial unit. It is proposed to delete this refurbishment scheme from the capital programme.

#### 4.3.5 **Waterside (loan)** – Sheffield City Region (SCR) provided a loan of £2.4m in July 2016 to fund certain elements of the Waterside scheme. The capital spend and loan from SCR are included in the current capital programme. Once the scheme was underway, it was discovered that it can be delivered without this loan facility and the loan was repaid in July 2017. It is proposed to delete this element of the Waterside project from the capital programme.

## 5 **Capital Financing**

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

- Borrowing – capital expenditure can be financed from borrowing provided the borrowing is affordable, prudent and sustainable. The aim has been to repay borrowing as soon as possible from revenue savings generated by the schemes or by setting aside capital receipts from asset sales. However due to the ongoing scarcity of capital receipts and the need for investment on

several schemes, other borrowing will be required to finance the capital programme.

- Grants and contributions:  
2017/18 - £4.8m in total including £1.2m DFG's and £3.2m SCRIF Grant;  
  
2018/19 - £5.3m in total including SCRIF grant of £4.6m and grant of £0.65m DFG's  
  
2019/20 - £1.1m in total including SCRIF grant of £0.5m and grant of £0.65m DFG's
- Reserves - contributions from earmarked reserves towards ICT, vehicle replacements and match funding contributions re other grant funded schemes.
- Capital Receipts – see below.

5.2 Capital Receipts Flexibility – the general rule is that capital receipts can only be used either to repay debt or to finance new capital expenditure. 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 from property, plant and equipment for revenue expenditure on transformation schemes that are designed to deliver ongoing revenue savings.

5.3 To take advantage of this flexibility, the Council would need to produce a strategy document giving details of any projects to be funded in this manner, the level of revenue savings expected and show the impact of this on our prudential indicators. This would need to be approved by full Council and then submitted to DCLG for their approval. All spend would have to be incurred by March 2019.

5.4 Repayment of prudential borrowing planned for 2016/17 was not done to allow the Council to explore the opportunity to use capital receipts to fund business transformation projects. The revised capital programme assumes that the planned repayment of prudential borrowing from 2016/17 is deferred until 2018/19 pending a decision on whether the capital receipts generated will be needed for business transformation projects.

- 5.5 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.
- 5.6 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 A are:

2017-18 - The forecast of receipts at the start of the year was £2.0m but this has been revised to £2.4m. The increase is due to the inclusion of the sale of garage sites and increased estimates on some assets. It includes the sale of land at Ashgate Rd, 87 New Square and the first tranche of land at Poolsbrook.

2018/19 – receipts of £0.5m have been assumed including the second tranche of land at Poolsbrook.

2019/20 – receipts of £0.5m have been assumed. The sale of land at Linacre Rd has been omitted from the capital receipts forecast until a development decision is made.

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

- 5.7 Due to pressure on the General Fund revenue position and the need to identify savings, it is proposed to amend the previously approved financing of the Winding Wheel lift refurbishment from the Property Repairs Reserve to external borrowing which will reduce the level of contributions into this reserve from General Fund revenue.

## **6.0 New Schemes**

- 6.1 There are a number of capital schemes coming to Cabinet and Council for approval in the near future. These are as follows:

- **Development of old Queens Park Sports Centre site** – a public consultation was undertaken in 2016/17 which gave support for the development of this site for artificial pitches. A business case is being commissioned for the scheme.
- **ICT Development** – a modernisation programme being assessed could provide a 'Digital Platform' for service delivery which is expected to generate significant revenue savings when complete. The estimated costs are yet to be finalised in a business plan, an element of which will be revenue costs. These revenue costs could be met by using the capital receipts flexibility referred to in para 5.2 for business transformation projects and must therefore be spent by 31<sup>st</sup> March 2019.

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

- Increase in Disabled Facilities Grants of £386k for 17/18 only, funded by the Better Care Fund;
- Langer Lane play space upgrade of £70k funded by Derbyshire County Council and Viridor
- Eastwood Park skate park of £51k funded by Viridor
- Whitebank Close bowls upgrade £33k by Viridor

## 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:

	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>
In year surplus/(deficit)	2,009	-	12	51

The key points to note are:

- 2017/18 – internal borrowing of £1.4m is required to fund the Town Hall alterations. Repayment of prudential borrowing has been deferred pending a review of the decision on how these capital receipts can best be utilised leading to a surplus of £2m.

- 2018/19 – borrowing of £5.2m is required to fund the programme. This will create further pressure on the revenue budget to meet the minimum revenue provision for debt repayment. It is expected that some schemes will generate revenue savings in future years (Saltergate Car Park) which will more than offset the additional revenue cost of borrowing.
- 2019/20 – a small surplus of £12k is forecast. The original capital programme assumed that a proportion of the prudential borrowing for the Market Hall refurbishment and the new Queens Park Sports Centre of £4.9m, could be repaid in this year. This is deferred from the capital programme until the outcome of future capital receipts linked to the repayment (i.e. Linacre) is known. 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.
- 2020/21 – a small surplus of £51k is forecast.

## 8.0 Growth Requests

8.1 The forecast Capital Programme in **Appendix A** shows that based on current forecasts there will be no surplus resources available to fund new schemes until 2019/20. 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 cost are affordable and sustainable.

- Securing external **grant** support.

8.3 Starts on schemes that are 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)
Contractor failure	Medium (3)	Unlikely (2)	Financial tests. Performance bonds.	Low (2)	Unlikely (2)
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	V. High (5)	Possible (3)	Starts on schemes delayed until VAT issues resolved.	V. High (5)	Unlikely (2)

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.			<p>In-year monitoring.</p> <p>VAT planning for a number of years ahead.</p> <p>Obtaining expert external advice.</p>		
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## **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 and reasons for rejection**

11.1 The amendment to the Capital Programme is based on the previously approved schemes within the current Capital Programme plus the addition of new schemes since that report was approved. Previous commitments could be reviewed and other priorities determined for growth requests.

## **12.0 Recommendations**

**12.1** The updated General Fund Capital Programme expenditure and financing arrangements, as set out in Appendix A to the report, be approved.

**12.2** The new schemes, as outlined in paragraph 6.1 of the report, be noted.

**12.3** The proposal to undertake further work to finalise the strategy document required to take advantage of the Government's capital receipts flexibility rules, as detailed in paragraphs 5.3 and 6.1 of the report, be approved.

**12.4** The proposal to defer the repayment of prudential borrowing from capital receipts, including that in respect of the Queens Park Sports Centre and Market Hall refurbishment projects, as set out in paragraphs 5.4 and 7.1 of the report, be approved.

**12.5** The proposed changes to the methods used to finance current schemes, as set out in paragraph 5.7 of the report, be approved.

### **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.

#### **Decision information**

<b>Key decision number</b>	<b>770</b>
<b>Wards affected</b>	(All Wards);
<b>Links to Council Plan priorities</b>	All

#### **Document information**

<b>Report author</b>	<b>Contact number/email</b>
Helen Fox	Tel: 01246 345452/helen.fox@chesterfield.gov.uk
<b>Background documents</b> These are unpublished works which have been relied on to a material extent when the report was prepared.	
<i>This must be made available to the public for up to 4 years.</i>	
<b>Appendices to the report</b>	
Appendix A	General Fund Capital Programme

				Appendix A					
GENERAL FUND CAPITAL PROGRAMME REVISED 2017/18									
<b>Code</b>	<b>CAPITAL EXPENDITURE</b>	<b>17/18 £'000</b>	<b>18/19 £'000</b>	<b>19/20 £'000</b>	<b>20/21 £'000</b>				
8907	Brampton Flood Resilience Work	45							
2750	IT Strategy (from ICT Reserve)	23							
8445	Vehicles & Plant (V&P Reserve)	120							
8295	Home Repairs Assistance	275	275	275	275				
8292	Disabled Facilities Grants	1,221	650	650	650				
	Car Parks - Replacement of Ticket Machines	31							
8953	Queen's Park Sports Centre - Demolition of Old Centre	13							
8943	Town Hall Alterations (GPGS)	2,421							
8928	CBC Innovation Centres ICT Upgrade	100							
8770	Replacement of Winding Wheel Lift	93							
8963	Market Hall Café Refurbishment	65							
8956	Grant to Chesterfield Waterside Ltd - Basin Square Infrastructure	607							
8959	Northern Gateway - Refurbishment of Saltergate MSCP	707	5,725						
	Northern Gateway - Streetworks/Environmental Imps	215	800						
	Northern Gateway - Managed Office Space	0	3,904	783					
	Peak Resorts	2,065							
8870	Eastwood Park skate park	51							
8846	Langer Lane play space	70							
8930	Whitebank Close - bowls	33							
	Doe Lea Flood Resilience Work	110							
	<b>Total Expenditure</b>	<b>8,265</b>	<b>11,354</b>	<b>1,708</b>	<b>925</b>				
		<b>17/18 £'000</b>	<b>18/19 £'000</b>	<b>19/20 £'000</b>	<b>20/21 £'000</b>				
	<b>CAPITAL FINANCING</b>								
	Borrowing - Saltergte		3,000						
	Borrowing - general		2,258						
	Borrowing - Town Hall restack	1,392	0	0					
	Grants & Contributions - see below	4,792	5,266	1,145	660				
	Capital Receipts	2,396	464	500	229				
	ICT Reserve	23	0	0					
	Vehicle & Plant Reserve	120	0	0	0				
	TPIC Property Repairs Reserve (Cap)	75							
	Service Improvement Reserve (TPIC)	25							
	Service Improvement Reserve (Market Hall café)	65	0	0					
	Invest to Save Reserve (Car park ticket machines)	31	0	0					
	Home Repairs Reserve (Repaid Improvement Grants)	0	75	75	75				
	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		-573						
	<b>Total resources available in year</b>	<b>8,919</b>	<b>9,345</b>	<b>1,720</b>	<b>964</b>				
	Less total expenditure in year	8,265	11,354	1,708	925				
	<b>Net in-year surplus / (deficit)</b>	<b>654</b>	<b>-2,009</b>	<b>12</b>	<b>39</b>				
	Surplus / (deficit) b/f from prev yr	1,355	2,009	0	12				
	<b>Cum surplus / (deficit) c/f</b>	<b>2,009</b>	<b>0</b>	<b>12</b>	<b>51</b>				
		<b>17/18 £'000</b>	<b>18/19 £'000</b>	<b>19/20 £'000</b>	<b>20/21 £'000</b>				
	<b>CAPITAL GRANTS ETC (Accruals Basis)</b>								
	Flood Relief Grant - CLG	45							
	Flood Risk Management Grant - EA	110							
	Disabled Facilities Grants (BCF / Derbys PCT)	1,221	650	650	650				
	Home Repairs Assistance Grants (FILT / SSE)	10	10	10	10				
	Langer Lane play space - DCC/Viridor/Friends	68							
	Eastwood Park skate park	51							
	Whitebank Close	33							
	Grant to CWL Basin Square Infrastructure - SCRIF	607							
	Peak Resorts - SCRIF	2,065							
	Northern Gateway (Refurb of Saltergate MSCP) - SCRIF	438	1,690						
	Northern Gateway (Streetworks / Env Imps) - SCRIF	133	496						
	Northern Gateway (Managed Office Space) - SCRIF		2,420	485					
	Staveley King George V Bowls Pavilion Ph 2 - Viridor / Entrust	11							
	<b>Grants Total</b>	<b>4,792</b>	<b>5,266</b>	<b>1,145</b>	<b>660</b>				

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## **For publication**

### Quarter 2 Budget Monitoring 2017/18 & Updated Medium Term Financial Forecast

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Meeting:	Council
Date:	13 <sup>th</sup> December 2017
Cabinet Portfolio	Deputy Leader
Report by:	Director of Finance & Resources

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## **For publication**

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### **1.0 Purpose of report**

- 1.1 To provide the Council with an update on the budget position at the end of the second quarter, covering:
- General Fund Revenue
  - Capital Programme
  - Housing Revenue Account
- 1.2 To meet the requirement in the Financial Procedure Rules to provide the Council with regular updates on the Council's financial position.

### **2.0 Recommendations**

- 2.1 That the Council's financial performance in the first half of the 2017/18 financial year, and the updated medium term financial forecasts through 2022/23, as set out in sections 4 and 8 of the report, be noted.

- 2.2 That the proposed use of reserves, as set out in section 6 of the report, and the two new applications to the Budget Risk Reserve, be approved.
- 2.3 That the proposed revision of the Financial Strategy to reflect a change in the use of surpluses from the Operational Services Division, as set out in section 7 of the report, be approved.
- 2.4 That the position of the Housing Revenue Account budgets, as set out in section 9 of the report, be noted.
- 2.5 That the proposed budget preparation guidelines and approach to consulting the public on the 2018/19 budget, as set out in section 11 of the report, be approved.

### **3.0 Background**

- 3.1 The Council approved the original budget for 2017/18 on 23<sup>rd</sup> February 2017. The Band 'D' Council Tax was set at £154.89. The forecast budget for 2017/18 was a deficit of £208k.
- 3.2 All of the indications are that the medium term outlook will continue to be challenging. Any budget announcement for 2018/19 and future years will follow the release of the 2017 Spending Review in November 2017. The Medium Term forecast approved by the Full Council on 23<sup>rd</sup> February 2017 showed increasing deficits of £458k in 2018/19 rising to £1.7m by 2020/21.
- 3.3 The Queens speech in June 2017 contained no bills relating to local government finance. The previously anticipated move to 100% business rate retention expected before the June 2017 election has been deferred for at least the next two years. There are increasing calls for changes to the public sector pay cap which may put further pressure on budgets in future years. Our current budget figures include an allowance for a 1% and additional 1% contingency increase in pay from 2018/19.
- 3.4 A revised deficit of £258m for 2017/18 was reported to members as part of the Quarter 1 Budget Monitoring 2017/18 & Updated Medium Term Financial Forecast report.

- 3.5 This report was considered at the Cabinet meeting on 14 November, 2017, where it was resolved that the recommendations at paragraphs 2.1 – 2.5 be approved by full Council.

#### 4.0 Current Year's Budget

- 4.1 We started quarter 2 of the year with a forecast deficit of £258k. At the end of the second quarter other variances have produced an anticipated surplus forecast of **£90k**. A summary of the key variances is provided in the table below:

<b>2017/18 UPDATED BUDGET FORECAST – TO QUARTER 2</b>		
Deficit Forecast at the start of the year		209
Changes reported at the end of Quarter 1		49
<b>Deficit Forecast at the start of Quarter 2</b>		<b>258</b>
<b><u>Budget Saving - increased income:</u></b>		
Development Control Income	(160)	
Leisure Centre Income	(59)	
Transfer of DSO Surplus to General Fund	(185)	(404)
<b><u>Budget Saving - reduced expenditure:</u></b>		
Insurance Tender	(73)	
Property Repair Fund Contributions	(177)	(250)
<b><u>Budget Increase - reduced income:</u></b>		
Crematorium Surplus Increase Reported at Q1	75	
Markets Income	43	
Venues Income	25	
Saltergate MSCP Income	40	
Beetwell Street MSCP Income	9	
Commercial Property Rental Income	5	197
<b><u>Budget Increase - increased expenditure:</u></b>		
Drain Clearing Services	10	
Chesterfield Half Marathon	10	
Old QPSC Security Hoarding	15	

Parks Security Costs	40	75
<b><u>Adjustments to savings Targets:</u></b>		
Cease and Reduce CCTV	22	22
Net of all other variances		12
<b>Updated Surplus Forecast</b>		<b>(90)</b>

- 4.2 Increased Development Control income has been reported to Finance and Performance Board throughout 2017/18 which has resulted in the original income estimate being increased by £160k.
- 4.3 A full tender for Insurance Services has been carried out during 2017/18 which has resulted in a part year saving of £94k in 2017/18 (estimated £73k saving to General Fund) and a full year saving of £187k in 2018/19 (estimated £146k saving to General Fund). These savings have been achieved whilst increasing coverage in relation to 'insured perils' and maintaining existing excess levels.
- 4.4 Following meetings with Kier Facilities Maintenance it has been agreed to reduce Property Repair Fund contributions in relation to properties that are currently being refurbished or are scheduled to be sold and to smooth out the reserves over the next 5 years. This has resulted in savings of £177k in 2017/18, £170k in 2018/19 and £155k in future years.
- 4.5 A proposed change to current financial strategy which would allow Operational Service Division surpluses to be transferred to the General Fund would result in a saving of £185k in 2017/18 and £200k in future years. More information regarding this proposal can be found at paragraph 7.1.
- 4.6 The first draft budget report for 2018/19, including revised estimates for 2017/18, will be presented to the Cabinet on the 19<sup>th</sup> December 2017. The draft budget report will provide a more up-to-date and comprehensive budget forecast.

## 5.0 General Fund Capital Programme

- 5.1 Capital Receipts - To date, capital receipts of £171k have been received. The original forecast for the year was £2.0m but was increased in the updated capital programme report to Cabinet in October to £2.4m. The £2.4m has now been revised down to £1.3m to reflect recent rephrasing of capital receipts for land at Ashgate Road and Poolsbrook. Further capital receipts need to be identified by the Council otherwise the Council's borrowing will increase to fund further capital projects, putting more pressure on the General Fund deficits.
- 5.2 General Fund Capital Spend –the original capital budget for 2017/18 was £8.2m, and this remains the overall revised position. Within the overall capital programme there are variations to individual schemes, the major differences are:
- Inclusion of new fully funded schemes for Peak Resorts (£2.1m), Eastwood Park skate park (£51k), Langer Lane play area (£70k) and Whitebank Close bowls upgrade (£33k);
  - An increased allocation for Disabled Facilities Grants from the Better Care Fund (£600k);
  - Re-profiling of expenditure on Saltergate multi-story carpark (-£1.9m), Northern Gateway streetworks/environmental improvements (-£700k) and grant to Chesterfield Waterside Ltd (-£470k);
  - Refurbishment of Winding Wheel lifts (£100k) and market Hall café (£65k) moving into 2017/18
- 5.3 Net Capital Financing – The original budget assumed a break even position. The revised capital programme was approved by Cabinet on 3<sup>rd</sup> October 2017. Internal borrowing of £1.4m is required to fund the Town Hall alterations. Repayment of prudential borrowing from capital receipts obtained in 2016/17 has been deferred pending a review of the decision on how these capital receipts can best be utilised leading to a surplus of £2.0m (Capital Programme expenditure £8.3m available Capital Financing £10.3m). An updated capital programme will be reported to members in February 2018.

## **6.0 Reserves**

- 6.1 In addition to the General Working Balance, which is maintained at £1.5m, the Council operates a number of other reserves.

Many of the reserves are earmarked and committed for specific purposes, such as property repairs and vehicle & plant replacements. There are three major reserves where the Council has wider discretion on how they are used – the Budget Risk Reserve, the Invest to Save Reserve and the Service Improvement Reserve.

**6.2 Budget Risk Reserve** – the Council maintains this reserve as a supplement to the Working Balance. It is also used to finance the severance costs arising from voluntary staffing reductions and the outcomes of service restructuring exercises. The table below shows the opening balance in the reserve at the start of the financial year and the currently approved or anticipated movements on the reserve. There are two new applications to the fund to note:

1. Consultancy costs for a business case for Peak Resort.
2. Kiosk payment terminal replacements. There are currently two kiosks at the Contact Centre and one kiosk at Staveley Health Living Centre. All three kiosks are coming to the end of their useful economic life and will not be General Data Protection Regulation (GDPR) compliant from May 2018. As a result this could potentially prevent the council from taking cash and cheque payments from our customers.

<b>Table – Budget Risk Reserve</b>		
	<b>Updated Forecast £'000</b>	
<b>Balance b/fwd 1<sup>st</sup> April</b>	<b>446</b>	
<u>Less Approved Commitments:</u>		
Land Charges claims	<b>(7)</b>	
Private sector stock survey	<b>(26)</b>	
16/17 carry forward – Tidy Streets	<b>(2)</b>	
Contribution to group litigation claim for damages re incorrect VAT treatment	<b>(6)</b>	
Skills Action Plan	<b>(5)</b>	
Peak Resort business case	<b>(25)</b>	
Kiosk Payment Terminals x 3	<b>(40)</b>	
Transferred to Business Rate Reserve (see para 6.6.3)	<b>(75)</b>	

IDOX – reimbursement (Year 2)	<b>30</b>	
IDOX – reimbursement (Future Years)	<b>39</b>	
<b>Uncommitted Balance</b>	<b>329</b>	

- 6.3 **Invest to Save Reserve** – The table below shows the opening balance in the reserve at the start of the financial year and the currently approved or anticipated movements on the reserve. The reserve is therefore almost fully committed so any future bids will have to be funded from one of the other usable reserves.

<b>Table - Invest-to Save Reserve</b>		
	<b>Updated Forecast £'000</b>	
<b>Balance b/fwd 1st April</b>	<b>252</b>	
<u>Less Approved Commitments:</u>		
Car park improvements	<b>(89)</b>	
Budget Savings Delivery	<b>(40)</b>	
Treasury management – Property Funds	<b>(7)</b>	
<b>Uncommitted Balance c/fwd</b>	<b>116</b>	

- 6.4 **Service Improvement Reserve** – The table below shows the opening balance in the reserve at the start of the financial year and the currently approved or anticipated movements on the reserve. There are two new applications to the fund to note:
1. Consultancy costs for the former QPSC site business case
  2. Three year subscription to Investors in People.

<b>Table - Service Improvement Reserve</b>		
	<b>Updated Forecast £'000</b>	
<b>Balance b/fwd 1<sup>st</sup> April</b>	<b>614</b>	
<u>Less Approved Commitments:</u>		
Linacre Master Planning	<b>(19)</b>	
Car parking improvements	<b>(15)</b>	
Innov Centres – telephony system	<b>(25)</b>	
Northern Gateway	<b>(85)</b>	
Budget Savings Delivery	<b>(82)</b>	

Market Hall café refurbishment	<b>(66)</b>	
HS2 Project Officer – 2yrs FTC	<b>(100)</b>	
Former QPSC – business case	<b>(30)</b>	
Investors in People	<b>(15)</b>	
TPIC/DIC - Reimbursement (17/18)	<b>34</b>	
TPIC/DIC – Reimbursement (future years)	<b>77</b>	
<b>Uncommitted Balance</b>	<b>288</b>	

6.5 The uncommitted balances in these three major reserves have now reduced to £0.73m. There will be significant demands on these reserves to fund budget deficits, investment in transformation projects and to pay for severance costs from staffing restructures. The Cabinet should, therefore, continually review the commitments against these finite financial resources to ensure that they are used in the most effective way.

## 6.6 Transfers Between Reserves

6.6.1 As part of the 2016/17 year end process, an actuarial review recommended that the Transport Pension Provision be increased by £300k. £100k of this was actioned in 2016/17, and it is proposed that the remaining £200k is financed by transferring balances from other underspent reserves £100k in 2017/18 and £100k 2018/19.

6.6.2 It is also proposed to transfer £175k to the Budget Risk Reserve (assist with Business Rate reserve transfer para 6.6.3) from the ICT Reserve subject to there being a sufficient balance available at year end.

6.6.3 The level of appeals against business rates continues to be a major risk to the General Fund position. There were suggestions prior to the general election that this risk would be transferred to central government. However this proposal seems to have been delayed indefinitely and it is proposed that £250k is transferred from the Budget Risk Reserve and £125k from the Vehicle & Plant reserve to top up the Business Rate reserve to increase our resilience to further appeals.

## 7.0 Surplus Generated by Operational Services Division (OSD)

- 7.1 The current financial strategy states that any OSD surpluses in the year which are not required for operational purposes will be transferred to the Housing Revenue Account. OSD are hoping to increase the level of commercial work undertaken and to significantly expand their client base. It is therefore proposed to change the financial strategy to reflect this change in emphasis and for future surpluses to be transferred instead to the General Fund. For 2017/18, this would benefit the General Fund by £185k and £200k in future years. No surplus has been assumed in the HRA budget for 2017/18 and this change would therefore have no impact on the HRA's business plan viability.

## 8.0 Medium Term Outlook

- 8.1 The latest medium term forecast indicates significant deficits in future years. In 2017/18 the deficit has reduced by £326k to a £90k surplus. The deficits beyond 2018/19 are unsustainable without officer and member decisions to reduce. Reductions to services may be necessary and tighter control on all capital/revenue spending as well as investment to raise income. The table below compares the latest forecast with the original budget forecast:-

	<b>Budget Forecasts</b>				
	<b>2017/ 18 £'000</b>	<b>2018/1 9 £'000</b>	<b>2019/2 0 £'000</b>	<b>2020/2 1 £'000</b>	<b>2022/2 2 £'000</b>
<b>February 2017 budget Deficit / (Surplus)</b>	<b>209</b>	<b>458</b>	<b>1,218</b>	<b>1,686</b>	<b>1,628</b>
Increase / (Decrease) Quarter 1	49	49	49	29	32
Increase / (Decrease) Quarter 2	(348)	(124)	(122)	(184)	(258)
<b>Latest Forecasted Deficit / (Surplus) Quarter 2</b>	<b>(90)</b>	<b>383</b>	<b>1,145</b>	<b>1,531</b>	<b>1,402</b>
GPGS Town Hall Restack savings to be achieved	(47)	115	115	241	241
Stop and Reduce Programme savings to be achieved	33	86	86	86	86

<b>Latest Savings Requirement</b>	<b>(104)</b>	<b>584</b>	<b>1,346</b>	<b>1,858</b>	<b>1,729</b>
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## **9.0 Housing Revenue Account (HRA)**

**9.1 Housing Revenue** - At the end of the second quarter all major income sources, including housing rents, were on target. Expenditure was also on target, including Housing Repairs where a £500k budget reduction was made in 2017/18 as part of the measures to improve the financial viability of the Business Plan. The only exception is on rates where arrears of £42,883 for the On the Move offices have caused an overspend. However, this is offset by several small underspends in other areas.

**9.2 Housing Capital Programme** - At the end of September capital expenditure was in line with the profiled budget. It is currently anticipated that the £20m capital budget should be spent by the year-end, provided that there are no delays (though recruitment of skilled builders is challenging) in starting new schemes scheduled for the second half of the year.

**9.3 HRA Business Plan** - A revised 30 Year HRA Business Plan is due to be presented to Cabinet shortly that shows an improved position as a result of re-phasing the capital programme to incorporate the results of the recent Savills stock condition survey and government housing rents policy announcements. However, the introduction of Universal Credit to all claimants from the end of November is likely to result in an increase in rent arrears as payments will be made direct to claimants, meaning that the responsibility for the payment of rent to the Council will lay with the tenant. The Business Plan includes an increased provision for possible bad debts, but there is the risk that this may not be sufficient.

## **10.0 100% Business Rates Pilot**

**10.1** DCLG has recently asked for applications from local authorities to become a 100% Business Rates Retention pilot authority for one year from 1<sup>st</sup> April 2018. The closing date for applications was 27<sup>th</sup> October 2017. They were particularly keen to receive applications involving two different tiers of local authority. If the

application is successful it would mean that the 50% share of business rate income which currently goes to central government would be retained within the pilot area.

- 10.2 Derbyshire County Council have put together a bid which includes the county and all district authorities in Derbyshire. Officers from all authorities have agreed the details of the bid.
- 10.3 The outcome of the bid will be announced in the draft Finance Settlement expected in December 2017.
- 10.4 If successful a further report will be brought to Cabinet for approval.

## **11.0 2018/19 Budget Preparation Process**

- 11.1 The budget preparation process started in September when budget working papers and guidelines were issued to budget holders. The budgets are prepared on an 'incremental' basis i.e. taking last year's budget as the base and making adjustments for the following:

- Variances that have been reported to and approved by the Cabinet.
- Pay inflation – an allowance of (1% and 1% contingency) 2% in future years.
- Energy and property maintenance inflation as advised by the Facilities Maintenance Manager.
- Contract inflation as specified within contracts – assuming
  - RPI of 3.5% in 2018/19 and 3.0% in future years; and
  - CPI of 2.3% in 2018/19 and 2.0% in future years.
- Business rates are based on the RPI in the previous September – a rate of 3.7% for 2018/19, 3.5% for 2019/20 and 3% in subsequent years is assumed.
- No inflation on other general items of expenditure including grants to voluntary organisations.
- Fees and charges increases – an increase of 3% per annum for the period of the MTFP but only where it is considered that the market will bear such an increase.

These budget assumptions will be revised on a continual basis as we move through the budget process and as more up-to-date information becomes available. Cabinet is asked to note the budget setting guidelines.

#### 11.2 In terms of the Member reporting process:

- a) Quarter 2 budget monitoring and updated medium term forecast report for Cabinet (November) and full Council (December).
- b) Approval of the Localised Council Tax Support Scheme for 2018/19 to the full Council in December.
- c) Executive Member portfolio budget reports will be produced for consideration in early December.
- d) The Cabinet will consider the first draft budget in mid-December and the final budget report in February.
- e) The full Council will approve the final budget and council tax at the end of February 2018.

Updates will also be provided to the Overview and Performance Scrutiny Forum at key stages in the process.

#### 11.3 Consultation with the public – it is proposed that we hold a one-off community assembly in January to facilitate consultation with the public with a similar format to previous years.

### **12.0 Risk Management**

- 12.1 Budget forecasting, particularly over the medium term, and in the current economic climate is not an exact science. Assumptions have to be made about possible changes where the final outcome could be very different e.g. government grants, pay awards, investment returns, etc. A full budget risk assessment will be included in the budget setting reports later in the process. Current unknowns include: business rates pool outcome, crematorium surplus outcome, business rates appeals, OSD operating outcome and service income to budget.

### **13.0 Legal Considerations**

- 13.1 There is a legal requirement for the Council to set a balanced budget before the start of each financial year and for the Director

of Finance and Resources to report on the robustness of the estimates and the adequacy of the reserves. Clearly, there is a lot of work to be done over the coming months to be in a position to set a balanced budget for 2018/19 in February 2018.

## **14.0 Conclusions**

- 14.1 The challenging work to identify savings which has taken place over the summer has enabled us to move from a deficit position at the start of 2017/18 to a small forecast surplus at the end of quarter 2. However, we are still facing a budget deficit in the next financial year and some major financial challenges in the years ahead. Officers and members will have to agree plans to reduce the deficits as under the Local Government Act 2012 the Council must provide a balanced budget(s). Difficult decisions on where costs/services have to be reduced, investment focused/curtailed and income raised will have to be made soon by the Council to formulate medium term plans. At the same time there are a number of risks that could add further pressure to the forecast deficits in future years e.g. impact of 2017 revaluation on Business Rates income, Universal Credit and the economy (Brexit).

## **15.0 Recommendations**

- 15.1** That the Council's financial performance in the first half of the 2017/18 financial year, and the updated medium term financial forecasts through 2022/23, as set out in sections 4 and 8 of the report, be noted.
- 15.2** That the proposed use of reserves, as set out in section 6 of the report, and the two new applications to the Budget Risk Reserve, be approved.
- 15.3** That the proposed revision of the Financial Strategy to reflect a change in the use of surpluses from the Operational Services Division, as set out in section 7 of the report, be approved.
- 15.4** That the position of the Housing Revenue Account budgets, as set out in section 9 of the report, be noted.

- 15.5** That the proposed budget preparation guidelines and approach to consulting the public on the 2018/19 budget, as set out in section 11 of the report, be approved.

## **16.0 Reasons for recommendations**

- 16.1** To actively manage the Council's finances in the current financial year and forecast forward the emerging budget position to future financial years.

### **Decision information**

<b>Key decision number</b>	<b>756</b>
<b>Wards affected</b>	<b>All</b>
<b>Links to Council Plan priorities</b>	All

### **Document information**

<b>Report author</b>	<b>Contact number/email</b>
Kevin Hanlon	<b>345451</b>
<b>Background documents</b> These are unpublished works which have been relied on to a material extent when the report was prepared.	
<b>Appendices to the report</b>	

## **For publication**

### **Future use of former Queen's Park Sports Centre site (HW210L)**

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Meeting:	Council
Date:	13 <sup>th</sup> December 2017
Cabinet portfolios:	Cabinet Member for Health and Wellbeing Assistant Cabinet Member – Special Projects
Report by:	Michael Rich, Executive Director

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## **For publication**

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### **1.0 Purpose of report**

- 1.1 To propose a scheme for the former sports centre site and to seek Council's approval to include funding for the scheme within the capital programme.

### **2.0 Recommendations**

- 2.1 That approval be given to the proposed allocation within the capital programme, as set out in Section 7 of the report, to cover the capital investment required for the preferred option and endorse the work underway to reduce costs and maximise contributions from other funding sources.
- 2.2 That approval be given to the inclusion of the revised income and expenditure figures for the new facility within the budget setting process for 2018/19 and beyond, in line with the estimates set out in the business case.

### **3.0 Background**

- 3.1 On 7<sup>th</sup> March 2017 Cabinet approved in principle a preferred option of artificial sports pitches for the former Queen's Park Sports Centre site. This followed the public consultation undertaken during September and October 2016 that showed a good level of support for this option and Cabinet's consideration of an outline business case. Cabinet also approved allocating further resource in order that a full business case could be developed and preparations made for the submission of a planning application.
- 3.2 Since then, the demolition of the former sports centre was completed leaving a clear site for future development.
- 3.3 Following a procurement process, an external organisation – FMG – have been contracted to undertake the work approved by Cabinet, namely development of a full business case and preparation of a planning application for the preferred option once this is finalised.
- 3.4 Reports and updates regarding the potential future use of the site and subsequent work have been provided to the Enterprise and Wellbeing Scrutiny Committee and more recently to the Scrutiny Project Group established as part of the agreed scrutiny work programme. This has included consideration of the draft business case report produced for the council by FMG.
- 3.5 During the process to develop the full business case, FMG have regularly consulted with the council in order to refine and focus the range of different options for the site. Those discussions have included a meeting, facilitated by the council's planning officers, with Historic England.
- 3.6 This report was considered at the Cabinet meeting on 5 December, 2017, where it was resolved:
- (1) That the report and recommendations of the Enterprise and Wellbeing Scrutiny Committee be received with thanks, and that the contributions of the Scrutiny Project Group as part of the pre-decision scrutiny process be noted, and their offer of continued engagement during the implementation stage be agreed.

- (2) That the business case for providing an artificial sports pitch within the footprint of the site of the former Queen's Park sports centre, be endorsed.
- (3) That the preferred option, as detailed in the business case, be approved in principle noting that this approval will remain subject to the outcome of the heritage assessment that is currently being undertaken.
- (4) That the work being carried out to prepare and submit a planning application for the preferred option, be noted.
- (5) That the Cabinet recommends approval of the recommendations set out at paragraphs 2.1 and 2.2 above to the full Council.

#### **4.0 Considerations and proposals**

- 4.1 The business case developed by FMG is included as appendix one. The report describes how initial options seeking to maximise the use of the footprint for sports pitches were refined following more detailed consideration of the nature of the site, in particular its location within a Grade II\* listed park.
- 4.2 Discussions with planning officers and Historic England have indicated that it is highly likely a scheme to maximise the use of the site for sports pitches would be opposed by Historic England, which is a statutory consultee. Given the listed status of the park, opposition from this consultee could result in the application being referred to the Secretary of State.
- 4.3 Following further consideration, and as advised by the council, FMG then prepared alternative schemes that would deliver a mix of sports pitch facilities on the site together with a greater emphasis on enhancing the amenity of the park and restoring some park features in line with the historic plans and layout (see section 4 of the FMG report). Additional attention has also been paid to mitigating the impact of the pitch facilities within the park setting.

- 4.4 These refinements have led to a preferred option set out within the business case (option 3B2). As described by FMG, this option provides a blend of enhancing the sports facilities at the site, the ability for a small revenue contribution to the general fund (once capital investment has been made) and a scheme that can enhance aspects of the heritage value of the park.
- 4.5 A detailed heritage assessment of the site is now underway as part of the process to prepare the planning application for the scheme. It will be important for that assessment to be considered fully prior to submission of a planning application. However, subject to the outcome of that assessment, Cabinet approval for the preferred option is sought now in order to avoid further delays to bringing the site back into productive use.
- 4.6 As noted above, a Scrutiny Project Group, chaired by Cllr Simmons, has given consideration to the emerging proposals and prepared a report that is included here as appendix two. The group is supportive of the preferred option and has set out a number of findings that are either already being taken on board as part of preparing the planning application or can be taken into account during the implementation stage of the project.

## 5.0 **Next steps**

- 5.1 In order to submit a planning application, further surveys are required and these have now been commissioned through FMG following advice from planning officers. It is hoped a planning application, supported by the full range of required surveys, will be submitted early in 2018. Further dialogue with Historic England will take place pre-submission in order to minimise the risk of an objection from a statutory consultee.
- 5.2 Pending approval at full Council on 13<sup>th</sup> December, a procurement exercise will commence in order to secure a suitable developer for the pitch. This is a specialist market and so further advice on specification will be sought from FMG, Derbyshire Sport and the FA.
- 5.3 Beyond the pitch construction itself, most other elements of the development should be capable of being procured either through

local suppliers or delivered in-house. These routes will be pursued wherever possible.

- 5.4 As the project moves to implementation, further consideration will need to be given to providing adequate project management in order that the development is delivered to time/cost/quality expectations.
- 5.5 The report from FMG includes some outline consideration of the potential case for full-size artificial football pitch provision elsewhere within the borough (see 5.17 of the report). It is noted that there remains a shortfall for such provision and that, if developed, it would complement the offer at Queen's Park and enhance the range of facilities available to drive improvements to health and well-being. There would also be good prospects of attracting external funding towards the cost of such a facility and, consequently, a greater overall return. Whilst officers will consider this for a future project, it is proposed that the focus in the short term remains on bringing the former sports centre site back into productive use.

## 6.0 **Human resources/people management implications**

- 6.1 The FMG business case includes consideration of how the preferred option could be run and the wider staffing implications (including at 5.31 of the report). No decisions have been made yet regarding the best fit for operating the new facility within the existing council structures. Drawing on the considerations in the FMG report, proposals will come back to the Joint Cabinet and Employment and General Committee setting out a preferred option for any changes to the staffing establishment required (within the costs outlined below).

## 7.0 **Financial implications**

- 7.1 The costs associated with developing the project through to full business case stage have been provided for within the Service Improvement Reserve. Further surveys required as part of the planning application will also be funded from within this reserve.
- 7.2 The capital cost of the preferred option is currently estimated at £688k. More detail on this cost is set out in section 4.31 of the

business case at appendix one. Costs have been carefully considered and reduced from original estimates through close work with council officers. The costs include some elements that are likely to be carried out by council teams. Given that the final costs remain subject to procurement, Cabinet is asked to recommend that Council approve a provision of up to £750k within the capital programme, split across 2017-18 and 2018-19, in order to cap the overall costs of the scheme. Following procurement, final capital costs will be reported to Cabinet through the regular capital programme monitoring.

- 7.3 As noted in the FMG report (e.g. at 3.21), it is very unlikely that any external funding will be available to support the capital costs of the scheme. The capital expenditure will therefore be met largely through the wider financing of the capital programme (which is a mix of borrowing and receipts each year). However, there is also work underway to consider the use of a contribution from the Community Infrastructure Levy (CIL) towards those elements of the scheme that relate to the enhancement of the park, given that this would be eligible under the categories described on the council's 'Regulation 123 list' of approved types of infrastructure.
- 7.4 As well as capital costs, there are revenue costs set out within the FMG report (in section 5). For the preferred option, these show an overall expenditure of c. £39k p.a. This is off-set by a projected income of c. £55k (once fully established), bringing a modest annual net contribution of up to £16k p.a. Cabinet is asked to recommend to Council that these costs are also factored into future years general fund revenue budgets in order that the Budget set in February 2018 takes account of running costs, and income, for the preferred option.

## 8.0 **Legal and data protection implications**

- 8.1 The FMG case sets out key legal matters (including at section 6.29). This includes consideration of the covenants that apply to development on the site.
- 8.2 It is not thought that there are any further legal or data protection implications.

## 9.0 **Consultation**

- 9.1 As noted in the report to Cabinet in March 2017, a public consultation regarding potential uses of the site was carried out in 2016 from 12<sup>th</sup> September to 21<sup>st</sup> October. 583 responses were received and the outcomes were published in December 2016. The consultation showed 94% support for the principles set out in the consultation (fit with council plan, fit with the wider site, evidence of demand, income generation). 69% of respondents agreed with the preferred option set out and 23% disagreed.
- 9.2 As described in the FMG report (section 2.9), further consultation took place in September 2017 with a number of local clubs. Comments received are included in the report and have shaped the work on the business case.
- 9.3 As noted above, the Enterprise and Wellbeing Scrutiny Committee and the appointed project group members have also been important consultees through the process.
- 9.4 The Friends of Queen's Park have been updated regarding the latest proposals and will be an important consultee as detailed design work is carried out for the site, in particular the elements of park restoration.
- 9.5 The submission of the planning application will be subject to a consultation process in line with a listed site of this nature.

## 10.0 **Risk management**

- 10.1 Key risks and mitigations are set out in the FMG business case at appendix D of that report.

## 11.0 **Equalities Impact Assessment (EIA)**

- 11.1 An equalities impact assessment is set out at appendix 3. The assessment notes a number of potentially positive impacts on groups with protected characteristics. The FMG business case notes in particular the continuing strong growth in women and

girls football. The location of a pitch within the park will also make participation opportunities directly visible to families and young children using the park.

- 11.2 The latest Active Derbyshire (formerly Derbyshire Sport) strategy includes the following priority:

Addressing the inequalities in physical activity and sport engagement with a focus on:

- a. Women and girls.
- b. People from lower socio-economic groups.
- c. Young people aged 5 – 18

- 11.3 The preferred option will make a positive contribution to each of the focus areas above.

## 12.0 **Alternative options and reasons for rejection**

- 12.1 A range of alternative options for the use of the site in line with the Cabinet decision made in March 2017 are set out in the FMG report (at section 2.12). These include consideration of alternative siting of pitch provision (e.g. at section B40). Wider alternatives were considered by Cabinet at its previous meeting.
- 12.2 In terms of alternatives for delivery of the preferred option, the main alternative would be to procure a partner to develop and operate the facility. This has not been developed given the policy of 'public sector first' for delivery of the council's facilities and services.

## 13.0 **Recommendations**

- 13.1 That approval be given to the proposed allocation within the capital programme, as set out in Section 7 of the report, to cover the capital investment required for the preferred option and endorse the work underway to reduce costs and maximise contributions from other funding sources.
- 13.2 That approval be given to the inclusion of the revised income and expenditure figures for the new facility within the budget setting

process for 2018/19 and beyond, in line with the estimates set out in the business case.

#### 14.0 **Reasons for recommendations**

- 14.1 The recommendations support a preferred option that offers the best mix of enhancing the heritage value of the park whilst also providing new sports facilities that can bring a revenue return to the council.

#### **Decision information**

<b>Key decision number</b>	750
<b>Wards affected</b>	All
<b>Links to Council Plan priorities</b>	Quality of life Value for money

#### **Document information**

<b>Report author</b>	<b>Contact number/email</b>
Michael Rich	345461
<b>Background documents</b> These are unpublished works which have been relied on to a material extent when the report was prepared.	
<b>Appendices to the report</b>	
Appendix 1	FMG business case
Appendix 2	Scrutiny Project Group report
Appendix 3	Equality impact assessment

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## Chesterfield Borough Council Proposed Queen's Park ATP

# FULL BUSINESS CASE



**CHESTERFIELD**  
BOROUGH COUNCIL



**FMG CONSULTING LIMITED**

**November 2017 (version 9: 27 November 2017)**

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## APPENDICES

- Appendix A: Consultation Report
- Appendix B: Options Development - Design & Operations
- Appendix C: Capital Costs (Second Options Stage)
- Appendix D: Risk Assessment

## Executive Summary

1. This Full Business Case for the redevelopment of the site of the former Queen's Park Sports Centre has been prepared by FMG Consulting on behalf of and in consultation with Chesterfield Borough Council - the site has remained vacant since the old sports centre was replaced by a new facility in 2016.
2. There is national concern over the lack of physical activity within the general population and strategies adopted by a wide range of public sector bodies have targeted the need to increase levels of participation in sport & recreation in order to deliver benefits in areas such as health, obesity, the economy, the environment, anti-social behaviour, mental well-being, etc.
3. The Chesterfield Council Plan has the Vision of 'putting our communities first', within which there are three priorities: 'to make Chesterfield a thriving Borough', 'to improve the quality of life for local people' and 'to provide value for money services'.
4. Sport & Recreation Strategies prepared to support the Borough's adopted Core Strategy and the emerging Local Plan have identified that addressing a shortfall in 3G Artificial Turf Pitches (ATPs) in the Borough has the potential to deliver both national and local aspirations for sport & physical activity.
5. In 2016, the Council carried out a comprehensive consultation exercise to determine how the site of the former Queen's Park Sports Centre could be redeveloped for new sport & recreation activities - bearing in mind the findings of the Playing Pitch Strategy, the Council's preferred scheme featured the provision of ATPs, a facility supported by over two-thirds of consultees. An outline business case was prepared by the Council on this basis.
6. The site is not large enough for a full-size ATP so the scheme envisaged the construction of two ATPs, one large enough for 7x7 (under 9/10 play) and a second targeted at 5x5 games (under 7/8 football) - both can be used for training and informal games by all ages.
7. An analysis of the site identified constraints such as flood zones, parking congestion, steep slopes and the planning status of the historic Park - opportunities include strong links to the town centre, the potential to restore the historic Park layout and access to the nearby Sports Centre.
8. In discussions, the Council's Planning Team and a representative of Historic England stressed the importance of the Park's designation as a Conservation Area and a grade 2\* Listed Historic Park & Garden - in addition to the Council's own commitment to enhancing such spaces (set out in the adopted Core Strategy and emerging Local Plan), national policies which seek the enhancement of historic sites will need to be addressed.
9. This full business case tested four initial options in terms of design and operational business plan:
  - Option 0: restoration of the Park with no sports facilities (base option)
  - Option 1: 7x7 and 5x5 pitches as in the Outline Business Case - these only just fit on the site and would not allow much space for screen planting
  - Option 2: three 5x5 pitches, allowing more space for screen planting but reducing participation opportunities

- Option 3: restoration of the Park structure and inclusion of a single smaller pitch (3A) or pitches (3B) within an area originally used for a children's playground.

10. Initial capital cost estimates for these Options are set out in the table below:

Option	Pitches	Cost Range
0	Restoration of Park	£300,000 to £400,000
1	One 7x7 (RO) & one 5x5 (RO)	£607,000 to £742,000
2	Two 5x5 (RO) & one 5x5 (no RO)	£729,000 to £891,000
3A	Three MUGAs (no RO)	£450,000 to £550,000
3B	One 5x5 (RO)	£500,000 to £600,000

NB: RO = run-off

11. An initial assessment of revenue costs for the two principal options are set out below:

	Option 1 (mature year)	Option 2 (mature year)
Total Income	£72,352	£69,590
Total Expenditure	(£43,122)	(£44,308)
Surplus/(cost)	£29,229	£25,282

12. The estimates show that the revenue surplus expected would not be sufficient to fund repayment of capital costs incurred in construction of the proposed pitches.
13. An assessment of grant opportunities has shown that there is little likelihood of obtaining grant support from bodies such as Sport England or Landfill Tax - there could be potential for Football Foundation support but, as small-sided pitches are not a priority, this is more likely to be available for a full-size pitch in Chesterfield.
14. A review of the options determined that a development which did not seek to restore the original Park design would be unlikely to be acceptable to Historic England or address the Council's own planning policies - to that end, rather than a single preferred Option, plans have been prepared for three alternative schemes:
- Option 0: re-creation of the original Park layout, featuring a circular path around the bandstand and an open view from Boythorpe Road through new railings and appropriate planting
  - Option 3B1: re-creation of the original Park layout but with the inclusion of a single 5x5 ATP on what was the site of a playground, together with appropriate screen planting
  - Option 3B2: re-creation of the original Park layout but with a larger 7x7 pitch which is more flexible in operational terms, delivering better sporting outcomes but allowing less space for screen planting.
15. The pitches would provide a high-quality surface for football, contained within 4.5 metres high fencing and with floodlight towers for evening use - the impact of these elements on the Park will need to be very carefully considered, balancing the need to avoid harm to the amenity of the Park against the potential benefits to recreation & physical activity.
16. Business plans have been prepared for Options 3B1 and 3B2 on the following basis:
- the Council will manage the facility itself, alongside the existing Queen's Park MUGA
  - charges are set slightly lower than competitors to provide comfort and there is no allowance for inflation
  - it is assumed the Council will not claim sporting VAT exemption on income and VAT on expenditure is fully recoverable.

17. Income assumptions are based on typical programmes and usage levels elsewhere, with expenditure allowing for the part-time presence of a member of staff to address issues of anti-social behaviour found with the existing MUGA - sinking funds, marketing, central costs and minor sums are included at typical rates. Separate grounds maintenance expenditure projections for the restored parkland have also been identified and combined with the pitch revenue projections.
18. The table below shows the capital, financing and revenue costs for each of the Options, together with those for Option 0 and a notional full-size pitch elsewhere in the Borough - annual financing costs are based on an annuity loan depreciated over 20 years at a current (October 2017) PWLB rate.

Option	Content	Capital	Annual Financing Costs	Average Annual Revenue Benefit
Option 0	Park restoration only	£364,381	£23,330	-£11,000
Option 3B1	Park restoration with 5x5 ATP	£605,002	£38,736	-£6,161
Option 3B2	Park restoration with 7x7 ATP	£716,483	£45,874	£7,781
	Notional full-size ATP	£575,000	£36,815	£26,848

19. The estimates prepared for a full-size ATP do not relate to a specific site and have been prepared at the request of the Council should it determine there would be potential to develop such a facility elsewhere in the Borough.
20. Following discussions with Council members and officers, Option 3B2 was selected as the Preferred Scheme - a number of design and operational amendments were made in order to minimise capital costs, further enhance the appearance of the development and deliver a more sustainable operation.
21. The revisions have led to conclusion that the Preferred Scheme could be delivered for a capital cost of some £688,227.
22. While a prudent revenue surplus of less than £10,000 pa is predicted, this could be increased if more optimistic operational parameters were to be adopted - however, any increase would not be sufficient to cover 20-year financing costs and an element of external capital funding will be required to deliver the project.
23. Consideration has been given as to whether it is appropriate to manage any new ATP (and the existing MUGA) through the Sports Centre team (as now) or through the Parks Service which is responsible for grass pitch hires - it is felt that the former's greater experience of sports development programmes would make this the more appropriate route to adopt, particularly if enhanced remote operation security equipment is installed.
24. There is a strategic case for the development of ATPs at Queen's Park to address an identified need for such facilities in the Borough - however, this aspiration needs to be examined against policies to enhance the character and setting of Queen's Park.
25. The financial case for the proposed development is less clear as constraints on the form of the development (single small pitch only) are such as to limit the potential income - while in all options there is a net revenue surplus from the pitches, additional park grounds maintenance costs have a negative impact on the net revenue position which means that none of the options produce a surplus sufficient to cover capital cost repayments over a reasonable timescale.

26. As potential for grant support is limited, it is likely that the Council will need to find additional capital sums from elsewhere in order to deliver any of these options (eg. CIL funding, Section 106 agreements, capital receipts, reserves, etc.).
27. There is a commercial case for the project as there is significant demand for 3G ATPs in the Borough, with users travelling out of Chesterfield to find peak period sessions - the demand is such that it is not considered there would be a significant adverse impact on existing ATP or grass pitch operations.
28. The legal case focusses on covenants which prevented building on Queen's Park but these were discharged when the former Sports Centre was built and an ATP could be seen as an extension of the Park's open-air recreational facilities - planning consent will be a major hurdle if Historic England feels that the project will create substantial harm to the historic Park.
29. The operational & technical case will be impacted by concerns over anti-social behaviour as at the present MUGA and, as a result, the operational business plan allows for some element of staff supervision, on-site and from the nearby Sports Centre by CCTV - a comprehensive maintenance regime has been allowed for to ensure protection of the Council's investment.
30. An assessment of risks has determined that the availability of capital funding and the need to obtain planning consent are the key risks in taking the project forward.
31. In order to support the planning application, a number of additional surveys will be required, covering such elements as ecology, arboriculture, ground conditions, flooding, coal mining risk, etc - the conclusions would inform a comprehensive Design & Access and Heritage Statement which will draw together all the evidence to support this project to deliver enhanced sports facilities within the Listed Park.

# 1. Introduction

## Brief

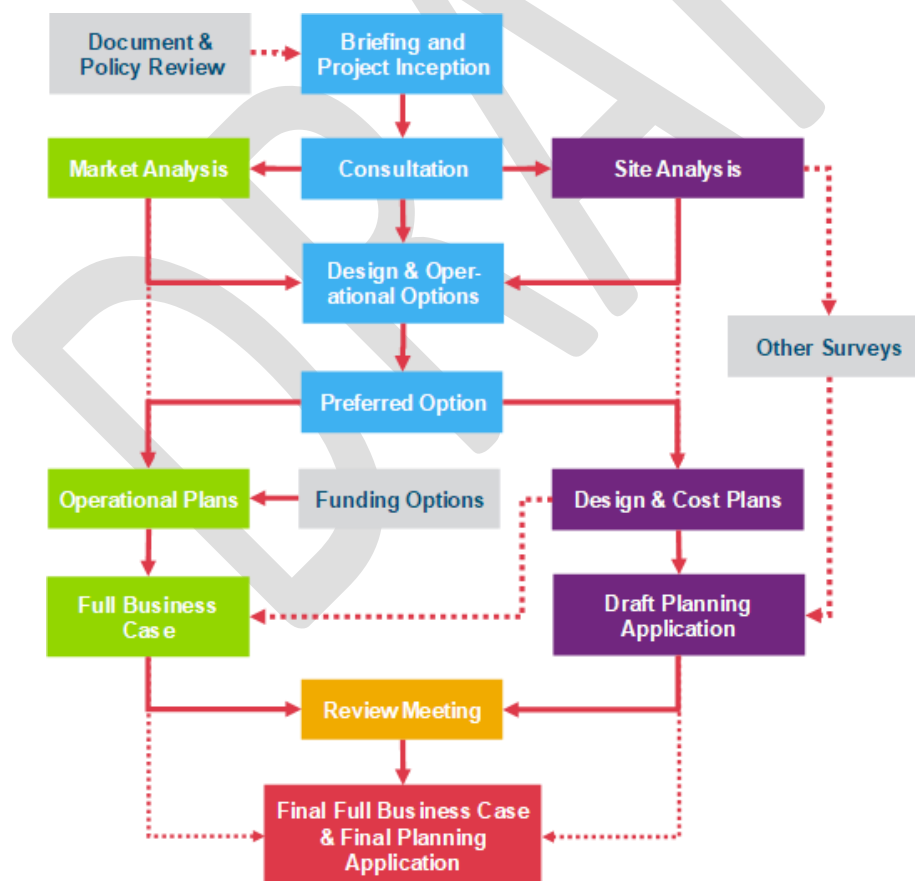
- 1.1 Chesterfield Borough Council is one of eight District Councils in the County of Derbyshire. The Council is responsible for providing a wide range of local services including housing, planning, economic development, estate management, public health, refuse collection and leisure facilities including parks and sports centres. Chesterfield is the second largest settlement in Derbyshire and lies 24 miles (39km) north of Derby. The Borough is a relatively compact and mainly urban area with good access to the M1 motorway which runs along its Eastern boundary.
- 1.2 Following the completion of a replacement facility in 2016, the Council demolished the former Queen's Park Sports Centre on Boythorpe Road, Chesterfield, leaving a clear site adjacent to the grade II\* Listed Queen's Park. It has considered options for development of this site and carried out a public consultation on a preferred option of Artificial Turf Pitches (ATPs) during autumn 2016. In March 2017, the Cabinet approved an Outline Business Case for the pitches and confirmed this as the preferred option of the Council, pending further work.
- 1.3 FMG Consulting has been appointed to prepare a Full Business Case for the development of the site to include artificial sports pitches, supported by the preparation of a planning application for the proposed pitches, in line with the proposals in the Outline Business Case.

## Study Process

- 1.4 The diagram overleaf illustrates the approach adopted by FMG Consulting and its specialist associates for completion of its commission, working in close collaboration with officers of the Council and other stakeholders. This was adapted during the project to carry out a further refinement of the preferred scheme at the Review Meeting stage - work on the detail of the Planning Application has also been put on hold pending an appropriate resolution of the Council.
- 1.5 Chesterfield Borough Council has adopted a number of policies and strategies which provide the context for the proposed development of pitches at Queen's Park and these have formed a baseline for the study. Alongside an intensive consultation period, FMG has analysed the market available for sports pitches in Chesterfield and examined the constraints & opportunities available on the site itself. This work has been brought together to test three options for development of the site, exploring different schemes in terms of local amenity, participation opportunities and viability (capital and revenue).
- 1.6 In consultation with the Council, a preferred option will be taken forward through detailed operational planning and into a Full Business Case. When a preferred option has been agreed, a draft Planning Application for the preferred option will be prepared, together with appropriate supporting documentation.
- 1.7 This report includes the Full Business Case together with supporting information which illustrates the scheme development process. The remainder of this report is structured as follows:
  - section 2: Project Context - establishing the background to the project

- section 3: Design & Operational Options - assessing different development options
- section 4: Scheme Design & Costing - designing & costing the preferred options
- section 5: Operational Plan - management route & revenue costs
- section 6: Business Case - five case review & risk assessment
- section 7: Conclusion & Recommendations.

- 1.8 In order to prepare a concise report bringing together the key issues and recommendations, additional analysis and background information is presented in a series of appendices.
- 1.9 It is not possible to guarantee the fulfilment of any estimates or forecasts contained within this report, although they have been conscientiously prepared on the basis of research and information made available at the time of the study. Neither FMG as a company nor the authors will be held liable to any party for any direct or indirect losses, financial or otherwise, associated with any contents of this report. FMG has relied in a number of areas on information provided by the client or by third parties, and has not undertaken additional independent verification of this data.
- 1.10 Any queries on the contents of this report should be directed to Damien Adams, FMG Consulting, at [damienadams@fmgconsulting.co.uk](mailto:damienadams@fmgconsulting.co.uk) or on 07917 615425.



## 2. Project Context

### Introduction

- 2.1 This section summarises the context for the development of the site of the former Queen's Park Sport Centre for public sport and recreation use. The document considers the strategic background set by national, regional & local policies, the results of a number of consultation exercises, the market for the proposed 3G pitches and the constraints/opportunities found on the site.

### Strategic Context

- 2.2 There is significant concern over the long-term health of the British population, with many agencies seeking to increase participation in sport & physical activity in order to deliver widely publicised secondary benefits in areas such as health, obesity, the economy, the environment, anti-social behaviour, mental well-being, etc. The health and well-being issues reflect the strategic goals of a wide range of non-sport and leisure-specific external stakeholders.
- 2.3 At the national level, the Department for Digital, Culture, Media & Sport (DCMS) published its strategy 'Sporting Future: A new Strategy for an Active Nation' (2015). This aims to tackle the flatlining levels of sport participation and high levels of inactivity in this country. Through this strategy, government is redefining what success in sport means, with a new focus on five key outcomes: physical wellbeing, mental wellbeing, individual development, social & community development and economic development. There is an ambition to ensure stakeholders work closer together to create a more physically active nation, where our children and young people enjoy the best sporting opportunities available and people of all ages and backgrounds can enjoy the many benefits that sport and physical activity bring, at every stage in their lives.
- 2.4 Responding to this challenge, Sport England developed its own strategy 'Towards an Active Nation' (2016). Its vision is that everyone, regardless of their age, background or level of ability, feels able to engage in sport and physical activity. Some will be young, fit and talented, but most will not. It wants everyone to feel welcome, to find something in sport and activity that meets their needs and for the sector to value them as customers.
- 2.5 Public Health England is aiming to protect health, address inequalities and promote the health & wellbeing of the nation. There are significant issues in relation to health, well-being and obesity for Chesterfield and reducing ill health will provide a healthier & happier community. The Health Locality Plan for Chesterfield identifies sport and physical activity as a key priority for improving the health of the population.
- 2.6 More locally, sport in the county is co-ordinated by Derbyshire Sport. In its strategy 'Towards an Active Derbyshire', it seeks to achieve the vision of a physical activity and sport revolution in Derbyshire by engaging 50,000 more people in active lives by 2021. This will be achieved by prioritising the following:
- supporting the inactive to become active
  - ensuring that people are supported and encouraged to engage in sport
  - helping to keep people engaged in physical activity and sport throughout their lives

- addressing inequalities in physical activity & sport engagement, with a focus on women & girls, people from lower socio-economic groups and young people aged 5 - 18.

2.7 In Chesterfield, the Council Plan 2017/18 is a key driver for the development of the Borough's community services. Within a vision of 'putting our communities first', there are three priorities:

- *to make Chesterfield a thriving borough*, including an objective to continue delivering regeneration projects that will make Chesterfield Borough a better place
- *to improve the quality of life for local people* - this includes two objectives of relevance to the present project:
  - to increase the quality of public space for which the Council has responsibility through targeted improvement programmes
  - to improve the health and well-being of people in Chesterfield Borough
- *to provide value for money services*, including the objective to become financially self-sufficient by 2020.

2.8 The provision of 3G pitches at a revitalised Queen's Park (or potentially other sustainable sports & recreation facilities), would provide an opportunity to improve the quality of the public open space while enabling greater participation in sport & physical activity. The management can be tasked with targeting specific user groups or local communities with challenging health profiles. In terms of value for money, suitably sized, designed and managed artificial turf pitches have the potential to deliver a return on investment which would lead to their provision without a requirement for external capital or revenue funding.

### Consultation

2.9 In September/October 2016, Chesterfield Borough Council carried out a comprehensive consultation exercise with the following objectives:

- to allow the public to express the extent of their agreement with a set of principles to be used when considering potential uses for the site of the former Queens Park Sports Centre (QPSC), or propose additional or alternative principles
- to list a number of uses that were ruled out, and the rationale for ruling them out
- to set out the Council's preferred option for the development of the site and give an opportunity for the public to express the extent of their agreement with the preferred option
- to give an opportunity to propose an alternative use, and set out how this meets the principles.

2.10 The principles adopted for the development were set out as follows:

- that the future use should generate an income, and not be an additional cost to the Council - due to its limited budget, a need for on-going revenue support would impact on its ability to provide other services to residents
- that the use supports the priorities in the Council Plan - eg. does it improve the quality of life for local people, support a thriving Borough and deliver value for money?
- that it fits within the wider site of Queen's Park and facilities in the town centre and Borough

- that the site is well-used and provides added value for our communities, businesses and visitors - any new facility must not be half empty due to a lack of local demand.

In the survey, 66% of respondents stated that these principles were fully appropriate in considering the future of the site, with a further 28% saying they were partly appropriate - accessibility to all was the key additional principle suggested by respondents. These principles have been taken through in preparing development options for the site.

- 2.11 The Council's preferred option for the site (3G pitches), was strongly supported by 38% of respondents, with a further 28% 'tending to support' - under 13% disagreed with the proposals. There was an opportunity to make suggestions as to how the preferred option could be improved and, where appropriate, these have been borne in mind in developing detailed plans.
- 2.12 A wide variety of alternative uses for the site were suggested and details are set out in the Council's Consultation Report. The most popular suggestion was around use as a community venue but it is understood that this related to re-use of the former sports centre - as this is now demolished, such a use is not appropriate. Some suggestions related to buildings (ice rink, trampolining, etc) but these would be unlikely to be acceptable to the planning authority or Historic England. Outdoor uses such as water play, community gardens, play area or skatepark are unlikely to be sustainable in revenue terms, let alone generate sufficient income to repay capital costs.
- 2.13 While the 2016 consultation is still valid, an update has been carried out as part of the current commission. A number of key stakeholders have been contacted in order to inform both business planning and design workstreams - a questionnaire asked potential users to indicate whether they would wish to hire any 3G facility on the site. Due to the short timescale given for responses, few were received but those made supported the concept of providing ATPs on the Queen's Park site in order to meet demand for high quality football pitches. Responses are set out more fully in Appendix A but the paragraphs below set out key points made by a number of key consultees.
- 2.14 As football is likely to be the principal activity on the proposed Queen's Park pitches, the outline proposals have been discussed with the Derbyshire Football Association (DFA). Keely Brown (Head of Strategy & Facilities) has made the following comments:
  - given issues with maintenance, security and anti-social behaviour around the present MUGA, the DFA would have a concern that similar problems would arise with the proposed pitches - far stronger supervision would be required, potentially requiring on-site management presence, although it is accepted that this would impact on the capital and revenue costings
  - with there being no changing room/toilet provision planned, these types of developments tend to be seen more as Multi-Use Games Areas (MUGAs), rather than high quality pitches that partner clubs engage in to help drive their participation through training & match play - smaller pitches can be positive in terms of income generation for small-sided football etc. but can hinder club usage with certain age groups as comprehensive coach mentoring and support can best be operated on full-size pitches
  - full-size 3G pitches are the priority for investment in Chesterfield and when projects are identified for funding, the DFA will have to look at the best option for grassroots football in the area - in terms of Football Foundation funding, the options proposed for Queen's Park wouldn't be a strategic priority at this time
  - however, if the LA were to deliver the project itself, the DFA would support usage plans (obviously avoiding any club displacement from Brookfield School) and

development outcomes as much as possible - however, it would be more likely to be open to discussions and work with the Council to find an alternative site that would deliver a full-size 3G and ultimately deliver far greater outcomes for the local community.

2.15 Some of headline responses to the questionnaire survey are listed below:

- thumbs up for a new facility - but it needs to be accessible to all - and that means some sort of concession for people from the Rother area (Health Promotion Officer)
- the Football Focus Group has repeatedly reported to Chesterfield Borough Council and the FA that it believes more 3G or 4G provision is urgently needed - this facility will be fine for training but of limited use for football matches (Football Group)
- we currently use an artificial pitch in Tibshelf as it is difficult to get a regular peak time slot at Queens Park but would prefer to use one in Chesterfield as most players live in the area - we struggle to find suitable venues for all our teams, especially in the winter months, and would 100% use this new venue (Junior Club)
- I have no doubt these proposed facilities would create a tremendous 'Hub' for local junior footballing activity (Junior Club)
- training facilities in the area are highly desirable as it is very difficult to get a good time slot - as Queen's Park is very central, it would attract lots of interest for the pitches and we would definitely be keen to secure a booking (Junior Club)
- it would be a very appropriate use of the available land, as there still seems to be an unsatisfied demand for all-weather pitches and it might also satisfy the Council's quite reasonable requirement that it be financially self-supporting - we would be happy to endorse any future planning application (Civic Society)
- the present pitch is not well maintained (eg. no netting for the nets for several months), floodlights inadequate and pitch often littered with rubbish (user group).

2.16 Discussions with Council officials have informed the design and business planning process but specific points made include the following:

- the importance of addressing health and well-being concerns through the facilities proposed and the programme operated
- given the Council's financial position, health and participation benefits do need to be balanced against income generation in order to avoid additional call on local resources
- it is anticipated that the pitches would be operated as part of the Sports Centre management structure but usage charges should reflect market conditions rather than current rates
- the Council has built up a renewals fund through operation of the existing Queen's Park MUGA and, utilising this, it is currently procuring a replacement carpet and additional access controls
- following a £4 million Heritage Lottery Fund investment in the Park in 2005, there is a need to generate additional revenue to continue enhancement projects - a revenue surplus from the pitches could be an appropriate source
- given the Park's grade 2\* Listed status and its Conservation Area designation, any development of the Boythorpe Road site should aim to enhance the amenity of the area, providing an appropriate edge treatment and ensuring that any new buildings or structures are compatible with such designations.

- 2.17 To summarise, there is obviously a lot of support for the principle of installing 3G pitches at Queen's Park as part of a comprehensive sport and recreation offer designed to enhance opportunities for participation in physical activity. Those potential users that have responded to the consultation have expressed an interest in using the pitches but a key consideration will be the need to maintain these to a high quality in an area that has historically suffered from significant anti-social behaviour.

### **Market Analysis**

- 2.18 As part of the local planning process, in 2014 Chesterfield Borough Council commissioned the preparation of two key documents which now provide a significant element of the evidence base for the need for sports facilities in the Borough:
- Playing Pitch & Outdoor Sports Strategy (March 2014)
  - Sports Facility Strategy (December 2014).
- 2.19 Both of these documents were prepared in accordance with Sport England guidance and supported by detailed research - both cover the subject of artificial turf surfaces, with the later documents based largely on the Playing Pitch Strategy. It is not considered necessary to rework all the analysis as part of this Full Business Case but to ensure that the findings are still valid through a review of changes in provision of facilities and examining the impact of amended population projections. We have also used our understanding of the market for the sports which could be accommodated on an ATP to determine the potential use of any such facility were it to be provided in Chesterfield.
- 2.20 Key contextual results from the Playing Pitch & Outdoor Sports Strategy included the following:
- while the population is projected to increase overall, the number of people in age groups traditionally playing pitch sports was forecast to increase by a much smaller percentage - as a result, increase in demand for pitch and outdoor sports would not be in line with projected increases in the total population
  - population growth will be spatially focused in specific areas of Chesterfield and it is likely that increasing demand therefore will be focused in these areas
  - the demographic profile of the Borough suggested that effective provision of sporting facilities could have a significant impact on health improvements - Chesterfield Borough has a higher than average proportion of residents that are currently obese and almost half of the adult population would like to participate in sport more frequently
  - building on this, the Active People survey suggested that there are strong foundations for the continued growth in participation in sport and physical activity across the Borough but, nationally, participation in all sports considered except athletics was declining
  - not all of the dominant population segments in Chesterfield were likely to have an interest in pitch sports, highlighting the need to balance opportunities to play such sports with other activities.
- 2.21 Turning to the sports which could be accommodated on an ATP, the first of these is football. The key issues for this activity were summarised as:
- there is sufficient capacity to accommodate demand for traditional grass full-size pitches but capacity on junior and other smaller pitches is limited
  - there are issues with quality and location

- there is a requirement for additional 3G pitches as these are at capacity during peak times and there is little potential for competition.
- 2.22 The most significant demand is for a further full-size pitch suitable for football, as only one exists in the Borough at present (Brookfield Academy) - the Derbyshire FA has also identified a similar county-wide shortfall. Although the footprint at the former sports centre will not accommodate a full-size pitch, there is evidence of unmet demand for smaller pitches, both for training purposes and as an alternative to grass for matches for mini-soccer levels (e.g. 9-, 7- and 5-a-side).
- 2.23 In addition, the success of the national Women's team is likely to promote further growth in women's and girl's football, with this now the biggest female team sport in England. Around 147,000 players competed in FA affiliated leagues and competitions during the 2015-16 season, up from just 10,400 in 1993. With growth set to continue, access to all weather facilities for training and matches for juniors will be a critical factor in developing the sport.
- 2.24 Hockey is relatively well provided for on sand-filled or sand-dressed ATPs around the Borough although the principal use on these pitches is actually football - only one of the pitches is dedicated to hockey at peak periods and this is sufficient for forecast needs (subject to carpet replacement). Rugby is not at present a significant user of ATPs although they can be of value in training - the Rugby Club in Chesterfield is however based on a site with high quality sustainable facilities and so does not have any issues.
- 2.25 Tennis, basketball and netball are other sports which have a requirement for outdoor courts but, of these, only tennis is covered in the Outdoor Sports Strategy - it was stated that tennis had adequate provision in terms of number of courts but that quality and club sustainability were issues. The other sports are generally played on school sites where appropriate facilities are available - there are no statistical assessment tools available.
- 2.26 The Sport Facility Strategy took on board the assessments in the Playing Pitch & Outdoor Sports Strategy and discussed the specific issue of Artificial Turf Pitches. The evidence from analysis and consultation showed that the provision of ATPs in the Borough was inadequate, with issues in terms of capacity, surface type, quality and cost.

Table 2.1: ATPs in Chesterfield

Location	Size	Date	Quality	Lights	Note
<b>3G Surface</b>					
Brookfield Academy	100x60m	2010	good	yes	fully used at peaks
Queen's Park #	35x24m	2006?	good	yes	within park
<b>Sand-filled Surface</b>					
Hasland Hall School 1	59x36m	2009	standard	yes	
Hasland Hall School 2	36x31m	2009	standard	yes	
Outwood Academy (Newbold)	100x63m	2006	standard	no	
Springwell Community College	100x60m	2011	good	yes	
<b>Sand-dressed Surface</b>					
St Mary's High School	98x61m	2000	poor	yes	peak hockey use
Abercrombie Primary School	50x25m	?	?	no	school only?

# programmed for surface replacement 2017

- 2.27 However, as illustrated by the fact that a number of users have relocated from Chesterfield to locations outside the Borough, it is also important to consider pitches

within a wider catchment area. Figure 2.1 shows the general location of ATPs within 20 minutes drive time catchment but Table 2.2 concentrates on those within easy reach of the centre of Chesterfield, which are all in North East Derbyshire District.

Figure 2.1: Location of ATPs within 20 minutes drive time

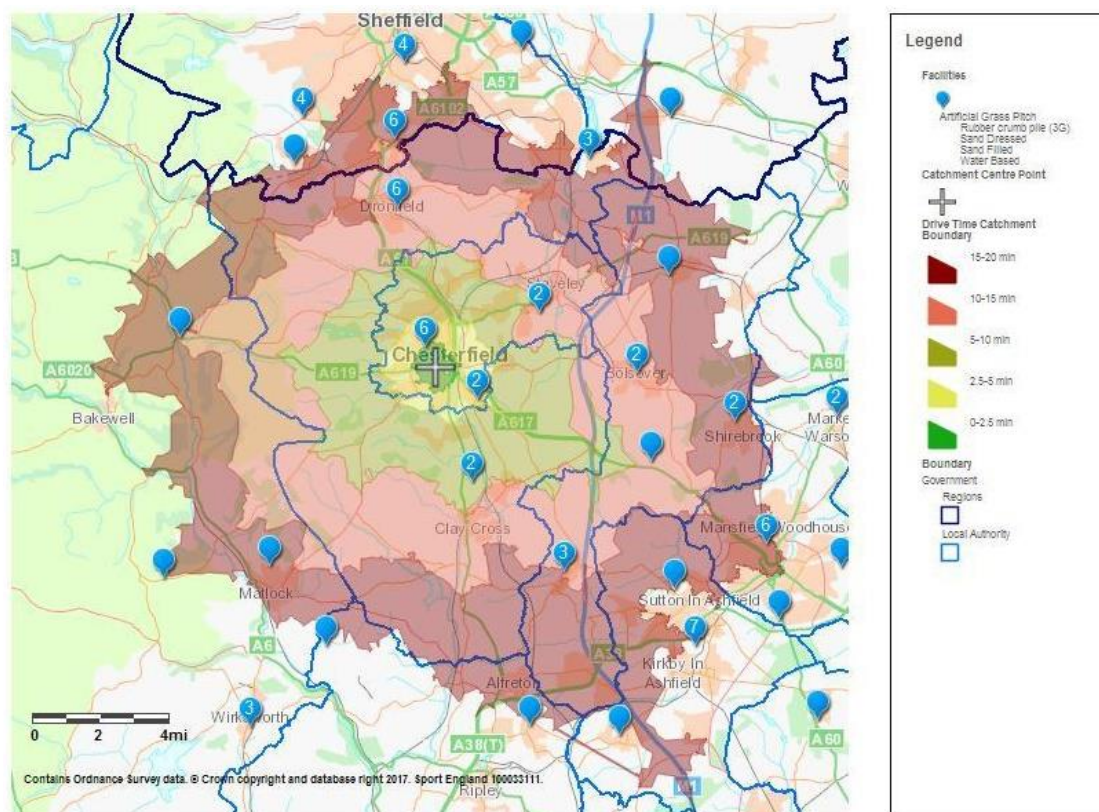


Table 2.2: ATPs in North East Derbyshire

Location	Size	Date	Quality	Lights	Note
<b>3G Surface</b>					
H Fanshawe School, Dronfield	97x62m	2004	?	yes	
Gosforth Fields, Dronfield	100x70m	2009	?	yes	
The Akademy, Dronfield	36x23m	2004	good	yes	4 pitch, commercial
<b>Sand-filled Surface</b>					
Tupton Hall School 1, Clay Cross	100x53m	2009	?	no	
Tupton Hall School 2, Clay Cross	100x53m	2009	?	yes	

- 2.28 The FA's ParkLife programme, which sees the provision of football hubs in key cities, has seen the development of three sites in Sheffield, two of which are relatively close to Chesterfield (within 30 minutes drive time). The existence of these high-quality facilities (each providing a number of 3G pitches and support facilities) has been considered in the market assessment.
- 2.29 The review of the data shows that within the immediate vicinity of Chesterfield and the local catchment, nothing has really changed in the last three years and the conclusions in the Sports Facility Strategy are still relevant. There is still a requirement for at least one additional full-size 3G pitch within the Borough and the provision of small-sided pitches would assist in the delivery of structured coaching programmes for junior players.

## Site Analysis

2.30 Following a page of photographs illustrating the site, the plans summarise aspects of the site analysis.

Figure 2.2: Key Views and Site Features



Figure 2.3: Site Constraints

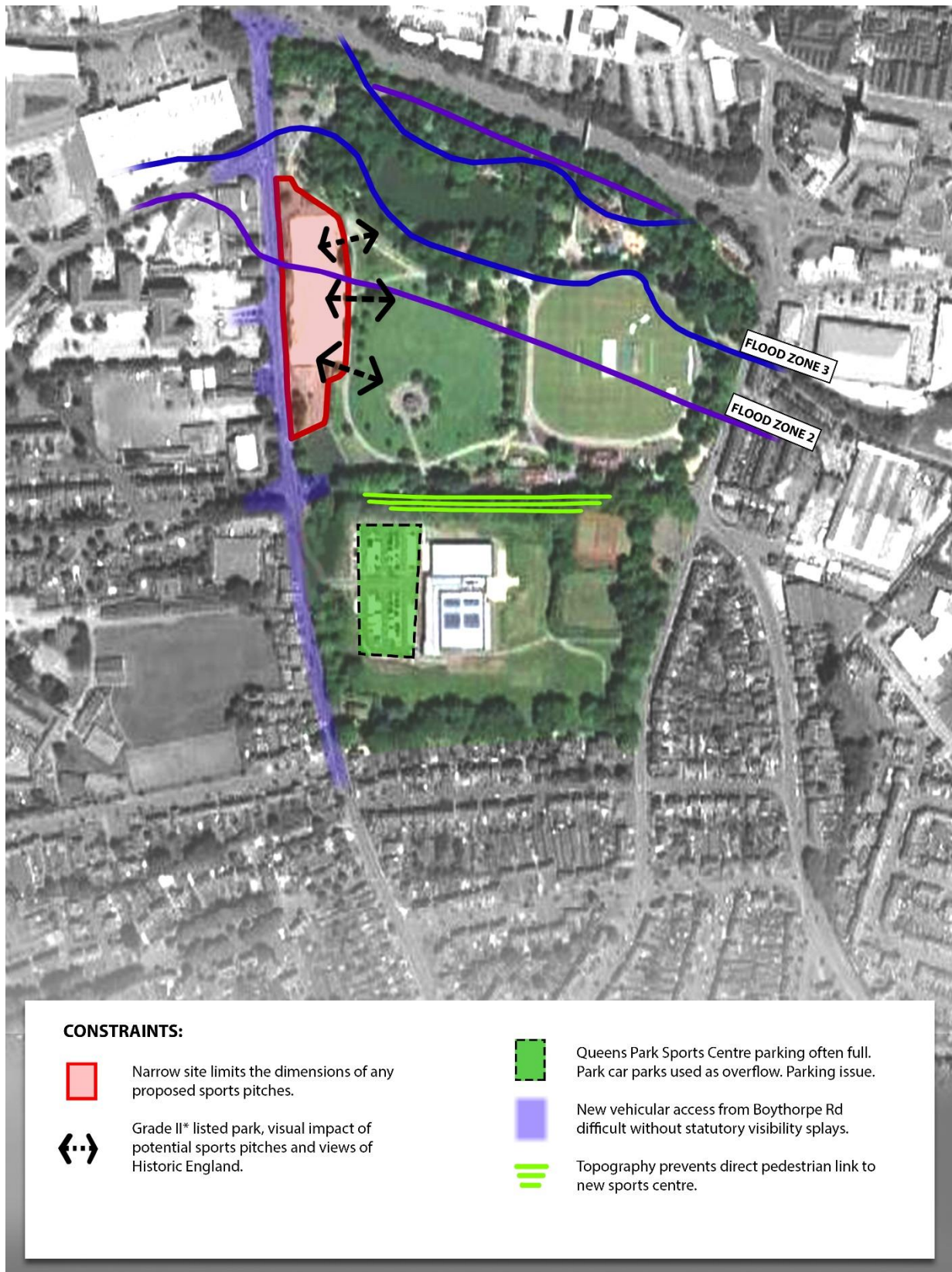


Figure 2.4: Site Opportunities

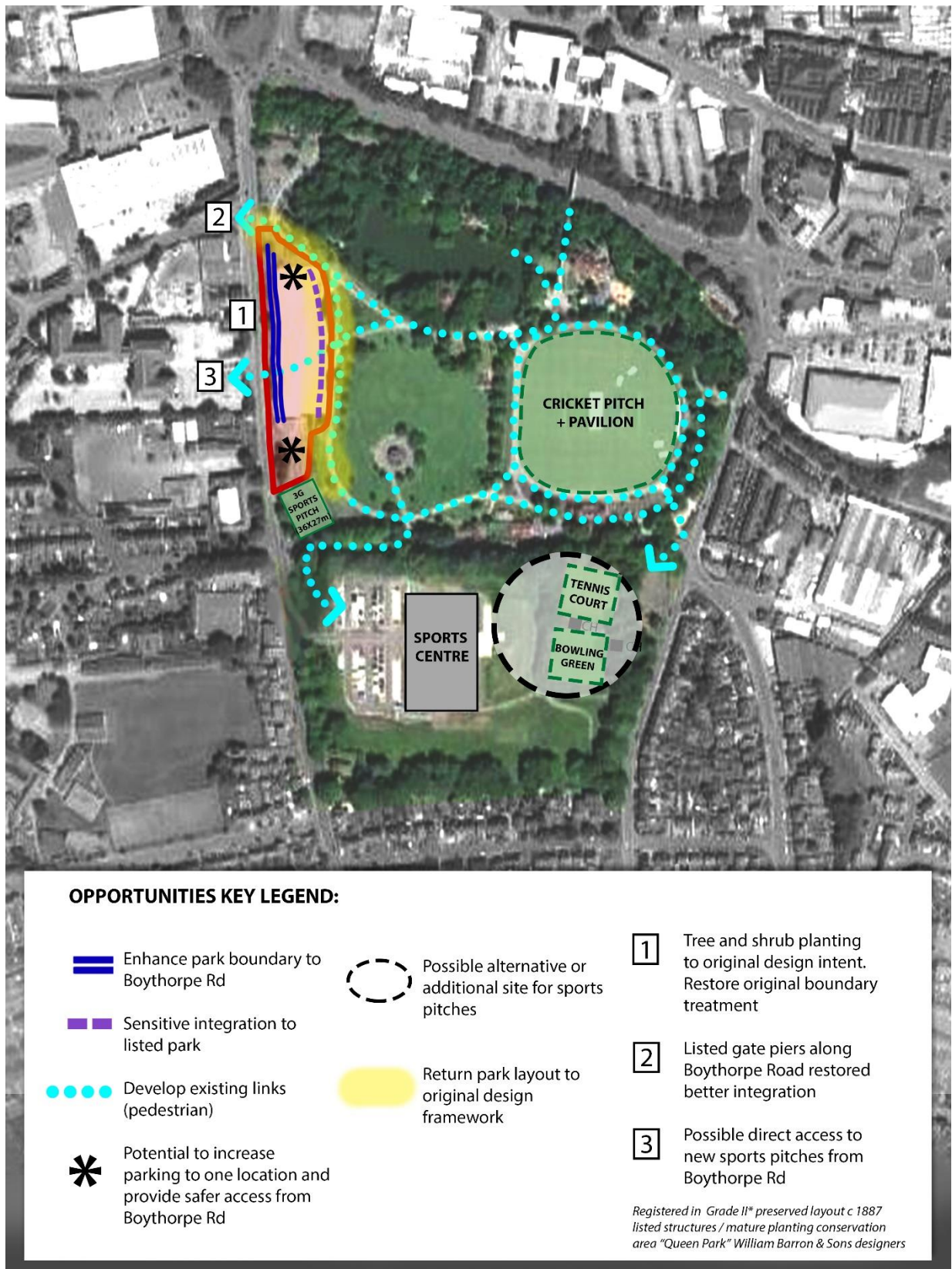


Figure 2.5: Routes

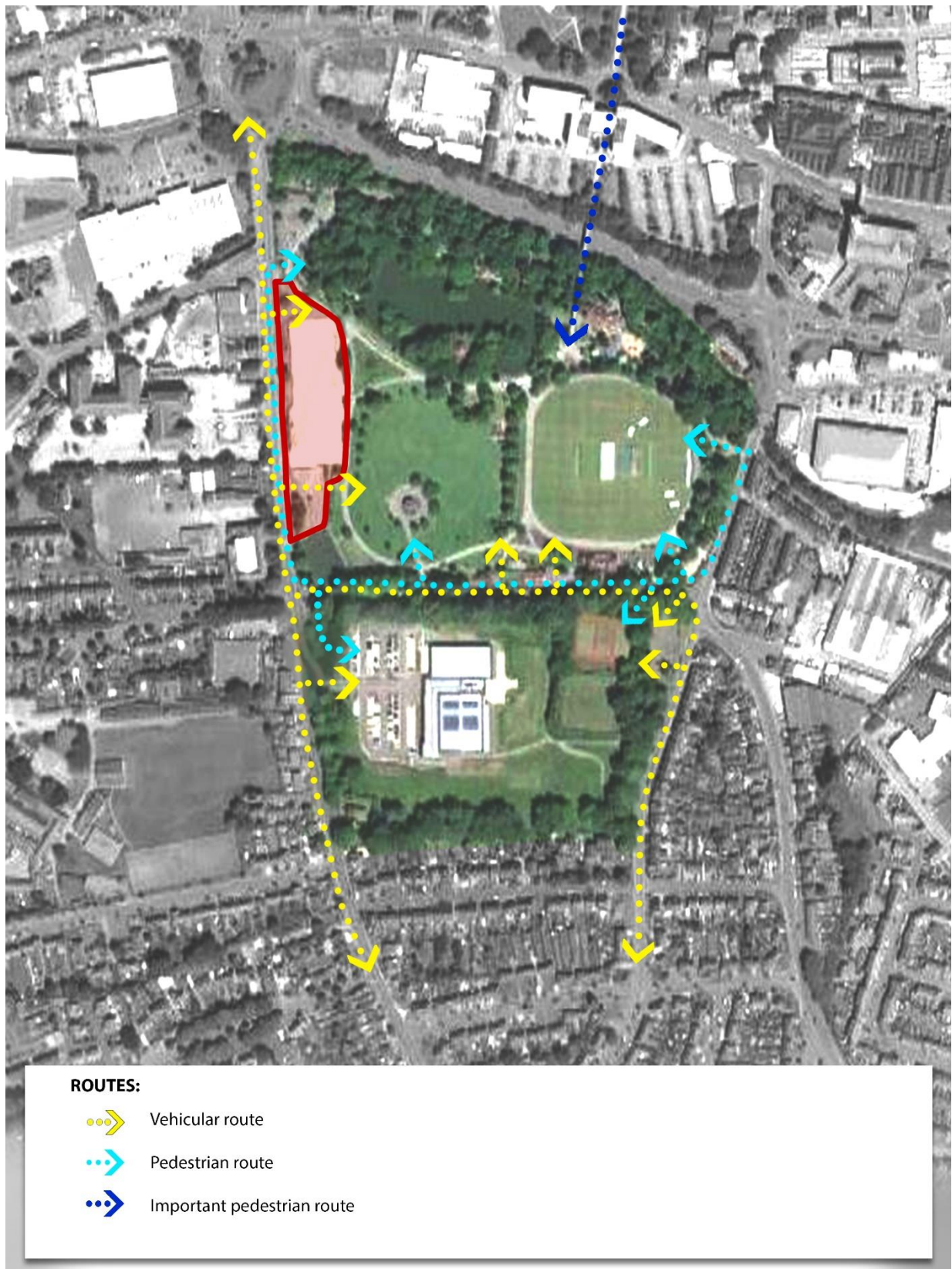


Figure 2.6: Reinstatement Opportunities



- 2.31 To summarise, as with any site, there are both constraints and opportunities relating to the development of the location of the former Queen's Park Sports Centre. A crucial constraint are the covenants placed on the land at the time of its purchase by the Borough of Chesterfield in 1888. These restrict the land to be used only '*for the purpose of a Recreation Ground for the people of Chesterfield*' and not to allow the construction of buildings thereupon. The latter clause was discharged in 1959 to allow a swimming pool to be built on the site but the construction of 'non-recreation' buildings on Queen's Park is likely to be a more contentious issue, particularly given its more recent designation as a Grade 2\* Listed Park and a Conservation Area.
- 2.32 Amongst the key opportunities which would support the development of recreation facilities at Queen's Park, the most relevant is its present use as an established venue for sporting and casual outdoor activities. Widening the offer would bring more people to the Park and so increase the viability of current operations. The site is close to the commercial core of Chesterfield where there are large numbers of potential users or where it can be reached easily from a wide catchment area by a variety of transport modes.
- 2.33 The potential to reinstate parts of the Victorian park which were by necessity lost to accommodate the former Sport Centre would require a change to the brief issued by the Council following the expression of community support as measured in an extensive consultation exercise in Autumn 2016. The issues will relate to the need to find an alternative location for the sports pitches required to enhance playing facilities for local participants while, at the same time, losing the potential to generate revenue income and so avoid a call on restricted Council funds for any restoration of the Park.
- 2.34 The town planning parameters for the future development of the site have been discussed with representatives of the Council's Planning Department and the following points have been noted:
- development or redevelopment of the site of the Queens Park Sports Centre would be considered using the Council's adopted planning policy framework
  - the site is within a Conservation Area, contains areas of fluvial and surface water flood risk (fluvial flood risk zone 2 and low risk from surface water) and is within the Coal Authority referral area (high risk from historic coal mining) - the trees within the site are protected by a prior notification procedure through being within a Conservation Area
  - the Sports Centre's loss and potential replacement by a more appropriately designed structure could be considered beneficial to the character and appearance of the Conservation Area - however, any development would have to demonstrate a high quality of design and architecture in order to secure a positive outcome with regard to all heritage assets
  - in terms of alternative uses for the site, the main opportunities for an alternative use would be a residential development, an assembly or leisure use (matching the existing use on the site), tourism or a non-residential institution - all would be constrained in scale and nature by the need to conserve or enhance the character and appearance of the Conservation Area, Historic Park & Garden and avoid an adverse effect on the setting of nearby Listed Buildings

- viability of, in particular, residential development will inevitably be affected by these requirements
- any development on the site following demolition must not be detrimental to the character and appearance of the Conservation Area or setting of heritage assets such as nearby Listed Buildings and the area of the Park designated as a Historic Park and Garden
- policies in the adopted Core Strategy and the Draft Local Plan (CS19) state that “*all new development must preserve or enhance the local character and distinctiveness of the area in which it is situated (by) ... b) protection of Designated Heritage Assets and their settings including Conservation Areas ... and Registered Parks & Gardens; ... f) enhancing the character and setting of Queen’s Park ... and locally important Historic Parks & Gardens*”

2.35 Historic England (HE) will have a crucial role in assessing the project and will need to support any scheme if it is to be approved. To that end, a meeting was held with its Assistant Inspector of Historic Buildings & Areas to review the parameters for the project and discuss emerging development options. Key points from the meeting included:

- the demolition of the former sports centre has provided an opportunity to enhance the Park in accordance with its Grade 2\* Listing and Conservation Area status
- reference was made to the Council’s own adopted and emerging policies for preservation and enhancement of the Park (see above), together with national policies
- HE would need to be convinced that the proposed site is the only appropriate location for the proposed pitches and that they could be delivered without causing significant harm to the park - any harm would need to be balanced by other public benefits to the park, the local community, etc
- a full Heritage Assessment would need to accompany any planning application, showing how any scheme picks up the original vision for the Park, its content and its boundaries, while at the same time providing the modern elements sought in this project.

### Summary

2.36 The assessment of the project context has led to the following conclusions:

- there is strategic support for the proposed development of artificial turf pitches at Queen’s Park
- there is strong community support for the concept but any new facility will require careful management
- there is demand for high-quality football facilities within the Borough, although the priority would be the provision of a full-size pitch (not possible at Queen’s Park)
- any development on the site will have to be very carefully designed and constructed to complement the Listed Park and Conservation Area within which it is situated.

## 3. Design & Operational Options

### Introduction

- 3.1 Appendix B set out in detail the development options which have been designed, and subsequently tested through the preparation of initial business plans, with the objective of determining a preferred approach to be developed further into a Full Business Case. The paragraphs below highlight the key features of these initial options.

### Project Options

- 3.2 Taking on board the contextual work summarised in the previous section, four options have been developed for the site of the former Queen's Park Sports Centre. Plans illustrating the designs are included in Appendix B.
- 3.3 To provide a baseline against which to test the impact and viability of alternative schemes, **Option 0** would see the restoration of the park layout as envisaged by the original designers (ie. as found before the swimming pool and, subsequently sports centre, were built on part of the Park). The circular form of the western path would be reconstructed, along with appropriate boundary treatments, gates, lawns and tree/shrub planting. Such an option would not generate any revenue to offset the capital costs or on-going maintenance so will require long-term financial support.
- 3.4 In line with the brief to address the viability issue and our assessment of need, the focus of the sporting outcomes is on delivering high quality facilities for all-weather participation in football (or other activities which could take place on a 3G pitch). The constraints at Queen's Park are such that it is impossible to provide a full-size pitch in this location so it has been determined that the most appropriate route is to concentrate provision on smaller-sized pitches which can be used for junior football and/or training. These are featured in Options 1 and 2 below.
- 3.5 **Option 1** envisages developing the largest pitches that can be contained within the footprint of the former Sports Centre, so providing the widest possible range of opportunities for participation by both adults and juniors. The two pitches that could be provided are appropriate for 7x7 mini-soccer (61m by 43m, including run-offs) and 5x5 mini-soccer (43m by 33m, with runouts). Such pitches are also suitable for training by players of all ages. This layout will leave little space for screening and/or landscaping. The business plan will test the viability of this option without a separate full-size 3G pitch (Option 1A) and with a new full-size 3G pitch developed elsewhere in the town (Option 1B).
- 3.6 **Option 2** sees the provision of three 43m by 33m 3G pitches (two with runoffs) which would be suitable for junior play, training and casual adult football. Such a layout would allow more space for landscaping and so potentially integrate the pitches more effectively into the Park. As before, Option 2A is without a new full-size pitch and Option 2B is with one.
- 3.7 **Option 3** sees more concentration on the restoration of the Park and the provision of alternative outdoor recreation opportunities within a site reduced in size from that

identified as being available. This will allow the re-creation of the original path layouts and the provision of additional landscaping. The two alternatives considered are three smaller MUGAs (Option 3A) and a 5x5 pitch (Option 3B).

### Initial Capital Costs

- 3.8 The following global costs have been prepared on the basis of the options outlined above and are based on typical square metre rates, adjusted where appropriate to address specific site requirements.

*Table 3.1: Capital Costs*

Option	Pitches	Cost Range
0	Restoration of Park	£300,000 to £400,000
1	One 7x7 (RO) & one 5x5 (RO)	£607,000 to £742,000
2	Two 5x5 (RO) & one 5x5 (no RO)	£729,000 to £891,000
3A	Three MUGAs (no RO)	£450,000 to £550,000
3B	One 5x5 (RO)	£500,000 to £600,000

NB: RO = run-off

- 3.9 Assumptions made in determining the costs include the following:
- pitch costs are based on current costs for 3G pitches on 'average' sites, including contingency & fees
  - no allowance for any building on the site - a 20-25m<sup>2</sup> simple single storey structure in keeping with the red brick aesthetic would cost £25-30,000
  - utility services are assumed to be adequate alongside the site, with no allowance for works to car parks or highway
  - landscaping follows Historic England advice that high quality design & materials would be required and includes ornamental railings over a low stone coping wall, paths, importation of topsoil for planting of formal hedges, specimen trees, shrubs & ornamental plants and grass seeding
  - no allowance for VAT (assumed to be fully recoverable by the Council).

### Operational Business Plan for Options

- 3.10 Based on the market assessment and consultation, an initial operational business plan has been prepared for the two principal pitch layouts described above (Options 1 and 2).
- 3.11 In terms of income, key assumptions are as below:
- revenue is built up from a mix of junior matches, team hire for training, school hire, 5-a-side, walking football, informal group hire, etc
  - charges have been set slightly below competitors to provide comfort at this early stage
  - there is limited provision for secondary spend associated with the pitches
  - the model assumes a local authority model in relation to VAT.
- 3.12 Key expenditure heads include premises, advertising & marketing, IT & other supplies and cost of sales. However, with the exception of maintenance-related staff costs (sweeping, litter picking, etc.), no allowance is made for additional staffing costs, notwithstanding the comments of Derbyshire FA and experience with the present facility which would imply staff presence might be appropriate at peak times. Staffing at a 0.7 FTE rate to cover weekday evenings and some additional daytime and weekend bookings

would result in an additional cost of £13,895 (including on-costs). No allowance has been made for the allocation of the Council's central recharges but a sensible allocation for these would typically be 3% of income.

- 3.13 Given the assumptions above, the financial performance of the pitches under Option 1A (no full-size pitch on another site) is set out in Table 3.2 below.

*Table 3.2: Option 1 Revenue Cost*

Option 1	Year 1	Year 2	Year 3	Year 4	Year 5
Total Income (£)	61,499	68,734	72,352	72,352	72,352
Total Expenditure (£)	(52,772)	(43,006)	(43,122)	(43,122)	(43,122)
Surplus/(cost) (£)	8,727	25,728	29,229	29,229	29,229

- 3.14 This shows that the pitches would make a surplus in all years but a not significant one - the surplus would not be sufficient to repay capital borrowings taken out to fund the construction. If staffing and central costs are included, the facility would only operate at a surplus of circa £13,000 in a mature year.
- 3.15 The financial performance of the pitches under Option 2A (no full-size pitch on another site) is set out in Table 3.3 below.

*Table 3.3: Option 2 Revenue Cost*

Option 2	Year 1	Year 2	Year 3	Year 4	Year 5
Total Income (£)	59,151	66,110	69,590	69,590	69,590
Total Expenditure (£)	(53,972)	(44,196)	(44,308)	(44,308)	(44,308)
Surplus/(cost) (£)	5,179	21,914	25,282	25,282	25,282

- 3.16 It can be seen that the pitches would deliver a slightly lower surplus than Option 1 but the difference is not large - the same conclusions can be made with regard to funding and the impact of any staffing costs that might be incurred.
- 3.17 The impact of constructing a full-size 3G pitch elsewhere in the Borough has been modelled in general terms and, given the excess demand in Chesterfield, it is estimated that the effect on the development at Queen's Park would be minimal, at circa £5,000 pa. This assumes that the pitches would be programmed in a comprehensive manner to target different but complementary markets eg. adults, junior, small-sided, education, training, etc.

#### **Other Options**

- 3.18 As discussed previously, no business plans have been prepared for Options 0 or 3. It is unlikely that any use appropriate for a relatively open setting in open Listed parkland would generate sufficient income to make a significant contribution to funding costs.

#### **Outline Business Plan Summary**

- 3.19 To summarise, at this initial assessment stage, there is no significant difference in financial performance between the two principal options. However, Option 1 has the potential to address a wider range of users and, particularly if operated alongside a full-size pitch elsewhere, offer clubs and other stakeholders a complementary set of high quality facilities in the Borough upon which to deliver a comprehensive programme of participation opportunities along a pathway through from affiliated under-7s 5x5 football all the way through to adult 11-a-side football.

- 3.20 It is suggested that the income from the pitches is unlikely to be sufficient to make a major contribution to capital funding costs and that contributions would need to be sought from the authority's capital programme or grant aid to deliver the project.

### Funding Options

- 3.21 A search of potential funding opportunities has been undertaken in order to determine whether the authority would be able to draw in additional capital resources to fund construction of the proposed ATPs at Queen's Park.
- 3.22 Sport England is the principal funder for new sports facilities in England but of the various funding programmes it operates, only the Community Asset Fund could be appropriate for the proposed Queen's Park project. However, while this offers grants of between £1,000 and £150,000 to invest in '*new & different plans that meet the needs of local communities*' and '*creation of more resilient, sustainable and less grant-dependent sports sector*', it also seeks to '*ensure capital investment reaches organisations who have not accessed our funding before*'. With funding available to local authorities and educational establishments ring-fenced and limited, the fact that Chesterfield has benefited from significant Sport England funding already makes it unlikely that further monies would be made available.
- 3.23 In addition, developments that focus on football (and that would be the case here), are more properly funded through the Football Foundation. The potential for grant aid should be discussed with the local County FA and this has suggested that it would be more likely to support the development of a full-size pitch than small-size pitches (unless they were part of a wider and more comprehensive football development strategy).
- 3.24 A further source of funding could be Landfill Communities Grants but the reduction in landfill operations means that the amount of money available has been reduced. The only operator in Chesterfield is Viridor but, while the project would meet their funding criteria, they do not generally fund developments owned and managed by local authorities. They could accept an application from a Friends group to carry out works in a public park but not if it can be seen to be a local authority led scheme.
- 3.25 The Derbyshire Environmental Trust has had a small pot of £30,000 to distribute to one or more projects in Derbyshire each year and, hopefully, maybe a bit more in 2018 - details will be available early in 2018.

### Options Review

- 3.26 Following consideration of the above options by senior members and officers of Chesterfield Borough Council, it was concluded that it would not be appropriate to pursue Options 1 and 2 given the authority's commitment to planning policies in its adopted Core Strategy and the emerging Local Plan which target the enhancement of this historically significant Grade 2\* Listed Park located in a Conservation Area. Any development here would need the support of Historic England were it to affect the amenity of the Park and more extensive pitch provision is likely to have a significant adverse impact on its character.
- 3.27 However, the authority also has commitments to enhance opportunities for sport and recreation in the Borough, with consequent impact on health and social development through the promotion of physical activity within target communities. To that end, there is still an aspiration to provide some enhanced sports facilities on the former Sports Centre site.

- 3.28 These potentially conflicting aspirations have led to the preparation of three options for further exploration, rather than one preferred option. These are described in more detail in section 4 of this report.
- 3.29 It has been suggested that the site at the rear of the new Queen's Park Sports Centre to the south of Boythorpe Avenue could be utilised for additional pitches but this does have significant issues:
- the landform is such that a number of 'terraces' would need to be combined to create a level platform for anything more than a small pitch
  - much of the area is identified as a foraging ground for a protected badger sett which required relocation of the sports centre at the design stage
  - a new electricity substation would probably need to be relocated at significant expense.
- As a result, this option is not being pursued at present.

### Summary

- 3.30 The design and operational options developed in the first part of this section have been reviewed against the strategic policies and aspirations of Chesterfield Borough Council and other key stakeholders. This assessment has led to the conclusion that the options presented in the Outline Business Case in early 2017 are unlikely to be acceptable to Historic England (a principal consultee with statutory powers to regulate development in historic parks) in view of their potentially significant adverse impact on the amenity of the Park. In addition, the revenue surplus predicted is not as high as initially forecast and so any development is unlikely to cover its whole capital cost through repayment from revenue of loans taken out to fund construction.
- 3.31 As a result, an alternative approach which is more in sympathy with the Park has been adopted, with options that nevertheless seek to deliver sports and recreation participation opportunities while restoring key elements of the Park which were lost when the former sports centre was constructed.

## 4. Scheme Design and Costing

### Introduction

- 4.1 The following section of the Full Business Case sets out in more detail the scheme designs and capital costings for the three potential development options:
- Option 0 - landscaping of the site of the former sports centre to return it to parkland with no additional sports facilities
  - Option 3B1 - one 5x5 pitch within a recreated Park structure
  - Option 3B2 - one 7x7 pitch within a recreated Park structure.
- 4.2 These options share many common elements and these are described in the initial subsections of this section, before going on to describe the differences and determine the capital costs.
- 4.3 The concluding subsections also review the potential for the development of a further full-size 3G pitch elsewhere in the Borough, as requested by the client.

### Re-creation of Former Park Structure

- 4.4 Examining the historic background to Queen's Park demonstrates how many changes have taken place over the past 100 years and how the original design intent has as a result been compromised in certain areas. Mapping from as far back as the early 1900s shows that there has been some development along the western boundary, with 1960s maps showing this as a play area prior to construction of the former swimming pool and then sports centre.
- 4.5 Historic maps show that the original circular routes existed alongside this space, and smaller secondary pathways maintained the design intent of curved pathways. The primary circular route was reoriented to allow for the sports centre building in the 1970s and this amended the cohesive layout originally delivered.
- 4.6 As the Park lies within a Conservation Area and is on English Heritage's Register of Parks & Gardens of Special Historic Interest at Grade II\*, the heritage assets within the Park (eg. Listed 19th century structures and mature specimen trees) should not be compromised by the proposed development, as these all contribute to the overall significance of the Park.
- 4.7 At present, the site of the demolished sports centre detracts from the surrounding Park and returning the area to a recreational and/or parkland use, with associated pathways and landscape areas, will have a beneficial impact on the amenity of the site.

### Common Design Elements

- 4.8 All the revised options considered for the site examined the potential for reinstating the circular form of the main pathway, so restores this feature of the historic layout. While Option 0 retains the whole site as public open space, Options 3B1 and 3B2 introduce a small ATP pitch in the location where, historically, a playground was situated. It is considered that the introduction of this rectangular pitch could be seen as being in keeping with the historic layout of the park from the early 1900s, and with its sport & recreation ethos.

- 4.9 The following design elements can be seen in all three options discussed below:
- the reinstatement of the original circular path layout
  - the removal of two trees to allow the circular path to be reinstated (these appeared within the Park after the reorientation of the original circular path)
  - removal of the existing island of grass within the north car park to allow an increase in capacity and a more coherent layout
  - the Listed gate piers off Boythorpe Road to be refurbished and connected to new a boundary wall and railings
  - the boundary along Boythorpe Road to be reinforced, following the pattern of the existing wall and fencing
  - the entrance into the Park from the north car park to be reinforced by extending the existing hedge and providing shrub and tree planting along the pathway
  - in space not utilised for pitches, a mix of meadow grass and amenity grass will create an informal pathway, allowing access from the north car park into the Park.
- 4.10 Additional trees and shrubs will be planted within the space to the south of the pitch (if provided) and along the pathways. Planting will consist of a mixture of hedges, shrubs and trees, as well as grass and meadow grass. This structure allows those options with a pitch to integrate better within the Park and its historic context, providing a landscape and visual framework within which the pitches would sit. This will help screen views of any taller elements such as fences and floodlighting towers.

#### **Location of Proposed Pitches**

- 4.11 The proposed pitch (either 5x5 in Option 3B1 or 7x7 in Option 3B2) is located on the widest part of the site available in order to maximise the potential for the planting of screening trees/shrubs. This is also the location of a children's play area on the Barron plan and so would have been hard-standing when originally built.
- 4.12 Placing the pitch in this location has a number of advantages:
- there would be easy access from the adjoining footways and car parks, allowing safe and secure use after dark - there would be potential for the Park to be closed at dusk while maintaining access to the sports facility
  - there will be access to utility services which are assumed to run in the adjoining highway
  - there would be easy access for maintenance and emergency vehicles
  - players, spectators and maintenance equipment would not have to cross natural turf areas, as mud, debris and other contaminants would all contribute to the deterioration of the playing surface
  - the main playing direction is approximately north/south, so minimising the effect of a setting sun on the players.
- 4.13 The 5x5 pitch shown on Option 3B1 is 33 by 27 metres and fits well into the space available. The 7x7 pitch (Option 3B2) is 55 by 37 metres and takes up the majority of the space in this location.

### **Pitch Surface**

- 4.14 To address the identified need in Chesterfield, the playing pitch surface will be designed to meet FIFA Quality Concept for Football Turf One Star and be tested to BESEN 15330-1 standard.
- 4.15 The surface will be of an artificial Third Generation (3G) make up and the final specification of the pitch build-up will be dependent on existing ground conditions. Typically, the build-up will be as follows:
- aggregate (sub-base) grade, compaction and depth to suit existing ground conditions but typically the sub-base can be between 300-600mm, 300mm minimum - depending on the quality of the fill material on site, this may be used to create the sub-base
  - appropriate drainage - it is assumed this will be to nearby surface water sewers
  - macadam base course (approx. 40mm) and a macadam binder course (approx. 25mm) are provided over the sub-base to provide a level surface to the specified tolerances
  - pre-cast concrete kerb edging on mass concrete haunching, with a 300mm mowing strip to the outside of the fenceline
  - artificial turf (carpet), laid in rolls and stitched together - the height of the artificial turf varies depending on sport but for football it is recommended that this should be a long pile 3G of between 55-60mm
  - infill materials will vary but are generally sand or rubber particles - sometimes they are a combination of both with river sand infill below rubber particles.

### **Pitch Fencing and Lighting**

- 4.16 Whichever pitch dimensions are adopted, the fencing and lighting would be to standards recommended by the Football Association for such pitches:
- 4.5 metres high fence on all sides of the pitch playing area
  - viewing areas with perimeter fencing 1.2 metres high, rising to 2 metres behind the goals and 3 metres away from the touchline
  - goal recesses to safely store each goal individually in close proximity to its main usage point
  - a pair of double gates to allow maintenance and emergency vehicle access
  - a single gate access with decontamination grill to every section of the pitch available for cross-play use, with the section furthest away from the spectator entrance having an additional single gate to aid ball retrieval
  - access gates opening outwards away from the playing area to ensure the safety of players
  - gates operated by a remote access control using cards which would only open them at programmed times - CCTV will be provided for additional security.
- 4.17 The fencing will be constructed from twin bar super-rebound panels or rolls supported by box section posts. Steelwork will be galvanised to minimise premature corrosion and will be plastic coated to improve its appearance.
- 4.18 The floodlights will be designed in such a way as to minimise light spill beyond the fence and switched so as to allow each individual section of the pitch to be individually programmed. Lantern poles and lights will be dark coloured to minimise their visual

impact when seen against darker vegetation. To be suitable for match play, the maintained average illuminance will be greater than 200lux, with a uniformity (minimum/average) of greater than 0.6.

### Potential Support Building

- 4.19 It is important to provide storage facilities in close proximity to the pitch, with weekly maintenance machinery and essential equipment stored safely and securely in a location which allows easy access to the pitch from a tarmac area. If appropriate space cannot be found in an existing park building, provision should be made for a small service building designed to respect the character of the Park. This would also then contain electrical control gear for floodlighting and remote access equipment, otherwise located in a small cabinet. If supervision were to be required, the building could be expanded to accommodate a base for a member of staff managing the facility.

### Option 0

- 4.20 Option 0 looks to reinstate this area of the park with planting in the form of amenity grass, meadow grass, ornamental shrub planting and tree planting. A mix of meadow grass and amenity grass will create an informal pathway through this space, allowing access from the car park to the north into the Park.
- 4.21 Figure 4.1 illustrates the key features of this option which simply landscapes the former QPSC site. It will be appreciated that this does not seek to amend the parking layout (which could be considered if felt appropriate) or provide any alternative sport or recreation facility (be it free-to-use or income-generating).

Figure 4.1: Option 0



### Option 3B1

4.22 Figure 4.2 illustrates the key features of Option 3B1, which includes a 5x5 ATP.

Figure 4.2: Option 3B1



4.23 In addition to the restored elements included in Option 0, this allows for the construction of a 5x5 ATP which will help meet aspirations for additional high-quality sport and recreation facilities within Chesterfield.

4.24 Specific features of the plan include:

- floodlit and fenced 5x5 ATP to FA standards, appropriate run-offs, goal storage recesses, spectator & player-waiting area and access/escape gates
- curved access path following the original park design
- space for a potential store or staff-base on the Boythorpe Road frontage (optional addition not costed in this business plan).

### Option 3B2

4.25 This Option (Figure 4.3) replaces the 5-a-side pitch with a larger, more flexible to use, 7x7 pitch although, given the limited space available on the site, the potential for screening is reduced and access paths have to be straight rather than curved to follow historic precedent. Other than relocated paths, the content of this option is as for Option 3B1.

Figure 4.3: Option 3B2



### Impact on Queen's Park

- 4.26 Vistas from various points within Queens Park and the Conservation Area lead to key historic features, such as the mature trees, curved pathways and the bandstand. Beyond these, from the centre of the Park it is possible to see the existing fenced-off area of the demolished sports centre. As this boundary is a significant part of the Park, landscape enhancement will mitigate any potential views of pitches and associated fencing or lighting. Within the options, this is achieved by a mixture of hedge, shrub and tree planting.
- 4.27 Views from outside of the Park can be enhanced by the reinstatement of boundary walling, railing & fencing along the Boythorpe Road boundary, providing a consistent treatment to the majority of the Park. Within the Park, further enhancement can be made by tree, shrub and hedge planting which follows the original design intent.
- 4.28 Overall, in terms of landscape and visual impacts, Option 0 would have the greatest positive benefits to the amenity of the Park as this returns the area of the former sports centre to a parkland character that responds to the historic design intent for the Park, enhancing and reinforcing some important elements. However, this approach would not help address deficiencies in sports provision within the Borough and, as it could not generate any income, would fall as both capital and revenue cost upon the Council.
- 4.29 It is considered that there is justification for an element of sports provision within the Park if this can be accommodated without causing serious harm to the Conservation Area and Listed Park, particularly if any harm that would be caused could be offset by significant benefits. The inclusion of a small-sided ATP is considered to be an appropriate intervention, subject to appropriate screening of the pitch itself and the opening up of views which were lost when the former sports centre was built.

- 4.30 In terms of landscape and visual impact, Option 3B1 has a lower impact than Option 3B2 as the smaller pitch included in this Option fits the space better and allows for a curved pathway that is more in keeping with historic park layouts. However, Option 3B2 has a larger, more flexible pitch layout which will be more cost-effective to operate and address a wider range of participation opportunities. It is felt that although this Option does not fit the space as well, it would not have a seriously detrimental impact on the amenity of the Park, given other enhancements to pathways and boundaries.

### Capital Costs

- 4.31 The following assumptions have been made regarding the capital costs:
- as no information is available on the quality of the site fill, it has been assumed that there are no adverse ground conditions or obstructions that may require anything other than standard foundations/base construction and there is no requirement for measures to deal with groundwater or contamination
  - it has been assumed that there are no below ground services on or adjacent to the site that would require diversion or lowering, and that there is no need to upgrade the existing mains services or drainage infrastructure, with connections made locally
  - no allowance is made for the optional office/storage facility
  - the height of the proposed low stone wall to Boythorpe Road has been assumed to be 0.40 metre and the decorative railings 1.80 metres
  - estimated costs have been prepared at current 2017 price levels and no allowance has been made for inflation prior to or during construction
  - a contingency sum of 7.5% has been included at this stage, with a 10% allowance for design and professional fees (including design team fees, survey costs & planning/building control fees)
  - the figures exclude VAT (which is assumed to be fully recoverable by the Council).
- 4.32 Table 4.1 below sets out initial capital cost estimates for the options discussed above.

*Table 4.1: Capital Cost Estimates*

Queen's Park, Chesterfield Estimated Construction Costs for Alternative Park and 3G Pitch Configurations				
ATP provision (with run-offs)		Option 0 No pitch	Option 3B1 5x5 pitch	Option 3B2 7x7 pitch
Demolish two brick planters & prepare for landscaping		£1,000	£1,000	£1,000
Re-align road to remove lay-by		£25,000	£25,000	£25,000
Construct new 3G ATP complete with fencing & lighting		£0	£195,000	£310,000
Provision of power supply to pitch lighting		£0	£3,000	£3,000
Allowance for low level stone wall & decorative railing		£170,000	£165,000	£165,000
Allowance to reinstate circular footpath & new paths		£40,260	£51,180	£50,820
Hedge & tree planting		£12,915	£14,815	£10,315
Shrub & ornamental planting		£19,125	£28,260	£14,625
Grass seeding		£39,845	£28,375	£26,145
Sub-total		£308,145	£511,630	£605,905
Contingency allowance	7.5%	£23,111	£38,372	£45,443
Sub-total		£331,256	£550,002	£651,348
Design team / professional fees	10.0%	£33,126	£55,000	£65,135
<b>Total Estimated Cost</b>		<b>£364,381</b>	<b>£605,002</b>	<b>£716,483</b>

### **Maintenance Programme**

- 4.33 It is assumed that the paths, walls/fences, lawns and planting provided as part of this project will be maintained by the landscape contractor for at least 1 year but potentially up to 5 years. At a standard 15% of 'softworks', the expected cost would be some £11,000pa for Options 0 and 3B1, and £8,000 for Option 3B2.
- 4.34 The work would include regular visits to fulfil required standards of maintenance that would be set out in a Landscape Maintenance and Management Manual. This would set out a management regime for the different types of planting, such as the times of year that it should be pruned, have weed control applied, watered, stakes/ties checked, grass cut, etc. Defective (dead, damaged or missing) or inadequately established plants will need to be replaced at the appropriate time of year.
- 4.35 In the long term, it is envisaged that the site would be cared for by the Council's Grounds Maintenance team as part of the overall Park operational plan, with costs reducing as plants are established.
- 4.36 The appropriate maintenance of the 3G pitch will be crucial to ensure its longevity and the health & safety of users. It should be brushed regularly and have a maintenance schedule in line with that recommended by the manufacturer. As a guide, the general rule is for one hour of maintenance is required for every ten hours of use.
- 4.37 There are three broad types of surface maintenance:
- Routine/Regular: drag brushing to redistribute the infill, brushing to lift the pile, localised topping up of infill (eg. penalty spot) and the regular removal of litter, leaves & other debris
  - Specialist Maintenance: surface cleaning, power sweeping & decompaction of the infill with specialised equipment to ensure consistent performance, seam inspection and removal of any moss or weeds
  - Rejuvenation: if a surface is neglected and becomes heavily contaminated it will over compact and the drainage will be affected, reducing the performance characteristics & life of the pitch - in some circumstances the infill may need replacing through a rejuvenation process.
- 4.38 The pitch carpet is expected to have a life span of approximately seven to ten years and, like the present MUGA in Queen's Park, it is recommended that a sinking fund should be established for the future replacement of the surface.
- 4.39 Following the completion of the defects liability period, a specialist floodlighting contractor should be retained to maintain the system.
- 4.40 The operational plans prepared for these facilities allow for a maintenance programme on the lines set out above.

### **Full-size Pitch**

- 4.41 The Council has requested an estimate for the construction of a typical full-size 3G ATP to full FA standards on an appropriate site elsewhere in the Borough. In the absence of any specific location, the likely capital cost of such a pitch has been taken from work recently undertaken on similar facilities elsewhere in England. A full-size 3G ATP (100 metres by 64 metres, with a 3 metres run-off) including floodlights, fencing and spectator hardstanding is likely to cost between £550-600,000, excluding professional fees and VAT. Costs could increase if there is need to remove excavated material off site, stabilise poor ground, provide an additional sub-base or include specific 'off-pitch'

works such as footpaths, acoustic fencing or car parking which may be required by planning conditions. The estimate above also does not include for a pavilion or changing block which might be necessary if no provision is available nearby.

- 4.42 With regard to capital funding of a full-size 3G pitch, the Derbyshire FA would be happy to have discussions with the Council around an alternative site if strategic need has been identified through Playing Pitch Strategies and other appropriate policies, as is the case in Chesterfield. Projects for support will be identified by means of justification explored by Football Foundation Engagement managers, with support from the County FA.
- 4.43 The key information required to support initial conversations would be as follows:
- strategic evidence referenced in an up-to-date and adopted Playing Pitch Strategy
  - security of tenure in place for the site being proposed
  - overview of the planning situation
  - match funding contributions outlined (confirmed & to be applied for)
  - details of potential partner clubs, including potential usage, number of teams and FA Charter Standard level.

#### Summary

- 4.44 It will be appreciated that the outline plans and costings set out above have been prepared on the basis of information available and may need to be revised as part of any further design development process. However, it is felt that the schemes and costings outlined are sufficiently flexible to accommodate changes which may be required as a result of the provision of more accurate site surveys, ground condition surveys, tree surveys and the like.

## 5. Operational Plan

### Introduction

- 5.1 This section of the Business Case sets out the operation business plans for the two Options for new ATPs at Queen's Park and for a notional full-size ATP elsewhere in the Borough. It concludes with a discussion of the alternatives for management of the proposed Queen's Park ATP, either from the Sport Centre or within the Parks Service.

### Revenue Implications

- 5.2 This section sets out the revenue business plans for the following Options:
- Option 3B1 - one 5x5 ATP
  - Option 3B2 - one 7x7 ATP.
- Within the business plans are detailed economic assumptions which result in determining overall revenue for each option.
- 5.3 No business plan has been prepared for Option 0 as it is not anticipated that it would generate any income - however, an estimate has been made of the on-going maintenance costs assuming the area would be incorporated in the Queen's Park maintenance contract.
- 5.4 In addition, a business plan has been prepared for the development of a full-sized 3G ATP on a typical site elsewhere in the Borough.
- 5.5 The following headline assumptions have been used in the development of the models across all three ATP options examined:
- the Council will manage the pitch in-house
  - no inflation is included in the revenue business plans
  - it is assumed that the existing pitch on the site will remain open but the income and expenditure associated with that pitch is not incorporated within the models
  - following a review of pricing in the area, charges have been set slightly below competitors to provide comfort at this early stage - there may be potential to increase these prices
  - it has been assumed that the Council will not claim the sporting VAT exemption on income following recent case law on this matter as we are not clear as to the Council's position on it at this stage - this could result in an additional VAT saving
  - VAT on expenditure is assumed to be fully recoverable.
- 5.6 A summary of the profit and loss accounts for each option is set out over the following pages, together with an analysis of the income and expenditure and assumptions utilised.

**Option 3B1: 5-a-side pitch**

5.7 The table below sets out the revenue business plan for Option 3B1, a single 5x5 pitch.

*Table 5.1: Revenue Business Plan - Option 3B1*

INCOME	Year 1	Year 2	Year 3	Year 4	Year 5
AGP	30,685	32,389	34,094	34,094	34,094
Café	478	504	531	531	531
Vending	239	252	266	266	266
<b>TOTAL INCOME</b>	<b>31,402</b>	<b>33,146</b>	<b>34,891</b>	<b>34,891</b>	<b>34,891</b>

EXPENDITURE	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Staffing Costs</b>					
Salaries and Wages	(10,655)	(10,655)	(10,655)	(10,655)	(10,655)
<b>Premises</b>					
National Non Domestic Rates	(3,533)	(3,533)	(3,533)	(3,533)	(3,533)
Repairs and Maintenance	(4,140)	(4,140)	(4,140)	(4,140)	(4,140)
Insurance	(628)	(628)	(628)	(628)	(628)
Utility Costs	(710)	(710)	(710)	(710)	(710)
Pitch Lifecycle Fund Contribution	(5,913)	(5,913)	(5,913)	(5,913)	(5,913)
Equipment Lifecycle Fund Contribution	(873)	(873)	(873)	(873)	(873)
<b>Total</b>	<b>(15,795)</b>	<b>(15,795)</b>	<b>(15,795)</b>	<b>(15,795)</b>	<b>(15,795)</b>
<b>Advertising &amp; Marketing</b>	<b>(628)</b>	<b>(663)</b>	<b>(698)</b>	<b>(698)</b>	<b>(698)</b>
<b>Other Costs</b>					
IT and Telephones	(600)	(600)	(600)	(600)	(600)
Admin and Finance	(1,000)	-	-	-	-
Other Supplies and Sundry Items	(563)	(563)	(563)	(563)	(563)
<b>Total</b>	<b>(2,163)</b>	<b>(1,163)</b>	<b>(1,163)</b>	<b>(1,163)</b>	<b>(1,163)</b>
<b>Cost of Sales</b>					
Café - Cost of Goods Sold	(239)	(252)	(266)	(266)	(266)
Vending - Cost of Goods Sold	(119)	(126)	(133)	(133)	(133)
<b>Total</b>	<b>(358)</b>	<b>(378)</b>	<b>(398)</b>	<b>(398)</b>	<b>(398)</b>
<b>Central Costs, Overheads and Profit</b>					
Central Costs	(942)	(994)	(1,047)	(1,047)	(1,047)
<b>Total</b>	<b>(942)</b>	<b>(994)</b>	<b>(1,047)</b>	<b>(1,047)</b>	<b>(1,047)</b>
<b>Total Expenditure</b>	<b>(30,541)</b>	<b>(29,649)</b>	<b>(29,756)</b>	<b>(29,756)</b>	<b>(29,756)</b>

<b>OPERATOR SURPLUS/(COST)</b>	<b>860</b>	<b>3,498</b>	<b>5,135</b>	<b>5,135</b>	<b>5,135</b>
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USAGE	Year 1	Year 2	Year 3	Year 4	Year 5
AGP	14,337	15,134	15,930	15,930	15,930
<b>Total Visits</b>	<b>14,337</b>	<b>15,134</b>	<b>15,930</b>	<b>15,930</b>	<b>15,930</b>

5.8 It can be seen that the pitch is projected to operate at a net operating surplus of circa £5,000 per annum in a mature year.

5.9 The key income assumptions made are explained below:

- the programme has been built up from a mix of junior matches, team hire for training, school hire, 5-a-side, walking football, informal group hire, etc - two programmes have been developed (labelled 'winter' and 'summer') and they reflect the football season and off-season
- the pitch hire charge of £25 per hour is lower than the cost of the Council's current MUGA in Queen's Park - however, it reflects competitively against other local facilities and previous consultation has indicated that the Council's current pitch is too expensive for some local teams
- utilisation rates for each session are based on FMG experience of comparable ATP facilities
- as it is assumed that many users will arrive ready to play and not utilise the changing facilities in the sports centre, secondary spend (café and vending sales in the QPSC) is taken from only 10% of users - in addition, the pub over the road and the café in the park will compete for users' secondary spend.

5.10 Principal expenditure assumptions are set out below.

- Allowance is made for a 0.5 full time equivalent member of staff to oversee the facility. This would cover staffing for periods when usage is highest - weekday evenings and peak hours at weekends when matches are taking place. Although this expenditure could be saved by not staffing the site (the Council does not currently staff the existing MUGA in the park), a prudent approach has been taken due to concerns around anti-social behaviour. This role would be expected to oversee both new and existing pitches in the Park, and deliver incidental maintenance.
- Premises costs have been included based on industry norms for ATPs. They include provision for utilities (floodlights), floodlight maintenance, business rates, specific pitch maintenance (specialist external contractors) and staff time for routine day to day pitch maintenance (litter picking, drag brushing, etc.).
- An annual sinking fund has been incorporated based on FA guidance amounts. This will not be direct expenditure every year but, as with the existing Queen's Park pitch) it is recommended as best practice in order to build up a lifecycle fund for upgrading of the pitch after some ten years.
- An equipment lifecycle provision has also been developed to cover items such as the continual replacement of goal posts, nets, flags, etc.
- Provision has been made for additional day to day operating costs such as insurance, access control, ICT, refuse removal, etc. These costs are minor as it is assumed that the majority of them can be met through the current operating costs of the Sports Centre or Park.
- Marketing has been incorporated at 2% of income and central costs at 3% of income in line with industry averages.
- Cost of sales on secondary spend has been included at 50%.

5.11 Whilst the pitch is only projected to generate a small operating surplus, savings could be made by not staffing the site (automatic access controls have been included within the equipment costs). However, this comes at a risk that anti-social behaviour and vandalism drives users away and damages the facility, resulting in further costs for the Council.

**Option 3B2 - 7-a-side pitch**

5.12 The table below sets out the revenue business plan for Option 3B2, a single 7x7 pitch.

**Table 5.2: Revenue Business Plan - Option 3B2**

INCOME	Year 1	Year 2	Year 3	Year 4	Year 5
AGP	48,105	50,778	53,450	53,450	53,450
Café	981	1,036	1,090	1,090	1,090
Vending	491	518	545	545	545
<b>TOTAL INCOME</b>	<b>49,577</b>	<b>52,331</b>	<b>55,086</b>	<b>55,086</b>	<b>55,086</b>

EXPENDITURE	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Staffing Costs</b>					
Salaries and Wages	(10,655)	(10,655)	(10,655)	(10,655)	(10,655)
<b>Premises</b>					
National Non Domestic Rates	(5,888)	(5,888)	(5,888)	(5,888)	(5,888)
Repairs and Maintenance	(5,069)	(5,069)	(5,069)	(5,069)	(5,069)
Insurance	(641)	(641)	(641)	(641)	(641)
Utility Costs	(1,018)	(1,018)	(1,018)	(1,018)	(1,018)
Pitch Lifecycle Fund Contribution	(8,479)	(8,479)	(8,479)	(8,479)	(8,479)
Equipment Lifecycle Fund Contribution	(2,384)	(2,384)	(2,384)	(2,384)	(2,384)
<b>Total</b>	<b>(23,478)</b>	<b>(23,478)</b>	<b>(23,478)</b>	<b>(23,478)</b>	<b>(23,478)</b>
<b>Advertising &amp; Marketing</b>	<b>(992)</b>	<b>(1,047)</b>	<b>(1,102)</b>	<b>(1,102)</b>	<b>(1,102)</b>
<b>Other Costs</b>					
IT and Telephones	(600)	(600)	(600)	(600)	(600)
Admin and Finance	(1,000)	-	-	-	-
Other Supplies and Sundry Items	(563)	(563)	(563)	(563)	(563)
<b>Total</b>	<b>(2,163)</b>	<b>(1,163)</b>	<b>(1,163)</b>	<b>(1,163)</b>	<b>(1,163)</b>
<b>Cost of Sales</b>					
Café - Cost of Goods Sold	(491)	(518)	(545)	(545)	(545)
Vending - Cost of Goods Sold	(245)	(259)	(273)	(273)	(273)
<b>Total</b>	<b>(736)</b>	<b>(777)</b>	<b>(818)</b>	<b>(818)</b>	<b>(818)</b>
<b>Central Costs, Overheads and Profit</b>					
Central Costs	(1,487)	(1,570)	(1,653)	(1,653)	(1,653)
<b>Total</b>	<b>(1,487)</b>	<b>(1,570)</b>	<b>(1,653)</b>	<b>(1,653)</b>	<b>(1,653)</b>
<b>Total Expenditure</b>	<b>(39,511)</b>	<b>(38,690)</b>	<b>(38,868)</b>	<b>(38,868)</b>	<b>(38,868)</b>

OPERATOR SURPLUS/(COST)	Year 1	Year 2	Year 3	Year 4	Year 5
	10,066	13,642	16,217	16,217	16,217

USAGE	Year 1	Year 2	Year 3	Year 4	Year 5
AGP	29,441	31,076	32,712	32,712	32,712
<b>Total Visits</b>	<b>29,441</b>	<b>31,076</b>	<b>32,712</b>	<b>32,712</b>	<b>32,712</b>

5.13 The 7x7 pitch generates higher income than the 5x5 option due to the higher price that can be charged for its hire and the greater flexibility it offers (the pitch can provide two small 5x5 pitches across its width or one large 7x7 pitch). It can be seen that the net operating surplus in a mature year will be circa £16,000 per annum.

- 5.14 The key assumptions utilised are as per Option 3B1 with the following adjustments.

*Adjustments to income assumptions:*

- the business plan splits the pitch into two small 5x5 pitches at £20 per hour each which can be hired separately or as one large 7x7 pitch for £40 per hour
- the programme has been adjusted to reflect the fact that a greater range of competitive matches for different age groups can be played on the pitch, compared to Option 3B1.

*Adjustments to expenditure assumptions:*

- all premises costs have been adjusted to reflect the larger pitch eg. maintenance, utilities, etc.
- the pitch & equipment sinking funds have been increased to reflect the larger pitch.

- 5.15 Whilst the pitch is only projected to generate a small operating surplus, savings could be made by not staffing the site but, as with Option 3B1, anti-social behaviour and consequent damage could result in further costs for the Council.

- 5.16 Option 3B2 is circa £11,000 per annum more profitable than Option 3B1 in a mature year and offers a more flexible pitch configuration that can accommodate a greater range of ages in affiliated football. It is a better option from a sporting, community and revenue perspective, although this is before capital costs are considered.

**Full Size ATP**

- 5.17 The primary need in the Borough, as identified in the Council's playing pitch strategy and through consultation with key stakeholders, is for an additional full size ATP - these can be sub-divided and used for small-sided football at appropriate times. However, it was established early in the project that a full-size ATP cannot fit on the site of the old QPSC. Although not part of the principal business case, the Council has requested the preparation of a revenue business plan for a full-size pitch to be located elsewhere in the Borough.
- 5.18 A specific site has not been confirmed at this stage and not knowing the location of a potential new full-size ATP does bring complications in terms of the financial appraisal. However, it has been possible to prepare a generic business plan for a full-size ATP in the Borough, based on the information gathered throughout this study (eg. management model, pricing, demand levels, etc). While the results of this exercise are summarised below, it is recommended that a specific business plan is developed, and feasibility study carried out, were the Council to identify a preferred site for a new full-size ATP.
- 5.19 Table 5.3 sets out an estimated revenue business plan for a full-size ATP in Chesterfield.

Table 5.3: Revenue Business Plan - typical full-size pitch

INCOME	Year 1	Year 2	Year 3	Year 4	Year 5
AGP	97,453	102,867	108,281	108,281	108,281
Vending	5,492	5,797	6,102	6,102	6,102
<b>TOTAL INCOME</b>	<b>102,945</b>	<b>108,664</b>	<b>114,383</b>	<b>114,383</b>	<b>114,383</b>

EXPENDITURE	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Staffing Costs</b>					
Salaries and Wages	(21,311)	(21,311)	(21,311)	(21,311)	(21,311)
<b>Premises</b>					
National Non Domestic Rates	(9,420)	(9,420)	(9,420)	(9,420)	(9,420)
Repairs and Maintenance	(13,058)	(13,058)	(13,058)	(13,058)	(13,058)
Insurance	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Utility Costs	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
Pitch Lifecycle Fund Contribution	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
Equipment Lifecycle Fund Contribution	(2,384)	(2,384)	(2,384)	(2,384)	(2,384)
<b>Total</b>	<b>(53,862)</b>	<b>(53,862)</b>	<b>(53,862)</b>	<b>(53,862)</b>	<b>(53,862)</b>
<b>Advertising &amp; Marketing</b>	<b>(2,059)</b>	<b>(2,173)</b>	<b>(2,288)</b>	<b>(2,288)</b>	<b>(2,288)</b>
<b>Other Costs</b>					
IT and Telephones	(900)	(900)	(900)	(900)	(900)
Admin and Finance	(1,000)	-	-	-	-
Other Supplies and Sundry Items	(1,850)	(1,850)	(1,850)	(1,850)	(1,850)
<b>Total</b>	<b>(3,750)</b>	<b>(2,750)</b>	<b>(2,750)</b>	<b>(2,750)</b>	<b>(2,750)</b>
<b>Cost of Sales</b>					
Vending - Cost of Goods Sold	(2,746)	(2,898)	(3,051)	(3,051)	(3,051)
<b>Total</b>	<b>(2,746)</b>	<b>(2,898)</b>	<b>(3,051)</b>	<b>(3,051)</b>	<b>(3,051)</b>
<b>Central Costs, Overheads and Profit</b>					
Central Costs	(3,088)	(3,260)	(3,431)	(3,431)	(3,431)
<b>Total</b>	<b>(3,088)</b>	<b>(3,260)</b>	<b>(3,431)</b>	<b>(3,431)</b>	<b>(3,431)</b>
<b>Total Expenditure</b>	<b>(86,816)</b>	<b>(86,255)</b>	<b>(86,693)</b>	<b>(86,693)</b>	<b>(86,693)</b>

<b>OPERATOR SURPLUS/(COST)</b>	<b>16,129</b>	<b>22,409</b>	<b>27,690</b>	<b>27,690</b>	<b>27,690</b>
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USAGE	Year 1	Year 2	Year 3	Year 4	Year 5
AGP	32,951	34,781	36,612	36,612	36,612
<b>Total Visits</b>	<b>32,951</b>	<b>34,781</b>	<b>36,612</b>	<b>36,612</b>	<b>36,612</b>

- 5.20 The development of a full-size 3G pitch is projected to result in an operating surplus of circa £28,000 per annum from year 3 onwards. This is primarily because of the positive income that can be generated from a full-size pitch hosting all forms of affiliated football through being sub-divided when necessary.

- 5.21 The key assumptions utilised are as per Option 3B1 and 3B2 with the adjustments set out below.

*Income assumptions*

- the programme has been adjusted to incorporate increased affiliated league games at the weekend due to the ability to also host full-size football matches
- the hire price has been increased to £75/hour, which is in line with competing full-size 3G pitches in the local area
- secondary spend has only been incorporated for vending as it is not known where the facility will be located and whether it will have a café associated on-site - it is assumed that, as a minimum, vending provision could be incorporated within the changing facility, with vending income included at £0.20 per head.

*Expenditure assumptions*

- a single full time equivalent member of staff has been included to cover peak afternoon/evening hours and matches at weekends - this allowance will need to be reviewed when the final location is known (ie. are there staff already on site, are there other facilities on site as well as the pitch, etc?)
- all premises costs have been adjusted to reflect the larger pitch eg. maintenance, utilities, etc
- the pitch and equipment sinking funds have been increased to reflect the larger pitch
- additional operating costs may need to be increased if the pitch is developed in a location as a standalone facility without any existing facilities eg. no allowance has been included for utilities, maintenance and cleaning for a changing facility at this stage (only income and expenditure directly associated with the pitch).

### Business Planning Summary

- 5.22 The table below summarises the net operating position for each of the three options.

*Table 5.4: Summary of net operating surplus*

Option	Year 1	Year 2	Year 3	Year 4	Year 5
Option 3B1 (5x5)	£860	£3,498	£5,135	£5,135	£5,135
Option 3B2 (7x7)	£10,066	£13,642	£16,217	£16,217	£16,217
Full-Size Pitch	£16,129	£22,409	£27,690	£27,690	£27,690

- 5.23 Option 3B2 provides the best revenue return for the Council out of the two core options being examined as part of the business case. The surplus is circa £11,000 per annum higher under Option 3B2 than Option 3B1 (year 3 onwards).
- 5.24 A full-size located somewhere in the town would be the most profitable of all options at circa £28,000 per annum - however, this would need to be reviewed when a site is identified.
- 5.25 These revenue surpluses need to be considered in light of the capital costs associated with each option to understand the overall affordability of the schemes once capital financing costs are factored in.
- 5.26 Table 5.5 summarises the affordability of each option taking into account capital financing and net revenue costs of each of the options now under consideration. The

data is taken from earlier in this report, where the precise make-up of the figures can be seen. However, key assumptions are set out below:

- capital: standard ground conditions, no abnormal utility costs, no service building, costs at 2017 rates, contingency (7.5%), fees (10%) and no VAT
- financing: annuity loan depreciated over 20 years based on PWLB rate of 2.48% as at 24 October 2017
- revenue: in-house management, average over 20 years, both pitch & grounds maintenance costs, no inflation, no sporting VAT exemption, typical 'summer' & 'winter' programmes, lower hire charge than existing, limited secondary spend, part-time on-site staffing, standard premises costs, sinking fund for ATP/equipment replacement, marketing (2%) and central costs (3%).

*Table 5.5: Total Capital & Revenue Costs*

Option	Content	Capital	Annual Financing Costs	Average Annual Revenue Surplus
Option 0	Park restoration only	£364,381	£23,330	-£11,000
Option 3B1	Park restoration with 5x5 ATP	£605,002	£38,736	-£6,161
Option 3B2	Park restoration with 7x7 ATP	£716,483	£45,874	£7,781
	Notional full-size ATP	£575,000	£36,815	£26,848

- 5.27 Initial landscape maintenance costs have not been included in the figures above as these will depend on the contractual approach adopted. The first five years costs could be made the responsibility of the landscape contractor or this work could be taken on by the Council's own Grounds Maintenance team as part of an overall Queen's Park contract.
- 5.28 The result of the design changes adopted at the option review stage is to significantly alter the expected financial performance of the proposed facility, with the smaller scale of the development leading to the fact that it is unlikely that the revenue surplus over cost of delivery would be sufficient to 'pay back' the capital cost of the investment in a new ATP at Queen's Park over a 20 year period. If Option 0 were to be adopted, there would be no potential to capture revenue from what would be an extension to the existing free-to-use park (unless the site were to be utilised for special paid-for events and there would be an additional grounds maintenance cost of circa £11,000 per annum.
- 5.29 Option 3B1 would operate at a net operating deficit once ATP and grounds maintenance revenue cost implications are considered so would not be able to repay the necessary financing to borrow the capital cost. Option 3B2 would operate at a small revenue surplus of circa £8,000 per annum (after grounds maintenance costs are added to the ATP surplus income) but this would not be sufficient to repay the circa £37,000 per annum financing costs required to fund the capital.
- 5.30 Consideration has been given as to how the financial performance could be improved and opportunities to be explored could include:
- positive adjustments to the assumptions e.g. increased prices, reduced sinking fund, enhanced marketing, etc.
  - identifying some stronger commercial interest from small-sided football operator (judged to be unlikely at this stage beyond one or two nights a week of 5-a-side)

- working with the Derbyshire FA to programme the facilities and attract affiliated leagues and a range of group hirers to the site
- assume that the Council does not have to charge VAT on some pitch use (as a result of the recent VAT case ruling).

### Management Issues and Implications

5.31 The Council intends to manage the new pitch on an in-house basis, so this business case does not review alternative management vehicles - all financial projections have been made on the assumption of in-house operation. However, a key consideration with regards to the future management model for the site is how it will be staffed and operated considering the remote nature of the site from the new QPSC or other sports facilities. The obvious alternatives appear to be either management of the pitch from within the new QPSC or management by the parks team that looks after Queen's Park and grass pitches elsewhere in the Borough.

5.32 The headline advantages and disadvantages of each option are set out below.

*Table 5.5: Summary of management options*

Parks Management		Leisure Management	
Advantages	Disadvantages	Advantages	Disadvantages
Parks staff are already on site regularly maintaining the park	Expertise & focus on maintaining the park, rather than maximising income from an ATP	Already manage the existing ATP in the park	No staff on site in the park on a regular basis
Booking system for grass pitches & other parks facilities could be utilised	Minimal experience in sports development & programming of ATPs	Expertise in programming & marketing of sports facilities	No line of sight to the pitch from the sports centre
Ability to manage pitch bookings (grass & synthetic) across the Borough within one team	No suitable changing facilities	Booking system already in place	Remote location from sports centre makes it difficult to manage and secure
	Misses opportunity to benefit from secondary spend (as café in park is outsourced)	Staff expertise in sports development likely to maximise usage & benefits of pitch	Current pressure on QPSC car park may increase if users are directed towards the sports centre to change
		Potential to utilise changing rooms in sports centre & increase café/vending income	

- 5.33 The advantages of managing the facility through the sports centre appear to outweigh those of managing the facility through the Parks team. However, there are still a number of disadvantages associated with this route which would need to be addressed.
- 5.34 The major disadvantage to be overcome would be the security of the pitch and dealing with anti-social behaviour from a remote site, albeit the open space itself is large and staff working elsewhere in the Park might not be able to observe the ATP throughout the day. This issue could be partially overcome through a combination of utilising enhanced access control systems (eg. key pads or card access), enhanced CCTV with loudspeakers and employing a staff member to be on site during busy periods. The business plan includes expenditure for both key pad and staffing solutions although staffing the site is less cost-effective for the smaller pitch configuration options that are being pursued.
- 5.35 It is felt that the disadvantage of remote access is outweighed by the greater skills and expertise in sports development, programming, marketing, booking and income generation that the Sports Centre team are likely to have over the Parks team.

### Summary

- 5.36 The revenue costings set out in this section show that the small-sided ATPs proposed for the site of the former Queen's Park Sports Centre in Boythorpe Road will break even on day-to-day operations but will not generate sufficient revenue to repay likely capital funding costs.
- 5.37 Following consultation with members and officers of Chesterfield Borough Council at this stage in the commission, a number of key issues were identified:
- the need to ensure that any development addresses the needs of the local community for appropriate facilities for sport and physical activity
  - the need to respect the amenity of the Listed Park and the Queen's Park Conservation Area
  - the need to ensure that the project is viable in a period of austerity through examining options to reduce capital expenditure while seeking to generate additional income from appropriate user groups.
- 5.38 As a result, a further re-assessment of the detailed design and operational plan for Option 3B2 was carried out. These amendments are considered in section 6 of this report 'Business Case', together with the 'five cases' specified by the authority.

## 6. Business Case

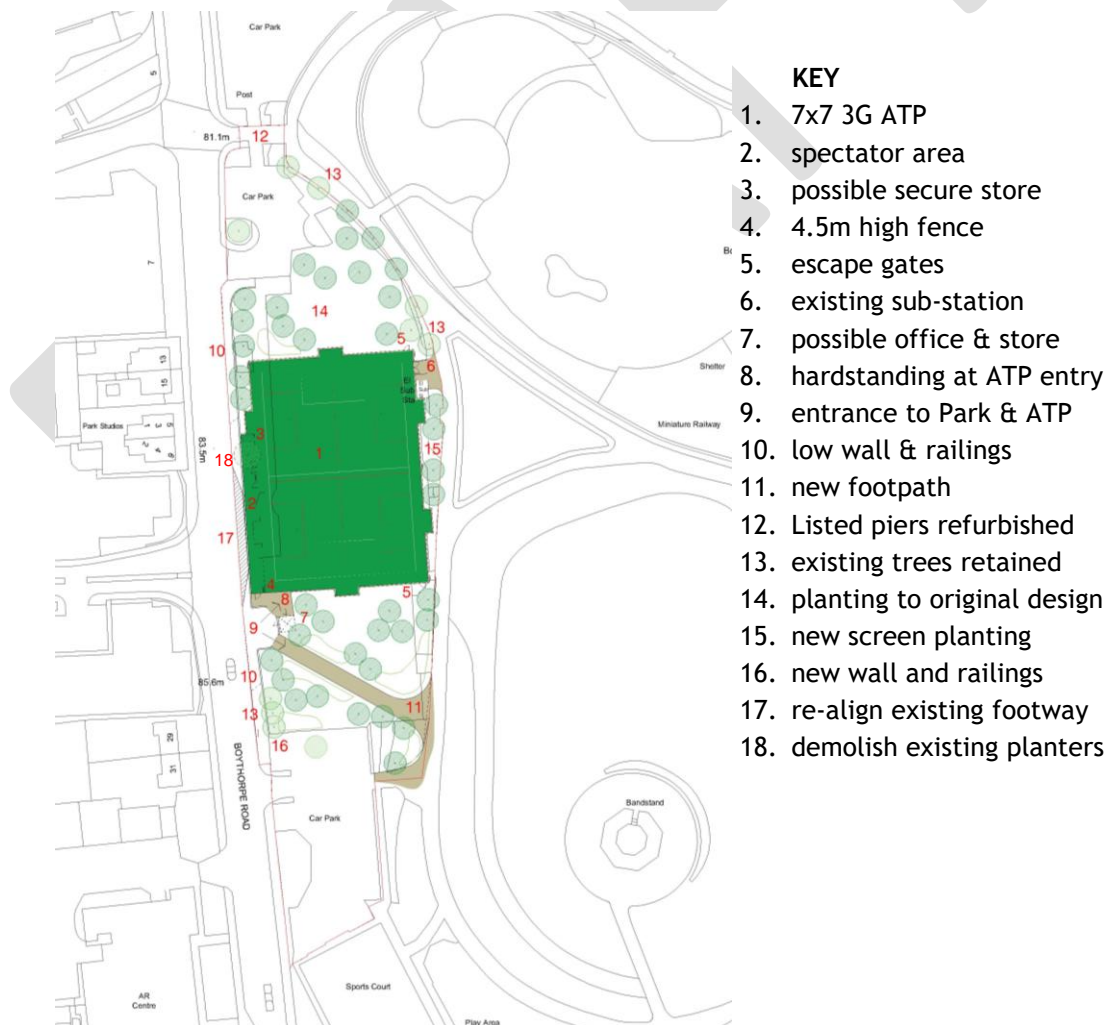
### Introduction

- 6.1 This section of the report sets out scheme revisions which address issues determined in discussion with Council members and officers regarding the detailed design and capital/revenue funding of the preferred option.
- 6.2 It then summarises the business case under the ‘five cases’ required by Chesterfield Borough Council for such projects. It also examines the potential risks which could be incurred in taking the project forward, together with the way these risks could be mitigated.

### Design Revisions to Option 3B2

- 6.3 Following further discussions with key stakeholders, including Council officers responsible for maintenance of the Park, a number of alterations were made to the detailed design of the proposed ATP. The amended plan is shown in Figure 6.1 and described further in the following paragraphs.

*Figure 6.1: Preferred Option (3B3 revised)*



6.4 The plan of the Preferred Scheme illustrates the following key elements:

1. a 7x7 3G Artificial Turf Pitch (61x43m to edge of run-offs), designed to FA requirements and capable of accommodating two 5x5 pitches through use of a central dividing curtain
2. spectator area alongside the pitch - the width has been reduced to 1.72-3.72m to avoid the existing sub-station (if this needs to be retained)
3. potential to include a small secure store within spectator area for storage of posts, flags, cones, etc used in coaching
4. 4.5m high fence to perimeter of pitch (around outline of pitch & goal recesses), with no reduced height fence to spectator area - floodlight pylons will be designed to minimise light spill out of the pitch area
5. footpaths are not required to serve the two escape gates but the areas will be kept clear of planting & trees for access
6. the existing sub-station could remain (if required) but access doors will be relocated from the west to the east elevation, with provision of shared maintenance & service access to the pitch & sub-station
7. possible future office & store building approximately 4x4m in extent (indicated by dashed line)
8. hardstanding at sports pitch entrance, with entrance & end fences at the height of the boundary wall (height to be determined so as to provide appropriate security)
9. existing public footway widened at what will be a busy location to provide a new faceted entrance to the Park & sports pitch - this will be constructed as facing brick wall & railing with brick piers, with two new lockable Park gates
10. the Boythorpe Road boundary will be enhanced with a low wall & railings, as well as tree planting either side of the pitch - the new boundary treatment will tie in with the existing around the car parks
11. a new footpath will connect the Park to Boythorpe Road, with the surrounding landscaped area including trees, ornamental shrub planting & grassland as in the original Park design - the proposed footpath is aligned with the existing bandstand and connects to the existing Park footpath retained on its present alignment to reflect the established avenue of 'Mayor's trees'
12. the Listed gate piers will be refurbished and connected to the new boundary wall & railings
13. subject to the conclusions of an arboricultural survey, existing trees will be retained along the existing footpath
14. additional trees will be planted to enhance the footpath boundary & provide further screening, as well as ornamental shrub planting & grassland to reflect the original Park design
15. the footpath boundary will be enhanced with hedge & tree planting to screen the pitch from inside the Park

16. a new boundary wall & railing will tie into the existing wall (exact locations to be confirmed)
  17. the existing footway will be realigned to remove the redundant lay-by, so providing a straight pavement & boundary wall along Boythorpe Road
  18. the existing raised planters will be demolished, with the existing tree either relocated or with new tree planting (subject to survey).
- 6.5 The potential capital cost of the revised scheme has been assessed and that, utilising the same parameters as set out in paragraph 4.31 *et seq*, it is considered that the Preferred Scheme could be delivered for the sum of £688,227 (approximately £28,000 lower than the initial Option 3B2, largely due to the reduced extent of new Park footpaths).
- 6.6 The design proposed is considered to meet the Council's aspiration for the provision of a sports facility which will allow the local community enhanced opportunities to participate in sport and physical activity, so delivering a key priority of the authority. The central location of the proposed ATP will ensure easy access from throughout the Borough, complementing the more informal recreational activities in the Park. It is felt that through careful design the scheme can be accommodated without causing significant harm to the Listed Park whilst delivering a facility which builds upon the sporting ethos of the original promoters and designers of the Park in the Victorian era.

#### **Operational Plan Revisions to Option 3B2**

- 6.7 Although the alterations to the design of the pitch and its surroundings will have no impact on the base operational plan for Option 3B2, the opportunity has been taken to examine the impact of changes to the operational parameters assumed for the new facility in order to seek to maximise the viability of the ATP development. The results of this assessment are shown in Table 6.2.
- 6.8 In addition to base assessment discussed in detail in section 5 of this report, the following scenarios have been tested:
- Scenario 1: this puts demand up in peak times so that the pitch is fully booked most peak times (within the season), leaving everything else the same - this moves the mature year bottom line from a c£16k surplus to a c£23k surplus, a figure which could be achieved if there really is the level of demand suggested by potential users
  - Scenario 2: this leaves utilisation the same but puts the price up from £40 to £50 per hour, possibly leading to more complaints about the pricing and making it difficult to address the needs of specific disadvantaged target groups - while this would move the mature year bottom line surplus from c£16k to c£26k, this might be somewhat risky unless it was felt that demand is so high that players won't have a choice but to use this pitch
  - Scenario 3: this simply removes the staffing cost on the assumption that whoever does the bookings in the existing centre will carry on doing this for the new pitch and management will not be present on site - this moves the mature year bottom line from a c£16k surplus to one of c£27k - however, this would raise all the issues associated with anti-social behaviour etc. that have been discussed previously.
- 6.9 FMG has also looked at other expenditure areas but it was felt that elements such as the lifecycle fund are important and most other areas are minor or relatively fixed eg. maintenance, utilities, etc. There is potential to combine the increased utilisation and the increased price with the reduced staffing to create a very large surplus but it is not thought that this would be realistic for a standalone 7x7 pitch in a park. Any increase in

costs is likely to discourage usage and cutting supervision could lead to additional expenditure to repair damage caused by anti-social behaviour. In order to ensure that initial operational plans are achievable and not based on over-optimistic forecasts, FMG avoids being too bullish in its assessment of usage and thus income.

- 6.10 The table below summarises the net operating position for the base option and each of the three scenarios.

*Table 6.2: Summary of Operational Scenarios*

<i>Figures in a mature year</i>	<b>Original Option 3B2</b>	<b>Scenario 1 Higher usage</b>	<b>Scenario 2 Higher charges</b>	<b>Scenario 3 No staffing</b>
Income	£55,086	£62,041	£65,298	£55,086
Expenditure	£38,868	£39,331	£39,379	£28,213
<b>Net Surplus</b>	<b>£16,218</b>	<b>£22,710</b>	<b>£25,919</b>	<b>£26,873</b>
<i>User Numbers</i>	32,712	37,314	32,712	32,712

- 6.11 It is recommended that notwithstanding the results of this review of the Operational Plan, the original 3B2 revenue forecast should be taken as the baseline for the proposed development, albeit with an understanding that there may be potential to ‘stretch’ the net surplus towards £20,000 pa through a mixture of income maximisation measures such as commercial pricing where possible and encouraging greater usage at off-peak periods.

### **Strategic Case**

- 6.12 An assessment of relevant strategies and policies has determined that the proposed development of the site of the former Queen’s Park Sports Centre, be it a simple park restoration or also including a new Artificial Turf Pitch (ATP), is supported by priorities in the Council Plan:
- *to make Chesterfield a thriving borough*
  - *to improve the quality of life for local people* - this includes two objectives of relevance to the present project:
    - to increase the quality of public space for which the Council has responsibility through targeted improvement programmes
    - to improve the health and well-being of people in Chesterfield Borough
  - *to provide value for money services*, including the objective to become financially self-sufficient by 2020.
- 6.13 Within the first priority, an objective ‘*to continue delivering regeneration projects that will make Chesterfield Borough a better place*’ is complemented by one in the second ‘*to increase the quality of public space for which the Council has responsibility through targeted improvement programmes*’. Both of these give strategic backing to the enhancement of Queen’s Park, an objective also supported by the Council’s adopted Core Strategy and its emerging Local Plan where policy CS19 includes a subsection ‘*to enhance the character and setting of Queen’s Park ... and locally important Historic Parks & Gardens*’.
- 6.14 The second priority also includes an objective ‘*to improve the health and well-being of our communities*’. This would be addressed by the development of appropriate Artificial Turf Pitches (ATPs) to allow more clubs and casual users to participate in sport & physical activity. There is an opportunity to attract specific target groups including those

from communities with the most challenging health profiles, women, young people and the elderly.

- 6.15 The current Council Sports Facilities Strategy (2014-2031) shows that there is a shortfall in provision of ATPs in the Borough, particularly of pitches with a surface type best suited to football use. The strategy recommended exploring additional provision to address this imbalance and, while the priority is for full-size pitches, the Queen's Park project could deliver a new facility of particular value to the target groups identified above.
- 6.16 Within the third priority the objective is '*to become financially self-sufficient by 2020*'. However, the financial assessment has shown that while most of the options, including the Preferred Scheme, would have the potential to deliver a revenue surplus each year, this would not be at a level which would repay all the capital expenditure incurred on the site. Were an option to just restore the Park to be adopted, this would have a direct cost to the authority as it is unlikely that any income could be generated to cover additional maintenance costs.
- 6.17 It is not envisaged that the development of a single small-sided ATP at Queen's Park would have a significant knock-on effect on other providers in the Borough (principally schools and colleges) in view of the overall shortfall in provision and its more restricted range of uses (junior football, training & casual play). Were the Council look to develop a full-size ATP elsewhere in the Borough, this would have a greater effect on existing providers of both artificial and grass pitches.

#### Financial Case

- 6.18 The outline financial case considered by the Council in early 2017 was based upon the scheme illustrated as Option 1 but it has been demonstrated that such a design is unlikely to find favour with Historic England due to its impact on the Listed park and would thus be unlikely to obtain planning consent. As a result, the scheme has been amended to accommodate a single ATP alongside enhancements to the Park at a capital cost of £688,227 for the Preferred Scheme.
- 6.19 The revenue surplus which can be generated needs to be considered in light of the capital cost to understand the overall affordability of the schemes once capital financing costs are factored in. Table 6.3 summarises the affordability of the Preferred Scheme taking into account capital financing and net revenue cost - the data and financial parameters are as set out in paragraph 5.26.

*Table 6.3: Total Capital & Revenue Costs*

Option	Content	Capital	Annual Financing Costs	Average Annual Revenue Surplus
Preferred Scheme	Park restoration with 7x7 ATP	£688,227	£44,065	£7,781
	Notional full-size ATP	£575,000	£36,815	£26,848

- 6.20 This shows that for the Preferred Scheme (after allowing for pitch & landscape maintenance costs), the surplus considered achievable for the Queen's Park ATP is significantly less than the Annual Financing Costs, requiring an element of capital to be obtained from other sources.

- 6.21 An initial assessment of potential for grant funding has led to the conclusion that this is unlikely to be available for the scale of project envisaged at Queen's Park and, as a result, the authority would need to find the capital required from its own resources. The justification would be the enhancement of provision for the local community and the delivery of more opportunities for participation in healthy sport and physical activity.
- 6.22 It has been suggested that the Council could enter into partnership with a commercial pitch operator but it is not felt that such an opportunity would be of interest to established companies - these are looking to multiple-pitch sites with associated social facilities (as at The Academy, Dronfield).
- 6.23 There may be a separate financial and commercial case for the provision of an additional full-size ATP on a location elsewhere in the Borough. The figures show that this option would come close to paying for itself (with a £27,000 per annum revenue surplus generated to cover a circa £37,000 per annum financing cost) - however, it would still require additional capital funding. It is considered that such a scheme could be partially supported by external funding agencies and operate at a surplus which would be sufficient to make a contribution towards the repayment of residual capital costs incurred by the authority, so producing a positive surplus overall business case. This would need to be subject to a full feasibility study and business case if the Council were to choose to pursue this option.

#### **Commercial Case**

- 6.24 The strategic value of the project is supported by evidence of demand for football-specific ATPs as determined from the Council's own Playing Pitch and Sports Facilities Strategies adopted in 2015. These show a shortfall in provision within Chesterfield and, while evidence shows this would best be met by an additional full-size 3G ATP, the provision of smaller pitches such as that proposed at Queen's Park would help deliver a structured programme of school, club and casual playing opportunities. The current demand has been confirmed by consultation with clubs and other potential users in 2016 and 2017, with future demand also expected to grow in line with proposed population increases in Chesterfield.
- 6.25 A 3G ATP at Queen's Park would be particularly attractive to daytime users who find it difficult to obtain access to existing pitches which are mainly on school sites but a small-sided pitch would also be more appropriate for junior football. In this regard, the 7x7 pitch proposed can host a wider range of matches than a smaller 5x5 pitch and, given provision of a dividing curtain, allow two casual 5x5 games to take place simultaneously. The excellent accessibility of the proposed site, at the heart of the Borough, also makes it an attractive location to play outdoor sport, complementing the nearby indoor Sports Centre.
- 6.26 With regard to the choice of surface, it is considered that the most significant commercial opportunities will be the provision of a pitch suitable for football, as this represents the largest market and one set to grow through increased participation by women and girls.
- 6.27 It will be understood that a new ATP at Queen's Park would compete with existing provision of both ATPs and traditional grass pitches. However, it is anticipated that the current shortfall in provision and future growth in demand, fuelled by an increasing population and adoption of the game by women, will mean that there will be limited impact on existing ATP facilities. With grass pitches, demand for enhanced facilities and higher standard pitches will require increased levels of on-going expenditure on

maintenance if such parkland pitches are to remain attractive. AS climate change could further limit the number of games which can be played on each pitch, it may be more appropriate to invest in high quality floodlit ATPs which can be used far more intensively - this would retain income which might otherwise be lost if teams are not happy with grass provision.

- 6.28 The pricing policy adopted in the business plan is based on rates which are considered appropriate for such high-quality facilities in the locality, although it will be important to operate a 'commercial' charging structure which seeks to maximise both use and income in order to ensure full value from the investment. In order to offer a comprehensive range of opportunities in the Borough, it may be appropriate for the authority to enter into partnership with other providers.

### Legal Case

- 6.29 There are not thought to be any legal impediments to the Council developing and running the facilities proposed at Queen's Park - the car parks, the existing multi-use games area and the Park itself are managed or operated by the authority. However, a number of legal issues have been highlighted and will need to be addressed in taking the scheme forward.
- 6.30 The land is subject to a covenant placed on the land at the time of its purchase by the Borough of Chesterfield in 1888. This restricts the land to be used only '*for the purpose of a Recreation Ground for the people of Chesterfield*' and not to allow the construction of buildings thereupon '*unless these are necessary for the enjoyment of the site as a Recreation Ground*'. The latter clause was discharged in 1959 to allow a swimming pool to be built on the site so the development of pitch fencing, lighting and support facilities is not thought to be an issue.
- 6.31 Planning permission will be required in order to develop sports pitches on the site and, if referral to the Secretary of State is to be avoided, Historic England's (HE) concerns with regard to the visual impact that would result from sports pitch fencing/lighting will need to be addressed. HE would prefer to see the Park restored along the lines of the original design, with any new pitch located alongside the new Sports Centre. However, the pitch location proposed at Queen's Park is such as to allow both restoration of key park features and to provide appropriate viable sports facilities to address the identified need.
- 6.32 As with other income-generating activities, consideration would need to be given to the authority's ability to do so in-house without setting up a separate company or vehicle. In-house provision should be permissible as part of a wider health and well-being service, given that surplus from the pitches would be used to run non-income generating services and therefore avoid showing an overall profit.

### Operational/Technical Case

- 6.33 Pro-active management of the proposed ATP will be essential if this to provide the high-quality facility sought by the authority and the demanded by potential users. Appropriate resources will need to be dedicated to the marketing, booking and maintenance of the pitch and these have been allowed for in the business plan.
- 6.34 A key issue with the present Queen's Park Multi Use Games Area (MUGA) is the impact of anti-social behaviour and it is essential that any new facility (and potentially the refurbished present MUGA) is supervised, either remotely through CCTV or directly through a staff presence at specific times. The revenue cost estimates included in this

report allow for the employment of a part-time member of staff (or a number of such people) to provide cover for the ATP operation - they could also have a maintenance and marketing role specifically tied to the proposed pitch.

- 6.35 Booking of the facilities is likely to be principally through an online portal and, ideally, this would be tied to pre-programmed access cards which could then be used to open secure gates onto the pitch at the time the user has booked. These could be single-use for a casual booking or allow access at a specific time each day or week throughout the season. It is understood such a system is to be installed on the present MUGA and it would be appropriate to extend this, if suitable, to the new facility.
- 6.36 It is essential to ensure that the pitches are kept up to the best possible quality to maximise income and to extend their usable lifetime. To that end, within the financial model, it has been assumed that specialist contractors will be commissioned to maintain the floodlighting and carry out any specialist cleaning of the ATP.
- 6.37 Consideration has been given as to whether it is appropriate to manage any new ATP (and the existing MUGA) through the Sports Centre team (as now) or through the Parks Service which is responsible for grass pitch hires. It is felt that their greater experience of sports development programmes would make the Sports Centre management the more appropriate route to adopt, given that the Queen's Park pitches would be fitted with remote supervision equipment (CCTV, access cards, etc).

#### **Risk Assessment**

- 6.38 Long term sustainability is an issue for the Council and its partners so it will be important to list and clearly describe the risks that are immediately obvious in relation to the project. This may relate to funding, construction, usage levels, competition and/or the nature of the market for the services to be provided.
- 6.39 A comprehensive risk matrix has been developed, covering the following categories which align with the Council's five case model:
- Strategic
  - Financial
  - Commercial
  - Legal
  - Operational & Technical
- 6.40 The Risk Assessment is included in Appendix D and this shows, for each category, a range of potential issues, together with an analysis of impacts and mitigating actions.
- 6.41 The assessment has determined that the availability of capital funding and the need to obtain planning consent are the key risks in taking the project forward.

## 7. Conclusions and Recommendations

- 7.1 Option 3B2 (as revised) is the Preferred Scheme as it delivers a new Artificial Turf Pitch suitable for both structured junior match-play & training, and for adult casual play (5-a-side) and training. This important amenity for the local community can be provided alongside enhancements to the Listed Park, including repair of the western segment of the Park (previously dominated by the old Queen's Park Sports Centre), new access routes, greater visibility from Boythorpe Road and enhanced tree & shrub planting.
- 7.2 Consideration has been given to locating any proposed sports facilities on a site at the rear of the new Queen's Park Sports Centre but development there would be limited by complex site levels, a protected badger sett and, potentially, a need to relocate a new electricity substation. In consultation with Council members and officers, it was agreed that this is not an appropriate location for this project.
- 7.3 A key factor is that the revenue surplus alone is not sufficient to finance the full borrowing costs and additional capital funds will need to be sourced to deliver the project. It is unlikely that grant funding would be available and so any monies required would have to be sourced from within the authority's own resources. At a total capital cost of some £688,000, the annual repayments if borrowing the sum required to deliver the project without a direct capital contribution from reserves (or elsewhere) would be approximately £44,000 pa over 20 years. With recommended assumptions regarding income & expenditure, a potential revenue surplus of under £10,000 (after landscaping maintenance costs) would leave a significant shortfall - more optimistic revenue forecasts could help address this funding gap but it would not be prudent to make long-term financial commitments on such a basis.
- 7.4 In order to progress the development, a full planning application will have to be submitted and this will require prior negotiations with Historic England in order to avoid referral of the plans to the Secretary of State. A comprehensive landscape assessment and plan for long-term mitigation of any adverse visual impact on Queen's Park will be required, together with additional work on ecological and arboricultural aspects of the project.
- 7.5 In addition to appropriate illustrative material, the following supporting documentation will be required:
- OS base and Topographic & Utilities Survey: these have been commissioned on the Council's behalf and the results will be available shortly, allowing the scheme to be designed in detail
  - Coal Mining Risk Assessment: there are potential coal measures below the site but it is not envisaged these will be an issue given the scope of the works and the fact that the site previously accommodated the sports centre
  - Ground Conditions Desk Study: to assess the below-ground conditions
  - Tree Surveys: survey to BS5837, Arboricultural Implications Assessment and Arboricultural Method Statement - this work could be carried out by the Council's own staff (if suitably qualified)

- Ecological Surveys: Extended Phase 1 Habitat Survey, including a search through Derbyshire Biological Records and Mid-Derbyshire Badger Group data - this work could be carried out by the Council's own staff (if suitably qualified)
- Flood Risk Assessment & Drainage Strategy: part of the site is in a Flood Zone and the Environment Agency requires an assessment of the development's impact
- Transport Studies: in discussion with CBC planners, it was suggested that these would not be required.

7.6 The key document, and one informed by the studies above, would be a combined Design & Access Statement and Heritage Statement setting out the background to the site, its current state and details of the proposed development, all set in the context of the historic Park. The document would be an A3 landscape format to enable production of both electronic and printed versions.

7.7 Given authority to proceed with the application process, it is envisaged that the work would take some 4-6 weeks to complete. A key consideration will be the need to enter into early discussions with Historic England to determine its officers' views on the Preferred Scheme now proposed.

## Appendix A

### Consultation Report

To be completed.

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## Appendix B

### Options Development - Designs & Operations

#### Introduction

- B1. The following paragraphs describe development options which have been tested through the preparation of initial business plans, with the objective of determining a preferred option to be developed further into a Full Business Case.

#### Project Options

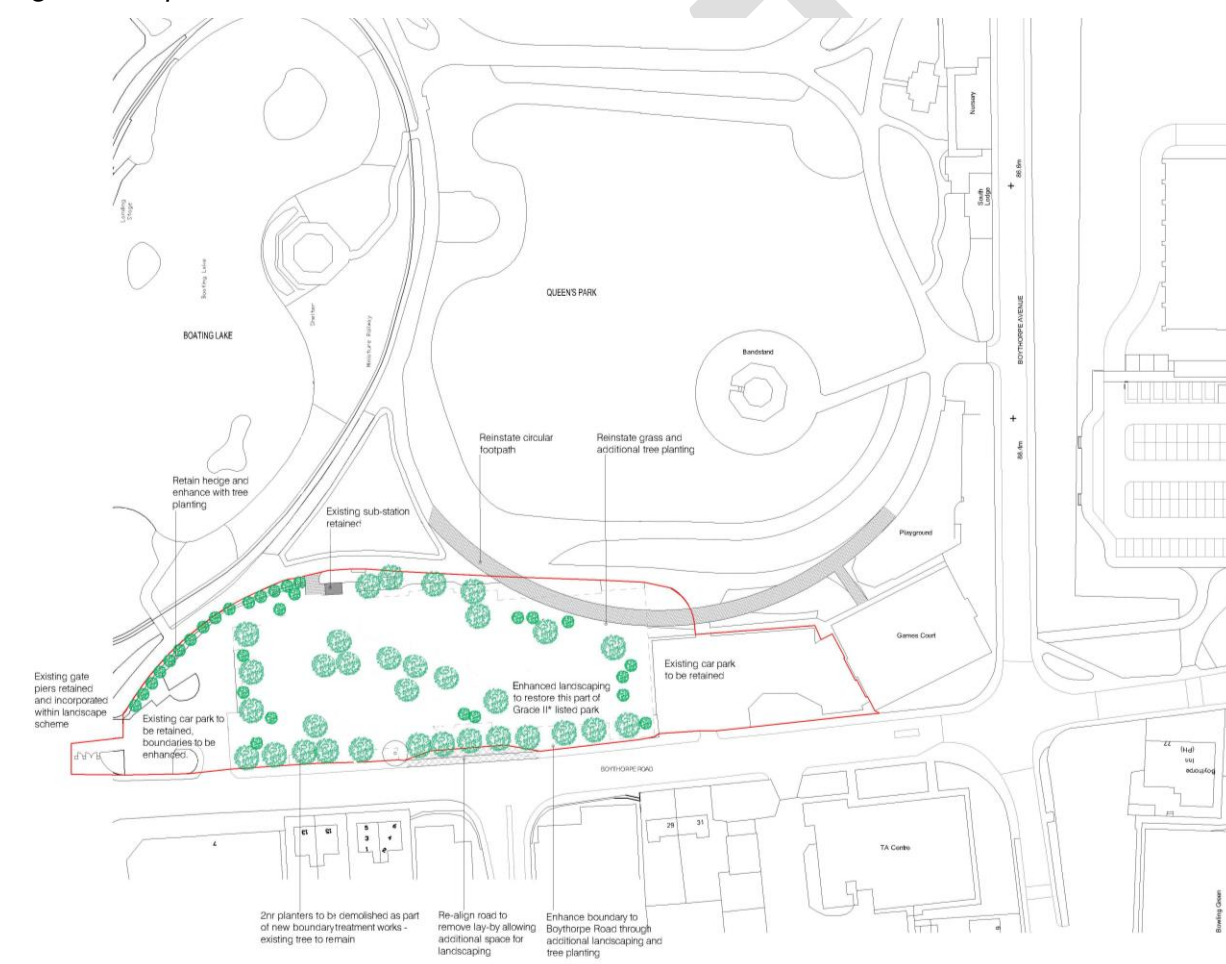
- B2. Taking on board the contextual work summarised in the previous section, four options have been developed for the site of the former Queen's Park Sports Centre.
- B3. To provide a baseline against which to test the impact and viability of alternative schemes, **Option 0** would see the restoration of the Park layout as envisaged by the original designers (ie. as found before the swimming pool and, subsequently sports centre, were built on part of the Park). The circular form of the western path would be reconstructed, along with appropriate boundary treatments, gates, lawns and tree/shrub planting. Such an option would generate any revenue to offset the capital costs or ongoing maintenance so will require long-term financial support.
- B4. In line with the brief to address the viability issue and our assessment of need, the focus of the sporting outcomes is on delivering high quality facilities for all-weather participation in football (or other activities which could take place on a 3G pitch). The constraints at Queen's Park are such that it is impossible to provide a full-size pitch in this location so it has been determined that the most appropriate route is to concentrate provision on smaller-sized pitches which can be used for junior football and/or training. These are featured in Options 1 and 2 below.
- B5. The market assessment and responses to the consultation exercise have determined that there is a need for a further full-size 3G ATP in Chesterfield to complement the existing facility at Brookfield Academy which is fully occupied at all peak periods. Were an additional full-size pitch to be provided, it would need to be elsewhere in the Borough - it is understood that suitable locations are available. As provision of such a full-size pitch is likely to have an impact on usage of the smaller pitches proposed for Queen's Park, the viability of each of the options is tested firstly without and secondly with the development of a large pitch on an alternative site.
- B6. **Option 1** envisages developing the largest pitches that can be contained within the footprint of the former Queen's Park Sports Centre, so providing the widest possible range of opportunities for participation by both adults and juniors. The pitches that could be provided are appropriate for 7x7 mini-soccer (61m by 43m, including run-offs) and 5x5 mini-soccer (43m by 33m, with runouts). Such pitches are also suitable for training by players of all ages. This layout will leave little space for screening and/or landscaping. As discussed above, the business plan will test the viability of this option without a separate full-size 3G pitch (Option 1A) and with a new full-size 3G pitch developed elsewhere in the town (Option 1B).
- B7. **Option 2** sees the provision of three 43m by 33m 3G pitches (two with runoffs) which would be suitable for junior play, training and casual adult football. Such a layout would allow more space for landscaping and so potentially integrate the pitches more effectively into the Park. As before, Option 2A is without a new full-size pitch and Option 2B is with one.

- B8. **Option 3** sees more concentration on the restoration of the Park and the provision of alternative outdoor recreation opportunities within a site reduced in size from that identified as being available. This will allow the re-creation of the original path layouts and the provision of additional landscaping. Two alternatives were considered here - three smaller MUGAs (Option 3A) and a 5x5 pitch (Option 3B).

### Concept Designs

- B9. Option 0 shows a potential layout if the aspiration were to be the recreation of the original form of Queen's Park as designed by William Barron in 1892. The curved path immediately to the east of the site was realigned in order to allow construction of the former sports centre and reinstatement of this route would reduce the scope for viable development on this cleared site. While there would be potential to enhance significantly the Listed Park and the Conservation Area, there would be reduced potential to address the need for enhanced recreation facilities for a significant sector of the local community.

Figure B1: Option 0



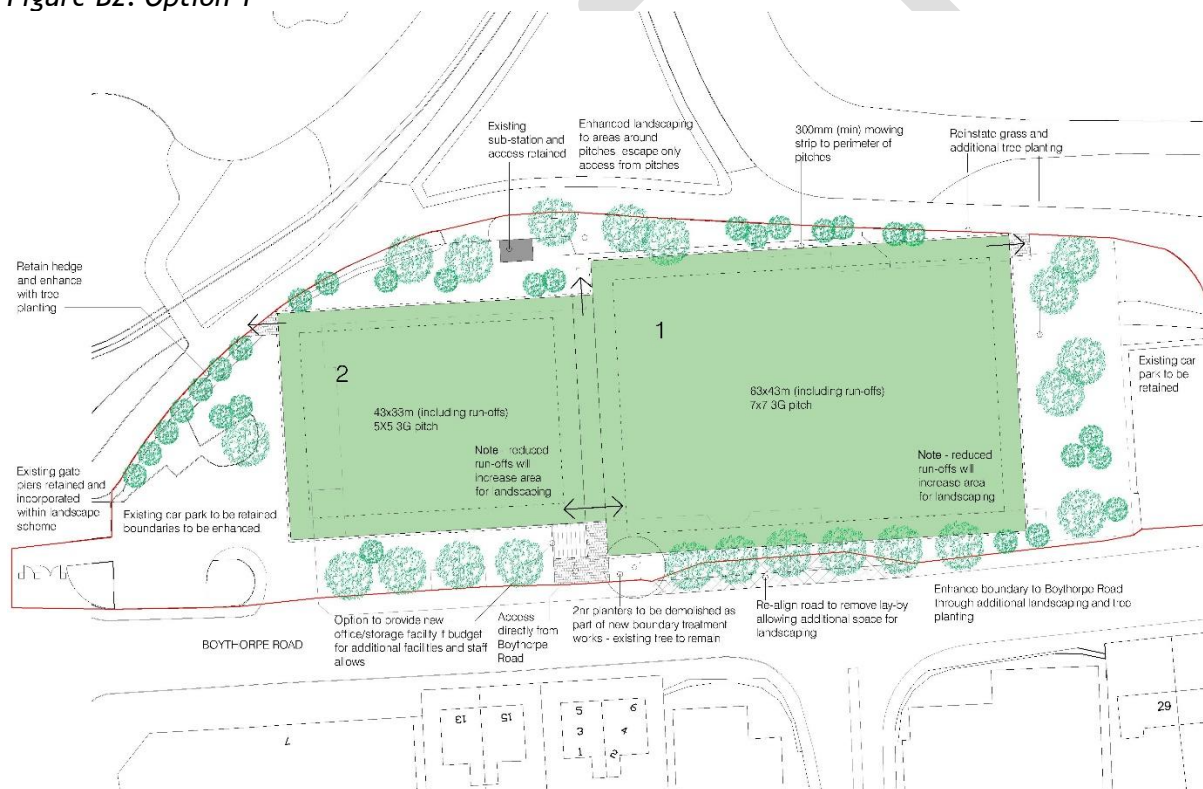
- B10. Option 1 illustrates the scheme which includes the same content as in the preferred option in the 2016 public consultation and which was subsequently tested in the Outline Business Case approved by the Council (the layout is reversed to address design constraints). The strategic review, market assessment and more recent consultation have shown that there is demand for the provision of enhanced 3G playing facilities in Chesterfield. Although it is not possible to construct a full-size 3G pitch on the site of the former Sports Centre without encroaching significantly into the Park (which is not acceptable in view of its

historic designations), this option shows how the largest possible pitches (which are the aspiration of potential users) could be placed on the site.

B11. Key features of the design include the following:

- a 63m by 43m 7x7 pitch with run-offs suitable for junior matches, training and casual play - it can be divided into two 5-a-side pitches for additional flexibility
- a 43m by 33m 5x5 pitch with run-offs
- appropriate fencing to contain balls (4.5m high all round)
- floodlighting suitable for match play - modern designs are such that there is very little light spill out of the playing area itself although it does present a brightly lit area when viewed from outside
- access from Boythorpe Road to provide more casual supervision by passers-by and easy access to the pitch when the Park is closed - existing car parks retained
- a restored boundary to Boythorpe Road which seeks to reflect the original appearance of the area prior to construction of the former sports centre
- landscaping (trees and hedges) around the pitches to provide an element of screening when viewed from the Park and an 'avenue' effect to Boythorpe Road.

Figure B2: Option 1



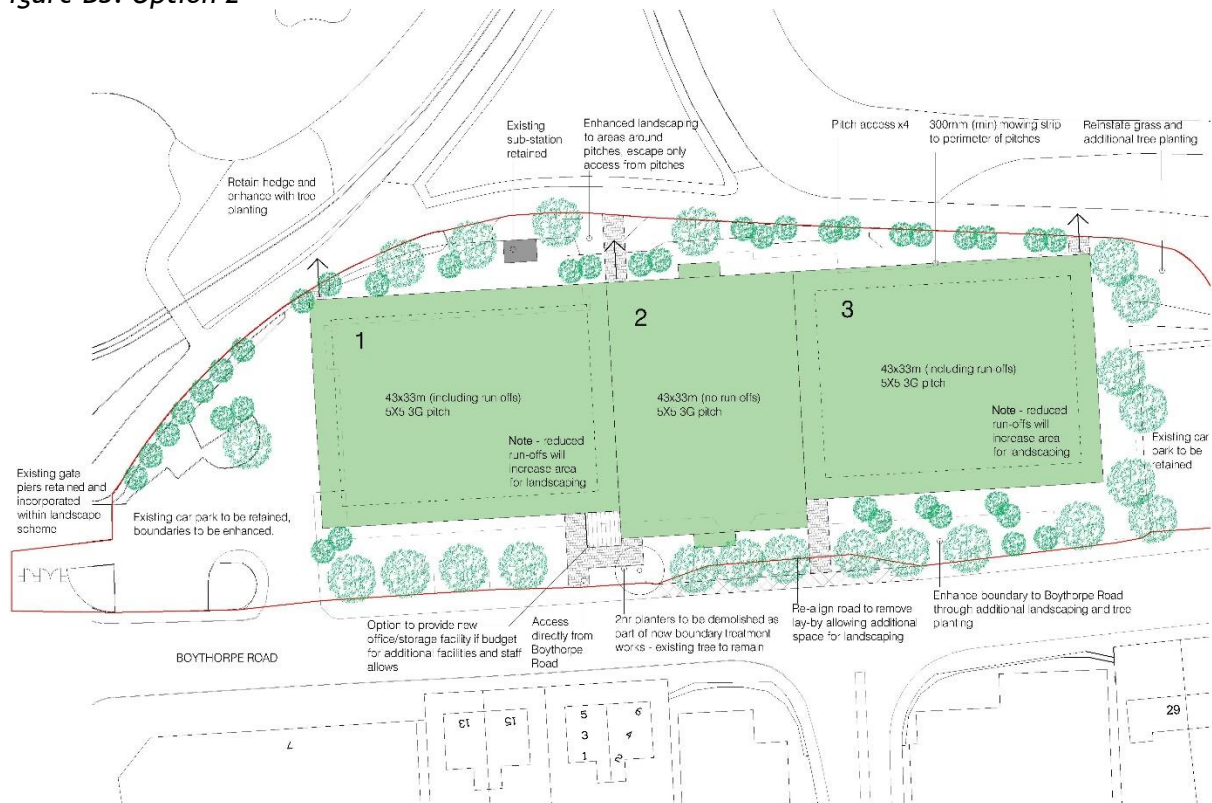
B12. Option 2 shows an alternative layout which does not include the 7x7 pitch which would be valuable for delivering a structured sports development programme but does provide three smaller pitches. The advantage here is that there is more space for landscaping either side of the pitches, allowing the facility to be better screened from the park. In developing the design, there may be an opportunity to move the pitches closer to Boythorpe Road to provide even more space on the park side.

B13. Key features of the scheme include the following:

- two 43m by 33m 5x5 pitches with run-offs suitable for junior matches, training and casual play
- a 43m by 33m 5x5 pitch with no run-offs suitable for training and casual play

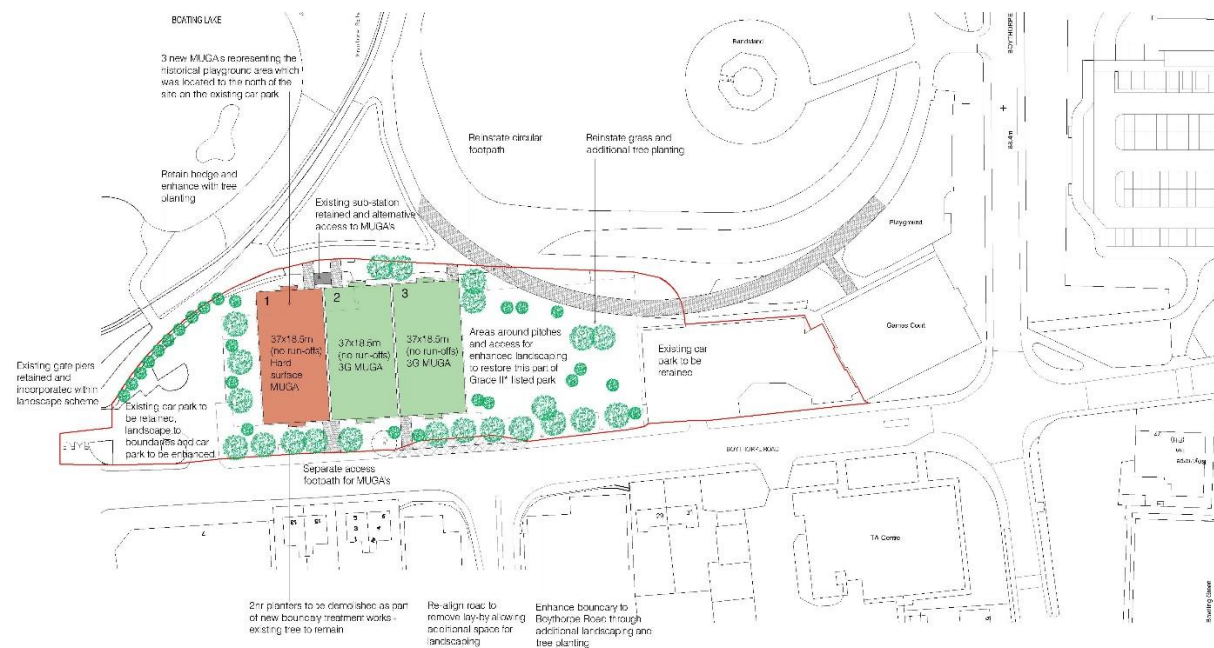
- appropriate fencing to contain balls (4.5m high all round)
- floodlighting suitable for match play
- access from Boythorpe Road to provide more casual supervision by passers-by and easy access to the pitch when the park is closed - existing car parks retained
- a restored boundary to Boythorpe Road which seeks to reflect the original appearance of the area prior to construction of the former sports centre
- more extensive landscaping (trees and hedges) around the pitches than Option 1 to provide more screening when viewed from the park and a stronger 'avenue' effect along Boythorpe Road.

Figure B3: Option 2



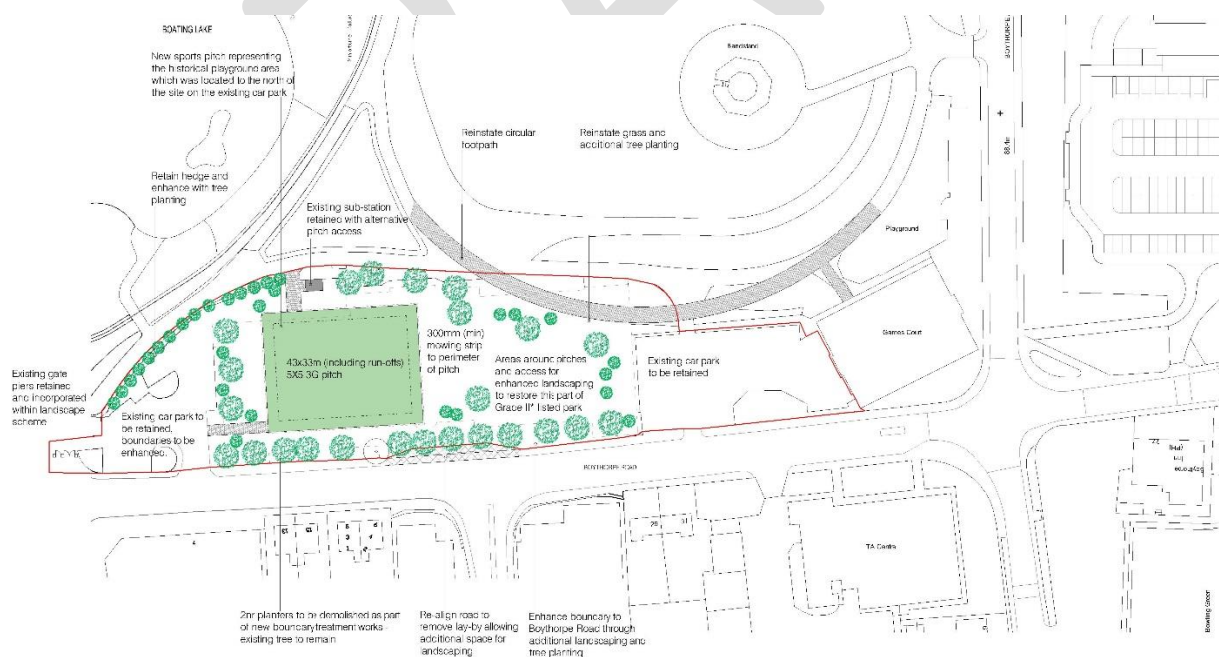
- B14. Both Options 1 and 2 include a location for a potential storage building or staff base at the entrance to the pitches. This would provide space for storage of maintenance equipment, switchgear for lights & access controls and, if this were to be provided, an office for any part-time management staff.
- B15. Options 3A and 3B show how some new sports participation opportunities could be provided within Queen's Park whilst still restoring the original form of the park as designed. The re-alignment of the path significantly reduces the space available but two alternatives have been considered.
- B16. In Option 3A, it is suggested that there would be space for three Multi-Use Games Areas (MUGAs) in an area Barron identified for a children's playground (now provided elsewhere). The boundary to Boythorpe Road would be restored and appropriate screening by trees and hedges could be incorporated. However, such a pitch layout would not address the issue of larger 3G pitches which were seen to be the priority for consultees and potential users - these MUGAs are generally used for casual play and training. It is unlikely that the pitches would generate a significant income and so would require additional funding.

Figure B4: Option 3A



**B17.** In Option 3B, three smaller pitches are replaced by a single larger pitch which is however of a size and layout which would meet Football Association guidelines for 5x5 junior matches as well as training and casual use. To that end, its provision would address part of the market identified for 3G pitches in Chesterfield but there would have to be further developments elsewhere in the Borough in order to allow local clubs to deliver a structured programme of football play/coaching.

Figure B5: Option 3B



### Initial Capital Costs

**B18.** The following global costs have been prepared on the basis of the options presented in the draft Business Case report and are based on typical square metre rates, adjusted where appropriate to address specific site requirements.

Table B1: Capital Costs

Option	Pitches	Cost Range
0	Restoration of Park	£300,000 to £400,000
1	One 7x7(RO) & one 5x5(RO)	£607,000 to £742,000
2	Two 5x5(RO) & one 5x5(no RO)	£729,000 to £891,000
3A	Three MUGAs (no RO)	£450,000 to £550,000
3B	One 5x5(RO)	£500,000 to £600,000
NB: RO = run-off		

B19. Assumptions made in determining the costs include the following:

- pitch costs are based on current costs for 3G pitches on 'average' sites, including contingency & fees
- no allowance for any building on the site - a 20-25m<sup>2</sup> simple single storey structure in keeping with the red brick aesthetic would cost £25-30,000
- utility services are assumed to be adequate alongside the site
- no allowance for works to car parks or highway
- landscaping follows Historic England advice that high quality design & materials would be required and includes the following elements:
  - ornamental railings approx. 1.8m high (to match existing)
  - low stone coping wall to base of railings approx. 0.4m high (to match existing boundary)
  - paths
  - importation of topsoil for planting of formal hedges, specimen trees, shrubs & ornamental plants and grass seeding
  - fees
- high cost items are ornamental fencing & stone walls and this design treatment has been included within all options - Options 1 and 2 include approximately 180 metres of new ornamental railing/wall which could be reduced but these schemes are likely to have the greatest footprint within the park so would require the suggested level of mitigation
- no allowance for VAT.

#### Operational Business Plans for Options

B20. Based on the market assessment and consultation, an initial operational business plan has been prepared for the two principal pitch layouts described above (Options 1 and 2) - the Option 3 variants were not tested at this stage. The model used is one which has been developed over many years and has been tested on a wide variety of ATP schemes, including those being delivered under the FA ParkLife programme. The overall parameters and assumptions are the same for both options.

B21. In terms of income, key assumptions are as below:

- revenue is built up from a mix of junior matches, team hire for training, school hire, 5-a-side, walking football, informal group hire etc - two programmes have been developed for each option (labelled 'summer' and 'winter') and they reflect the football season and off-season
- following a review of pricing in the area, charges have been set slightly below competitors to provide comfort at this early stage - there may be potential to increase these prices
- there is limited provision for secondary spend associated with the pitches, with circa 10% of users using the sports centre for café/vending

- the model assumes a local authority model in relation to VAT although there is a potential additional benefit that could be realised from the treatment of VAT on some elements of the income on the basis of recent VAT case law - at the present time, this has not been factored in and the traditional VAT position for in-house operations has been retained.

B22. Key expenditure assumptions include:

- premises: significant allowances for repairs & maintenance and a sinking fund to reflect issues with the current pitch and ensure Queen's Park remains a high-quality facility, together with NNDR, insurances and utilities provisions
- advertising and marketing: the pitches will need to be actively marketed and managed in partnership with Derbyshire FA and local clubs
- other costs: IT and other supplies
- cost of sales: expenditure related to secondary spend
- in year 1, allowance is made for an access control system but this may not be required if the system to be installed on the MUGA can be extended.

However, with the exception of maintenance-related staffing costs (sweeping, litter picking, etc.), no allowance is made for additional staffing costs, notwithstanding the comments of Derbyshire FA and experience with the present facility which would imply staff presence might be appropriate at peak times. No allowance has been made for the allocation of the Council's central recharges.

#### Option 1

B23. Given the assumptions above, the financial performance of the pitches under Option 1A (no full-size pitch on another site) is set out in Table B2 below.

Table B2: Option 1 Revenue Cost

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Income (£)	61,499	68,734	72,352	72,352	72,352
Total Expenditure (£)	(52,772)	(43,006)	(43,122)	(43,122)	(43,122)
Surplus/(cost) (£)	8,727	25,728	29,229	29,229	29,229

- B24. This shows that the pitches would make a surplus in all years but a not significant one - the surplus would not be sufficient to repay capital borrowings taken out to fund the construction.
- B25. At present the expenditure does not include any staffing costs (beyond pitch maintenance). However, concern has been expressed by some consultees about the un-staffed, remote access model proposed due to anti-social behaviour around the Park and the present MUGA. Staffing at a 0.7 FTE rate to cover weekday evenings and some additional daytime and weekend bookings would result in an additional cost of £13,895 (including on-costs).
- B26. Central costs (eg. finance, HR etc.) have also been excluded as they will be assessed largely on a time-incurred basis and are therefore unknown at this stage. A sensible allocation for central costs would typically be 3% of income i.e. £2,171 in a mature year. If these two additional costs are included, it can be seen that the facility would only operate at a surplus of circa £13,000 in a mature year.
- B27. The impact of constructing a full-size 3G pitch elsewhere in the Borough has been modelled in general terms and, given the excess demand in Chesterfield, it is estimated that the effect on the development at Queen's Park would be minimal, at circa £5,000 pa. This assumes that the pitches would be programmed in a comprehensive manner to target different but complementary markets eg. adults, junior, small-sided, education, training, etc.

## Option 2

- B28. The business plan for Option 2 makes similar assumptions to Option 1, except that a different programme will focus less on affiliated football (as fewer age groups can play affiliated matches on the smaller pitches) and more on training, 5-a-side and casual use. However, bearing in mind the catchment population is not large and there are a number of other local small-sided leagues running a few nights a week with no more than 20 teams playing in each league (e.g. powerplay, leisure leagues, etc), the pitches are not programmed for 5-a-side all of the time. This location does not have the potential to be similar to a 'Goals' operation that is full of adult 5-a-side leagues 4 nights a week.
- B29. The financial performance of the pitches under Option 2A (no full-size pitch on another site) is set out in Table B3 below.

Table B3: Option 2 Revenue Cost

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Income (£)	59,151	66,110	69,590	69,590	69,590
Total Expenditure (£)	(53,972)	(44,196)	(44,308)	(44,308)	(44,308)
Surplus/(cost) (£)	5,179	21,914	25,282	25,282	25,282

- B30. It can be seen that the pitches would deliver a slightly lower surplus than Option 1 but the difference is not large - the same conclusions can be made with regard to funding and the impact of any staffing costs that might be incurred. As with Option 1, assuming staffing at the equivalent of 0.7 FTE to cover weekday evenings and some daytime/weekend bookings would result in an additional cost of £13,895 including on-costs. The 3% of income allocation for central costs would amount to £2,089 in a mature year. Including these two additional costs, it can be seen that the facility would only operate at a surplus of circa £9,000 in a mature year.
- B31. The impact of providing a full-size ATP elsewhere in Chesterfield (Option 2B) will have a very limited impact on the financial performance at Queen's Park.

## Sensitivity Analysis

- B32. Although a prudent yet realistic approach to business planning has been adopted, some sensitivity analyses have been carried out to identify a best-case scenario for the Council.

Table B4: Sensitivity Assessment: Options 1 and 2

Adjustment	Year 5 Surplus	
	Option 1	Option 2
Base programme as above ( <b>excluding</b> staffing & central costs)	£29,229	£25,282
Base programme as above ( <b>including</b> staffing & central costs)	£13,163	£9,298
Increase Monday to Thursday 18:00-22:00 utilisation to 100% all year round ( <b>excluding</b> staffing & central costs)	£32,576	£35,358
Increase Monday to Thursday 18:00-22:00 utilisation to 100% all year round ( <b>including</b> staffing & central costs)	£16,592	£19,292
Increase Monday to Thursday 18:00-22:00 utilisation to 100% all year round <b>and</b> increase prices to current QPSC pitch hire level ( <b>excluding</b> staffing & central costs)	£47,496	£50,591
Increase Monday to Thursday 18:00-22:00 utilisation to 100% all year round <b>and</b> increase prices to current QPSC pitch hire level ( <b>including</b> staffing & central costs)	£31,512	£34,525

NB: an additional full-size 3G pitch in Chesterfield could reduce income by say £5,000 pa

### **Option 3**

- B33. As discussed previously, no business plans have been prepared for Option 3 as these sketches have only been prepared to illustrate the space that might be available for other uses were the original form of the park to be recreated.

### **Outline Business Plan Summary**

- B34. To summarise, at this initial assessment stage, there is no significant difference in financial performance between the two options. However, Option 1 has the potential to address a wider range of users and, particularly if operated alongside a full-size pitch elsewhere, offer clubs and other stakeholders a complementary set of high quality facilities in the borough upon which to deliver a comprehensive programme of participation opportunities along a pathway through from affiliated under-7s 5x5 football all the way through to adult 11-a-side football.
- B35. Consideration has been given as to how the financial performance could be improved and these will be tested further when the preferred option has been selected:
- positive adjustments to the assumptions e.g. increased prices, reduced sinking fund, enhanced marketing, etc.
  - identifying some stronger commercial interest from small-sided football operator (judged to be unlikely at this stage)
  - working with the Derbyshire FA to programme the facilities and attract affiliated leagues and a range of group hirers to the site
  - assume that the Council does not have to charge VAT on some pitch use (as a result of the recent VAT case ruling).
- B36. It is suggested that the income from the pitches is unlikely to be sufficient to make a major contribution to capital funding costs and that contributions would need to be sought from the authority's capital programme or grant aid to deliver the project.

### **Options Review**

- B37. Following consideration of the above options by senior members and officers of Chesterfield Borough Council, it was concluded that Options 1 and 2 would not be appropriate to pursue given the authorities commitment to planning policies in its adopted Core Strategy and the emerging Local Plan which target the enhancement of this historically significant Grade 2\* Listed park located in a Conservation Area. Any development here would need the support of Historic England were it to affect the amenity of the park and more extensive pitch provision is likely to have a significant adverse impact on its character.
- B38. However, the authority also has commitments to enhance opportunities for sport and recreation in the Borough, with consequent impact on health and social development through the promotion of physical activity within target communities. To that end, there is still an aspiration to provide some enhanced sports facilities on the former Sports Centre site.
- B39. These potentially conflicting aspirations have led to the preparation of three options for further exploration, rather than one preferred option. These are described in more detail in section 5 of this report.
- B40. It has been suggested that the site at the rear of the new Queen's Park Sports Centre to the south of Boythorpe Avenue could be utilised for additional pitches but this does have significant issues:
- the landform is such that a number of 'terraces' would need to be combined to create a level platform for anything more than a small pitch
  - much of the area is identified as a foraging ground for a protected badger sett which required relocation of the sports centre at the design stage

- a new electricity substation would probably need to be relocated at significant expense.

As a result, this option is not being pursued at present.

### Summary

- B41. The design and operational options developed in the first part of this section have been reviewed against the strategic policies and aspirations of Chesterfield Borough Council and other key stakeholders. This assessment has led to the conclusion that the options presented in the Outline Business Case in early 2017 are unlikely to be acceptable to Historic England (a principal consultee with statutory powers to regulate development in historic parks) in view of their potentially significant adverse impact on the amenity of the park. In addition, the revenue surplus predicted is not as high as initially forecast and so any development is unlikely to cover its whole capital cost through repayment from revenue of loans taken out to fund construction.
- B42. As a result, an alternative approach which is more in sympathy with the park has been adopted, with options that nevertheless seek to deliver sports and recreation participation opportunities while restoring key elements of the Park which were lost when the former sports centre was constructed.

## Appendix C

### Capital Costs (Second Options Stage)

Queen's Park, Chesterfield Estimated Construction Costs for Alternative Park and 3G Pitch Configurations				
ATP provision (with run-offs)		Option 0 No pitch	Option 3B1 5x5 pitch	Option 3B2 7x7 pitch
Demolish two brick planters & prepare for landscaping		£1,000	£1,000	£1,000
Re-align road to remove lay-by		£25,000	£25,000	£25,000
Construct new 3G ATP complete with fencing & lighting		£0	£195,000	£310,000
Provision of power supply to pitch lighting		£0	£3,000	£3,000
Allowance for low level stone wall & decorative railing		£170,000	£165,000	£165,000
Allowance to reinstate circular footpath & new paths		£40,260	£51,180	£50,820
Hedge & tree planting		£12,915	£14,815	£10,315
Shrub & ornamental planting		£19,125	£28,260	£14,625
Grass seeding		£39,845	£28,375	£26,145
Sub-total		£308,145	£511,630	£605,905
Contingency allowance	7.5%	£23,111	£38,372	£45,443
Sub-total		£331,256	£550,002	£651,348
Design team / professional fees	10.0%	£33,126	£55,000	£65,135
<b>Total Estimated Cost</b>		<b>£364,381</b>	<b>£605,002</b>	<b>£716,483</b>
<b>Notes &amp; Assumptions in connection with Estimated Construction Costs</b>				
<ul style="list-style-type: none"> <li>as no information is available on ground conditions, it has been assumed that there are no adverse ground conditions or obstructions that may require anything other than standard foundations/base construction and there is no requirement for measures to deal with groundwater or contamination</li> <li>it has been assumed that there are no below ground services on or adjacent to the site that would require diversion or lowering</li> <li>it has been assumed that there is no need to upgrade the existing mains services or drainage infrastructure and that connections can be made locally</li> <li>no allowance included for the optional office/storage facility</li> <li>the height of the proposed low stone wall has been assumed to be 0.40m and the decorative railings 1.80m</li> <li>estimated costs have been prepared at current price levels and no allowance has been made for inflation prior to or during construction</li> <li>a contingency sum of 7.5% has been included at this stage</li> <li>design and professional fees have been included at 10%, which is to include for all design team fees, survey costs and planning/building control fees</li> <li>the figures exclude VAT.</li> </ul>				

## Appendix D

### Risk Assessment

QUEEN'S PARK, CHESTERFIELD					OUTLINE RISK REGISTER	
Category	Risk Number	Risk Description	Impact Analysis		Overall Risk Status	Controls & Mitigating Actions
			Significance	Likelihood		
			1-5	1-5	R/A/G	
Strategic	1.1	Change in CBC strategic policy with regard to restoration of Queen's Park or addressing sporting needs.	3	1		Established aims & objectives within Council Plan. Supported by Planning Core Strategy & Local Plan. No elections scheduled within decision-making timeframes.
	1.2	No support from Governing Bodies.	1	1		On-going discussions with Derbyshire FA to ensure support.
	1.3	Change in CBC funding priorities.	3	3		Short delivery programme once committed.
Financial	2.1	Capital development finance not available.	5	3		Commitment by CBC once scheme agreed.
	2.2	Unforeseen increases in build cost due to lack of nearby utility services.	4	2		Full assessment of capacity to be carried out in advance of contractor appointment.
	2.3	Inaccurate cost plan leading to a requirement for additional funding.	3	1		Risk minimised by experienced design team working alongside specialist contractors. Contingency included.
	2.4	Tender price increases during contract.	3	1		Short timescale will minimise potential for increase.
	2.5	Revenue performance does not meet that set out in business plan.	3	2		Business plan prepared by experienced consultants, utilising conservative assumptions regarding usage/pricing.
	2.6	No grant funding accessed.	2	3		On-going discussions with FA - however current business case is based on zero grant funding as worst case scenario.
Commercial	3.1	Lack of demand from current population means usage assumptions are not reached.	3	1		Strategies and public consultation show requirement for facilities proposed. Potential users have difficulty in booking existing facilities which are fully occupied.
	3.2	Lack of demand from future population increase expected means usage does not grow in line with assumptions made.	3	2		Future population is assumed to have participation rates comparable with existing. Significant population growth would stretch proposed provision.
	3.3	New operator opens comparable facility in better location, with more facilities or at lower cost.	3	3		Queen's Park is well located and benefits from presence of Sports Centre. Competitive charges adopted in business plan. Catchment size means significant commercial competitor is unlikely.
Legal	4.1	Covenant prohibiting construction of buildings on the site is invoked.	1	1		Discharge agreed to allow construction of former sports centre and this was not challenged.
	4.2	Planning consent is not granted by CBC.	5	1		Discussions taking place with planning officers to ensure the scheme concurs with adopted policies.
	4.3	Historic England objects to the scheme and it is called in by Secretary of State for decision.	5	2		Discussions taking place with Historic England officers to ensure the scheme is acceptable.
	4.4	Planning consent includes conditions regarding hours of use, etc which limit potential revenue income.	4	2		Discussions taking place with planning officers to ensure the scheme concurs with adopted policies. Business plan adopts appropriate evening closure times.
	4.5	Proposed operational structure is not legally acceptable.	3	1		In-house operation either through Park or Sports Services is appropriate.
Operational & Technical	5.1	Poor performance of building/installation contractor.	4	2		Careful selection of contractors from recognised specialists (FA-recognised framework is available). Warranties put in place.
	5.2	Unexpected poor ground conditions delay project and increase costs.	2	1		Cleared and filled site minimises risk.
	5.3	Adverse weather delays completion.	2	2		Programme to be developed which provides for construction at most appropriate time of the year and includes adequate contingency time.
	5.4	Potential for creation of adverse impact on sensitive ecology delays the project.	1	1		Study to be carried out as part of planning application to determine any sensitive issues.
	5.5	Design does not take into account lifecycle costs.	3	1		Scheme developed by experienced design team working with specialist contractors.
	5.6	Planting fails due to poor quality materials, adverse weather conditions or poor maintenance.	3	2		Specialist contractors to be appointed. Maintenance contract requiring replacement of failed planting.
	5.7	Poor operational standards lead to lack of use.	3	3		CBC committed to maintaining facility to a high standard.
	5.8	FA & RFU currently under-taking major nationwide 3G ATP investment programmes. Lack of capacity in recognised experienced building contractors delays the project.	3	3		Mitigated by raising awareness through early market engagement. Potential to utilise contractors not on FA's framework.

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**CHESTERFIELD**  
BOROUGH COUNCIL

*Enterprise and Wellbeing Scrutiny  
Committee*

**Scrutiny Project Group**

report on

*Future Use of Former Queen's Park  
Sports Centre Site*

## **Project Group Members:**

Councillors:

Lead	Gordon Simmons
Group Members	Peter Barr Kate Caulfield Keith Miles
Project Group officer support was provided by Brian Offiler, Democratic and Scrutiny Officer	

### **1.0 Introduction and Review Aims**

- 1.1 Following the public consultation exercise in late 2016 on the potential uses of the former Queen's Park Sports Centre site and the petition in support of the development of an ice rink presented to Council on 23 February, 2017, Cabinet had approved the development of a full business case for the preferred option of artificial sports pitches on the site on 7 March, 2017.
- 1.2 The setting up of the Scrutiny Project Group arose from the annual scrutiny work programming process for 2017/18 and was approved by the Overview and Performance Scrutiny Forum on 9 May, 2017, in order to contribute to the development of the full business case, providing a wider Member and community perspective.
- 1.3 The project supported the Council Plan priorities 'to improve the quality of life for local people' and 'to provide value for money services'.
- 1.4 Within these priorities, the project focused on the objectives 'to improve the health and wellbeing of people', 'to reduce inequality and support the more vulnerable members of our communities' and 'to become financially self-sufficient by 2020'.
- 1.5 The aims of the Project Group were established as:
  - To contribute to the development of the full business case for the preferred option of artificial sports pitches;

- To seek further information on the practical implications of operating an ice rink from operators of similar facilities, in the event of the Council being approached by an ice rink operator;
  - To contribute further, acting as a 'sounding board' and monitoring progress during the design and building stage of the chosen use once this has been decided by Cabinet.
- 1.6 The Group's Project Start Report, including these aims, was approved by the Enterprise and Wellbeing Scrutiny Committee on 25 July, 2017.

## **2.0 Review Approach**

- 2.1 The Project Group was assisted throughout the review by Michael Rich, Executive Director, and Councillor John Dickinson, Assistant Cabinet Member.
- 2.2 The following Cabinet Members were consulted at the key stages of developing the Project Start Report and formulating the comments for inclusion in the report to Cabinet scheduled for 5 December, 2017:
- Councillor Chris Ludlow, Health & Wellbeing
  - Councillor Steve Brunt, Town Centres & Visitor Economy
  - Councillor Amanda Serjeant, Deputy Leader
  - Councillor Terry Gilby, Economic Growth.
- 2.3 The Project Group reviewed the Cabinet report of 7 March, 2017, from which it was noted that the public consultation undertaken in late 2016 showed significant support for the preferred option of artificial sports pitches (69% of respondents), that the Council's Sports Facilities Strategy showed a shortfall in provision of artificial pitches, taking account of current demand and potential future demand, and that the outline business case for this preferred option indicated the potential for a net income to the Council.
- 2.4 The Project Group considered the petition presented to Council on 23 February, 2017 requesting that the Council build an ice rink on the site of the old Queen's Park Sports Centre, noting the Council's decision, if approached by an ice rink operator, to assist with the identification of suitable sites and provide advice on planning and funding opportunities, including the development of external funding

bids, in order to enhance the Borough's sport and leisure offer. The review also considered an initial assessment of the feasibility of operating an ice rink on this site, from which it was noted that this was unlikely to be fully self-financing, particularly given the proximity of other existing ice rink facilities in Mansfield, Sheffield and Nottingham.

- 2.5 The Project Group Lead Member met with the consultant from FMG Consulting Ltd appointed by the Council to develop the full business case for the preferred option of artificial sports pitches.
- 2.6 The Project Group considered the draft report prepared by the consultant following further consultation with sports clubs to assess demand and with the Council's Planning Officers and Historic England, taking account of the grade 2\* listed heritage status of the park. The draft report set out a number of options seeking to achieve a balance between restoring the park landscape and enhancing the site to meet current and future leisure needs in a financially sustainable way, and it included estimated capital costs and revenue income for each option.
- 2.7 The Project Group discussed the aspects of the planning process with the Development Management & Conservation Manager, taking account of the Council's planning policies in respect of designated heritage assets and historic parks and gardens and of the existing Queen's Park Conservation Area Appraisal from 2009. It noted that Historic England would be a statutory consultee during the development of any planning application for the site and that the Council's Planning Officers had experience of having worked closely with Historic England previously.

### **3.0 Review Findings and Conclusions**

- 3.1 Following the appointment of the consultant to develop the full business case in September, 2017, the Project Group recognised the importance of the proposals for the reuse of this site being progressed with the minimum of delay. In order to assist this, it has therefore prepared this report to summarise its conclusions and submit comments for consideration along with the Cabinet Member report being submitted to Cabinet on 5 December, 2017.

- 3.2 The Project Group noted that the Council had not been approached by an operator of an ice rink with proposals to establish such a facility in the town, and it accepted the evidence from the initial assessment that an ice rink was unlikely to be financially sustainable. In considering the need to take account of the impact of any development on the heritage aspects of the park, it concluded that the site would not be physically large enough to accommodate an ice rink and that if an approach was received from an operator in the future, an alternative site would need to be identified in any case.
- 3.3 The Project Group supports the preferred option emerging from the development of the full business case for the future use of the former Queen's Park Sports Centre site of restoring the area to parkland to include one 7x7 sports pitch.
- 3.4 This conclusion is based on the following considerations:
- The importance of providing suitable sports facilities to support increased participation in physical activity as part of meeting the Council's objective to improve the health and wellbeing of residents, in order to meet evidence-based demand and which can be delivered and operated in a financially sustainable way;
  - The importance of meeting public expectations arising from the consultation exercises in late 2016 and more recently;
  - The importance of considering the heritage value of the wider park and of the close working with Historic England through this process in order to develop realistic proposals which protect this;
  - The importance of achieving a balance between these three considerations, without any one having a significant adverse impact on the others or causing unnecessary delay.
- 3.5 In pursuing this preferred option, the Project Group recognises that the Council will need to ensure that it has explored options for sports pitches on other sites, such as behind the new sports centre, through option appraisals and costings to determine whether any other sites could provide realistic options or to demonstrate why not.
- 3.6 The Project Group is of the view that the detailed design of the preferred option would need to give careful consideration to:

- The extent to which the heritage value of the park could be protected and enhanced without merely returning to a previous design prior to the construction of the original sports centre;
- The relationship between the sports pitch and the park, including encouraging access between the two (to enable wider participation and enjoyment of both facilities), fencing of the pitch which is not obtrusive, landscaping and planting to mitigate any adverse visual impacts;
- Physical security of both the park and the sports pitch, especially at times when the park may be closed but the sports pitch is being used;
- The park boundary along Boythorpe Road, including possible reintegration of the original park gates;
- Provision of some pitch-side shelter for spectators;
- Detailed examination of the costings for work to be undertaken, especially in respect of park landscaping and planting, and consideration of scope for this to be done in-house, utilising the experience gained from the restoration of Eastwood Park, and exploration of any available funding options;
- Operational arrangements for the sports pitch and the relationship to arrangements for the existing MUGA pitch within the park.

3.7 The Project Group would encourage the progression of the further work required in order to successfully enable this site to be used and enjoyed by the public with the minimum of delay. It welcomes the opportunity to continue to act as a 'sounding board' and to monitor progress during the design and building stage of the chosen use, as set out in the Group's original aims.

#### **Contacts:**

**Project Group Lead** – Councillor Gordon Simmons

**Democratic and Scrutiny Officer** – Brian Offiler

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## **Chesterfield Borough Council**

### **Equality Impact Assessment - Full Assessment Form**

Service Area: Health and Wellbeing/Commercial  
Lead Officer: Michael Rich

Title of the policy, project, service, function or strategy the preliminary EIA is being produced for:

#### **Proposed Park Restoration & Artificial Turf Pitch at Queen's Park, Chesterfield (site of old QPSC)**

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?

To utilise the currently derelict site of the former QPSC to deliver enhanced sustainable sports and recreation facilities for the town's citizens, providing an opportunity for participation in health-promoting structured and informal physical activity, while enhancing the amenity of the Grade 2\* Listed Park and Conservation Area.

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

Citizens of and visitors to Chesterfield who will have access to improved outdoor sport & recreation facilities through provision of a high quality Artificial Turf Pitch (ATP). These types of pitches can facilitate a range of different activities and are often popular for children and young people, disability sport and mixed/female sporting activity.. In addition, the development will deliver an enhanced Park through additional landscaping and appropriate visually attractive boundary treatments, so benefiting all users of the Park and passers-by on Boythorpe Road.

## What outcomes do you want to achieve?

To address Priorities in the Council Plan, including:

- to make Chesterfield a thriving borough by delivering regeneration projects that will make Chesterfield Borough a better place
- to improve the quality of life for local people, through increasing the quality of public space for which the Council has responsibility through targeted improvement programmes and improving the health & well-being of people in Chesterfield Borough
- to provide value for money services, including the objective to become financially self-sufficient by 2020.

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

The need to address local & national planning policies which seek protection of the Park while balancing these against local needs & national aspirations to deliver enhanced opportunities for physical activity to improve health outcomes for the Borough's citizens. Pressure on financial resources within the Authority to deliver the facilities in a cost-effective manner while ensuring the long-term viability through a charging regime which ensures disadvantaged groups are able to utilise the new ATP.

## STEP 2 – COLLECTING YOUR INFORMATION

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

- Consultation and research associated with the production of the Playing Pitch & Outdoor Sports Strategy (March 2014) and the Sports Facility Strategy (December 2014).
- Project-specific consultation with sports clubs, potential users and the wider community in 2016.
- Assessment of national, regional & local strategies and policies regarding the provision of facilities for sport and recreation, including those of key governing bodies such as the Football Association (FA).
- Additional consultation with specific target user groups or representatives in September 2017 eg CBC Health Promotion Team, Sports Clubs, etc.

## 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
As above	Consultation activity included targeting of specific groups including young people and sports clubs developing opportunities for harder to reach groups including	There was a positive response to the principles being considered to develop the site and additional comments made about ensuring the new facility is as accessible to as many users as possible. The

	disabled people and women.	development of an ATP pitch for multi-sports use was well supported during the consultation.
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No EIA specific engagement was carried out as part of this commission but material gathered as part of previous consultation was utilised in designing the proposed facilities and developing operational plans.

## 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.

<b>Group or Protected Characteristic</b>	<b>Positive impacts</b>	<b>Negative impacts</b>	<b>Action</b>
Age – including older people and younger people.	Provision of an FA recommended small-sided pitch to enable the development of junior sport. Access to high quality facilities for users in all age groups close to their home or place of work.	None	None
Disabled people – physical, mental & sensory including learning disabled people and people living with HIV/Aids and cancer.	As above. The proposed pitch and the associated parkland will be fully accessible to all disabled people.	None	None
Gender – men, women and transgender.	The use of the facility and the associated improved parkland will be open to all users.	None	None
Marital status including civil partnership.	As above.	None	None
Pregnant women and people on maternity/paternity. Also consider breastfeeding mothers.	As above	None	None
Sexual Orientation – Heterosexual, Lesbian, gay men & bi-sexual people.	As above	None	None

<b>Group or Protected Characteristic</b>	<b>Positive impacts</b>	<b>Negative impacts</b>	<b>Action</b>
Ethnic Groups	As above	None	None
Religions & Beliefs including those with no religion and/or beliefs.	As above	None	None
Other groups e.g. those experiencing deprivation and/or health inequalities.	The facility is located close to a number of deprived communities and, being centrally located, will be accessible by public transport from throughout the Borough.	None	None

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?

Access to a range of data from local consultation and utilisation of national best practice will ensure that the proposed facilities will be available to all.

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

The operation of the ATP and associated parkland will be monitored as part of the Council's leisure and open space management service, with data on use by target groups being captured as part of such an operation.

## **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.

### Reviewed by Head of Service/Service Manager

Name:

Date:

### Reviewed by Policy Service

Name: Donna Reddish

Date: 27.11.17

Final version of the EIA sent to the Policy Service ☐

Decision information sent to the Policy Service ☐

## **For publication**

### **Local Council Tax Support Scheme 2018-19**

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Meeting:	Council
Date:	13 <sup>th</sup> December 2017
Cabinet portfolio:	Homes & Customers
Report by:	Director of Finance & Resources

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## **For publication**

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### **1.0 Purpose of report**

- 1.1 To gain approval for the Local Council Tax Support (LCTS) scheme to apply in 2018-19

### **2.0 Recommendations**

- 2.1 Approval be given to continue with the current Local Council Tax Support Scheme for 2018/19. 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 the Local Council Tax that will be eligible for reduction is 91.5 per cent of their 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 per cent.
- 2.2 Delegated powers be granted to the Director of Finance and Resources, in consultation with the Cabinet Member for Homes and Customers, to update the Local Council Tax Support Scheme 2018/19, to reflect such up-ratings of premiums, allowances and non-dependent deductions as may be determined by the Department for Work and Pensions, and other minor technical changes which may be required.
- 2.3 Approval be given to continue the current local council tax discounts, which were originally implemented in 2013/14.

### **3.0 Background**

- 3.1 Prior to April 2013 central government funded the actual cost of the Council Tax Benefit scheme (CTB). In the 2010 Spending Review the Government announced its intention to introduce a Localised Council Tax Support Scheme (LCTSS) from April 2013 to replace the national CTB scheme.
- 3.2 As part of a wider package of public expenditure reductions and reforms to the welfare benefit system the proposals were required to deliver a 10% reduction in expenditure. The Council implemented a local scheme in respect of 2013/14 which required property occupiers of working age to pay at least the first 8.5% of the Council Tax liability for their property. Those of pensionable age continued to receive up to 100% support.
- 3.3 Under the localised arrangements local councils were required to manage the 10% reduction in Government support and in future years to absorb the burden of any additional funding required should caseloads and costs increase. These additional financial costs are shared between the precepting authorities through the mechanisms of the Collection Fund, which based on the 2017-18 precepts gives the following shares: Derbyshire County Council (74.1%), the Borough Council (9.5%), the Police Authority (11.1%), Fire and Civil Defence (4.4%) and the Parish Councils (0.9%).

3.4 To help mitigate the 10% funding reduction, the Council agreed a number of changes to other Council Tax discounts and exemptions from April 2013. The changes included:

- A local discount of 100% for vacant properties, which would previously have qualified for an exemption under class C, for periods of up to three months. A three month discount (reduced from six months) was agreed to avoid having to collect small amounts of debt which would arise as residents sold or moved property. In a situation where a property becomes occupied or furnished for a period of 6 weeks or less it will only be eligible to receive discount for any of the original three month period which remains.
- A local discount of 100% for properties which are uninhabitable due to them requiring or undergoing major structural repairs or alterations that would have previously qualified for exemption under class A for a period of up to 12 months was also agreed. While this exemption is unchanged it has now become a locally determined discount.
- Removal of the residual 10% discount for second homes.
- A 150% charge for property empty for more than 2 years.

3.5 This report was considered at the Cabinet meeting on 5 December, 2017, where it was resolved to recommend to full Council that the recommendations at paragraphs 2.1 – 2.3 above be approved.

## **4.0 Previous Years' Schemes**

4.1 The key statistics to note include:

- The number of working age people receiving support has reduced from 6,438 on 1<sup>st</sup> April 2013 to 5941 as at 27<sup>th</sup> October 2017; a reduction of 497 or 7.7%.
- The number of pensioners receiving support has reduced from 5,342 on 1<sup>st</sup> April 2013 to 4,115 as at 27<sup>th</sup> October 2017; a reduction of 1,227 or 22.9%.
- The number of households receiving support has reduced from 13,925 in 2013/14 to 12,490 in 2016-17 (a reduction of 1435 or 10.3%.
- The value of the support given has reduced from £8.24 in 2013/14 to £8.00m in 2016-17 a reduction of £237k or 2.9%.

2017-18 expenditure as at 28<sup>th</sup> October 2017 is £8.03m. The amount of CTS expenditure is affected by the increase in Council Tax Charges in 2016-17 and 2017-18 (includes the increase for adult social care). The collection rate for the element of tax that is payable by those who previously received 100% Council Tax Benefit was 71% for 2013/14, 80% for 2014/15, 85% for 2015/16, 87.6% for 2016-17 and 58.2% to date for 2017-18.

- 4.2 The collection rates achieved to date, whilst in excess of the 67% collection rate forecast originally assumed when the local scheme was first introduced, is nevertheless well below the rate for the other Council Tax payers of above 97%.

## **5.0 Proposed Scheme for 2018-19**

- 5.1 Welfare Reform changes to the benefits and tax credits people can receive continues. There is a four year freeze on working age benefit increases that started in April 2016. Because the allowances and premiums used to assess Council Tax Support for working age claimants mirror those in Housing Benefit, this freeze applies to working aged Council Tax Support recipients also. There is also the extension of the benefit cap to more households as the total amount of benefit income (excluding CTS) has reduced from 7<sup>th</sup> November 2016. This means that currently 84 households in Chesterfield are subject to Housing Benefit restrictions compared to 12 cases before the 7<sup>th</sup> November 2016. The Implication on Council Tax Support expenditure of other benefit reductions is being monitored. It is difficult to forecast what the financial impact on the CTSS would be and what mitigating actions might be required.
- 5.2 Universal Credit goes Full Service for the Chesterfield Jobcentre on 29<sup>th</sup> November 2017. This will impact on Chesterfield residents and may impact on Council Tax collection. The Council is working with partners and DWP to mitigate the risks.
- 5.3 If the Council plan to make any significant changes to the scheme there is a legal duty to consult stakeholders and to undertake an equalities impact assessment, an exercise that would take several months to do properly. In view of these uncertainties and

constraints it is proposed to leave the scheme unchanged for 2018/19.

- 5.4 The experience of the schemes in previous years has also been a key consideration in arriving at the recommendation to continue with the current scheme for 2018-19. The collection rate at 31<sup>st</sup> March 2017 at 87.6% has surpassed our initial forecast of 67% when the scheme was first introduced. If the minimum contribution rate is increased above the current 8.5% level the contributions would inevitably become more difficult to collect and could become uneconomic to recover.
- 5.5 The operation of the scheme depends upon the premiums, allowances and non-dependent deductions for the elderly being uprated in accordance with figures provided by the Department for Work and Pensions. For working age claimants, the premiums and allowances are uprated in accordance with those provided by the DWP for Housing Benefits and the non-dependent deductions are the same as those for elderly cases. It is recommended that delegated powers are granted to the Director of Finance and Resource to amend the 2018-19 local scheme with the relevant details. In addition to these specific delegations it is considered appropriate that the delegation should be extended to cover other minor technical changes where amendment of the scheme may be necessary during the course of the financial year in order to ensure that the local scheme reflects accepted practice and DWP guidance.
- 5.6 Given the continued financial pressures on the Council's finances it is also recommended that the Council Tax Discounts and Exemptions outlined in paragraph 3.4 be maintained at their current levels. While these measures do create an added financial burden for the tax payers affected they do, nevertheless, act as incentives to bring property into use.
- 5.7 The Council will continue to work with individuals and the local advice agencies to ensure that those experiencing difficulties paying will receive appropriate advice and support.
- 5.8 The impact of the welfare, tax and living wage changes will be monitored throughout 2018-19 to enable a review of the options in good time for setting the scheme for 2019-20.

## **6.0 Financial Considerations**

- 6.1 Local Council Tax Support will be calculated using 91.5% of the Council Tax liability, leaving residents of working age to pay a minimum of 8.5% themselves. Assuming they were living in a Band A property then the Council Tax Liability would be in the region of £91.78 per annum (£1,079.82 x 8.5%) for a couple or £68.84 per annum (£91.78 less 25% discount) for a single person, before any award of CTS. Those of pensionable age will be eligible for CTS of up to 100% of their council tax liability.
- 6.2 Continuing with an 8.5% minimum contribution rate will mean that part of the cost of the Local Scheme will fall upon the Council, rather than being passed on to those of working age. A key factor in this decision has been that if the full cost of the reduction in Central Government support were passed on to claimants the amount due may well become uncollectable. On the basis of evidence to date a Council Tax liability of 8.5% for those of working age is a collectable amount in most cases, with a recorded collection rate of 85% in previous financial years.
- 6.3 If Council adopts the recommended approach then the income that will be generated from charging a minimum of 8.5% Council Tax to those of working age on benefits is estimated to be some £525k after an assumed non-collection rate of 15%. The income will be shared amongst the precepting authorities.
- 6.4 It is not possible to quantify precisely what the LCTSS costs because the major element of funding, Government grant, is no longer separately identified but is now combined into the overall Funding Settlement. The Settlement Funding amount continues to reduce each year as part of the Government's austerity measures. In the first year of the scheme (2013/14), when the funding was separately identified, it was estimated that the net cost of the scheme, after Government funding, was £1.1m. Of the £1.1m, it was estimated that the changes to other discounts and the requirement to pay the first 8.5% would reduce the net cost down to £0.4m which was then to be shared amongst the precepting authorities through the mechanics of the Collection Fund. It should also be noted that as case load decreases, which has happened

each year since 2013/14, this will increase the Tax Base and increase the overall tax raising capacity. It is estimated that by 2017-18, 776 Band 'D' equivalent properties will have been added to the Tax Base since the first year of the CTSS (2013/14), potentially generating over £1.2m additional income to the Collection Fund.

- 6.5 In 2013/14, £66k of the CTS funding which the Council received was earmarked as relating to the parish councils and this amount was paid over to the parishes. In setting the Budget it was agreed that the parish funding would be phased out over a period of ten years to reflect the fact that the Council's funding was being reduced.

## **7.0 Legal and data protection implications**

- 7.1 Sections 9 to 12 of the Local Government Finance 2012 give the Council the necessary legal powers to implement the proposals made in this report regarding the Local Council Tax Support Scheme and other Council Tax discounts.
- 7.2 The Council Tax Support Scheme will need to be adopted by 31<sup>st</sup> January each year and will be required to meet the requirements as set out by legislation.
- 7.3 The Local Council Tax Support Scheme and changes to council tax discounts must be advertised within 21 days of the decision to adopt them being made.

## **8.0 Equalities Issues**

- 8.1 Council tax support is intended to provide financial support to some of the most vulnerable groups in society. The Government has already given a commitment to protect those of state pension age but does not intend to prescribe in statute which other vulnerable groups must be protected. Instead, local authorities are expected to take into account existing duties in relation to vulnerable groups in designing their schemes. The following duties must therefore be considered:

- The public sector Equality Duty;
- The duty to mitigate the effects of child poverty; and

- The duty to prevent homelessness.

A full Equalities Impact Assessment (EIA) was prepared prior to the implementation of the original scheme in 2013/14 and this was reported to the Council as part of the process of adopting the scheme.

## 9.0 Risk management

9.1 The key risks are summarised in the table below:

Description of Risk			Mitigating Actions	Residual	
	Impact	Likelihood		Impact	Likelihood
Government funding is fixed but demand for support could increase from: <ul style="list-style-type: none"> <li>• Pensioners as the stigma of 'benefit' removed.</li> <li>• Job shock in the local economy e.g. major employer goes out of business.</li> <li>• Pensioners because they are living longer</li> <li>• Other welfare reforms affect the incomes of those in receipt</li> <li>• Higher levels of Council Tax required to achieve a balanced budget</li> </ul>	High	Possible	Prudent assumptions about take-up.	Medium	Possible
Reduced demand for support from: <ul style="list-style-type: none"> <li>• Working age claimants as the economy recovers and more people move into work;</li> <li>• Declining pensioner caseloads.</li> </ul>	Medium	Possible	Monitor trends	Medium	Likely

Difficulties in collecting the amounts due.	Medium	Definite	Flexible recovery procedures. Spread the risk by funding the grant cut from a variety of measures.	Medium	Likely
Tax avoidance	Medium	Possible	Rigorous and adequately resourced validation and recovery procedures.	Low	Possible

## 10.0 Recommendations

10.1 Approval be given to continue with the current Local Council Tax Support Scheme for 2018/19. 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 the Local Council Tax that will be eligible for reduction is 91.5 per cent of their 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 per cent.

10.2 Delegated powers be granted to the Director of Finance and Resources, in consultation with the Cabinet Member for Homes and Customers, to update the Local Council Tax Support Scheme 2018/19, to reflect such up-ratings of premiums, allowances and non-dependent deductions as may be determined by the Department for Work and Pensions, and other minor technical changes which may be required.

10.3 Approval be given to continue the current local council tax discounts, which were originally implemented in 2013/14.

## 11 Reasons for recommendations

- 11.1 To ensure that the Council is able to continue to operate a localised scheme providing council tax support from April 2018.

### **Decision information**

<b>Key decision number</b>	<b>768</b>
<b>Wards affected</b>	<b>All</b>
<b>Links to Council Plan priorities</b>	To improve the quality of life for local people.

### **Document information**

<b>Report author</b>	<b>Contact number/email</b>
Helen Fox	01246 345452 helen.fox@chesterfield.gov.uk
<b>Background documents</b> These are unpublished works which have been relied on to a material extent when the report was prepared.	
<i>This must be made available to the public for up to 4 years.</i>	

## **COUNCIL MEETING – 13 DECEMBER, 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.

<b>Appeals and Regulatory Committee</b>	<a href="#">3 October</a> <a href="#">11 October</a> <a href="#">25 October</a> <a href="#">1 November</a> <a href="#">8 November (Full Committee)</a> <a href="#">8 November</a> <a href="#">15 November</a> <a href="#">22 November</a>
<b>Employment and General Committee</b>	<a href="#">9 October</a>
<b>Licensing Committee</b>	<a href="#">18 October</a> <a href="#">25 October</a> <a href="#">1 November</a>
<b>Planning Committee</b>	<a href="#">9 October</a> <a href="#">30 October</a> <a href="#">20 November</a>
<b>Standards and Audit Committee</b>	<a href="#">22 November</a>

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## CABINET

Tuesday, 3rd October, 2017

Present:-

Councillor P Gilby (Chair)

Councillors T Gilby  
Bagley  
Blank  
Huckle

Councillors Brunt  
Ludlow  
Serjeant

Non Voting Catt  
Members Dickinson

J Innes

\*Matters dealt with under the Delegation Scheme

### 61 DECLARATIONS OF MEMBERS' AND OFFICERS' INTERESTS RELATING TO ITEMS ON THE AGENDA

No declarations of interest were received.

### 62 APOLOGIES FOR ABSENCE

No apologies for absence were received.

### 63 MINUTES

#### **RESOLVED –**

That the minutes of the meeting of Cabinet held on 12 September, 2017, be approved as a correct record and signed by the Chair.

### 64 FORWARD PLAN

The Forward Plan for the four month period 1 October to 31 January 2018 was reported for information.

#### **\*RESOLVED –**

That the Forward Plan be noted.

**65      DISCRETIONARY BUSINESS RATE RELIEF SCHEME(S) 2017/18**

The Director of Finance and Resources submitted a report recommending for approval a new discretionary business rate relief scheme, to give local effect to the national funding made available in the 2017 Budget.

The report detailed the three business rate relief schemes that were announced in the Chancellor's Budget Speech in March 2017. One scheme introduced a £1K discount for pubs that had a rateable value below £100K.

A second scheme of relief was also made available to ratepayers that faced large increases as a result of the loss of small business or rural rate relief.

Members were informed that the reliefs in respect of both of the above schemes had already been distributed to all eligible businesses in the Chesterfield area. This included 59 pubs at a cost of £72,914, and 18 businesses at a cost of £18,983.

The third scheme made available a national discretionary fund of £300m over 4 years from 2017/18, to provide support to small and medium sized businesses that faced the greatest increases in their business rate bills following the 2017 revaluation exercise.

The report detailed the annual amount of the funding that the council would receive through to 2021. The responsibility for distributing funds was delegated by the Government to local authorities, to make certain that it was properly targeted at those ratepayers in greatest need.

The council was also granted authority to exclude certain types of business that it did not deem appropriate to support, such as national chains, Government departments and other public bodies.

It was reported that the council had followed Government guidance in determining that relief would be offered to all business ratepayers where:

- The property had a rateable value for 2017/18 of less than £200K
- The 2017/18 bill had increased by more than 11.0% compared to the previous year.

**\* RESOLVED –**

1. That the new policy for discretionary rate relief, as set out in Section 4 of the officer's report, be approved.
2. That the types of business listed at paragraph 5.2 of the officer's report be excluded from the approved discretionary rate relief scheme.
3. That delegated authority be granted to the Director of Finance and Resources to make final decisions on behalf of the council related to the application of the approved discretionary rate relief scheme.
4. That the proposed funding arrangements to support the administrative costs of the scheme, be approved.

**REASON FOR DECISION**

To devise a scheme of discretionary rate relief that is fair, simple to understand, and easy to administer.

**66 UPDATE ON GENERAL FUND CAPITAL PROGRAMME 2017/18**

The Director of Finance and Resources presented a report that outlined the position of the General Fund Capital Programme for 2017/18. The report detailed the updated expenditure and financing forecasts, based on the progress of current, approved schemes.

It was reported that the asbestos removal work in the Town Hall had been completed to budget, and that the next phase of refurbishment work had commenced.

Members were informed that steps were being taken to procure contractors to demolish Saltergate Multi-Storey Car Park (MSCP) and build a new MSCP as part of the Northern Gateway Scheme.

The Peak Resort scheme was on target to spend to budget and time, and the Chesterfield Museum Store had been successfully relocated. In addition, the external funds acquired to carry out elements of the Waterside scheme had been returned as the proposed work would be financed through other means.

It was highlighted within Section 5 of the officer's report that the Council's use of internal borrowing had helped to reduce the additional costs incurred from external borrowing interest rates. The Council had worked closely with Arlington Close to ensure that the internal borrowing was affordable, prudent and sustainable.

Members were advised that Government legislation dictated that local authorities would only use capital receipts either to repay debt or to finance new capital expenditure. However, this rule had been relaxed for the period from April 2016 to March 2019, to give local authorities greater flexibility to use capital receipts for revenue expenditure on transformation schemes that would deliver sustainable, ongoing revenue savings.

It was noted that in order to take advantage of the flexibility, the council would need to prepare a strategy document to provide details of projects to be funded in this manner. This would include the expected impacts in terms of revenue saved or raised.

**\* RESOLVED –**

That the Cabinet recommends to the full Council that:

1. The updated General Fund Capital Programme expenditure and financing arrangements, as set out in Appendix A to the officer's report, be approved.
2. The new schemes, as outlined in paragraph 6.1 of the officer's report, be noted.
3. The proposal to undertake further work to finalise the strategy document required to take advantage of the Government's capital receipts flexibility rules, be approved.
4. The proposal to defer the repayment of prudential borrowing from capital receipts, including that in respect of the Queens Park Sports Centre and Market Hall refurbishment projects, be approved.
5. That the proposed changes to the methods used to finance current schemes, be approved.

## REASON FOR DECISION

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

### 67 **HOUSING SERVICES FIRE MANAGEMENT POLICY**

The Housing Manager presented a report recommending for approval a revised and updated Housing Services Fire Management Policy. The Policy applied to all council-owned homes.

The revised Fire Management Policy complied with current fire safety legislation, and detailed the responsibilities of tenants, residents and visitors with respect to fire safety management, as well as that of employees.

It was reported that Savills – a firm of Chartered Surveyors with expertise in Fire Risk Assessments – had worked closely with Housing Services in undertaking the assessments and developing the updated policy.

The Housing Manager also briefed Cabinet on the steps that officers had immediately taken, following the traffic fire at Grenfell Tower, to re-assure tenants that all required safety measures were in place and up-to-date in council houses and flats.

#### **\* RESOLVED –**

1. That the Housing Services Fire Management Policy be approved and adopted.
2. That delegated authority be given to the Housing Manager to oversee and carry out an annual review of fire safety arrangements relating to the council's housing stock.
3. That the proposal to submit an annual report to the Cabinet Member for Homes and Customers, be approved.

## REASONS FOR DECISION

1. To ensure the council meets its statutory obligations under the Regulatory Reform (Fire Safety) Order 2005.

2. To contribute to meeting the council's corporate priority to 'improve the quality of life for local people'.
3. To ensure improved performance against the key project to deliver the Decent Homes Standard for council Homes.

**CABINET****Tuesday, 10th October, 2017**

Present:-

Councillor P Gilby (Chair)

Councillors    Bagley  
                      Blank  
                      Brunt  
                      A Diouf

Councillors    T Gilby  
                      Huckle  
                      Ludlow

Non Voting    Catt  
 Members       Dickinson

J Innes

\*Matters dealt with under the Delegation Scheme

68    **DECLARATIONS OF MEMBERS' AND OFFICERS' INTERESTS  
 RELATING TO ITEMS ON THE AGENDA**

No declarations of interest were received.

69    **APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor Serjeant.

70    **PUBLIC SPACE PROTECTION ORDER FOR ALCOHOL AND ANTI-  
 SOCIAL BEHAVIOUR**

The Health and Wellbeing Manager submitted a report recommending for approval the making of the Public Spaces Protection Order (PSPO) Chesterfield (No1) (relating to restricting alcohol consumption) and the Public Spaces Protection Order Chesterfield (No2) (relating to other anti-social behaviour controls), and the delegation to officers of arrangements to implement the Orders, including the changes to the converted 2011 Designated Public Places Order, and the discharge of the 2004 Designated Public Places Order. The draft orders were attached to the officer's report as Appendices 4 and 5 respectively.

The report summarised the range of data, evidence and information that supported the proposed PSPO controls.

Pursuant to Minute No 46 (Cabinet 2017/18), and in accordance with the Anti-Social Behaviour Crime and Policing Act (2014), the council had carried out a formal public consultation on the proposed PSPO controls. A summary of the consultation responses, together with the full written comments of the public, was set out in Appendix 1 to the officer's report.

In addition, the Council received a letter that had been submitted on behalf of 27 businesses based in the town centre and 68 members of the public, which outlined increased public concern arising from the impact of anti-social behaviour in Chesterfield town centre.

Members were made aware that responses had also been received from the Chief of Police, the Police and Crime Commissioner and the Highways Authority. The full response from the Police and Crime Commissioner was set out in Appendix 3 to the officer's report.

It was advised that one of the key points raised by the Police and Crime Commissioner was the need to introduce a Memorandum of Understanding, which clearly sets out the roles and responsibilities respectively of the Council and the Police with regard to the enforcement of the proposed PSPOs.

The Health and Wellbeing Manager advised that a review of the council's officer resources and enforcement practices had commenced. The impetus for this was to find ways of providing additional officer resources to support the enforcement of the new PSPO controls and improve collaborative work with the Police.

The Deputy Monitoring Officer proposed additional recommendations for the Cabinet to consider for approval. These included the establishment of the power to issue Fixed Penalty Notices, and the granting of authority to the Chief Executive to authorise officers to administer and enforce Fixed Penalty Notices.

**\*RESOLVED –**

1. That the responses received from the formal consultation on the Public Spaces Protection Order Chesterfield (No1) (relating to restricting alcohol consumption) and the Public Spaces Protection Order (No2) (relating to other anti-social behaviour controls), be acknowledged and noted.

2. That the proposed Public Spaces Protection Orders, attached as Appendices 4 and 5 to the officer's report, including the power to issue Fixed Penalty Notices, be approved.
3. That the proposed conversion of the 2004 Designated Public Places Order into a Public Spaces Protection Order, and its subsequent discontinuation, be approved.
4. That the proposed conversion of the 2011 Designated Public Places Order into a Public Spaces Protection Order, and amendments to exempt areas covered by the Public Spaces Protection Order (No1), be approved.
5. That delegated authority be granted to the Local Government and Regulatory Law Manager in consultation with the Cabinet Member for Health and Wellbeing, to determine the implementation of the Public Spaces Protection Orders, as well as the amendments to the 2011 Designated Public Places Order, and discharge of the 2004 Designated Public Places Order.
6. That delegated authority be granted to the Chief Executive to authorise officers to administer and enforce Fixed Penalty Notices in respect of the Public Spaces Protection Orders.
7. That the level for Fixed Penalty Notices for breaches of the Public Spaces Protection Orders, be approved at £100.
8. That a review be carried out by November 2018, to assess the levels and impacts of alcohol consumption in public spaces within the area of the converted 2011 Designated Public Places Order, to provide evidence that the new Public Spaces Protection Order should be continued or discontinued.
9. That a progress report considering the impact and effectiveness of the Public Spaces Protection Orders, be produced and report to the Cabinet on an annual basis.

## **REASONS FOR DECISION**

1. Public Spaces Protection Orders are intended to deal with a particular nuisance or problem within a specific geographical area that is detrimental to the quality of life of local communities, by imposing conditions which are applicable to all persons on the use

of that area. They are designed to ensure that the law-abiding majority can use and enjoy public spaces, safe from anti-social behaviour.

2. The proposals included in the Public Spaces Protection Orders are based on evidence, consultation responses and analysis, and are proportionate and necessary to address the issues of anti-social behaviour within the specified, designated locations.

**CABINET****Tuesday, 14th November, 2017**

Present:-

Councillor P Gilby (Chair)

Councillors T Gilby  
Bagley  
Blank  
A Diouf

Councillors Huckle  
Brunt  
Serjeant

Non Voting Dickinson  
Members

J Innes

\*Matters dealt with under the Delegation Scheme

71 **DECLARATIONS OF MEMBERS' AND OFFICERS' INTERESTS  
RELATING TO ITEMS ON THE AGENDA**

No declarations of interest were received.

72 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Catt and Ludlow.

73 **MINUTES**

**RESOLVED –**

That the minutes of the meeting of Cabinet held on 3 October and 10 October, 2017, be approved as a correct record and signed by the Chair.

74 **FORWARD PLAN**

The Forward Plan for the four month period 1 December 2017 to 31 March 2018 was reported for information.

**\*RESOLVED –**

That the Forward Plan be noted.

75 **MINUTES OF THE SHEFFIELD CITY REGION COMBINED**

## **AUTHORITY**

Minutes of the meetings of the Sheffield City Region Combined Authority Meetings held on 11 September and 18 September, 2017, were reported for information.

The Assistant Cabinet Member, Councillor Dickinson, enquired about the current position of the Council with regard to funding from Sheffield City Region Combined Authority (SCRCA).

Huw Bowen advised the Cabinet that the Council is in a positive position, with all three of the Peak Resort, Waterside and Northern Gateway schemes under contract with SCRCA, and funding secured from the Sheffield City Region Infrastructure Fund.

The Cabinet Member for Town Centres and Visitor Economy asked what more the Council could do to help to secure further funding opportunities for Chesterfield Market in the future.

Huw Bowen advised that, if the appropriate funding or grant were to be made available, the Council would carry out the necessary assessments to ascertain whether viable funding applications could be made and secured for any future Council developments.

### **\*RESOLVED –**

That the Minutes be noted.

## **76      GENERAL FUND REVENUE AND CAPITAL BUDGET MONITORING REPORT AND UPDATED MEDIUM TERM FINANCIAL FORECAST - SECOND QUARTER 2017/18**

The Director of Finance and Resources presented a report outlining the Council's budget position at the end of the second quarter of 2017/18, and the updated medium term financial forecast through 2022/23.

It was reported that a full tender for Insurance Services had been undertaken, which had incurred savings of £94K for the remainder of 2017/18, and £187K for 2018/19. This was estimated to have saved a total of £219K to the Council's General Fund.

An agreement had been reached with Kier Facilities Maintenance to reduce Property Repair Fund contributions in relation to properties that are either undergoing refurbishment, or are scheduled to be sold. This produced savings of £177K in 2017/18, £170K in 2018/19, and a further £155K through 2022/23.

It was informed that as at 14 November 2017, a total of £171K in capital receipts had been received. It was noted that capital receipts can fluctuate and that perennial work is carried out to secure maximal capital receipts, to increase future capital investment opportunities.

It was also reported that a review of the Council's reserves had been carried out during 2017, to ensure that each reserve is robustly managed and maximum savings are achieved, by ascertaining the purpose and expected use of each reserve.

The Director of Finance and Resources provided an update on the medium term outlook for the second quarter of each year through 2022/23. A surplus of £90K was forecast for 2017/18, however, deficits were projected for each of the remaining years.

The Cabinet was informed that the Council had worked closely with partners across Derbyshire to submit a robust application to take part in the 100% Business Rates Retention Pilot, planned to commence on 1 April, 2018.

If successful, 50 per cent of the business rate income would be allowed to be retained within the pilot area, and used to invest in the local economies and to help improve the financial stability of the local authorities. It was agreed that 30 per cent of this additional income would be contributed towards local economic growth, and the remaining 70 per cent would support the Council's financial position.

The proposed budget preparation guidelines and approach to consulting the public on the 2018/19 budget, were reported to the Cabinet. It was noted that these will be revised throughout the budget setting process to ensure that a robust, cost-effective budget is put in place for the next municipal year.

**\* RESOLVED –**

1. That the Council's financial performance in the first half of the 2017/18 financial year, and the updated medium term financial forecasts through 2022/23, be noted.
2. That the proposed use of reserves, as set out within section 6 of the officer's report, and the two new applications to the Budget Risk Reserve, be approved.
3. That the proposed revision of the Financial Strategy to reflect a change in the use of surpluses from the Operational Services Division, be approved.
4. That the position of the Housing Revenue Account budgets be noted.
5. That the proposed budget preparation guidelines and approach to consulting the public on the 2018/19 budget, be approved.

**REASON FOR DECISION**

To actively manage the Council's finances in the current financial year and forecast forward the emerging budget position to future financial years.

## **77 WINDING WHEEL CAPITAL PROJECT**

The Arts and Venues Manager submitted a report recommending for approval the undertaking of capital renovation work to improve the front-of-house facilities at the Winding Wheel Theatre.

It was reported that work had been undertaken to increase the efficiencies and savings at both the Winding Wheel and Pomegranate Theatres. As a result, in 2016/17, the joint net controllable cost at both venues had been reduced by 49 per cent to £345,847.

During 2016/17, a total of 149 performances were held at the Winding Wheel which attracted 37,745 ticketed attendances. In addition, the building was hired privately on 280 days of the year for a variety of functions including conferences, meetings and parties.

The report set out the proposed renovations to the ground floor of the Winding Wheel, including the refurbishment of public bathrooms and the erection of a new Foyer Café Bar. It was advised that the proposed renovations and additions would help to sustain income and growth amidst increasing competition from new developments in the town centre.

It was informed that market analyses had been carried out when developing the proposal for the Foyer Café Bar, and that these showed that an in-situ provision of food and drink would increase revenue that is currently lost to other cafés and food establishments in the town centre.

The Arts and Venues Manager also advised that the potential opportunities for using the Foyer Café Bar for cross-selling between the Winding Wheel and Pomegranate Theatres would be explored going forward.

### **\* RESOLVED –**

1. That the proposed work to renovate and upgrade the ground floor of the Winding Wheel, be approved.
2. That the proposed financial arrangement to fund the work through a combination of the Theatres Restoration Fund reserve, and future proceeds from the Theatre Restoration Levy, be approved.

### **REASON FOR DECISION**

To make further progress towards a sustainable financial position for the Venues.

## **78 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.

## **79 REVIEW OF THE GARDEN MAINTENANCE SERVICE**

The Assistant Director – Housing Manager submitted a report recommending for approval revised qualifying criteria for the Council's Garden Assistance Scheme (GAS).

It was reported that a total of 143 tenants were registered to receive the GAS as at November 14, 2017, and that the services had been charged at a weekly rate for the 48 weeks that they are provided over the course of a year.

An internal review of the Housing Service was carried out in conjunction with a benchmarking study into the different GAS provided by 14 other local authorities. It was found that the majority of the other authorities provided a GAS at nil cost to qualifying disabled tenants. In response, the Housing Service developed clear criteria, which were set out in paragraph 3.17 of the officer's report.

It was advised that in cases where eligibility may not be met, the Neighbourhoods Manager can use discretion to consider additional evidence provided from a qualified professional, such as a GP or Social Worker, to determine eligibility for the free scheme.

The Housing Manager informed that a potential increase in the numbers using the GAS had been anticipated and planned for. As at 14 November 2017, the Council had 307 tenants of houses where the tenant and any joint tenant(s) are aged over 75, and 394 tenants of houses who had self-identified as having a disability.

To account for any increase in demand on the GAS, the Housing Service had planned to ask contractors to tender for a core scheme of 150 gardens, with an extra price for additional garden(s) up to a maximum of 300.

### **\* RESOLVED –**

1. That the results of the Garden Assistance Scheme Satisfaction Survey be noted.
2. That the new qualifying criteria and principles for the revised Garden Assistance Scheme, be approved.
3. That authority is delegated to the Cabinet Member for Homes and Customers and the Housing Manager to keep delivery of the revised Garden Assistance Scheme under active review and management, and to implement corrective actions as necessary to ensure that qualifying tenants receive services that enable them to maintain the garden of their property to the required standard.

## **REASON FOR DECISION**

To work towards meeting the Council Plan priority to reduce inequality and support the vulnerable members of our community.

## **80 LOCAL GOVERNMENT ACT 1972 - RE-ADMISSION OF THE PUBLIC**

### **\* RESOLVED –**

That after the consideration of an item containing exempt information, the public be re-admitted to the meeting.

## **81 CONSIDERATION OF THE SCRUTINY REPORT ON FRIENDS GROUPS**

Councillor Caulfield, Scrutiny Project Group Leader, presented the report and recommendations of the Community, Customer and Organisational Scrutiny Committee on Friends Groups.

The recommendations of the Scrutiny Project Group had been considered and approved by the Community, Customer and Organisational Scrutiny Committee (Minute No. 19, Community, Customer and Organisational Scrutiny Committee 2017/18). The Committee's recommendations were now required to be considered by Cabinet in accordance with the Council's Scrutiny Procedure rules. A copy of the Scrutiny Project Group's report on Friends Groups was attached as Appendix A to the Cabinet report.

The issue of how Friends of Groups and Community Groups worked with Council and towards the Council's strategy goals had been raised as an area for Scrutiny work as part of the new Scrutiny work programming process for 2016/17. It was noted that the review contributed to the Council's vision of "putting our communities first", as well as

the Council Plan 2015-19 objective “to increase the quality of public space for which the Council has responsibility through targeted improvement programmes.”

Councillor Caulfield detailed how the Project Group had carried out the review process, which included; a number of meetings with Cabinet Portfolio Holders and Officers; carrying out consultations and discussions with local Friends Groups in-person and online; and analysing the current resources and officer support provided to Friends Groups by Chesterfield Borough Council and other local authorities.

The recommendations of the report were outlined to the Cabinet, and it was noted how they had been formulated to ensure that the Friends Groups are adequately and appropriately supported to ensure that they can function effectively and ensure the best possible outcomes for Chesterfield’s parks and open spaces.

Members discussed the recommendations and considered their resource implications to the Council.

Councillor Caulfield advised that the recommendations agreed by the Community, Customer and Organisational Scrutiny Committee had been devised to foster more independent and efficient work by Friends Groups, that ensures maximum resource-efficiency for the Council and contributes to the Council’s visions and priorities.

Cabinet members expressed their appreciation to Councillor Caulfield and all members of the Scrutiny Project Group for their hard work on this issue, and noted the thoroughness and professionalism of the report.

#### **\* RESOLVED –**

That Cabinet receives with thanks the report and recommendations of the Community, Customer and Organisational Scrutiny Committee and commissions a corporate officer working group to consider the resource implications to the Council of implementing the Committee’s recommendations, and to report this considered position back to the Committee and Cabinet for further review and final decision.

#### **REASONS FOR DECISION**

1. To ensure that all Friends of Groups can take on an effective role in the care and management of Chesterfield’s open spaces.
2. To contribute to the delivery of the Chesterfield Borough Council Plan priority “to improve the quality of life for local people”.

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## **OVERVIEW AND PERFORMANCE SCRUTINY FORUM**

**Tuesday, 26th September, 2017**

Present:-

Councillor Sarvent (Chair)

Councillors	Borrell	Councillors	V Diouf
	Callan		Derbyshire
	Caulfield		Dyke
	L Collins		Flood
	Derbyshire		P Gilby ++
			P Innes

Karen Brown, Transformation Programme Manager +  
Charlotte Kearsey, Democratic and Scrutiny Officer  
Rachel O'Neil, Customer, Commissioning and Change Manager +

+ Attended for Minute No. 18

++ Attended for Minute No. 19

\*Matters dealt with under the Delegation Scheme

### **16 DECLARATIONS OF MEMBERS' AND OFFICERS INTERESTS RELATING TO ITEMS ON THE AGENDA**

No declarations of interest were received.

### **17 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor J Barr.

### **18 CABINET MEMBER FOR BUSINESS TRANSFORMATION - PROJECT MANAGEMENT OFFICE AND GATEWAY ZERO**

The Transformation Programme Manager and the Customers, Commissioning and Change Manager attended to provide Members with an update on the Programme Management Office (PMO).

The Transformation Programme Manager explained that the PMO had been developed as a mechanism to track projects through improved

transparency of project management. The PMO provided visibility of all live projects which would aid decision making and resource allocation. This would be achieved through the Gateway process, monthly progress reports and dashboard summaries of portfolio progress.

The stages of the Gateway process were explained to Members.

- Gateway zero – the project justification stage where ideas would be presented to the Gateway board.
- Gateway one – the stage where a full business case would be developed and then taken to Cabinet for approval.
- Gateway two – the project implementation stage which would assess outcomes of live projects.
- Gateway three – the formal project closure stage which would involve assessment of benefits and whether these had been realised. The review process would also be set.

The Gateway board enabled proposed projects to be assessed before resource commitment, a review of ICT project days provision and an understanding of the budget sources available to fund project development. The board consisted of officers from various departments which included: finance, human resources, business transformation, client, Arvato and Kier.

There were eight programmes currently in place in the PMO:-

- Great Place Great Service;
- Housing;
- Commercialisation;
- Capital programme;
- Devolution;
- Regeneration;
- Budget savings;

- Service specific projects.

The status of each project would be monitored through a RAG rated system on a monthly basis.

A summary was reported to the Corporate Management Team and the Finance and Performance Board each month. The monthly PMO reporting process provided an overview of key elements for all live projects. These elements included: budgets, risk, objects, resources and timescales. Members were informed that the monthly position statement had been designed to draw attention to key areas of need and enabled senior management to make strategic decisions on where to focus resources to ensure corporate priorities were met.

The Transformation Programme Manager outlined the challenges of the introduction of the PMO process. Members were advised that it could take up to three years to embed a PMO process as the embedding of the process required discipline from managers to comply with monthly reporting. Officers needed to be reassured that these reports were reviewed and utilised in strategic planning. Where monthly reports were not provided the reasons why needed to be understood and addressed.

Members enquired who held overall responsibility for reviewing projects and it was explained that this was the Customers, Commissioning and Change Manager. It was also asked how information regarding project progress was to be shared with Members. This information was shared with the Leader and Deputy Leader via the Finance and Performance Board along with the Cabinet Member for Business Transformation who was reported to on a regular basis. Members enquired whether this information could be shared more widely to Members. Members enquired about action plans for struggling projects and were advised that projects' managers often provided an action plan with the report which revealed issues. If this action plan was insufficient and re-prioritisation was required then this would be handled at the Finance and Performance Board.

Members thanked the Transformation Programme Manager and the Customers, Commissioning and Change Manager for providing the update and answering their questions.

**RESOLVED-**

1. That the update be noted.
2. That an update on the Programme Management Office be brought to the meeting of the Forum on 13 March, 2018.

**19 LEADER OF THE COUNCIL**

The Leader of the Council attended to discuss plans for the Council under the new leadership.

The Leader explained she had pledged to follow the path of the previous leader but some changes had been made to keep the Council's plan progressing. An example of one such change was the decision to not continue seeking full membership of the Sheffield City Region. The Leader updated the Members about the position of Sheffield City region after recent developments and reaffirmed her commitment to her position as Vice Chair.

The budget constraints relating to the requirement for a balanced budget in 2020 were discussed. In light of these constraints the need to keep tight control of projects was emphasised.

It was explained that the reconfigured Finance and Performance Board was designed to reduce repetitive project meetings by having the projects report to one board. The Leader confirmed that conversations taking place at the Finance and Performance Board had reached the correct level. Cabinet Members were provided with Finance and Performance Board papers and invited for any matters in or of interest to their portfolio.

The Leader noted that the three-weekly Cabinet cycle was in place. The Corporate Cabinet agenda was now being led by the Cabinet Members and focused upon very advanced strategic thinking. The Scrutiny Chairs were present at the Corporate Cabinet to enable them to make comments from a scrutiny point of view. Efforts were also being made to empower Cabinet Members with regards to making decisions within their portfolio.

Members asked whether there had been any reluctance from officers to be involved in scrutiny. The Leader explained that she had experienced varying attitudes and it was a lengthy process to change cultures.

Members thanked the Leader for providing the update and answering their questions.

## **RESOLVED-**

That the update be noted.

## **20 SCRUTINY PROJECT GROUP PROGRESS UPDATES**

- HS2 Scrutiny Project Group

Councillor Flood reported on the HS2 Scrutiny Project Group and advised that the group had heard a number of presentations from officers regarding how to maximise the benefits of HS2. The next area the group would be discussing was the implications of HS2 on housing, they would then split up to discuss issues with various partners.

- Town Centre Project Group

Councillor Borrell reported on the Town Centre Scrutiny Project Group and informed Members that the group had agreed it would be very important to involve members of the public and businesses. A working group meeting had taken place with members of the public and a meeting had been organised with members of the Chesterfield Champions, a group of local businesses who were committed to improving the Town centre.

## **RESOLVED-**

That the progress be noted.

## **21 FORWARD PLAN**

The Forward Plan was considered by the Forum.

## **RESOLVED-**

1. That the Forward Plan be noted.
2. That an update on Pay and Reward be brought to a future meeting of the Forum.

**22      SCRUTINY MONITORING**

No items to be monitored.

**23      WORK PROGRAMME FOR THE OVERVIEW AND PERFORMANCE SCRUTINY FORUM**

The Work Programme for the Overview and Performance Scrutiny Forum was considered. The Chair noted that there were no changes to the Work Programme.

**RESOLVED-**

1. That the Work Programme be approved.
2. That the Markets item be removed from the Work Programme and be reconsidered at the next Work Programming sessions.

**24      JOINT OVERVIEW AND SCRUTINY**

Councillors P Innes and Sarvent advised the group that they had discussed removing this item from future agendas due to the recent developments with Sheffield City Region, however, further to the Leader's comments the item should remain. The next Sheffield City Region Scrutiny meeting would take place on 26 October, 2017.

**RESOLVED-**

That the update be noted.

**25      OVERVIEW AND SCRUTINY DEVELOPMENTS**

Councillor Sarvent noted that the Senior Democratic and Scrutiny Officer had been elected as the Vice Chair of the East Midlands Scrutiny Network. At the next Scrutiny Network meeting the Chairs and Senior Democratic and Scrutiny Officer would be delivering the presentation they gave at the service manager's seminar.

**RESOLVED-**

That the update be noted.

**26     MINUTES**

The minutes of the meeting of the Overview and Performance Scrutiny Forum held on 27 June, 2017 were presented.

**RESOLVED –**

That the minutes be approved as a correct record and signed by the Chair.

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## **COMMUNITY, CUSTOMER AND ORGANISATIONAL SCRUTINY COMMITTEE**

**Tuesday, 19th September, 2017**

Present:-

Councillor P Innes (Chair)

Councillors Borrell  
L Collins

Councillors Flood  
Niblock

Councillor Ludlow +++  
Councillor Derbyshire +  
Councillor Dickinson ++  
Councillor Caulfield ++++

James Creaghan, Senior Public Health Manager (Mental Health,  
Workplace Health and Chesterfield Locality), Derbyshire County Council+  
Martin Key, Health and Wellbeing Manager +++  
Brian Offiler, Democratic and Scrutiny Officer  
Jane Thomas, Private Sector Housing Manager ++

+ Attended for Minute No. 13  
++ Attended for Minute No. 16  
+++ Attended for Minute Nos. 13 – 18  
++++ Attended for Minute No. 19

### **10 DECLARATIONS OF MEMBERS' AND OFFICERS' INTERESTS RELATING TO ITEMS ON THE AGENDA.**

No declarations of interest were received.

### **11 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Dyke and Sarvent.

### **12 MINUTES**

The Minutes of the meeting of the Community, Customer and  
Organisational Scrutiny Committee held on 11 July, 2017 were presented.

**RESOLVED –**

That the Minutes be approved as a correct record and signed by the Chair.

**13     CABINET MEMBER FOR HEALTH AND WELLBEING - PROGRESS  
REPORT ON FOOD POVERTY, MENTAL HEALTH AND  
DEPRIVATION**

The Cabinet Member for Health and Wellbeing, the Health and Wellbeing Manager and the Senior Public Health Manager (Mental Health, Workplace Health and Chesterfield Locality), Derbyshire County Council, presented a report to update Members of the current projects and programmes being delivered to address the need to improve health and wellbeing outcomes and reduce inequalities since the previous report to the Scrutiny Committee in March 2017.

The report outlined the key actions within the Chesterfield Health and Wellbeing Partnership locality plan, including to develop and deliver programmes with partners to improve health outcomes associated with falls prevention, alcohol and obesity.

The report referred to the Chesterfield Place Group, a wide partnership of the key agencies influencing health and social care to review the system to deliver improved outcomes and reduced costs to address the finance gap within the wider health service, shaped by the Sustainability and Transformation Plan (STP) developed by the Clinical Commissioning Groups across Derbyshire for the NHS.

Copies of the 2017 Health Profile for Chesterfield and the Public Health Outcomes Framework Local Indicator Summary (May 2017) were attached to the report as appendices. These showed local measures worse than the national average in respect of life expectancy, obesity, under 18 hospital admissions and adult hospital stays due to alcohol harm, hospital stays for self-harm and hospital admissions for falls in people aged over 65 and hip fractures.

The meeting considered some of the actions being taken locally to address falls prevention and obesity and inactivity, including the development of local delivery plans across the seven neighbourhood areas from the Press Red work. A bid had been submitted from Derbyshire to The Local Delivery Pilot, an investment programme

supported by Sport England, aimed to change the way sport and physical activity was offered in communities, especially in order to get more underrepresented groups more active. The Derbyshire bid included Staveley and Loundsley Green in Chesterfield.

Arising from Members' questions and discussion the following points were raised:

- The beneficial impact of the Holiday Hunger programme run in Barrow Hill;
- The challenge to enable local communities and volunteers to continue projects following initial inputs;
- The importance of identifying suitable premises for projects and activities for each specific location.

The report also referred to the Sheffield City Region Early Intervention Employment Pilot, designed to provide intensive, co-ordinated support to residents who were unemployed with multiple and complex barriers, the aim being to support them to find and keep work. The pilot was expected to start early in 2018 and to support over 400 Chesterfield residents.

It was noted that the Chesterfield Health and Wellbeing Partnership had established a working group to address some of the key issues arising from the introduction of Universal Credit full service in Chesterfield in November, 2017.

The Committee thanked the Cabinet Member for Health and Wellbeing, the Health and Wellbeing Manager and the Senior Public Health Manager (Mental Health, Workplace Health and Chesterfield Locality), Derbyshire County Council for their contribution to the meeting.

## **RESOLVED –**

- (1) That the ongoing work through the Health and Wellbeing Partnership be supported.
- (2) That progress on the work to address health and wellbeing in the borough be reported to the Committee in March, 2018.

## **CRIME AND DISORDER COMMITTEE**

For Minute Nos. 14 - 18 the Committee sat as the Council's designated Crime and Disorder Committee, in accordance with Section 19 of the Police and Justice Act 2006.

**14**      **CABINET MEMBER FOR HEALTH AND WELLBEING - UPDATE AS CHESTERFIELD SCRUTINY MEMBER OF THE DERBYSHIRE POLICE AND CRIME PANEL**

The Cabinet Member for Health and Wellbeing, as Chesterfield Scrutiny Member of the Derbyshire Police and Crime Panel (PCP), submitted the minutes of the meeting of the PCP held on 13 July, 2016 for the information of the Committee.

It was noted that information distributed with the agenda for the PCP meeting on 14 September, 2017 had been made available to members of the Committee.

### **RESOLVED –**

- (1) That the minutes of the Derbyshire Police and Crime Panel meeting held on 13 July, 2017 be noted.

**15**      **LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC**

### **RESOLVED -**

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 involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act.

**16**      **CABINET MEMBER FOR HEALTH AND WELLBEING - PROGRESS REPORT ON COMMUNITY SAFETY PARTNERSHIP**

The Cabinet Member for Health and Wellbeing and the Health and Wellbeing Manager presented a report on the progress of the Community Safety Partnership (CSP) towards the delivery of the current Community Safety action plan (2017/18) and the CSP's performance as recorded by

the Safer Derbyshire Research and Information Unit and trends in the crime and disorder data.

The data showed that reported crime in Chesterfield had reduced by 3.2% in the 12 months to March, 2017 compared with the previous 12 months. The largest reductions had been in respect of criminal damage and drug offences, whilst the largest increases had been in sexual offences and other theft. There had been a slight reduction in calls for service relating to anti-social behaviour across the borough as a whole.

It was reported that the Police and Crime Commissioner had hosted a summit of all partners to address anti-social behaviour issues in the town centre, and that work was continuing at officer level through sub groups, including issues of enforcement and treatment and support.

It was noted that the Council was currently consulting on a proposed Public Space Protection Order (PSPO) to provide enforcement powers to deal with a range of anti-social behaviours in the town centre. The proposal included the appointment of two enforcement officers.

Arising from Members' questions and discussion the following points were raised:

- The importance of enforcement of the proposed PSPO and of not just shifting the problem from one location to another;
- Some previous initiatives involving police and local GPs to provide treatment for young people found drinking in public places had proved successful, but that these had not been continued;
- There would be signage around the town centre and in parks to publicise the scope of the PSPO.

Copies of the Accident and Emergency Data Review and the Derbyshire County Council report on Alcohol specific hospital admissions amongst children under 18 were attached to the report. It was noted that further work was required between the hospitals, the Ambulance Service and the Police to improve data collection in respect of alcohol related hospital admissions and that a project was included in the Council Plan for next year to address alcohol issues, working with the Clinical Commissioning Group.

The Private Sector Housing Manager presented a briefing note on the Council's response to illegal encampments reflecting the legislative restraints and legal obligations.

It was explained that in taking legal action to move travellers and reclaim Council land the Council had to be proportionate in its action, to have regard to the travellers' human rights including health, housing and welfare needs, race and equality laws and to take a balanced view between the needs of the settled community and the travellers. This involved close working between various Council departments and, where necessary, the police.

The briefing note outlined the eviction process, it being noted that in most cases travellers moved on following the service of the Direction Order.

It was noted that there was not currently an authorised site for gypsies and travellers passing through the borough, but that government requirements identified the need for two sites to be established in the borough.

It was noted that there was no dedicated budget for clear up arrangements once travellers had left Council land, and Members asked if further information could be provided on costs incurred over recent years in dealing with illegal encampments and clear up arrangements.

The Chair thanked the Cabinet Member for Health and Wellbeing, the Health and Wellbeing Manager and the Private Sector Housing Manager for their contribution to the meeting.

## **RESOLVED –**

- (1) That the Community Safety Partnership progress report and the briefing note on illegal encampments be noted.
- (2) That a further progress report on the Community Safety Partnership's Action Plan and Performance be provided to the Crime and Disorder Committee in March, 2018.
- (3) That further information be provided to Members of the Committee on costs incurred over recent years in dealing with illegal encampments and clear up arrangements.

**17 LOCAL GOVERNMENT ACT 1972 - RE-ADMISSION OF THE PUBLIC****RESOLVED -**

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

**18 SCRUTINY MONITORING (CRIME AND DISORDER MATTERS)**

The aspects of the Scrutiny recommendations monitoring schedule that related to Crime and Disorder matters were considered by the Committee.

In respect of the Committee's recommendation that a review be carried out of the decision to stop locking the park gates at night it was noted that currently the gates at Queen's Park and Eastwood Park were continuing to be locked. It was noted that this issue would be kept under review as part of a wider review of security provision, and the Committee agreed that there was no need for this to remain on the monitoring schedule.

**RESOLVED –**

- (1) That the Scrutiny monitoring schedule be noted.
- (2) That the decision regarding the review of locking park gates be removed from the monitoring schedule.
- (3) That the monitoring schedule be approved.

**COMMUNITY, CUSTOMER AND ORGANISATIONAL SCRUTINY COMMITTEE**

For the remaining items the Committee sat as the Community, Customer and Organisational Scrutiny Committee.

**19 SCRUTINY PROJECT GROUPS PROGRESS UPDATES**

Pursuant to Minute No. 34 (Community, Customer and Organisational Scrutiny Committee 2016/17) Councillor Caulfield, Scrutiny Project Group Lead Member, presented the Scrutiny Project Group's revised report on

Friends Groups to the Committee, taking account of the need for further investigation of financial and resource implications where necessary.

The project group had been set up to look at how friends groups worked with the Council to improve local parks and open spaces. The report detailed the objectives of the review, its findings and analysis, including a survey of all the friends groups and research of related documents used by other authorities, and its recommendations.

The Committee recognised the contribution of friends groups to looking after parks and open spaces.

The Chair thanked Councillor Caulfield and the members of the project group for the group's work and report.

## **RESOLVED –**

That the recommendations of the Scrutiny Project Group's review of friends groups as detailed below be approved to be recommended to Cabinet:

- (1) That an up-to-date data base of friends of groups contacts is maintained by officers and that all friends of groups are given defined points of contact at the council to facilitate streamlined, effective and accountable channels of communication between groups and the council.
- (2) That the Friends of Groups information pack is reviewed and updated to provide:
  - Guidance on developing a new group or joining an existing group
  - Guidance on developing aims, constitutions, management committees and financial arrangements
  - Advice and tips for key management committee roles including the chair, secretary and treasurer
  - Tips for keeping the members of the friends of group, local community and council updated including social media and links to council publications, social media and websites

- Basic insurance and risk management advice
  - Advice on developing an action plan
  - Templates and examples of key documents to assist groups
  - Where to go for help and support including Chesterfield Borough Council and Links CVS
- (3) That an annual survey with Friends Groups be carried out to collect information on their activities and achievements to enable the council to see how their work is contributing to the delivery of the council's objectives, as set out in the Parks and Open Spaces Strategy.
- (4) That the council encourage and support friends of groups to develop a plan for their park or open space. This plan should be developed in consultation with both the council and the local community and should clearly set out both the group's and council's role in developing the park or open space.
- (5) That in addition to the support within recommendations 2 and 3, the council's policy and communications service work with the green spaces team and friends of groups to develop case study material for Chesterfield Borough Council led promotional opportunities including Your Chesterfield (the Council's magazine that goes to all homes in Chesterfield borough), the website and social media channels.
- (6) That a bi-annual friends groups' forum is re-established to share key messages, best practice, increase networking and support and to enable the work of the friends groups to be shared and celebrated with a wider audience.
- (7) That a working group be established to assist with the delivery of the recommendations within the report.

## 20 **FORWARD PLAN**

The Committee considered the Forward Plan for the period 1 October, 2017 – 31 January 2018.

**RESOLVED –**

That the Forward Plan be noted.

21 **WORK PROGRAMME FOR THE COMMUNITY, CUSTOMER AND ORGANISATIONAL SCRUTINY COMMITTEE**

The Committee considered the list of items included on its Work Programme for 2017/18.

**RESOLVED -**

That the work programme be noted and updated to include the decisions of the current meeting.

## **ENTERPRISE AND WELLBEING SCRUTINY COMMITTEE**

**Tuesday, 10th October, 2017**

Present:-

Councillor Sarvent (Chair)

Councillors Perkins  
D Collins  
Derbyshire  
Dyke

Councillors Bagley+  
Dickinson++  
Simmons++

Alison Craig, Housing Manager +  
Joel Hammond-Gant, Democratic and Scrutiny Officer  
Brian Offiler, Democratic and Scrutiny Officer ++  
Michael Rich, Executive Director ++

+ Attended for Minute No. 20

++ Attended for Minute No. 21

### **18 DECLARATIONS OF MEMBERS' AND OFFICERS' INTERESTS RELATING TO ITEMS ON THE AGENDA**

No declarations of interest were received.

### **19 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Caulfield and V Diouf.

### **20 CABINET MEMBER FOR HOMES AND CUSTOMERS**

The Cabinet Member for Homes and Customers, and the Housing Manager attended to provide members with an update on the position of Housing Revenue Account (HRA) Business Plan.

Members were advised that legislation which was formally introduced in 2016 set out national policy changes, including a 1 per cent rent reduction for all social housing tenants in each of the four consecutive years, beginning in April 2016.

This policy change had to be accounted for within the HRA Business Plan, and was forecasted to reduce income to the Council from Housing Service by over £10 million over the first four years, and by £172.4 million over the full 30 years of the HRA Business Plan.

The Housing Manager reported that a series of recommendations were presented to, and approved by, Cabinet in May 2016 that aimed at mitigating the financial impact of the rent reduction and other policies. These related to a number of areas within the housing business plan including the responsive repairs budget, disposal of land and assets, and reviewing contracts and tenant repairing obligations.

An additional recommendation was made to carry out this work in partnership with tenants, cross-party elected members and officers, which led to the establishment of the HRA Business Plan Steering Group.

It was reported that the Steering Group had been split into separate Working Groups to take a more focused review of services and strategies. This resulted in a number of recommendations made to Cabinet and Corporate Management team on a number of areas, including:

- A 52 week rent year (commencing April 2018) to make paying rent as manageable as possible for tenants when Universal Credit is rolled out
- Updated rent recovery letters and processes aimed at promoting a payment culture
- Improved desirability of hard to-let properties through decorating and carpeting
- The use of 'Rightmove' to advertise hard to-let properties
- A reduced repairs budget, updated repair response times and proposed changes to tenants' obligations in respect of household repairs
- Proposed changes to the Tenancy Agreement

The Housing Manager advised that Cabinet had recently approved the proposed changes to the Tenancy Agreement (subject to consultation with tenants) and the introduction of a 52 week rent year, and that the use of 'Rightmove' had recently commenced.

Members were also made aware that over 60 per cent of the HRA budget was being spent on repairs, with responsive housing repairs equating to approximately £1K per property each year, compared to a national average of £850 per property each year.

In attempt to reduce spending, it was proposed that tenants be asked to undertake some of the minor 'DIY' repairs within their household, such as changing light bulbs and shower curtains.

The criteria for the response times of repairs had also been revised both help with managing tenants' expectations and the resources of Housing Services. The classifications for appointments were revised to: 'within 24 hours', 'within 3 days', 'within 7 days' and 'up to 30 days', with the latter option offering tenants a specific appointment date at the point of first contact.

It was reported that Housing Services were in the process of undertaking a significant piece of consultative work with tenants across Chesterfield to explain all of the proposed changes to the Tenancy Agreement, including a number of drop-in sessions for members of the public who want to discuss their queries and concerns in person. Members were informed that Severn Trent would be in attendance at all drop-in sessions to provide tenants with advice on how to reduce and manage their water bills from April 2018 onwards, from when the Council will no longer collect water rates on behalf of Severn Trent.

Members heard that Savills, a firm of Chartered Surveyors, had recently concluded a Housing Stock Condition Survey on behalf of the Council. The report showed that 100 per cent of properties met the decent homes standard; this is expected to save the Council approximately £20 million in capital expenditure over the next 30 years.

The Housing Manager concluded by advising members that the HRA Business Plan will be monitored and updated during the year in continued partnership with tenants and elected members on the HRA Steering Group, and that there would be a continued monitoring role for some of the Working Groups of the HRA Steering Group.

Members raised concern over the impact that the revised repairs policy within the Tenancy Agreement would have on the more financially vulnerable households in Chesterfield.

In response, the Housing Manager advised that the Council had consulted with a number of other local authorities before proposing the changes, and affirmed that the changes were in line with the policies of neighbouring authorities. The Council had also asked tenants to specify

any vulnerabilities that they felt could inhibit them from following the proposed revisions of the repairs policy. Housing Services planned to use this information to ensure that the appropriate support is still provided to the tenants and households that need it.

Members asked if the consultation would provide tenants with any proposed, updated costs.

The Housing Manager responded by informing that the consultation questionnaire was planned to make tenants aware of the costs incurred by the Council and of the savings that need to be met through the proposed changes.

## **RESOLVED –**

That the update be noted.

## **21 SCRUTINY PROJECT GROUPS**

### *Development of the old Queen's Park Sports Centre site*

The Lead Member of the Scrutiny Project Group, Councillor Simmons, attended the meeting along with; the Assistant Cabinet Member, Councillor Dickinson; Executive Director, Michael Rich; and Democratic and Scrutiny Officer, Brian Offiler, to update members on the progress made by the Project Group.

Councillor Simmons made members aware that he had met with Mike Piet of FMG Consulting to discuss a range of potential options for the site.

Michael Rich advised that FMG Consulting had also met with Historic England following this, and were now working with the Council to construct a full business case. It was planned that the draft investment proposal be completed in the near future.

Councillor Dyke asked about the range of leisure and sport opportunities that were being considered to be made available at the site.

Councillor Dickinson echoed the importance of maximising the opportunity to provide inclusive services that attract a number of people

from different age groups, and to produce an effective income that can help to further support the economic growth of the borough.

The members were informed that, if the desired timescales and deadlines for the business proposal are met, there may be a need to arrange an additional meeting of the Committee prior to its next scheduled date in December.

### *Play Strategy*

The Lead Member of the Scrutiny Project Group, Councillor Derbyshire, updated members on the progress made to develop a new Play Strategy. It was advised that a draft strategy had been produced and that consultation with the Planning Department had commenced.

It was informed that a wider consultation relating to the draft strategy with all Council members was intended to be in place before the end of the calendar year.

### **RESOLVED –**

1. That the update on the progress of the Scrutiny Project Group for the Development of the Old Queen's Park Sports Centre, be noted.
2. That the update on the development of the Play Strategy be noted.

## **22 WORK PROGRAMME**

The Work Programme was considered. The Vice-Chair noted that 'Procurement of the Council's Waste Contract' was discussed as an item to come to committee on 10 October. It was instead proposed to add the item to the work programme to come to committee at the next suitable meeting date.

### **RESOLVED –**

1. That 'Procurement of the Council's Waste Contract' be added to the Work Programme.
2. That the Work Programme be approved.

**23      MONITORING SCHEDULE**

The Monitoring Schedule was considered.

**RESOLVED –**

That the Monitoring Schedule be approved.

**24      CORPORATE WORKING GROUPS**

*Housing Revenue Account Business Plan Steering Group*

The Chair confirmed to members that the Housing Revenue Account Business Plan Steering Group was updated on by the Cabinet Member for Homes and Customers, and the Housing Manager within Minute No. 20 of the Enterprise and Wellbeing Committee 2017/18.

**RESOLVED –**

That the update be noted.

**25      FORWARD PLAN**

The Forward Plan was considered.

**RESOLVED –**

That the Forward Plan be noted.

**26      MINUTES**

The Minutes of the meeting of the Committee held on 25 July, 2017 were presented.

**RESOLVED –**

That the Minutes be accepted as a correct record and be signed by the Chair.