

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, 27 February 2019** 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 12 December, 2018 (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.

Question submitted by Paul Stone:

“During the financial year 2017/18 and from April to December (2018), how much has Chesterfield Borough Council spent on bailiffs when dealing with businesses locally, and by the housing department?”

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. General Fund Capital Programme 2019/20 (Pages 15 - 28)
9. Housing Revenue Account (HRA) - Budget 2019/20 to 2023/24 (Pages 29 - 48)
10. Housing Capital Programme: New Programme for 2019/20 through to 2023/24 (Pages 49 - 70)
11. Treasury Management Strategy 2019/20 (Pages 71 - 112)

12. 2019/20 Budget & Medium Term Financial Plan (Pages 113 - 154)
13. Council Tax 2019/20 (Pages 155 - 160)
14. Council Plan 2019 - 2023 and Performance Management Framework (Pages 161 - 192)
15. Strengthened Local Enterprise Partnerships Review (Pages 193 - 214)
16. Re-signing the Derbyshire Armed Forces Community Covenant (Pages 215 - 230)
17. Approval of Senior Pay Policy 2019/20 (Pages 231 - 256)
18. Minutes of Committee Meetings (Pages 257 - 258)

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

19. To receive the Minutes of the meetings of the Cabinet of 4 and 18 December, 2018, 15 January and 5 February, 2019. (Pages 259 - 280)
20. To receive the Minutes of the meeting of the Joint Cabinet and Employment and General Committee of 4 December, 2018. (Pages 281 - 284)
21. To receive and adopt the Minutes of the meeting of the Overview and Performance Scrutiny Forum of 13 November, 2018. (Pages 285 - 290)
22. To receive and adopt the Minutes of the meetings of the Community, Customer and Organisational Scrutiny Committee of 27 November, 2018 and 22 January, 2019. (Pages 291 - 304)
23. To receive and adopt the Minutes of the meeting of the Enterprise and Wellbeing Scrutiny Committee of 4 December, 2018. (Pages 305 - 310)
24. Questions under Standing Order No. 19

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

25. Notice of Motion under Standing Order No. 21

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

“Councils are facing a funding crisis and the Tory government is to blame.

Austerity has caused huge damage to communities up and down the UK, with devastating effects on key public services that protect the most defenceless in society, act as a safety net for hard working families and the services we all rely on, like clean streets, refuse collections, parks and open spaces.

The Prime Minister claimed that ‘austerity is over’ even while planning a further £1.3bn cut to council budgets next year.

Councils like ours are all that stand between our communities and the government’s unfair cuts and welfare reforms.

This Council continues to do its best to protect its communities from the worst of the government’s austerity measures by working with the voluntary sector advice agencies and local churches. Together we support people adversely affected by the roll out of Universal Credit and to provide a night shelter for the homeless this winter.

Upgrading our facilities, such as Queens Park Sports Centre, Winding Wheel Theatre and Town Hall has increased use, brought in new income and reduced subsidies. We have driven economic growth through aspirational schemes such as the Northern Gateway. But even after these measures the Council continues to face a huge gap in its finances in 2020/21.

Despite a campaign by Labour councillors calling for the government to put a real end to austerity the government is still forcing councils to make further cuts. Council Budgets are now at breaking point – and this council says that enough is enough. The government must bring a full stop to cuts and its welfare reforms which are taking our country back to Victorian times.”

By order of the Council,

A handwritten signature in black ink, appearing to read 'Jim Innes', followed by a period.

Chief Executive

Chief Executive's Unit,
Town Hall,
Chesterfield

19 February 2019

COUNCIL

Wednesday, 12th December, 2018

Present:-

Councillor Brittain (The Mayor)

Councillors	Bagley	Councillors	Falconer
	P Barr		P Gilby
	Bellamy		T Gilby
	Bingham		Hill
	Blank		Huckle
	Borrell		Ludlow
	Brady		Miles
	Brunt		A Murphy
	Burrows		T Murphy
	Callan		Niblock
	Catt		Rayner
	L Collins		Redihough
	Derbyshire		Rogers
	Dickinson		Sarvent
	A Diouf		Serjeant
	V Diouf		Simmons
	Dyke		Slack
	Elliott		Wall

47 MINUTES

RESOLVED –

That the Minutes of the meeting of the Council held on 10 October, 2018 be approved as a correct record and be signed by the Chair.

48 MAYOR'S COMMUNICATIONS

The Mayor referred to the following Mayoral engagements:

- The laying of wreaths at World War One memorial sites within the Borough in the lead up to Armistice Day, the planting of a tree as a

lasting memorial to the centenary commemorations and the Remembrance Service and wreath laying ceremony in front of the poppy cascade at the Town Hall. He thanked all those involved in the World War One Working Group, particularly the Chair, Councillor Steve Brunt.

- A visit to Wallis Barracks to welcome the 53 Military Intelligence Company, where he had unveiled a plaque in honour of Captain Jack Oldfield who fought in the Intelligence Corps in World War 2 and had this year reached his 104th birthday.
- A tour of the site of the new Premier Inn hotel at the end of November.
- A celebration event at Gussie's Kitchen in St Augustines' Church to acknowledge the fantastic work that the volunteers do in their community bringing together families and individuals to share a hot cooked meal in a friendly atmosphere.
- Switching on the Christmas lights in New Square, accompanied by Paddington Bear and the stars of the pantomime.

He also expressed the Council's thanks to Dr Michael Rich, the Council's Executive Director, for his hard work, dedication and commitment to the Council and the people of Chesterfield over the previous four years following his recent appointment as Chief Executive of the Gangmasters and Labour Abuse Authority.

49 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors J Barr, Caulfield, Davenport, Flood, Hollingworth, J Innes, P Innes and Perkins.

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

No declarations of interest were received.

51 **PUBLIC QUESTIONS TO THE COUNCIL**

Under Standing Order No. 12, the following question was asked by Paul Stone:

“Do Chesterfield Borough Councillors and the Council agree that it is very important that all parties and individuals taking part in next year's local council elections, regardless of political affiliation and none, can have full faith in the election process and for it to be seen as true and fair, and free of undue influence?”

The Cabinet Member for Governance provided a verbal response to the question.

52 PETITIONS TO COUNCIL

No petitions had been received.

53 QUESTIONS TO THE LEADER

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

- Councillor Rogers asked what arrangements were in place for the collection and recycling of plastic bags;
- Councillor Borrell asked whether there would be any new initiatives in respect of car parking to attract more visitors from within and outside the borough in to the town centre.

54 CHANGE TO ALLOCATION OF SEATS TO POLITICAL GROUPS AND TO MEMBERSHIP OF MEMBER LEVEL COMMITTEES - 2018/19

The Chief Executive reported that he had undertaken a review of the political balance of committees in accordance with Section 15 of the Local Government and Housing Act 1989, following the notification to him of a change to political groups within the Borough Council, as with effect from 13 November, 2018, Councillor Parsons had advised that he was no longer a member of the Labour Group and wished to be recognised as an Independent member.

The majority political group had also proposed changes to the memberships of the Appeals and Regulatory Committee and the Planning Committee.

RESOLVED –

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 approved:

Appeals and Regulatory Committee

- removal of Councillor Parsons as a majority group member
- addition of Councillor Parsons as an Independent member
- addition of Councillor Elliott as a majority group member to fill the currently vacant seat

Community, Customer and Organisational Scrutiny Committee

- removal of Councillor Parsons as a majority group member
- addition of Councillor Parsons as an Independent member

Overview and Performance Scrutiny Forum

- removal of Councillor Parsons as a majority group member
- addition of Councillor D Collins as a majority group member

Planning Committee

- removal of Councillor Elliott as a majority group member
- addition of Councillor Dickinson as a majority group member.

55 ANNUAL AUDIT LETTER 2017/18

The Cabinet Member for Governance presented the Annual Audit Letter for 2017/18 submitted by KPMG, the Council's external auditors for 2017/18.

The annual audit letter summarised the outcome from the audit of the Council's financial statements and assessment of arrangements to achieve value for money in the use of resources. The letter confirmed that KPMG had issued an unqualified opinion on the financial statements for 2017/18 and an unqualified conclusion on the arrangements to secure value for money for 2017/18 on 30 July, 2018, confirming that the financial statements gave a true and fair view of the Council's financial position and its expenditure and income for the year and that the Council had appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

RESOLVED -

That KPMG's Annual Audit Letter for 2017/18 be received.

56 QUARTER 2 BUDGET MONITORING 2018/19 & UPDATED MEDIUM TERM FINANCIAL PLAN

Pursuant to Cabinet Minute No.49 the Director of Finance and Resources submitted a report outlining the budget position at the end of the second quarter, covering the General Fund Revenue account, the General Fund Capital Programme and the Housing Revenue account.

RESOLVED –

1. That the Council's financial performance in the first half of the financial year and the new medium term forecast as set out in sections 4 and 6 of the officer's report be noted.
2. That the changes to the medium term forecast outlined in section 4 of the officer's report be approved.
3. That the supplementary estimate for registration of electors detailed at paragraph 4.2.7 of the officer's report be approved.
4. That the proposed use of reserves as set out in section 5 of the officer's report be agreed and the new application of funding in paragraphs 5.2, 5.3 and 5.6 be approved.
5. That the updated capital programme outlined in section 7 of the officer's report be noted.
6. That the additions to the capital programme detailed in paragraph 7.2 of the officer's report be approved.
7. That the position on HRA budgets set out in section 8 of the officer's report be noted.
8. That the indexation of the housing repairs contract from 2017/18 onwards as set out in paragraph 8.1 of the officer's report be approved.

9. That the application for 75% Business Rates Pilot status for 2019/20 as set out in section 9 of the officer's report be noted.
10. That the budget preparation guidelines detailed in paragraph 10.1 of the officer's report be approved.
11. That the approach to budget consultation outlined in paragraph 10.3 of the officer's report be considered.

57 LOCAL COUNCIL TAX SUPPORT SCHEME 2019-20

Pursuant to Cabinet Minute No.71 the Director of Finance and Resources submitted a report seeking approval for the Council Tax Support Scheme to be applied in 2019/20. The report noted that the scheme being recommended for adoption in respect of the next financial year (2019/20) was unchanged from that operated in 2018/19.

RESOLVED –

1. That Council approve the continued operation of a Local Council Tax Support Scheme for 2019/20. The scheme was based on The Council Tax Reduction Scheme England Regulations 2012 amended to reflect the following local decisions concerning the key principles of the scheme:
 - For those of working age the maximum amount of Council Tax that will be eligible for reduction is 91.5% of their full Council Tax Liability;
 - The Council continues its policy of disregarding war pensions for the purposes of calculating income in respect of the Council Tax Support Scheme;
 - The 'taper', i.e. the rate at which support is withdrawn as income increases be maintained at 20%.
2. That delegated powers be granted to the Director of Finance and Resources to update the 2019/20 scheme to reflect such up-ratings of premiums, allowances and non-dependent deductions as may be determined by the Department of Work and Pensions, and for other minor technical changes which may be required.

3. That the current local council tax discounts, which had originally been implemented in 2013/14, as outlined in paragraph 3.4 of the officer's report be continued.

58 REVIEW OF THE COUNCIL'S ALLOCATIONS POLICY

Pursuant to Cabinet Minute No. 50, the Assistant Director – Housing submitted a report to inform members of the feedback from the consultation with current applicants and stakeholders regarding the proposed changes to the Council's Allocations Policy and to seek approval to adopt the Home Options Policy, incorporating local differences for Chesterfield, following feedback from the consultation process.

RESOLVED –

1. That the feedback from the consultation be noted.
2. That the new Home Options Policy be adopted and its implementation be approved, incorporating local differences for Chesterfield.
3. That the Local Lettings Plan, approved in June 2017, be rescinded.
4. That the Assistant Director - Housing in consultation with the Cabinet Member for Homes and Customers be granted delegated authority to make minor operational amendments to the Home Options Policy.

59 CHESTERFIELD GROWTH STRATEGY 2019-2023

Pursuant to Cabinet Minute No. 72, the Assistant Director - Economic Growth submitted a report seeking approval of the Chesterfield Growth Strategy (2019-2023).

RESOLVED –

That the Chesterfield Growth Strategy (2019-2023) be adopted.

60 **CHESTERFIELD BOROUGH LOCAL PLAN**

Pursuant to Cabinet Minute No. 73, the Strategic Planning and Key Sites Manager submitted a report on the new Chesterfield Borough Local Plan (2018 to 2033). The report provided an update on the results of the consultation on the draft Local Plan and advised members of the arrangements for formal consultation on the Local Plan prior to its submission to the Secretary of State for independent examination, subject to its approval by Council.

RESOLVED –

1. That based on consideration of the results of the previous stages of consultation and the evidence base, the Chesterfield Borough Local Plan be approved for formal consultation under Regulation 19 of the Town and Country Planning (Local Planning)(England) Regulations and for subsequent submission to the Secretary of State for independent examination by an inspector appointed by the Secretary of State.
2. That delegated authority be granted to the Strategic Planning and Key Sites Manager, in consultation with the Cabinet Member for Economic Growth and the Assistant Director – Economic Growth, to make minor consequential changes to the plan (that do not materially alter the plan) as may be required to prepare the plan for consultation and subsequent submission.
3. That delegated authority be granted to the Strategic Planning and Key Sites Manager, in consultation with the Cabinet Member for Economic Growth and the Assistant Director – Economic Growth, to prepare the technical submission documents required under Regulation 22 (1) of the Town and Country Planning (Local Planning) (England) Regulations 2012.

61 **GAMBLING ACT 2005 - STATEMENT OF PRINCIPLES**

Pursuant to Licensing Committee Minute No. 2, the Licensing Officer submitted a report seeking approval of the Council's Statement of Principles concerned with the administration of the licensing functions required of the Council under the Gambling Act 2005. In accordance with the Gambling Act 2005 the Statement of Principles was required to be published every three years.

No comments had been received on the draft statement of principles during the period of consultation.

RESOLVED –

That the revised Statement of Principles be approved and published to come in to effect on 31 January, 2019.

62 MODERN SLAVERY STATEMENT AND CHARTER

Pursuant to Cabinet Minute No. 70, the Assistant Director – Policy and Communications submitted a report updating members on the approval of the Council’s Modern Slavery Statement for 2019/20 and seeking approval for the Council to sign up to the Co-operative Party Charter against Modern Slavery.

RESOLVED –

That Chesterfield Borough Council sign up to the Co-operative Party Charter against Modern Slavery and work towards its implementation.

63 MINUTES OF COMMITTEE MEETINGS

RESOLVED –

That the Minutes of the following Committees be noted:-

- Appeals and Regulatory Committee of 26 September (two meetings), 10 (two meetings), 17, 24 and 31 October and 7, 14 and 21 November, 2018;
- Employment and General Committee of 12 November, 2018;
- Licensing Committee of 24 October, 2018;
- Planning Committee of 29 October and 19 November, 2018;
- Standards and Audit Committee of 26 September, 2018.

64 MINUTES OF CABINET**RESOLVED –**

That the Minutes of the meetings of Cabinet of 2 and 23 October and 13 November, 2018 be noted.

65 MINUTES OF THE JOINT CABINET AND EMPLOYMENT AND GENERAL COMMITTEE**RESOLVED –**

That the Minutes of the meetings of the Joint Cabinet and Employment and General Committee of 2 and 23 October, 2018 be noted.

66 MINUTES OF THE OVERVIEW AND PERFORMANCE SCRUTINY FORUM**RESOLVED –**

That the Minutes of the meeting of the Overview and Performance Scrutiny Forum of 11 September, 2018 be approved.

67 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 2 October, 2018 be approved.

68 MINUTES OF THE ENTERPRISE AND WELLBEING SCRUTINY COMMITTEE**RESOLVED –**

That the Minutes of the meeting of the Enterprise and Wellbeing Scrutiny Committee of 25 September, 2018 be approved.

69 QUESTIONS UNDER STANDING ORDER NO. 19

No questions had been submitted.

For publication

General Fund Capital Programme 2019/20

Meeting:	Council
Date:	27 February, 2019
Cabinet portfolio:	Deputy Leader
Report by:	Director of Finance & Resources

For publication

1.0 Purpose of report

- 1.1 To approve the General Fund Capital Programme for the financial year 2019/20.

2.0 Recommendations

- 2.1 The updated General Fund Capital Programme expenditure and financing be approved (**Appendix A**).

3.0 Background

- 3.1 The Capital Programme for 2018/19 was approved as part of the budget setting process in February 2018. Updates to the Programme were included in the budget monitoring reports to the full Council on 18th July 2018 and 12th December 2018.

- 3.2 Major capital additions to the programme during the year have been the IT Transformation Project at £5.7m over the next 10 years, additional Winding Wheel refurbishment works at £0.3m, additional expenditure for repairs to Beetwell Street Car Park at £0.2m and repairs to Barrow Hill Railway Bridge at £0.1m.
- 3.3 The Programme is heavily dependent on financing from capital receipts but in the current economic climate generating the receipts continues to be a challenge. Kier continue to provide an accelerated receipts programme which is incentivised through a commission payment on the receipts generated.
- 3.4 This report is due to be considered by Cabinet at its meeting on 26 February, 2019.

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. A commentary on the most significant schemes in the Programme is provided below.
- 4.2 **New Schemes** - the updated programme includes the schemes that were added to the Programme during the financial year.
- 4.2.1 The schemes that were approved by the full Council or Cabinet and added to the Capital Programme in the year include:
- IT Transformation Project, £5.7m over 10 years approved 25th April 2018;
 - Further Winding Wheel Improvements, £335k approved 20th February 2018;
 - Additional expenditure for Beetwell Street Car Park (repairs), £200k approved 18th July 2018;
 - Barrow Hill Railway Bridge repairs, £100k approved 18th July 2018.

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

- Somersall Park Play Area, £48k funded by Friends of Somersall Park contribution and S106 contribution;
- King George V, Staveley Play Area, £50k funded by Viridor grant;

4.3 **Progress on Current Major Schemes**

4.3.1 **Northern Gateway (Rebuild of Saltergate Multi-Storey Car Park)** – Council approved the demolition and rebuilding of the car park on this site as a more cost effective solution than refurbishment. The car park closed to the public on 3rd February 2018 ahead of demolition works. Rebuild works commenced in the autumn of 2018 and are due to be completed late spring 2019. Works on the project remain on budget.

4.3.2 **Winding Wheel Refurbishment Works** – this scheme provided refurbishment works to enhance the appearance of the Winding Wheel to assist in our efforts to promote the venue to hirers. The scheme was completed in September 2018 on time and on budget.

4.3.3 **Artificial Sports Pitches – Former Queens Park Site** – work is scheduled to begin on site in March 2019 with the majority of the work due to take place in 2019/20.

4.3.4 **IT Transformation Programme** – Council approved the IT Transformation Programme in April 2018. In the autumn of 2018 the new Head of ICT Improvement took up his post. The project is due to be delivered over the next 10 years, with the majority of the capital spend occurring in the financial years 2018/19 to 2020/21.

4.4 **Recurring Schemes**

4.4.1 **Disabled Facilities Grants** – the original capital programme included £1.0m for 2018/19. However Derbyshire County Council, who holds the Better Care Fund, confirmed an allocation of £1.3m for this year, of which £317k will be used to fund Home Repairs Assistance Grants. In addition, the revised 2018/19 capital programme includes further DFG expenditure of £700k to be financed from the Disabled Facilities Grant allocation carried forward from 2017/18.

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

5.0 **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 current Capital Programme includes borrowing that the Council has previously approved of £3m for Saltergate Multi-Storey Car Park. 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:
2018/19 - £7.9m in total including £5.5m SCRIF contribution for Chesterfield Waterside Basin Square, Peak Resort and Northern gateway schemes, £2.0m DFG's (including carry forward from 2017/18), £0.11m Viridor contributions towards play area schemes and £0.13m Flood Relief Grant.

2019/20 - £1.0m in total including £0.3m SCRIF contribution to Northern Gateway scheme and £0.65m DFG's.

2020/21 - £0.66m in total including £0.65m DFG's.

2021/22 - £0.66m in total including £0.65m DFG's.
- Reserves - contributions from earmarked reserves towards ICT, vehicle and plant replacements and match funding contributions re other grant funded schemes.
- Capital Receipts – see below.

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. However, in the Local Government Grant Settlement 2015 the Government included a new flexibility to allow the use of capital receipts secured between 1st April 2016 and 31st March 2019 to fund revenue expenditure, provided that the expenditure is on transformation projects which are designed to deliver on-going savings. In the Local Government Grant Settlement announced in December 2017 this flexibility was extended for a further three years to 31st March 2022.

5.3 To take advantage of this flexibility, full Council would need to approve a strategy 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. All spend would have to be incurred by March 2022.

5.4 The Council is proposing to use capital receipts flexibility to fund part of the IT Transformation programme. Further information

can be found in the 2019/20 Budget and Medium Term Financial Plan report.

- 5.5 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:

2018-19 – receipts in respect of Ashgate Road Car Park, 87 New Square and Spital Cemetery Chapel have been received during the year. Total forecast receipts for 2018/19 are £1.6m.

2019-20 – receipts of £4.1m have been assumed.

2020/21 – receipts of £4.1m have been assumed.

2021/22 – receipts of £0.2m have been assumed.

The receipts forecasts are continually changing as delays are encountered on some disposals such as assets having to be re-marketed when sales fall through or when there are opportunities to accelerate others.

6.0 Net Financing Position

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

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

	2018/19	2019/20	2020/21	2021/22
In year surplus	2,064	(3,037)	41	13

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

- 2018/19 – an in- year surplus of £2.1m is forecast due to re-profiling of the capital programme. This surplus will be carried forward to finance the estimated deficit in 2019/20.
- 2019/20 – an in- year deficit of £3.0m is forecast based on a prudent level of capital receipts (£4.1m) and prudential borrowing of £0.8m. This deficit will be financed from the cumulative surplus carried forward from 2018/19.
- 2020/21 – an in- year break even position is forecast based on a prudent level of capital receipts (£4.1m).
- 2021/22 – an in-year break even position is forecast based on a prudent level of capital receipts (£0.2m).

7.0 Growth Requests

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

- (a) They are aligned with a Council Plan priority; and
- (b) The additional funding required has been identified and secured.

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

7.2 The options for creating some additional financing resource include:

- Identifying new assets for a quick disposal to generate capital receipts;
- **Prudential borrowing** where there is a strong invest-to-save case which shows that the borrowing costs are affordable and sustainable.
- Securing external **grant** support.

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

7.4 There are currently no outstanding growth requests awaiting inclusion in the capital programme.

8.0 Risk Management

8.1 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)	Likely (4)	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	High (4)	Possible (3)

			term prudential borrowing.		
Reductions in Government Grants	High (4)	Possible (3)	Other external funding opportunities. Asset Management Plan to generate capital receipts.	Medium (3)	Possible (3)
Lack of capacity to deliver a number of major schemes at the same time	High (4)	Likely (4)	Carefully manage the number of projects and hence risks in play at any one time.	Med (3)	Unlikely (2)
Exempt VAT recovery – a number of current schemes have exempt VAT implications. The cumulative impact could cause the Council to exceed its exempt VAT recovery threshold and then be unable to recover <u>any</u> exempt VAT in that year.	V. High (5)	Possible (3)	Starts on schemes delayed until VAT issues resolved. In-year monitoring. VAT planning for a number of years ahead. Obtaining expert external advice.	V. High (5)	Unlikely (2)

9.0 Equalities Impact Assessment (EIA)

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

10.0 Alternative Options to be Considered

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

11.0 Recommendations

11.1 The updated General Fund Capital Programme expenditure and financing be approved (**Appendix A**).

12.0 Reasons for recommendations

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

Glossary of Terms	
SCRIF	Sheffield City Region Investment Fund

Decision information

Key decision number	869
Wards affected	All wards
Links to Council Plan priorities	To become financially self-sufficient by 2020.

Document information

Report author	Contact number/email
Karen Ludditt	Karen.ludditt@chesterfield.gov.uk
Background documents 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>	
Appendices to the report	
Appendix A	General Fund Capital Programme

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GENERAL FUND CAPITAL 2019/20

Code	CAPITAL EXPENDITURE	18/19 £'000	Revised 18/19 £'000	19/20 £'000	20/21 £'000	21/22 £'000
8295	Home Repairs Assistance	275	317	275	275	
8292	Disabled Facilities Grants	946	1,654	650	650	
8943	Town Hall Alterations (GPGS)	636	1,020			
8943	Town Hall Alterations - CCTV (GPGS)		191			275
8956	Grant to Chesterfield Waterside Ltd - Basin Square Infrastructure		493			650
8959	Northern Gateway - Saltergate MSCP	5,725	5,117	1,200		
8973	Northern Gateway - Public Realm	800	75	860		
8974	Northern Gateway - Enterprise Centre			2,578	2,578	
8960	Peak Resorts		143			
8979	Somersall Park Play Area		48			
8981	Beetwell Street Car Park	324		600		
8991	IT Project		761	1,671	804	26
8978	Hazel Drive Play Area		57			
8987	Holland Road Play Area		70			
8925	King George V Play Area		50			
8985	Barrow Hill Railway Bridge		100			
8913	Kiosk Upgrades		14			
8972	Artificial Sports Pitches - Former QPSC Site	750	50	700		
8980	Winding Wheel Foyer	426	761			
8971	Tatpton Terrace Flood Resilience Work	145	149			
	Total Expenditure	10,027	11,070	8,534	4,307	951

	18/19 £'000	Revised 18/19 £'000	19/20 £'000	20/21 £'000	21/22 £'000
CAPITAL FINANCING					
Borrowing - Saltergte	3,000	3,000			
Borrowing - general	662		755		
Grants & Contributions - see below	3,546	7,864	952	660	660
Capital Receipts	2,288	1,600	4,127	4,093	229
Theatre Restoration Fund	426	426			
Flood Reserve	16	16			
Budget Risk Reserve		14			
S106 Reserve		23			
Vehicle and Plant Reserve		191			
Home Repairs Reserve (Repaid Improvement Grants)	75		75	75	75
IT Transfer to revenue; Capital Receipts Flexibility			-412	-480	
Repay prud borrowing: Ex-Fire Station Site	-537				
Repay prud borrowing: Market Hall Refurbishment	-151				
Total resources available in year	9,325	13,134	5,497	4,348	964
Less total expenditure in year	10,027	11,070	8,534	4,307	951
Net in-year surplus / (deficit)	-702	2,064	-3,037	41	13
Surplus / (deficit) b/f from prev yr	702	1,473	3,537	500	540
Cum surplus / (deficit) c/f	0	3,537	500	540	553

	18/19 £'000	Revised 18/19 £'000	19/20 £'000	20/21 £'000	21/22 £'000
CAPITAL GRANTS ETC (Accruals Basis)					
Flood Risk Management Grant - Environment Agency	129	134			
Disabled Facilities Grants (Better Care Fund)	1,221	2,046	650	650	650
Home Repairs Assistance Grants	10	10	10	10	10
Somersall Park Play Area		25			
Hazel Drive Play Area		57			
King George V Play Area		50			
Grant to CWL Basin Square Infrastructure - SCRIF		493			
Peak Resorts - SCRIF		143			
Northern Gateway - SCRIF	2,186	4,906	292		
Grants Total	3,546	7,864	952	660	660

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For Publication

Housing Revenue Account (HRA) – Budget 2019/20 to 2023/24

Meeting:	Council
Date:	27 February, 2019
Cabinet Portfolio:	Cabinet Member for Homes & Customers
Report by:	Director of Finance & Resources

For publication

1.0 Purpose of Report

- 1.1 To consider the probable outturn for the current financial year.
- 1.2 To consider the draft budget for 2019/20.

2.0 Recommendations

- 2.1 That the probable outturn for the current financial year be considered.
- 2.2 That the draft estimates for 2019/20 and future years be considered.
- 2.3 That the “Growth Item” at Annexe 6 be approved.

3.0 Background

- 3.1 The Council is required to keep a separate account for its activities as a housing landlord. This is called the Housing Revenue Account (HRA). The HRA is closely governed by the Local Government and Housing Act 1989 and by Determinations made under this Act by DCLG.
- 3.2 As a result of the introduction of self-financing in April 2012 the council is required to produce a 30 year HRA Business Plan that is financially viable, that delivers reasonable standards for tenants and maintains at least the minimum Decent Homes Standard.
- 3.3 Self-financing has, in the main, improved the financial position of the HRA. We can determine our own financial future and can also borrow to finance improvements within the constraints imposed by the Government (e.g. the £156 million debt ceiling). In essence all financial risk in respect of the HRA has been transferred to the council from Central Government.
- 3.4 However, despite this self-financing settlement agreement, in March 2016 the “Welfare Reform and Work Act 2016” introduced rent policy within legislation for the first time. The main policy required the Council to reduce housing rents by 1% annually for a 4 year period commencing on 4th April 2016. The final reduction being in April 2019.
- 3.5 From April 2020 and for the following 4 financial years (until March 2025), social housing rents will increase by CPI plus 1%, as set out in the Housing Green Paper of August 2018.
- 3.6 On 15th January 2019, Cabinet considered the rent and service charge levels for 2019/20 and agreed a rent reduction of 1% (based on the latest Government policy highlighted above) and various service charge increases. These changes have been built into the 2019/20 budget forecast.

3.7 This report is due to be considered by Cabinet at its meeting on 26th February, 2019.

4.0 Information Included

4.1 The following information is attached:

- Annexe 1 Statutory HRA Operating Account (Summarised)
- Annexe 2 Detailed estimates for supervision & management and General Fund contributions.
- Annexe 3 Subjective Analysis.
- Annexe 4 Variances – This year’s original estimate to revised.
- Annexe 5 Variances – This year’s original to next year’s original.
- Annexe 6 Growth Request.

4.2 The following budget assumptions, as approved by Cabinet on 23rd October as part of the Council’s financial strategy, have been used to produce the draft Housing Revenue Account budgets.

- Pay award varies with grade in 2019/20 and then 2.5% for each of the years 2020/21 to 2023/24.
- Rates 3.2% increase in 2019/20, and then 3.5% thereafter.
- Retail Price Index 3.2% in 2019/20 and then 3.5% thereafter.
- Consumer Price Index 2.5% in 2019/20 and in each following year.
- Rental income is increased annually by CPI plus 1% from April 2020 (after the final 1% reduction in 2019/20).

5.0 Financial Position at Year End 2018/19

5.1 On the basis of existing policy and the assumptions already outlined HRA balances for this year are estimated as follows;

HRA Balances

	Original Estimate	Revised Estimate
	£000	£000
Balance at 1.4.18 - Surplus	(24,193)	(27,417)

Decrease/(Increase) in HRA balance for year	5,560	6,412
Estimated Balance 31.3.18	(18,633)	(21,005)

5.2 The probable outturn includes the following approved additions to the 2018/19 estimate.

5.3 Carry Forward from 2017/18

	Amount (£)
Information Technology – Balance of Approved Growth	29,740
Replacement of Allocations System	80,000
Tenant Handbook	35,000
IT for Mobile Working for Asset Management Officers	10,000
Training for Contract Management Team	10,100
Information Technology – Northgate Leaseholder Module	2,850
Total	167,690

5.4 All variations are detailed in Annexe 4 of **Appendix A**, which shows a change from the original budget, which forecast a reduction in the HRA balance of £5,560,200, to the revised budget which shows a reduction in the HRA balance of £6,412,640. This is a difference of £852,440. The majority of the variation relates to the capital programme, where the need for direct revenue funding has increased by £3,055,190 due to the bringing forward of new build work (to ensure that the retained 1-4-1 right to buy receipts are spent) and external wall insulation work. This has been offset by a reduction in the amount allowed for bad debts (due to the later than anticipated full implementation of Universal Credit).

6.0 Financial Strategy 2019/20

6.1 The financial strategy for the HRA is to deliver a balanced and sustainable budget which is self-financing in the longer term and

which reflects both the requirements of tenants and the strategic vision and priorities of the council.

6.2 The HRA cannot run at an overall deficit and risks will continue to be identified and managed effectively. On 3rd May 2016 Cabinet approved a series of strategy and policy changes to mitigate the impact of national housing policy on the long term viability of the HRA, including the 1% rent reduction for a 4 year period commencing in April 2016. These changes significantly improved the financial viability of the HRA. They included reductions to the responsive repairs budget, a reduced and rephased capital programme, moving rent collection to a 52 week basis to mirror the payment of Universal Credit to claimants and taking action to reduce income lost through bad debts (rent arrears) and having properties stood empty (voids).

6.3 It is important to note that the budget projections shown in this report assume that the range of measures previously agreed (the main ones are highlighted in paragraph 6.2 above) continue to achieve the planned savings. Therefore, there is the risk that the HRA balances may be lower than forecast if any of these actions fail to produce the planned savings (for example if void losses or rent arrears increased). The HRA Summary Operating Account at Annexe 1 shows that the HRA balance is anticipated to fall to £7,826,842 in 2019/20 but by 2023/24 has recovered to £13,466,002 mainly due to the cumulative impact of rental income changing to CPI plus 1% from April 2020.

7.0 Initial Budget Forecast 2019/20

7.1 The table below summarises the financial position for 2019/20.

HRA Balances

	Original Estimate
	£000
Balance at 1.4.19 - Surplus	(21,005)
Decrease/(Increase) in HRA balance for year	13,178
Estimated Balance 31.3.20	(7,827)

7.2 All variations are detailed in Annexe 5 of **Appendix A**, which shows a change from the original 2018/19 budget, which forecast a reduction in the HRA balance of £5,560,200, to the original 2019/20 budget which shows a decrease in the HRA balance of £13,177,860. This is a difference of £7,617,660. The majority of the variation relates to the increased requirement for direct revenue support for the capital programme (£7,471,490) plus the 1% reduction in rental income (£467,490), offset by a reduction in the bad debt provision.

8.0 Risk Management

8.1 There are a number of significant risks inherent in any budget forecasting exercise and the risk increases as the period covered increases. The key budget risks for the HRA are detailed below:

- The impact of Universal Credit on bad debts.
- Ability to deliver the re-phased Capital Programme and maintain decency.
- That retained 1-4-1 RTB receipts may have to be repaid to the Treasury if the new build programme within the HRA is not completed as planned.
- Any future limits on rent increases.
- Maintain a minimum working balance of £3 million.
- Future economic changes (e.g. interest and inflation rates plus the impact of Brexit).

9.0 Growth Requests

9.1 Attached at Annexe 6 are details of a priority growth request, with a value of £7,080 in 2019/20 and in each year thereafter. There are sufficient revenue resources to fund this item.

10.0 Equalities Impact Assessment (EIA)

10.1 The budget process and forecasts produced do not require an EIA but any decisions to vary budgets and service provision may require EIA's specific to those options.

11.0 Resource Implications

11.1 In writing this report, the standard corporate issue of revenue financial implications has been considered at Sections 6 to 9 above.

12.0 Recommendations

12.1 That the probable outturn for the current financial year be considered.

12.2 That the draft estimates for 2019/20 and future years be considered.

12.3 That the "Growth Item" at Annexe 6 be approved.

13.0 Reasons for Recommendations

13.1 To enable the council to set the HRA budget for 2019/20.

13.2 To continue with the financial strategy contained in the Housing Revenue Account Business Plan and self-financing debt settlement arrangements.

Glossary of Terms	
HRA	Housing Revenue Account
DCLG	Department for Communities & Local Government
CPI	Consumer Price Index

Decision information

Key decision number	863
Wards affected	All
Links to Council Plan priorities	To improve the quality of life for local people and to provide value for money services.

Document information

Report author	Contact number/email
Steven Spencer	5454 steve.spencer@chesterfield.gov.uk
Background documents	
These are unpublished works which have been relied on to a material extent when the report was prepared.	
None.	
Annexes to the report	
Annexe 1	Statutory HRA Operating Account
Annexe 2	Detailed estimates for supervision & management
Annexe 3	Subjective analysis
Annexe 4	Variances – this year’s original estimate to revised
Annexe 5	Variances – this year’s original estimate to next year’s
Annexe 6	Growth Request

HOUSING REVENUE ACCOUNT BUDGETS 2018/19 TO 2023/24

STATUTORY HRA OPERATING ACCOUNT

SUMMARY

2017/18 Actual £		2018/19 Original £	2018/19 Probable £	2019/20 Original £	2020/21 Original £	2021/22 Original £	2022/23 Original £	2023/24 Original £
	INCOME							
(36,262,389)	Net Rent	(35,412,780)	(35,338,450)	(34,945,290)	(35,843,700)	(37,038,680)	(38,088,350)	(39,324,960)
(125,671)	Service Charges	(177,900)	(149,000)	(157,500)	(158,390)	(162,340)	(166,410)	(170,570)
(847,578)	Non-Dwelling Rents	(828,020)	(913,420)	(933,750)	(959,300)	(985,970)	(1,013,860)	(1,043,070)
(505,288)	Contributions towards Expenditure	(538,040)	(510,620)	(532,490)	(545,400)	(559,760)	(574,770)	(588,170)
(295,853)	Supporting People Grant	(293,270)	(315,000)	(223,000)	(131,000)	0	0	0
(38,036,779)	Total Income	(37,250,010)	(37,226,490)	(36,792,030)	(37,637,790)	(38,746,750)	(39,843,390)	(41,126,770)
	EXPENDITURE							
	Management and Maintenance ;							
5,308,054	Supervision and Management -General	6,256,030	6,142,420	6,467,140	6,579,690	6,729,660	6,865,000	6,977,710
2,085,815	Supervision and Management -Special	1,865,510	2,034,090	2,078,950	2,145,170	2,223,090	2,304,320	2,377,980
605,614	Rent, rates, taxes and other charges	441,400	294,530	290,180	275,480	280,950	286,570	292,370
8,074,883	Repairs and Maintenance	8,473,000	8,088,000	8,355,000	8,564,000	8,778,000	8,997,000	9,222,000
9,196,240	Depreciation, Impairment & Reval. of Fixed Assets	8,034,760	9,180,920	9,254,030	9,253,680	9,253,410	9,253,210	9,223,060
47,153	Debt Management Expenses	47,790	45,340	47,850	48,610	50,040	51,360	52,480
2,173,000	Increase Bad Debts Provision	2,833,020	1,093,480	2,236,070	1,831,200	1,508,020	1,550,640	1,596,410
27,490,759	Total Expenditure	27,951,510	26,878,780	28,729,220	28,697,830	28,823,170	29,308,100	29,742,010
(10,546,020)	NET COST OF SERVICES per Authority Income & Expenditure Account	(9,298,500)	(10,347,710)	(8,062,810)	(8,939,960)	(9,923,580)	(10,535,290)	(11,384,760)
30,310	HRA share of Corporate & Democratic Core	32,700	39,100	40,610	42,030	43,410	44,850	45,910
(10,515,710)	NET COST OF HRA SERVICES	(9,265,800)	(10,308,610)	(8,022,200)	(8,897,930)	(9,880,170)	(10,490,440)	(11,338,850)
0	(Gain) or loss on sale of HRA fixed assets	0	0	0	0	0	0	0
4,960,732	HRA share of interest payable etc	4,853,920	4,853,130	4,742,540	4,638,770	4,551,720	4,445,780	4,295,190
(74,544)	Interest on Working Balance	(65,180)	(78,330)	(143,450)	(200,770)	(239,760)	(241,640)	(253,090)
0	Mortgage Interest	0	0	0	0	0	0	0
0	Share of DLO/DSO Surpluses	0	0	0	0	0	0	0
(5,629,522)	(SURPLUS)/DEFICIT in Year on HRA Services	(4,477,060)	(5,533,810)	(3,423,110)	(4,459,930)	(5,568,210)	(6,286,300)	(7,296,750)
	STATEMENT of MOVEMENT on the HRA BALANCE							
	Surplus or Deficit on the HRA Income & Expenditure Account	(4,477,060)	(5,533,810)	(3,423,110)	(4,459,930)	(5,568,210)	(6,286,300)	(7,296,750)
(1,468)	Transfer to/(from) Reserves	0	0	0	0	0	0	0
0	Capital Expenditure Funded from HRA	5,303,110	8,358,300	12,774,600	1,120,750	795,740	0	0
2,015,379	Provision for Debt Repayment	1,985,150	1,985,150	1,955,370	1,926,040	1,897,150	1,868,690	1,840,660
1,175,476	Transfer to/(from) Major Repairs Reserve	2,749,000	1,603,000	1,871,000	2,205,000	2,550,000	1,884,000	1,884,000
(2,440,135)	(Increase)/decrease in HRA balance for the year	5,560,200	6,412,640	13,177,860	791,860	(325,320)	(2,533,610)	(3,572,090)
(24,977,207)	HRA Balance Bfwd 1st April	(24,192,957)	(27,417,342)	(21,004,702)	(7,826,842)	(7,034,982)	(7,360,302)	(9,893,912)
(27,417,342)	HRA Balance Cfwf at 31st March	(18,632,757)	(21,004,702)	(7,826,842)	(7,034,982)	(7,360,302)	(9,893,912)	(13,466,002)

HOUSING REVENUE ACCOUNT BUDGETS 2018/19 TO 2023/24
SUPERVISION AND MANAGEMENT EXPENSES

2017/18 Actual £		2018/19 Original £	2018/19 Probable £	2019/20 Original £	2020/21 Original £	2021/22 Original £	2022/23 Original £	2023/24 Original £
HOUSING SUPERVISION AND MANAGEMENT								
GENERAL EXPENSES								
Community Housing Services - Cost Centres 0600/0601/0602/0604/0608/0609/0614/0615/0618/0622/0960								
2,660,894	Employee Expenses	2,947,760	2,740,870	3,057,350	3,095,480	3,173,850	3,252,290	3,332,700
486,331	Premises Related Expenses	584,520	571,770	521,430	533,590	546,090	558,940	572,160
34,906	Transport Related Expenses	41,300	38,510	39,260	40,200	41,160	42,140	43,140
397,884	Supplies and Services	561,060	793,060	747,100	765,680	766,480	785,510	786,700
109,668	Agency and Contracted Services	112,300	96,680	77,750	73,220	68,380	69,980	71,580
(204,512)	Controllable Income	(215,890)	(210,250)	(215,890)	(220,960)	(226,160)	(231,490)	(236,950)
3,485,171	Net Controllable	4,031,050	4,030,640	4,227,000	4,287,210	4,369,800	4,477,370	4,569,330
2,469,054	Central and Departmental Support	2,952,490	3,039,200	3,286,980	3,375,070	3,461,490	3,527,650	3,567,710
(646,171)	Recharge Income	(727,510)	(927,420)	(1,046,840)	(1,082,590)	(1,101,630)	(1,140,020)	(1,159,330)
5,308,054	NET	6,256,030	6,142,420	6,467,140	6,579,690	6,729,660	6,865,000	6,977,710
Rent Collection - Cost Centre 0414								
20,880	Employee Expenses	21,090	21,090	21,300	21,300	21,300	21,300	21,300
0	Transport Related Expenses	0	0	0	0	0	0	0
40,177	Supplies and Services	39,270	40,500	41,500	42,500	43,500	44,500	45,500
480,701	Agency and Contracted Services	491,540	496,990	506,680	517,540	528,400	539,250	550,110
(120,786)	Controllable Income	(11,410)	(9,790)	(11,670)	(11,940)	(12,220)	(12,510)	(12,800)
420,972	Net Controllable	540,490	548,790	557,810	569,400	580,980	592,540	604,110
235,807	Central and Departmental Support	241,010	257,030	261,290	266,280	274,590	285,290	291,700
(656,779)	Recharge Income	(781,500)	(805,820)	(819,100)	(835,680)	(855,570)	(877,830)	(895,810)
0	NET	0	0	0	0	0	0	0
5,308,054	TOTAL - GENERAL EXPENSES	6,256,030	6,142,420	6,467,140	6,579,690	6,729,660	6,865,000	6,977,710

**HOUSING REVENUE ACCOUNT BUDGETS 2018/19 TO 2023/24
SUPERVISION AND MANAGEMENT EXPENSES (CONT'D)**

2017/18 Actual £		2018/19 Original £	2018/19 Probable	2019/20 Original £	2020/21 Original £	2021/22 Original £	2022/23 Original £	2023/24 Original £
HOUSING SUPERVISION AND MANAGEMENT SPECIAL EXPENSES								
<u>Careline & Response - Cost Centres 0619/0620/0621/0631/0633/0634/0635</u>								
1,072,155	Employee Expenses	1,257,170	1,318,760	1,474,120	1,524,750	1,571,530	1,613,430	1,655,610
40,560	Premises Related Expenses	43,570	53,090	53,150	54,520	55,960	57,440	58,950
23,470	Transport Related Expenses	43,420	42,420	43,070	43,960	44,880	45,800	46,760
163,499	Supplies and Services	193,880	215,090	242,840	249,570	253,790	258,110	262,510
38,223	Agency and Contracted Services	35,120	35,120	39,510	42,270	43,540	44,850	46,190
(578,366)	Controllable Income	(1,091,380)	(1,019,560)	(1,231,360)	(1,263,610)	(1,280,740)	(1,298,300)	(1,316,320)
759,541	Net Controllable	481,780	644,920	621,330	651,460	688,960	721,330	753,700
59,998	Central & Departmental Support	66,090	75,160	78,780	78,440	80,440	88,880	91,000
0	Recharge Income	0	0	0	0	0	0	0
819,539	NET	547,870	720,080	700,110	729,900	769,400	810,210	844,700
<u>District/Group Heating Schemes - Cost Centres 0190, 0640-0643/0654-0659/0664-0669</u>								
56,769	Premises Related Expenses	83,000	71,760	77,540	80,260	82,980	85,970	88,940
1,232	Supplies and Services	2,300	1,280	1,320	1,350	1,390	1,420	1,460
0	Controllable Income	0	0	0	0	0	0	0
58,001	Net Controllable	85,300	73,040	78,860	81,610	84,370	87,390	90,400
5,070	Central & Departmental Support	5,260	2,790	2,850	2,930	3,030	3,130	3,210
(5,070)	Recharge Income	(5,260)	(2,790)	(2,850)	(2,930)	(3,030)	(3,130)	(3,210)
58,001	NET	85,300	73,040	78,860	81,610	84,370	87,390	90,400
<u>Maintenance of Grassed Areas - Cost Centres 0605 & 0646</u>								
463,002	Premises Related Expenses	470,860	486,960	500,310	513,750	526,590	539,750	553,230
45,980	Agency and Contracted Services	46,550	46,550	47,810	49,100	50,330	51,590	52,880
21,897	Central & Departmental Support	23,630	21,750	23,560	24,180	24,860	25,780	26,380
(29,234)	Controllable Income	(17,500)	(3,100)	(3,200)	(3,280)	(3,360)	(3,440)	(3,530)
501,645	NET	523,540	552,160	568,480	583,750	598,420	613,680	628,960
<u>Common Rooms and Areas - Cost Centre 0650</u>								
35,630	Premises Related Expenses	39,070	36,440	37,500	38,610	39,780	40,970	42,200
0	Supplies and Services	0	0	0	0	0	0	0
5,876	Agency and Contracted Services	6,080	6,080	6,260	6,450	6,640	6,840	7,050
(10,443)	Controllable Income	(8,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
31,063	NET	37,150	37,520	38,760	40,060	41,420	42,810	44,250
<u>Homelessness - Cost Centre 0660</u>								
214,052	Employee Expenses	196,790	142,220	140,830	144,330	147,920	151,600	155,370
0	Premises Related Expenses	0	0	0	0	0	0	0
1,631	Transport Related Expenses	1,600	1,950	1,990	2,030	2,080	2,130	2,180
39,966	Supplies and Services	100,480	100,420	102,380	104,540	106,760	109,030	111,360
11,781	Agency and Contracted Services	11,820	10,910	10,940	10,970	11,000	11,030	11,060
0	Transfer Payments	0	0	0	0	0	0	0
(74,229)	Controllable Income	(91,570)	(48,490)	(34,230)	(34,940)	(35,660)	(36,400)	(37,170)
193,201	Net Controllable	219,120	207,010	221,910	226,930	232,100	237,390	242,800
63,917	Central & Departmental Support	65,950	66,290	67,120	68,800	71,990	75,600	77,480
257,118	NET	285,070	273,300	289,030	295,730	304,090	312,990	320,280
<u>Other Community Services - Cost Centres 0670/0671/0672/0675</u>								
206,019	Employee Expenses	201,620	194,390	208,030	213,310	219,170	224,650	230,270
183,371	Premises Related Expenses	152,640	152,850	163,200	168,870	174,730	180,790	187,060
26,503	Transport Related Expenses	24,570	24,420	24,810	24,990	25,180	25,380	25,580
1,607	Supplies and Services	3,250	4,500	4,560	4,620	4,680	4,740	4,800
(5,551)	Controllable Income	(1,900)	(5,650)	(5,790)	(5,930)	(6,080)	(6,240)	(6,400)
411,949	Net Controllable	380,180	370,510	394,810	405,860	417,680	429,320	441,310
6,500	Central & Departmental Support	6,400	7,480	8,900	8,260	7,710	7,920	8,080
418,449	NET	386,580	377,990	403,710	414,120	425,390	437,240	449,390
2,085,815	TOTAL - SPECIAL EXPENSES	1,865,510	2,034,090	2,078,950	2,145,170	2,223,090	2,304,320	2,377,980

HOUSING REVENUE ACCOUNT BUDGETS 2018/19 TO 2023/24

GENERAL FUND CONTRIBUTIONS
Cost Centres Detail 0371/0372/0373/0374/0375/0376/HRA Summary 0695

2017/18 Actual £		2018/19 Original £	2018/19 Probable £	2019/20 Original £	2020/21 Original £	2021/22 Original £	2022/23 Original £	2023/24 Original £
(257,118)	Homelessness	(285,070)	(273,300)	(289,030)	(295,730)	(304,090)	(312,990)	(320,280)
(165,660)	Maintenance of Grassed Areas	(168,100)	(167,760)	(172,410)	(177,220)	(181,770)	(186,290)	(190,920)
(8,000)	Social Services-Communal Area Use	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)
(10,000)	Community Rooms-General Fund Use	(10,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)
(51,430)	Private Sector Initiatives	(53,530)	(53,560)	(55,050)	(56,450)	(57,900)	(59,490)	(60,970)
(13,080)	Careline charge	(13,340)	0	0	0	0	0	0
(505,288)	NET	(538,040)	(510,620)	(532,490)	(545,400)	(559,760)	(574,770)	(588,170)

HOUSING REVENUE ACCOUNT BUDGETS 2018/19 TO 2023/24
STATUTORY HOUSING REVENUE ACCOUNT
SUMMARY SUBJECTIVE ANALYSIS

	2018/19 Original £	2018/19 Probable £	2019/20 Original £	2020/21 Original £	2021/22 Original £	2022/23 Original £	2023/24 Original £
EXPENDITURE							
Employee Expenses	4,624,430	4,417,330	4,901,630	4,999,170	5,133,770	5,263,270	5,395,250
Premises Expenses	10,288,060	9,755,400	9,998,310	10,229,080	10,485,080	10,747,430	11,016,910
Transport Expenses	110,890	107,300	109,130	111,180	113,300	115,450	117,660
Supplies and Services	900,240	1,154,850	1,139,700	1,168,260	1,176,600	1,203,310	1,212,330
Agency Services	703,410	692,330	688,950	699,550	708,290	723,540	738,870
Transfer Payments	0	0	0	0	0	0	0
Bad Debts Provision	2,833,020	1,093,480	2,236,070	1,831,200	1,508,020	1,550,640	1,596,410
Central and Departmental Support	3,393,530	3,508,800	3,770,090	3,865,990	3,967,520	4,059,100	4,111,470
Capital Financing Costs	17,670,620	17,667,540	17,870,790	18,072,100	18,302,320	17,503,040	17,295,390
Direct Revenue Financing	5,303,110	8,358,300	12,774,600	1,120,750	795,740	0	0
	45,827,310	46,755,330	53,489,270	42,097,280	42,190,640	41,165,780	41,484,290
INCOME							
Government Grants	0	0	0	0	0	0	0
Supporting People Grant	(293,270)	(315,000)	(223,000)	(131,000)	0	0	0
Rent	(35,412,780)	(35,338,450)	(34,945,290)	(35,843,700)	(37,038,680)	(38,088,350)	(39,324,960)
Fees and Charges etc.	(2,443,570)	(2,364,260)	(2,598,390)	(2,663,350)	(2,717,530)	(2,773,650)	(2,831,810)
Recharges	(1,514,270)	(1,736,030)	(1,868,790)	(1,921,200)	(1,960,230)	(2,020,980)	(2,058,350)
Interest	(65,180)	(78,330)	(143,450)	(200,770)	(239,760)	(241,640)	(253,090)
Contribution from Pension Reserve	0	0	0	0	0	0	0
General Fund Contribution	(538,040)	(510,620)	(532,490)	(545,400)	(559,760)	(574,770)	(588,170)
Transfer from OSD	0	0	0	0	0	0	0
	(40,267,110)	(40,342,690)	(40,311,410)	(41,305,420)	(42,515,960)	(43,699,390)	(45,056,380)
Decrease/(Increase) in HRA Balance for the Year	5,560,200	6,412,640	13,177,860	791,860	(325,320)	(2,533,610)	(3,572,090)

HOUSING REVENUE ACCOUNT**BUDGET VARIANCES - 2018/19 ORIGINAL TO 2018/19 PROBABLE**

Programme Area & Detail	Decrease in Net Income £	Increase in Net Income £
<u>INCOME</u>		
Rents - income lower than anticipated	74,330	
Service Charges - Income less than forecast	28,900	
Non - Dwelling Rents - increased income from rechargeable building works and other fees and charges		(85,400)
Supporting People Grant - Higher than anticipated		(21,730)
GF Contributions - reduction in homelessness contribution	11,770	
- reduction in mtce. of grassed areas	340	
- reduction in community room use by GF	2,000	
- reduction in Careline recharge	13,340	
- increased private sector initiatives contribution		(30)
Recharges - increased salary costs recharged to capital schemes		(198,180)
Interest - higher interest rate than anticipated		(13,150)
	130,680	(318,490)
Net Increase in Income		(187,810)
Programme Area & Detail	Increase in Net Expenditure £	Decrease in Net Net Expenditure £
<u>EXPENDITURE</u>		
Housing Supervision & Management		(207,100)
- savings due to vacant posts		
- approved carry forward for Replacement Allocations System	80,000	
- approved carry forward for mobile IT - Asset Management Officers	10,000	
- approved carry forward of previously approved growth for IT	29,740	
- approved carry forward of training for Contract Management Team	10,100	
- approved carry forward for IT - Northgate Leaseholder Module	2,850	
- approved carry forward for Tenant Handbook	35,000	
Programme Area & Detail	Increase in Net Expenditure	Decrease in Net Net Expenditure

	£	£
Housing Supervision & Management (continued)		
- HRA contribution to Linacre site development cost	66,670	
- HRA contribution to Voluntary grants	80,000	
- Increased Court and legal costs on Neighbourhoods team	35,750	
Rent, Rates, Taxes & Other Charges		
- reduction in rates charges on vacant properties		(146,870)
Repairs and Maintenance		
- reduced repairs expenditure on Council dwellings offset by indexation on contract.		(385,000)
Bad debts - reduced provision		(1,739,540)
Agency & Contracted		
- mainly reduction in Arvato recharges		(11,080)
Central & Department Support		
- revised allocations	115,270	
Direct Revenue Contribution to Capital		
- revised capital programme and financing resulting in an increased requirement for DRF support	3,055,190	
Capital Financing Costs		
- reduced MRA reserve contribution		(1,146,000)
- reduction in debt management expenses		(2,450)
- increase in depreciation charges	1,146,160	
- reduction in interest payable		(790)
Other Minor Variations (Net)	12,350	
	4,679,080	(3,638,830)
Net Increase in Expenditure	1,040,250	
TOTAL DECREASE IN HRA BALANCE OVER THE PERIOD	852,440	

HOUSING REVENUE ACCOUNT**BUDGET VARIANCES - 2018/19 ORIGINAL TO 2019/20 ORIGINAL**

Programme Area & Detail	Decrease in Net Income £	Increase in Net Income £
<u>INCOME</u>		
Rents - 1% reduction offset by properties moving to target rent	467,490	
Service Charges - original budget overstated	20,400	
Non - Dwelling Rents - increased income from rechargeable building works and other fees and charges		(105,730)
Supporting People - grant reduced less than anticipated	70,270	
GF Contributions - increase in homelessness contribution		(3,960)
- increase in mtce. of grassed areas		(4,310)
- reduction in community room use by GF	2,000	
- increase in private sector initiatives		(1,520)
- reduction in Careline	13,340	
Recharges - increased salary costs recharged to capital schemes		(308,500)
Interest on Balances - Higher than anticipated		(78,270)
	573,500	(502,290)
Net Decrease in Income	71,210	
Programme Area & Detail	Increase in Net Expenditure £	Decrease in Net Expenditure £
<u>EXPENDITURE</u>		
Housing Supervision & Management		
- employee costs increased due to pay award/increments	139,230	
- employee costs increased due contract to provide monitoring service for Ashfield District Council	137,970	
- increased costs of Sheltered Schemes following refurbishment due to improved facilities.	13,440	
- net increase in Careline fees and charges - mainly due to impact of Ashfield DC contract.		(139,980)
- increase in publicity & marketing costs	10,000	
- HRA contribution to Housing Delivery Manager	25,000	
- HRA contribution to Voluntary grants	80,000	
- Increased Court and legal costs on Neighbourhoods team	39,000	

Programme Area & Detail	Increase in Net Expenditure £	Decrease in Net Net Expenditure £
Rent, Rates, Taxes & Other Charges - reduction in rates charges on vacant properties		(151,220)
Repairs and Maintenance - reduced repairs expenditure on Council dwellings		(118,000)
Bad debts - reduced provision		(596,950)
Central & Department Support - revised allocations	376,560	
Agency & Contracted - mainly reduction in Arvato recharges		(14,460)
Direct Revenue Contribution to Capital - increased capital programme and financing resulting in an increased requirement for DRF support	7,471,490	
Capital Financing Costs - reduced major repairs reserve contribution - increase in depreciation charges - increase in debt management charges - reduction in interest payable - provision for Debt Repayment	1,219,270 60	(878,000) (111,380) (29,780)
Other Minor Variations (Net)	74,200	
	9,586,220	(2,039,770)
Net Increase in Expenditure	7,546,450	
TOTAL DECREASE IN HRA BALANCE OVER THE PERIOD	7,617,660	

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Growth Request

RECURRING SCHEME

PlanGrid Project Management Software (£7,080)

The HRA Capital Programme (£26.5 million in 19/20) is currently managed via paper based systems and email communication. This is time consuming and large plans and documents are continually being emailed which puts a strain on the corporate S:drive. Therefore, it is recommended that the PlanGrid project management software is procured which will streamline communication, reduce officer time spent on input, reduce waiting time for contract queries and provide a legally compliant and auditable system.

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For publication

Housing Capital Programme: New Programme for 2019/20 through to 2023/24 (HC000)

Meeting:	Council
Date:	27 February, 2019
Cabinet portfolio:	Cabinet Member for Homes and Customers
Report by:	Director of Finance & Resources

For publication

1.0 Purpose of report

- 1.1 To seek approval for the public sector housing 'Capital' programme for 2019/20 and provisionally for 2020/21 to 2023/24.
- 1.2 This report is due to be considered by Cabinet at its meeting on 26th February, 2019.

2.0 Recommendations

- 2.1 That the Housing (Public Sector) Capital Programme for 2019/20 is approved and its procurement, as necessary, be authorised.
- 2.2 That the Housing (Public Sector) Capital Programmes for 2020/21 to 2023/24 are provisionally approved.

- 2.3 That the OSD share of the Programme be approved.
- 2.4 That the Assistant Director – Housing and/or Director of Finance & Resources be authorised to vire between programme heads and budgets to manage the Capital Programme as set out in the report.
- 3.0 **Financing the 2019/20 Programme and Beyond**
- 3.1 The overall financial strategy continues to focus on the maintenance of the Decent Homes Standard, improving the non-traditional housing stock, delivering improvements to the estate environment and increasing the development programme of new council housing in the immediate short term.
- 3.2 Cabinet will be asked to approve revenue support for the 2019/20 Housing Capital Programme to the sum of £12,774,600 at their meeting on 26 February 2019. The 2019/20 Programme also includes £2,065,000 of carry forward from 2018/19 relating to schemes where work started later than anticipated e.g. new build housing at Manor Drive, Court Place, Heaton Court and Brockwell Court, refurbishment of a sheltered housing scheme (Catherine Court).
- 3.3 Whilst income from the sale of council homes under the Right to Buy is still low compared to receipts in the past, there has been a continued upturn in the rate of sales and this is likely to continue. 73 sales have been completed in 2018/19 at 1 December 2018, above the self-financing assumption of 21. The HRA Business Plan for the coming years assumes levels above the self-financing assumptions of 60 in 2019/20, 25 in 2020/21 and 25 thereafter for the next 5 years. Additional receipts from Right to Buys exceeding those figures in the self-financing assumptions can be retained in Chesterfield for the provision of new affordable housing, this money must be

spent within three years and will require a funding contribution of 70% from HRA resources. The receipts accumulated to date have been largely spent on the delivery of the Parkside Older Persons Housing Scheme, in year strategic property acquisitions and new build housing at Rufford Close and Heaton Court.

3.4 As shown in the HRA Business Plan, which will be reported to a future Cabinet meeting, the HRA will have sufficient funding available to meet this 70% funding contribution in the future, on the assumption that all of the mitigating actions that have been built into the Business Plan, to improve the financial viability, are realised. If these retained receipts are not used within 3 years then they must be returned to DCLG together with 4.5% interest. Therefore in order to ensure that the receipts are retained in Chesterfield and used for the provision of new affordable housing, the following actions have and will continue to be undertaken:

- Increase the size of the new build housing scheme programme within the Housing Capital Programme, both through direct delivery with OSD and with a developer partner. A five year programme of new build sites is included in the Housing Capital Programme for 2019/20 to 2023/24
- Work with other local Registered Providers in exchange for a proportion of the stock on site and nomination rights, as agreed by Cabinet on 1 November 2016
- Increase the strategic acquisitions programme within the Housing Capital Programme

3.5 The forecast total level of funding available for investment in the stock is therefore sufficient to maintain the stock at 100% Decency based on the 2017 stock condition survey in the next five financial years (2019/20 to 2023/24). A new Stock Condition Survey will be carried out in 2020/21.

3.6 An analysis of resources currently available for the 2019/20 Capital Programme and in each of the following four years is attached at **Appendix 1**.

4.0 **The 2019/20 and Future Programmes**

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

4.2 The proposed 2019/20 programme and in each of the following four years continues to broadly reflect the capital programme used in the HRA Business Plan in previous years and addresses needs arising due to the ageing stock as identified in the Stock Condition Survey.

4.3 Currently 100% of the housing stock meets the Decent Homes Standard at the 1 December 2018 and we fully anticipate this will continue to be 100% at the 31 March 2019.

4.4 The focus of the programme remains on the modernisation of properties to maintain the Decent Homes Standard with the balance of activity over the next twelve months concentrating on building elements such as roofs, windows and improvements to external estate environments.

4.5 The 2017 Stock Condition Survey carried out by Savills, identified that the condition of the housing stock has improved since the previous survey in 2014. The investment put into the stock has been directed into the right areas with significant investment being made in relation to typical decent homes works, such as kitchens, bathrooms, electrical installations, heating and external doors and as such less expenditure is required.

4.6 Following the amendments which were made to the base assumptions within the HRA Business Plan in 2017/18, to

reflect changes in national economic and housing policy, the financial viability of the HRA continues to be significantly improved, resulting in healthier forecasts contained in the HRA Revenue Budget report which will be reported to Cabinet on 26 February 2019. However, it is important to note that the budget projections assume that all the measures previously identified and agreed are successful. Therefore there is still the risk that the HRA balances maybe lower than forecast if any of the assumptions made are not as successful as hoped.

- 4.7 The Housing Capital Programme has been set in accordance with the profile set out in the stock condition survey. By ensuring that work is planned and procured in accordance with this survey, (allowing for some 'smoothing' of individual programmes within no-more than a 5 year rolling period), the unit prices identified within the survey, should be achievable and not pose any substantial risk of increase in prices due to rising building cost inflation. This will also ensure that sufficient capacity within the workforce, both internal (OSD) and external contractors, is available and maintained.
- 4.8 Many of the programmes for 2019/20 have already been procured in 2018/19 to ensure delivery on the ground does not slip due to any individual contracts ending and starting.
- 4.8.1 The **Central Heating Programme** will continue in order to remove the risk of large scale heating failures as a result of the age of boilers and the non-availability of the required parts.
- 4.8.2 The **roof replacement** programme will continue to be one of the largest areas of works to ensure that properties maintain the Decent Homes Standard. The roofing programme will also run in conjunction with chimneys, soffits and fascia's and rainwater goods, to minimise the need to scaffold.
- 4.8.3 An increased programme is included for the **replacement of aging UPVC windows**; these replacements will in the first

- year of the programme continue to precede the installation of **External Wall Insulation** to non-traditional and solid wall properties.
- 4.8.4 New programmes have been included for external work to blocks of flats, in conjunction with estate environmental improvements, garage site improvements and fences, gates, footpaths and drives for general needs properties. The programme of work to renew fences, gates and footpaths will continue to mitigate against the change to the tenant repairing obligations.
- 4.8.5 Members previously approved a programme of environmental improvements at **Barrow Hill, London Boroughs Estate** and continued provision has been made for the second phase of this work, commencing on site in April 2019.
- 4.8.6 Increased provision has been made for a **new build housing programme**, working with a developer partner to deliver up to possibly 100 units over the 5 year period on larger sites and with provision being made for OSD to directly deliver on smaller sites over the same 5 year period, commencing at Manor Drive, Brimington (4 units) and Court Place, Middlecroft (1 or 2 units) in 2019/20.
- 4.8.7 The **Non Traditional (PRC) Housing stock** remains one of the key areas for modernisation and a final programme of works has been included, for works to **the remaining Unity** properties in early 2019/20.
- 4.8.8 The successful programme of **strategic housing acquisitions** remains to allow the purchase of properties which meet a strategic housing need, including former Right to Buys.
- 4.8.9 The **refurbishment of two further former sheltered housing schemes** to ensure that older person's

accommodation remains accessible and meets the future needs of our aging population.

5.0. **Tenant Involvement and Consultation**

5.1 The Steering Group established to consider the implications for the Housing Revenue Account Business Plan in 2016 and other tenants have continued to play an integral part in reviewing and / prioritising the Capital Programme.

6.0 **Investment Principles**

6.1 The work programmes for 2019/20 until 2023/24 continue to be prioritised depending on the level of investment needed according to the stock condition survey and the amount of recent expenditure on repairs and maintenance in those areas. The area with the highest level of need and expenditure will receive work in the first year, reducing to year 5, with the work being packaged into four distinct types, with routine decent homes internal work e.g. kitchens, bathrooms, heating, rewires continuing on a year by year basis depending on whether that work is required to ensure the property continues to meet the decent home standard. The other packages include;

- Externals – Works to the exterior of a property e.g. windows, doors, roofs, pointing and external wall insulation
- Blocks – Exterior work as described above to blocks and communal areas of flats
- Unity – The work to ensure the future structural stability of the council's 122 Unity dwellings
- Environmentals – Fencing, gates, footpaths

These principles were agreed by Cabinet on 21st February 2017.

6.2 There have been some amendments to the previous Capital Programme reported to Cabinet / Council in February 2018. These amendments have been made either to meet policy objectives of the Council or where the actual amount of work required to the Council Housing Stock has been to a lower value than that identified by previous Stock Condition Survey data carried out in 2017.

7.0 **OSD Share Of Programme**

7.1 **Appendix 1** also shows the portion of the Capital programme that it is proposed to allocate to OSD. This is the same as the allocation's both in terms of value and proportion of the programme, agreed by Cabinet on 20th February 2018 and has been achieved in discussion with the Assistant Director - Commercial Services to ensure continued operational effectiveness. However the type of work package has altered from the previous report and the Operational Services Department Growth Plans will be amended to reflect this.

7.2 The five year programme, will allow OSD to plan for future works and make changes to the workforce and work programmes in terms of numbers of operatives, trades and whether they work on capital or responsive repairs programmes of work.

7.3 This share and / cash value of the Housing Capital Investment Programme for OSD from 2019/20 onwards will also contribute to the OSD 5 year Growth Strategy (subject to HRA funding and work needed on the stock) and the re-deployment of existing staff from responsive repair work to capital, subject to value for money.

7.4 The Council is required to demonstrate value for money for all areas of expenditure including for the Housing Capital Programme. The ways in which value for money will be demonstrated include:

- Cost and quality benchmarking through Housemark and APSE,
- Sharing work packages with external contractors if they provide overall Value for Money (VFM) to the Authority
- Market testing work when and where appropriate through corporately agreed procurement arrangements
- Agree an approved corporate approach to how we best test Value for Money and Best Value in 2019/20.

7.5 In terms of OSD, an annual service plan is reported to the Cabinet which provides supporting evidence on VFM in accordance with the Council's Policy Objectives. It is proposed that this practice continues.

8.0 **Supporting Local Contractors**

8.1 The sustained value of the Capital Programme also means that some of the work packages will be available to local contractors, subject to their winning the work in competition.

8.2 Housing Services continue to take a key role in the council's corporate arrangements for the procurement of contracts and their management. A clause will be included in contracts to ensure a proportion of local labour.

9.0 **Financial Implications**

9.1 The recommended capital programme for the next 5 years is based on the most recent stock condition survey carried out in 2017. The stock condition survey has been fed into the HRA Business Plan to ensure that it is affordable.

9.2 In order to ensure that the Business Plan remains up to date and is based on an up to date understanding of the investment needs of the Housing Stock, a revised stock condition survey will continue to be carried out on a three yearly cycle, with the next survey becoming due in 2020/21.

The costs associated with this survey will be met by the Housing Revenue Account.

10.0 Risk management

Description of the Risk	Impact	Likelihood	Mitigating Action	Impact	Likelihood
Failure to maintain Decent Homes Standard targets / invest in stock in a timely manner	Low	Low	The programme has been set based on the most recent 2017 stock condition survey which was derived in order to ensure that the Decent Homes Standard is met. Resources will be targeted to areas at risk of Decent Homes Standard failure.	Low	Low
Worsening Tenant Satisfaction due to re - phased capital programme	Medium	Medium	Ensure that tenants and members are involved in any future reviews of services Publicise the 5 year programme of works to tenants so they can see when homes in their community will benefit from improvement work	Low	Low
Declining Stock Condition	Low	Low	A new stock condition survey will continue to be carried out on a 3 yearly basis to inform the HRA Business Plan and to ensure future investment needs are met. This will include a further detailed survey of the non-traditional housing stock in 2020	Low	Low
Managing slippage on programmes which may result in an underspend on the overall Capital Programme and work being carried	High	High	A 5 year programme of works will allow sufficient time for growth in the workforce to have the capacity to undertake the programmes of work. The 5 year programme	Medium	Low

forward into future years			<p>will also allow for sufficient planning time to undertake design work, prepare specifications and seek any permission's, undertake any consultations and necessary procurements prior to work starting as soon as possible in any financial years.</p> <p>Regular contract progress meetings with OSD and external contracts to identify any slippage at the earliest stage and to put in place mitigating actions to prevent any further slippage</p>		
Health Impacts on occupants	Medium	Medium	Ensure Capital Investment continues in the non-traditional housing stock, which exhibit the most issues linked with poor health e.g. cold and damp conditions	Low	Low
Right To Buy	High	High	The Councils stock continues to decline through annual RTB sales – meaning that less work will be required to the stock as it continues to decrease. RTB assumptions are made within the HRA Business Plan to reflect this loss of stock at 60 in 19/20, 15 in 20/21 and 25 per annum thereafter in accordance with the self-financing settlement. The numbers are adjusted annually within the Business Plan to accurately reflect actual losses.	Medium	High

11.0 **Equalities Impact Assessment (EIA)**

11.1 A full Equality Impact Assessment is attached at **Appendix 2**.

12.0 **Recommendations**

12.1 That the Housing (Public Sector) Capital Programme for 2019/20 is approved and its procurement, as necessary, be authorised.

12.2 That the Housing (Public Sector) Capital Programmes for 2020/21 to 2023/24 are provisionally approved.

12.3 That the OSD share of the Programme be approved.

12.4 That the Assistant Director - Housing and/or Director of Finance & Resources be authorised to vire between programme heads and budgets to manage the Capital Programme as set out in the report.

13.0 **Reasons for recommendations**

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

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

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

Glossary of Terms	
HRA	Housing Revenue Account
VFM	Value for Money

Decision information

Key decision number	847
Wards affected	ALL
Links to Council Plan priorities	To improve the quality of life for local people and to deliver value for money services

Document information

Report author	Contact number/email
Alison Craig	345156 / alison.craig@chesterfield.gov.uk
Background documents	
These are unpublished works which have been relied on to a material extent when the report was prepared.	
<i>This must be made available to the public for up to 4 years.</i>	
Appendices to the report	
Appendix 1	Housing Capital Programme 2019/20 to 2023/24
Appendix 2	EIA

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8949	Sheltered Scheme Demolition (Duewell)	0		0	0	0	0	0	0	0	0	0	0	0	0	0
	Aston Court	0		0	0	0	0	0	0	220,000	0	0	0	0	0	0
	Demolitions Total	118,250	0	0	118,250	0	0	0	0	220,000	0	0	0	0	0	0
	Adaptations;															
8750	Disabled Adaptations	750,000	250,000	0	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
	Disabled Adaptations Total	750,000	250,000	0	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
	Catch up works	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Catch Up Works Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Improvements;															
8865	Neighbourhood Action Plan-Barrow Hill Imps	2,037,670		0	2,037,670	0	2,810,000	0	0	0	0	0	0	0	0	0
	Common Room Refurbishment (Edensor 18/19)	30,000		0	30,000	30,000	70,000	0	0	0	0	0	0	0	0	0
	Improvements Total	2,067,670	0	0	2,067,670	30,000	2,880,000	70,000	0	0	0	0	0	0	0	0
	New Build;															
8878/8958	New Build - Manor Drive + Court Place	790,000		500,000	290,000	290,000	500,000	500,000	480,000	480,000	480,000	480,000	480,000	480,000	480,000	480,000
	New Build Rufford Close	418,320		0	418,320	418,320	0	0	0	0	0	0	0	0	0	0
	New Build construction - Heaton	2,200,000		1,200,000	1,000,000	0	1,200,000	0	0	0	0	0	0	0	0	0
	New Build construction - Brockwell	2,400,000		0	2,400,000	0	2,400,000	0	0	0	0	0	0	0	0	0
	New Build - site to be identified	0		0	0	0	480,000	480,000	2,400,000	0	2,400,000	0	2,400,000	0	2,400,000	0
	New Build feasibility (fees)	0		0	0	0	50,000	0	0	0	0	0	0	0	0	0
	New Build Total	5,808,320	0	1,700,000	4,108,320	708,320	4,630,000	980,000	2,880,000	480,000	2,880,000	480,000	2,880,000	480,000	2,880,000	480,000
	Miscellaneous spend;	0														
8940	RTB Mobility Fund	0		0	0	0	0	0	0	0	0	0	0	0	0	0
8916	Property Acquisitions	450,000		0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0	450,000	0
	Stock condition survey	0		0	0	0	0	0	100,000	0	0	0	0	0	0	0
8904	Contingency	104,000		0	104,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
	Miscellaneous Spend Total	554,000	0	0	554,000	0	550,000	0	650,000	0	550,000	0	550,000	0	550,000	0
		2018/19 (inc. bfwd from 17/18)		Carry Forward to 2018/19	2018/19 Revised Budget after c'fwd	2018/19 OSD Share		2019/20 OSD Share		2020/21 OSD Share		2021/22 OSD Share		2022/23 OSD Share		2023/24 OSD Share
	TOTAL	26,214,300	900,000	2,065,000	23,249,300	7,269,520	26,510,600	9,791,200	15,190,750	9,912,550	15,209,740	10,484,360	14,341,200	10,000,380	14,341,200	10,000,380
	<i>OSD Actual Share</i>					31.27% OSD		36.93% OSD		65.25% OSD		68.93% OSD		69.73% OSD		69.73% OSD
	FINANCED BY				2018/19		2019/20		2020/21		2021/22		2022/23		2023/24	
	Revenue Financing				8,358,300		12,774,600		1,120,750		795,740		0		0	
	Supported Borrowing				0		0		0		0		0		0	
	Unsupported Borrowing				0		0		0		0		0		0	
	Useable Capital Receipts				4,107,000		2,611,000		2,611,000		2,611,000		2,538,200		2,538,200	
	Grants and Contributions				0		0		0		0		0		0	
	Major Repairs Reserve				10,784,000		11,125,000		11,459,000		11,803,000		11,803,000		11,803,000	
	TOTAL RESOURCES AVAILABLE				23,249,300		26,510,600		15,190,750		15,209,740		14,341,200		14,341,200	
	Note:															
	Responsive & Cyclical-OSD Share to be confirmed	8,473,000			8,088,000		8,355,000		8,564,000		8,778,000		8,997,000		9,222,000	

Chesterfield Borough Council

Equality Impact Assessment - Full Assessment Form

Service Area: **Housing Services**

Section:

Lead Officer: **Alison Craig**

Title of the policy, project, service, function or strategy the preliminary EIA is being produced for: **Housing Capital Programme 2019/20 and through to 2023/24**

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

Existing

Changed

New/Proposed

STEP 1 – MAKE SURE YOU HAVE CLEAR AIMS AND OBJECTIVES

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

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

The 2019/20 Capital Programme is increased to that of 2018/19 at £23.249 million

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

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

What outcomes do you want to achieve?

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

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

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

STEP 2 – COLLECTING YOUR INFORMATION

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

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

STEP 3 – FURTHER ENGAGEMENT ACTIVITIES

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

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

STEP 4 – WHAT’S THE IMPACT?

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

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

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

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

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

Yes
 No

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

STEP 5 – RECOMMENDATIONS AND DECISION MAKING

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

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

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

The Housing Capital Improvement Programme is monitored annually.

STEP 6 – KNOWLEDGE MANAGEMENT AND PUBLICATION

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

Reviewed by Head of Service/Service Manager

Name: Alison Craig

Date: 3rd December 2018

Reviewed by Policy Service

Name:

Date:

Final version of the EIA sent to the Policy Service

Decision information sent to the Policy Service

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For publication

Treasury Management Strategy 2019/20

Meeting: Council

Date: 27th February 2019

Cabinet portfolio: Deputy Leader

Report by: Director of Finance & Resources

For publication

1.0 **Purpose of report**

- 1.1 To approve the Treasury Management Strategy Statement for 2019/20.
- 1.2 To approve the Capital Strategy Report for 2019/20.
- 1.3 To approve the Investment Strategy Report for 2019/20.
- 1.4 To approve the Minimum Revenue Provision (MRP) policy for 2019/20.

2.0 **Recommendations**

- 2.1 That the Treasury Management Strategy Statement be approved.

- 2.2 That the Capital Strategy Report, including the Prudential Code Indicators be approved.
- 2.3 That the Investment Strategy Report be approved.
- 2.4 That the Minimum Revenue Provision policy be approved.

3.0 **Background**

- 3.1 The key aims of the CIPFA 'Code of Practice for Treasury Management in the Public Services' (the Code) are:
 - a) Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities;
 - b) Their policies and practices should make clear that the effective management and control of risk are prime objectives of their treasury management activities;
 - c) They should acknowledge that the pursuit of best value in treasury management, and the use of suitable performance measures, are valid and important tools to employ.
- 3.2 CIPFA amended the Code in 2017 to take account of recent developments in the financial market place and the introduction of the Localism Act.
- 3.3 CIPFA also amended the Prudential Code for Capital Finance in Local Authorities in 2017, which now includes the requirement for the Council to produce a separate Capital Strategy.
- 3.4 In 2018 the Ministry of Housing, Communities and Local Government completely revised their statutory guidance on treasury management investments. This included the requirement for the Council to produce an Investment Strategy for non-treasury investments.

3.5 This report was considered by the Standards and Audit Committee at its meeting on 6 February, 2019 where it was resolved that the report and its recommendations be supported and referred to Council for approval.

4.0 **Treasury Management Strategy**

4.1 The Treasury Management Strategy defines what categories of investments are to be used and the restrictions placed on their use. The primary objective is to protect capital and the maximisation of returns is secondary. However, the strategy allows sufficient flexibility for the Council to diversify into higher yielding asset classes where appropriate. The credit ratings of the approved counterparties for investments are regularly reviewed.

4.2 The Treasury Management Strategy Statement 2019/20 can be found at Appendix A.

5.0 **Capital Strategy Report**

5.1 The Prudential Code for Capital Finance in Local Authorities (the Code) is a professional Code that provides a framework for self- regulation of capital spending.

5.2 The Code was revised in 2017 and introduced the requirement for the Council to produce a capital strategy, with the purpose of demonstrating that capital expenditure and investment decisions are taken in line with service objectives, and take account of stewardship, value for money, prudence, sustainability and affordability. The Capital Strategy Report 2019/20 can be found at Appendix B.

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

5.4 Capital Expenditure

This prudential indicator is a summary of the Council's capital expenditure plans.

Capital expenditure £millions	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
General Fund	5.5	15.7	7.1	1.9	1.0
HRA	14.1	20.2	20.2	18.1	15.0
Total	19.6	35.9	27.3	20.0	16.0

The table below shows how these plans are being financed by external sources such as grants and contributions, internal sources such as reserves and capital receipts and debt.

Capital expenditure £millions	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Financed by:					
External sources	3.7	7.7	1.0	0.7	0.7
Internal sources	14.5	24.3	24.9	19.3	15.3
Debt	1.4	3.9	1.4	0	0
Total	19.6	35.9	27.3	20.0	16.0

5.5 The Council's Borrowing Need - Capital Financing Requirement

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

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

The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and

therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council currently has no such schemes within the CFR.

£millions	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Capital Financing Requirement					
CFR – General Fund	15.2	18.8	20.0	18.3	18.0
CFR – HRA	132.3	130.4	128.4	126.5	124.6
Total CFR	147.5	149.2	148.4	144.8	142.6
Movement in CFR	-0.8	1.7	-0.8	-3.6	-2.2

Movement in CFR represented by					
Net financing need for the year (above)	1.4	3.9	1.4	0	0
Less MRP/VRP and other financing movements	-2.2	-2.2	-2.2	-3.6	-2.2
Movement in CFR	-0.8	1.7	-0.8	-3.6	-2.2

5.6 Affordability Ratio

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

%	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
General Fund	2.54	1.38	1.95	2.54	2.57
HRA	17.97	18.73	18.30	17.57	17.12

The General Fund ratio decreases in 2018/19 to reflect an increase in investment income. This then increases in subsequent years to take account of the prudential borrowing required to finance the build of the new Saltergate Multi-Storey Car Park. The HRA ratio is fairly static due to both reducing

financing costs and a reducing revenue stream as a result of the 1% per annum rent reduction requirement.

5.7 External Debt

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

Limits to Borrowing Activity

- ◆ Operational Boundary - this is an estimate of the probable external borrowing during the year, it is not a limit and actual borrowing can vary for short periods during the year.
- ◆ Authorised Limit - represents the limit beyond which borrowing is not permitted. It includes estimates for long and short-term borrowing. The limit must be set and can be revised by the Council.

£millions	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Operational Boundary	135.3	135.6	133.6	131.7
Authorised Limit	145.4	142.5	140.5	138.5

5.8 **Borrowing Strategy** – The Council’s main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in the future. The Public Works Loans Board continues to be the main source of external long-term financing.

6.0 Investment Strategy

6.1 In 2018 the Ministry for Housing, Communities and Local Government’s Investment Guidance was revised, and introduced the requirement for Authorities to produce an Investment Strategy Report.

6.2 The report focuses on non-treasury investments and sets out how these contribute towards the Council's core objectives to deliver services to residents, and the procedures for risk assessing potential investments.

6.3 The Investment Strategy Report 2019/20 can be found at Appendix C.

7.0 **Minimum Revenue Provision (MRP) Policy**

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

7.2 The Minimum Revenue Provision (MRP) Policy 2019/20 can be found at Appendix D.

8.0 **Recommendations**

8.1 That the Treasury Management Strategy Statement be approved.

8.2 That the Capital Strategy Report, including the Prudential Code Indicators be approved.

8.3 That the Investment Strategy Report be approved.

8.4 That the Minimum Revenue Provision policy be approved.

9.0 **Reasons for recommendations**

9.1 To comply with regulations and recognised best practice.

Decision information

Key decision number	862
Wards affected	All
Links to Council Plan priorities	All

Document information

Report author	Contact number/email
Karen Ludditt	karen.ludditt@chesterfield.gov.uk
Background documents	
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>	
Appendices to the report	
Appendix A	Treasury Management Strategy Statement 2019/20
Appendix B	Capital Strategy Report 2019/20
Appendix C	Investment Strategy Report 2019/20
Appendix D	Minimum Revenue Provision (MRP) Policy 2019/20

Treasury Management Strategy Statement 2019/20

Introduction

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

Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

Investments held for service purposes or for commercial profit are considered in Appendix C to this report, the Investment Strategy.

External Context

Economic background: The UK's progress negotiating its exit from the European Union, together with its future trading arrangements, will continue to be a major influence on the Authority's treasury management strategy for 2019/20.

Following the Bank of England's decision to increase Bank Rate to 0.75% in August, no changes to monetary policy has been made since. However, the Bank expects that should the economy continue to evolve in line with its November forecast, further increases in Bank Rate will be required to return inflation to the 2% target. The Monetary Policy Committee continues to reiterate that any further increases will be at a gradual pace and limited in extent.

Interest rate forecast: Following the increase in Bank Rate to 0.75% in August 2018, the Authority's treasury management adviser Arlingclose is forecasting two more 0.25% hikes during 2019 to take official UK interest rates to 1.25%. The Bank of England's MPC has maintained expectations for slow and steady rate rises over the forecast horizon. The MPC continues to have a bias towards tighter monetary policy but is reluctant to push interest rate expectations too strongly. Arlingclose believes that MPC members consider both that ultra-low interest rates result in other economic problems, and that higher Bank Rate will be a more effective policy weapon should downside Brexit risks crystallise when rate cuts will be required.

Gilt yields and hence long-term borrowing rates have remained at low levels but some upward movement from current levels is expected based on Arlingclose's interest rate projections, due to the strength of the US economy and the ECB's forward guidance on higher rates. 10-year and 20-year gilt yields are forecast to remain around 1.7% and 2.2% respectively over the interest rate forecast horizon, however volatility arising from both economic and political events are likely to continue to offer borrowing opportunities.

For the purpose of setting the budget, it has been assumed that new investments will be made at an average rate of 0.93%, and any new long term loans will be subject to analysis to determine the most cost effective source of borrowing.

Local Context

On 31st December 2018, the Authority held £130.9m of borrowing and £60.0m of investments. This is set out in further detail at page 9. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance sheet summary and forecast

	31.3.18 Actual £000	31.3.19 Estimate £000	31.3.20 Forecast £000	31.3.21 Forecast £000	31.3.22 Forecast £000
General Fund CFR	15,143	18,842	20,033	18,329	17,987
HRA CFR	132,343	130,358	128,403	126,477	124,579
Total CFR	147,486	149,200	148,436	144,806	142,566
Less: External borrowing	- 131,303	-129,336	-127,341	-125,373	-123,433
Internal borrowing	16,183	19,864	21,095	19,433	19,133
Less: Usable reserves	-51,440	-50,318	-48,590	-46,672	-46,438
Less: Working capital	-11,103	-15,183	-16,470	-13,747	-10,760
Investments	46,360	45,637	43,965	40,986	38,065

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

The Authorities General Fund CFR increases in the financial years to 2019/20 due to the capital programme. It then reduces in subsequent years as forecast capital receipts will be used to repay prudential borrowing. The Authority has a reducing HRA CFR. Investments are forecast to remain at £46m by 31/3/19 but will fall in subsequent years as useable reserves are utilised to finance the HRA capital and General Fund revenue budget.

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

Borrowing Strategy

The Authority currently holds £129 million of loans, a decrease of £2 million on the previous year, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 1 shows that the Authority does not expect to need to borrow in 2019/20. The Authority may however borrow to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing.

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

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

By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2019/20 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

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

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

- Public Works Loan Board (PWLB) and any successor body
- any institution approved for investments (see below)

- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except Derbyshire Pension Fund)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

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

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback

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

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

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

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

Investment Strategy

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's investment balance has ranged between £46 and £64 million, and similar levels are expected to be maintained in the forthcoming year.

Objectives: The CIPFA Code requires the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

Negative interest rates: If the UK enters into a recession in 2019/20, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Strategy: Given the increasing risk and very low returns from short-term unsecured bank investments, the Authority aims to further diversify into more secure and/or higher yielding asset classes during 2019/20. This is especially the case for the estimated £10m that is available for longer-term investment. A reducing proportion of the Authority's surplus cash remains

invested in short-term unsecured bank deposits, certificates of deposit and money market funds. This diversification will represent a change in strategy over the coming year.

Business models: Under the new IFRS 9 standard, the accounting for certain investments depends on the Authority’s “business model” for managing them. The Authority aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

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

Table 2: Approved investment counterparties and limits

Credit rating	Banks & Building Societies	Local Authorities	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£5m 2 years	n/a	£5m 50 years	£5m 2 years	£5m 2 years
AA+	£5m 2 years	n/a	£5m 25 years	£5m 2 years	£5m 2 years
AA	£5m 2years	n/a	£5m 15 years	£5m 2 years	£5m 2 years
AA-	£5m 2 years	n/a	£5m 10 years	£5m 2 years	£5m 2 years
A+	£5m 2 years	n/a	£5m 5 years	£5m 2 years	£5m 2 years
A	£5m 13 months	n/a	£5m 5 years	£5m 13 months	£5m 13 months
A-	£5m 6 months	n/a	£5m 5 years	£5m 6 months	£5m 6 months
None	n/a	£5m 2 years	£5m 5 years	n/a	n/a
Pooled funds		£12m per fund			

This table must be read in conjunction with the notes below

Credit rating: Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

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

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

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

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

Registered providers: Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are tightly regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

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

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

Operational bank accounts: The Authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £50,000 per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

Risk assessment and credit ratings: Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in

ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

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

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

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

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

or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Investment limits: The maximum that will be lent to any one organisation (other than the UK Government) will be £5 million. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 3: Investment limits

	Cash limit
Any single organisation, except the UK Central Government	£5m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£7.5m per group
Any group of pooled funds under the same management	£12m per manager
Negotiable instruments held in a broker's nominee account	£15m per broker
Foreign countries	£10m per country
Registered providers and registered social landlords	£10m in total
Unsecured investments with building societies	£5m in total
Loans to unrated corporates	£2m in total
Money market funds	£30m in total

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

Treasury Management Indicators

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

Interest rate exposures: This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£150,000
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£100,000

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates.

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

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	10%	0%
12 months and within 24 months	10%	0%
24 months and within 5 years	10%	0%
5 years and within 10 years	25%	0%
10 years and within 25 years	50%	20%
25 years and above	70%	20%

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

Principal sums invested for periods longer than a year: The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price risk indicator	2019/20	2020/21	2021/22
Limit on principal invested beyond year end	£10m	£10m	£10m

Related Matters

The CIPFA Code requires the Authority to include the following in its treasury management strategy.

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

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

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

Housing Revenue Account: On 1st April 2012, the Authority notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/ credited to the respective revenue account.

Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured annually and interest transferred between the General Fund and HRA at the Authority's average interest rate on investments, adjusted for credit risk.

Markets in Financial Instruments Directive: The Authority has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the Director of Finance and Resources believes this to be the most appropriate status.

Financial Implications

The budget for investment income in 2019/20 is £0.4 million, based on an average investment portfolio of £45 million at an interest rate of 0.93%. For the General Fund the budget for debt interest paid in 2019/20 is £180k, based on an average debt portfolio of £3.1 million at an average interest rate of 5.8%. For the HRA the budget for debt interest paid in 2019/20 is £4.3 million, based on an average debt portfolio of £127 million at an average interest rate of 3.8%. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different.

Other Options Considered

The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Director of Finance and Resources believes that the above strategy represents an appropriate balance between risk management and cost effectiveness.

Existing Investment & Debt Portfolio Position

	31/12/18 Actual Portfolio £m	31/12/18 Average Rate %
External borrowing:		
Public Works Loan Board	130.8	3.84
Total external borrowing	130.8	3.84
Treasury investments:		
Banks & building societies (unsecured)	20.1 20.0	0.77 0.88
Government (incl. local authorities)	6.5	0.75
Money Market Funds	13.4	0.92
Cash Plus Funds	60.0	0.84
Total treasury investments		
Net debt	70.8	

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Capital Strategy Report 2019/20

Introduction

This capital strategy is a new report for 2019/20, giving a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas.

Capital Expenditure and Financing

Capital expenditure is where the Council spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £20,000 for land and buildings and £10,000 for vehicles, plant and equipment are not capitalised and are charged to revenue in year.

In 2019/20, the Council is planning capital expenditure of £27.3m as summarised below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions

	2017/18 actual	2018/19 forecast	2019/20 budget	2020/21 budget	2021/22 budget
General Fund services	5.5	15.7	7.1	1.9	1.0
Council housing (HRA)	14.1	20.2	20.2	18.1	15.0
TOTAL	19.6	35.9	27.3	20.0	16.0

The main General Fund capital projects include the Enterprise Centre in respect of the Northern Gateway Scheme (£5.1m), Year 2 of the IT Transformation Project (£1m) and Disabled Facilities Grants (£0.9m). It is also likely that there will be slippage from the 2018/19 capital programme including the Northern Gateway Public Realm works and the 3G Pitches at Queens Park.

The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately, and includes the building of 85 new homes over the forecast period, as well as enhancements to current housing stock.

Governance: Service managers must complete a Capital Growth Request Form in order to include projects in the Council’s capital programme. The Finance and Performance Board appraises all requests based on a comparison of service priorities against financing costs and ongoing revenue commitments. Approval at Finance and Performance Board allows new schemes to be added to the latest version of the capital programme which is presented to Council for approval. Copies of all Council reports can be found on the Authority’s website.

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council’s own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Table 2: Capital financing in £ millions

	2017/18 actual	2018/19 forecast	2019/20 budget	2020/21 budget	2021/22 budget
External sources	3.7	7.7	1.0	0.7	0.7
Own resources	14.5	24.3	24.9	19.3	15.3
Debt	1.4	3.9	1.4	0	0
TOTAL	19.6	35.9	27.3	20.0	16.0

Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and use of capital receipts are as follows:

Table 3: Replacement of debt finance in £ millions

	2017/18 actual	2018/19 forecast	2019/20 budget	2020/21 budget	2021/22 budget
General Fund	0.2	0.2	0.2	1.7	0.3
HRA	2.0	2.0	2.0	1.9	1.9

The Council's full minimum revenue provision statement can be found at Appendix D to this report.

The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The General Fund CFR is expected to increase by £1.2m during 2019/20 and the HRA CFR is expected to decrease by £2.0m during the same period. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions

	31.3.2018 actual	31.3.2019 forecast	31.3.2020 budget	31.3.2021 budget	31.3.2022 budget
General Fund services	15.2	18.8	20.0	18.3	18.0
Council housing (HRA)	132.3	130.4	128.4	126.5	124.6
TOTAL CFR	147.5	149.2	148.4	144.8	142.6

Asset disposals: When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts on service transformation projects until 2021/22. Repayments of capital grants, loans and investments also generate capital receipts. The Council plans to receive £8.3m of capital receipts in the 2019/20 financial year as follows:

Table 5: Capital receipts in £ millions

	2017/18 actual	2018/19 forecast	2019/20 budget	2020/21 budget	2021/22 budget
General Fund Asset sales	0.2	1.9	4.6	3.4	0
Retained Right to Buy Receipts	4.2	3.9	2.1	1.1	0.3
Other HRA Asset sales	0.6	0.1	1.6	1.6	0
TOTAL	5.0	5.9	8.3	6.1	0.3

Treasury Management

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account.

Due to decisions taken in the past, the Council currently has £131m borrowing at an average interest rate of 3.84% and £60m treasury investments at an average rate of 0.84%.

Borrowing strategy: The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.75%) and long-term

fixed rate loans where the future cost is known but higher (currently 2.0 to 3.0%).

Projected levels of the Council's total outstanding debt (which comprises borrowing and transfers from local government reorganisation are shown below, compared with the capital financing requirement (see above).

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions

	31.3.2018 actual	31.3.2019 forecast	31.3.2020 budget	31.3.2021 budget	31.3.2022 budget
Debt	131.3	129.3	127.3	125.4	123.4
Capital Financing Requirement	147.5	149.2	148.4	144.8	142.6

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Council expects to comply with this in the medium term.

Affordable borrowing limit: The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

Table 7: Prudential Indicators: Authorised limit and operational boundary for external debt in £m

	2018/19 limit	2019/20 limit	2020/21 limit	2021/22 limit
Authorised limit – borrowing	145.4	142.5	140.5	138.5
Operational boundary – borrowing	135.3	135.6	133.6	131.7

Investment strategy: Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Council's policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms can be invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

Table 8: Treasury management investments in £millions

	31.3.2018 actual	31.3.2019 forecast	31.3.2020 budget	31.3.2021 budget	31.3.2022 budget
Near-term investments	36.4	35.6	34.0	31.0	28.1
Longer-term investments	10.0	10.0	10.0	10.0	10.0
TOTAL	46.4	45.6	44.0	41.0	38.1

Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Head of Finance and Resources and staff, who must act in line with the treasury management strategy approved by Council. Regular reports on treasury management activity are presented to Council. The Standards and Audit Committee is responsible for scrutinising treasury management decisions.

Investments for Service Purposes

The Council may from time to time make investments to assist local public services, including making loans to local service providers and local small businesses to promote economic growth. In light of the public service objective, the Authority is willing to take more risk than with treasury investments, however it still plans for such investments to generate a profit after all costs.

Governance: Decisions on service investments are made by the Director of Finance and Resources in consultation with the relevant Assistant Directors, and must meet the criteria and limits laid down in the investment strategy. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme.

Commercial Activities

With central government financial support for local public services declining, the Council may in the future decide to invest in commercial property purely or mainly for financial gain.

With financial return being the main objective, the Council would accept higher risk on commercial investment than with treasury investments. Further details can be found in the Investment Strategy at Appendix C to this report.

Liabilities

In addition to debt of £130m detailed above, the Council is committed to making future payments to cover its pension fund deficit (valued at £61.3m) This deficit is planned to be reduced to a break-even position over the next 19 years.

Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream

i.e. the amount funded from Council Tax, business rates and general government grants.

Table 9: Prudential Indicator: Proportion of financing costs to net revenue stream

	2017/18 actual	2018/19 forecast	2019/20 budget	2020/21 budget	2021/22 budget
Financing costs General Fund (£m)	278	149	206	256	246
Financing costs HRA (£m)	6,902	6,760	6,554	6,364	6,209
Proportion of net revenue stream General Fund	2.54%	1.38%	1.95%	2.54%	2.57%
Proportion of net revenue stream HRA	17.97%	18.73%	18.3%	17.57%	17.12%

Sustainability: Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 40 years into the future. The Director of Finance and Resources is satisfied that the proposed capital programme is prudent, affordable and sustainable.

Knowledge and Skills

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. The Council pays for staff to study towards relevant professional qualifications including CIPFA and AAT.

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers. This approach is more cost effective than

employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

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Investment Strategy Report 2019/20

Introduction

The Authority can invest its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
- to support local public services by lending to other organisations (**service investments**), and
- to earn investment income (known as **commercial investments** where this is the main purpose).

This investment strategy is a new report for 2019/20, meeting the requirements of statutory guidance issued by the government in January 2018, and focuses on the second and third of these categories.

Treasury Management Investments

The Authority typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £48m and £57m during the 2019/20 financial year.

Contribution: The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities.

Further details: Full details of the Authority's policies and its plan for 2019/20 for treasury management investments are covered in Appendix A of this report.

Service Investments: Loans

Contribution: The Authority from time to time may lend money to local businesses, local charities or housing associations to support local public services and stimulate local economic growth.

The only service loan that the Council currently has outstanding is a £250,000 start-up loan that was made to the Derbyshire Building Control Partnership during the 2017/18 financial year. The Authority is a shareholder in the company, along with 5 other Derbyshire Local Authorities.

Security: The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due.

Accounting standards require the Authority to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Authority's statement of accounts from 2018/19 onwards will be shown net of this loss allowance. However, the Authority makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments. In the case of the loan to the Derbyshire Building Control Partnership each of the 5 other shareholders have guaranteed 1/6th of the loan, therefore the Council's maximum loss is limited to £41,666.

Risk assessment: The Authority assesses the risk of loss before entering into and whilst holding service loans, on a case by case basis. A thorough examination of the borrowers' accounts and/or business plans is undertaken by the Head of Finance and Resources. The services of external advisors will be sought for any areas requiring specific expertise.

Commercial Investments: Property

Contribution: The Council owns local industrial and commercial properties which are held primarily for service purposes such as economic regeneration, but which in addition generate a profit that will be spent on local public services. These properties can be split into three main categories: industrial units and trading estates, retail and office and undeveloped land. The majority of these properties have been

held for a substantial period of time, more than 30 years in the case of some assets.

Table 1: Property held for investment purposes in £ millions

Type of Property	Value in accounts 31.03.2018
Industrial Units and Trading Estates	18.3
Retail and Office	17.4
Undeveloped Land	10.5
TOTAL	46.2

Security: In accordance with government guidance, the Authority considers a property investment to be secure if its accounting valuation is at or higher than its purchase / construction cost.

A fair value assessment of the Authority's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment. Should the 2018/19 year end accounts preparation and audit process value these properties below their purchase cost, then an updated investment strategy will be presented to full council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.

Liquidity: Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice, and can take a considerable period to sell in certain market conditions. As the main purpose of owning these properties is for service reasons, the Authority does not need to rely on selling these assets for investment purposes, for example to repay capital borrowed.

Income: The Authority is dependent on profit generating investment activity to achieve a balanced revenue budget. The net amount of investment income (after operating expenses) received in 2017/18 was

£2.6m, this equated to 3.9% of all general fund income received and a similar amount is budgeted for in 2019/20. Income received is monitored on a regular basis and any expected shortfall would be reported in the revised budget

Risk assessment of future commercial investments: The Director of Finance and Resources will assess the risk of loss before entering into and whilst holding commercial property investments. Due consideration will be given to the risks relating to failure to create income/exposure to market changes, ongoing maintenance/management of the asset, possibility of arrears and exposure in one sector or locality. External advice will be sought for any investments requiring specific expertise.

Commercial property investments will be subject to a minimum expected yield of 10% and it must be demonstrated that the level of risk is acceptable for the expected yield by benchmarking against alternative investment products. Full contingency plans are required to be in place before entering into any commercial property investments, in the event that the investment will fail to meet the expected yield.

Capacity, Skills and Culture

Elected members and statutory officers: All investment and commercial decisions will be taken with the involvement of the Director of Finance and Resources, who will ensure that all elected members and other officers are fully aware of the risks involved and how the decision could change the overall risk exposure of the Authority. All decisions made will also have regard to the principles of the prudential framework and of the regulatory regime in which local authorities operate.

Investment Indicators

The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its investment decisions.

Total risk exposure: The first indicator shows the Authority's total exposure to potential investment losses.

Table 2: Total investment exposure in £millions

Total investment exposure	31.03.2018 Actual	31.03.2019 Forecast	31.03.2020 Forecast
Treasury management investments	46.4	45.6	44.0
Service investments: Loans	0.25	0.2	0.15
Commercial investments: Property	46.2	46.2	46.2
TOTAL EXPOSURE	92.85	92.0	90.35

How investments are funded: Government guidance is that these indicators should include how investments are funded. Since the Authority does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. The Authority does not have any investments that could be described as being funded by borrowing. All of the Authority's investments are funded by usable reserves and income received in advance of expenditure.

Rate of return received: This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 3: Investment rate of return (net of all costs)

Investments net rate of return	2017/18 Actual	2018/19 Forecast	2019/20 Forecast
Treasury management investments	0.84%	0.73%	0.93%
Service investments: Loans	4.85%	4.85%	4.85%
Commercial investments: Property	5.64%	5.64%	5.64%

Minimum Revenue Provision Statement 2019/20

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Ministry of Housing, Communities and Local Government's *Guidance on Minimum Revenue Provision* (the MHCLG Guidance) most recently issued in 2018.

The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The MHCLG Guidance requires the Authority to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP. The following statement only incorporates options recommended in the Guidance.

For capital expenditure incurred before 1st April 2008, MRP will be determined by charging the remaining expenditure over 40 years as the principal repayment on an annuity with an annual interest rate of 2%.

For unsupported capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset as the principal repayment on an annuity with an annual interest rate of 2%, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.

Capital expenditure incurred during 2019/20 will not be subject to a MRP charge until 2020/21.

No MRP will be charged in respect of assets held within the Housing Revenue Account, however a voluntary revenue provision will be charged at 1.5% of the outstanding Housing Revenue Account Capital Financing Requirement in respect of housing assets.

	31.03.2019 Estimated CFR £	2019/20 Estimated MRP/VRP £
Capital expenditure before 01.04.2008	5,127,513	91,375
Unsupported capital expenditure after 31.03.2008	12,813,386	150,753
Total General Fund	17,940,899	242,128
Assets in the Housing Revenue Account	130,358,048	1,955,371
Total Housing Revenue Account	130,358,048	1,955,371

For publication

2019/20 Budget & Medium Term Financial Plan

Meeting:	Council
Date:	27 February, 2019
Cabinet portfolio:	Leader & Deputy Leader
Report by:	Director of Finance & Resources

For publication

1.0 Purpose of report

- 1.1 To consider the General Fund budget report and to make recommendations to the full Council on the budget allocations and council tax level for 2019/20.

2.0 Recommendations

2.1 That Council:

- 2.1.1 Approves the revised budget for 2018/19 (Section 5).
- 2.1.2 That the Director of Finance & Resources be given delegated authority to make decisions related to the application of the business rates retail relief scheme (paragraph 6.5).

- 2.1.3 Notes the Collection Fund and the Tax Base forecasts (Section 9).
- 2.1.4 Approves the overall revenue budget summary for 2019/20 (Section 10 and Appendix A).
- 2.1.5 Approves the use of the capital receipts flexibility to fund the revenue costs of the ICT programme which will lead to budget savings (Section 11).
- 2.1.6 Notes the budget forecasts for 2020/21 and the medium term and the strategy for addressing the projected deficits (Section 12).
- 2.1.7 Approves the estimates of reserves including maintaining the General Working Balance at £1.5m (Section 13 and Appendix G).
- 2.1.8 Notes the budget risks and sensitivity analysis (Appendix H).
- 2.1.9 Increases the Council's share of Council Tax by £5 for a Band 'D' property in 2019/20.
- 2.1.10 Approves the 2019/20 Council Tax Requirement and financing (Appendix I).
- 2.1.11 Notes the Director of Finance & Resources' assurances (Section 18).

3.0 **Background**

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

- 3.2 The Council's Budget Strategy (**Appendix B**) is to set a sustainable and affordable budget over the medium term. This report looks ahead over the coming five financial years to determine the resources available, what are the spending pressures/priorities and how a balanced budget can be achieved.
- 3.3 The major funding sources for the General Fund are Government grant (RSG), business rates growth, fees & charges (car parking, leisure income etc.), rental income from the Council's extensive industrial & commercial property portfolio and the council tax. The Government is, therefore, able to regulate a large proportion of the resources available to the Council through the grants it provides and by placing restrictions on Council Tax increases.
- 3.4 The Local Government Finance Settlement on 13th December 2018 confirmed:
- Our 4 year RSG settlement funding will fall to £434k in 2019/20.
 - New Homes Bonus (NHB) funding as revised in 2016 will continue to be granted for a term of 4 years in 2019/20 and beyond. In addition the 0.4% base line (based on council tax property numbers) introduced in 2016 is maintained, which means that NHB funding will only be available for net additional homes (new build properties and/or bringing back into use empty properties less demolitions) above the expected baseline number.
 - No change to the Council Tax referendum principles with shire districts able to increase Band D council tax by up to 3% or £5 whichever is greater.
- 3.5 The Local Government Finance Settlement also announced that the Derbyshire Councils Business Rates Pool (including Derby City) bid to MHCLG in September 2018 to become a 75%

Business Rate Retention pilot for the financial year 2019/20, had not been successful. The authorities concerned will instead revert back to the pooling arrangements in place in 2017/18.

- 3.6 The Council Tax must be set at the Council meeting on 27th February, which means that the Cabinet must finalise its proposals for achieving a balanced budget at its meeting on 26th February.
- 3.7 This report is due to be considered by Cabinet at its meeting on 26th February, 2019.

4.0 Policy & Financial Planning Framework

- 4.1 A copy of the Council's Financial Strategy is attached at **Appendix C**. Its overall aim is to establish a framework for aligning the revenue and capital spending proposals with the Council's strategic priorities. This report covers the application of the strategy for the next five years. The Medium Term Financial Plan (MTFP) itself is supported by other financial strategies including the Capital Strategy, the Treasury Management Strategy and the Asset Management Plan.
- 4.2 The MTFP is just one of a number of plans and strategies that link into the overall Council Plan; others include the Workforce Plan, the HRA Business Plan, the Local Development Framework, etc. These are designed to help ensure that the Council provides efficient and effective services, delivers value for money and achieves continuous improvement.
- 4.3 The Council Plan should guide the Council's resource allocation and performance management arrangements. The Council Plan has been developed in tandem with the preparation of the MTFP.

5.0 Revised Budget 2018/19

- 5.1 The Council approved the original budget for 2018/19 on 22nd February 2018. It was also agreed that the Council Tax be increased by £5 to £159.89 for a Band 'D' property. After allowing for planned savings this achieved a surplus of £56k.
- 5.2 2018/19 has proved another challenging year in terms of budget management. There has been active management of budget variances, both increases and decreases. Budget monitoring reports were presented to the Cabinet and full Council during the year and the position changed at each stage. The table below provides a summary of the net forecasts at each reporting stage:

Table – 2018/19 Surplus / (Deficit) Forecasts Through the Year

Date	Net surplus / (deficit)	Change on previous
Feb 18 – approved budget	56	-
Jul 18 – end of quarter 1	298	242
Nov 18 – end of quarter 2	(130)	(428)
Dec 18 – draft revised budget	0	130
Feb 19 – this final budget report	162	162

The revised portfolio budgets for 2018/19 were reported to the Cabinet on the 18th December as part of the first draft General Fund budget report.

Since then further work has been undertaken through budget monitoring to identify other possible variances for inclusion in the final budget report. The updated revised budget forecast for 2018/19 shows an estimated surplus of £162k. (**Appendix A**).

- 5.3 Strict budgetary control will continue to the end of the financial year with the final surplus transferred to the Budget Risk Reserve at the end of the year.

6.0 Business Rates

- 6.1 The Council is able to retain an element of income from Business Rates growth above a 'Baseline Funding level' set by Central Government in the finance settlement.
- 6.2 The actual level of income from Business Rates(BR) to be included in the budget for 2019/20 is based on the Council's estimate of income as shown on the NNDR1 Return. The NNDR1 return was approved by the Employment & General Committee on the 21st January 2019. It shows an estimated Net Yield of £36,476,862 with the Council's 40% share as £14,590,750. The Council's share is then reduced by the **tariff** payment of £11,281,885 leaving £3,308,865. At the same time the Council will qualify for £2,143,659 of Section 31 grants to make up for the loss of income from the changes to business rates announced in the Budget in October 2018 (small business rate relief extension, etc.).
- 6.3 There is also a **Safety Net** mechanism in place to protect authorities from excessive decreases in BR income below their BR Baseline Funding level. A safety net payment will be triggered if an authority sees its share of BR income in any year decline by more than 7.5% of its BR Baseline Funding. The Council's **Safety Net threshold is £3,070k** (i.e. £3,319,436 x 92.5%). This means that the Council's share of BR **income could fall by £249k** below its Baseline Funding level of £3,319k before it qualifies for a safety net payment. The estimate of BR income per the NNDR1 return is well above the Baseline level so it is highly unlikely that the Safety Net provisions will apply.
- 6.4 The major issue regarding the BR system has been the time taken by the Valuation Office Agency (VOA) to assess and deal with back-dated appeals originating from the 2010 and 2017 valuations. This has created uncertainties around estimating the likely impact of rating appeals on BR income. As a result we

will have £4.8m of outstanding appeals at the end of 2018/19 and an additional £1.9m of appeals in 2019/20. The projected deficit on the BR account for 2018/19 is £2.6m. The Council's share of the deficit equates to £975k and this has been included in the budget for 2019/20.

6.5 Business Rates – Retail Relief: in the October 2018 Budget, the Government introduced a retail relief scheme for 2 years starting in 2019/20 where any retail premises with a rateable value of less than £51,000 would be eligible for a one third discount on their business rates payable.

To avoid the necessity of introducing this discount through primary legislation, the government has indicated that this discount must be applied via a local scheme using the local authority's discretionary relief powers under S47 of the Local Government Finance Act 1988.

In order to introduce and administer this relief, approval is sought to allow delegation of the scheme to the Director of Finance & Resources. The Constitution currently allows similar delegation for other reliefs granted under S47 of the Act.

The government will reimburse local authorities for the loss of business rate income via a S31 grant.

7.0 Government Grants

7.1 The **Settlement Funding Assessment (SFA)** is calculated by the Government and sets the starting position in terms of the estimate of the funding available to the Council. The funding is a combination of Formula Funding and other funding streams that were previously paid as specific grants. The Funding Assessment is made up of two elements, Business Rates Baseline Funding and Revenue Support Grant.

	2017/18	2018/19	2019/20	2020/21
Revenue Support Grant	1,239	0	434	0
Business Rates Baseline	3,150	4,104	3,320	3,383
Settlement Funding Assessment	£4,389k	£4,104k	£3,754k	£3,383k
Change between years: £	-£534k	-£285k	-£350k	-£371k
%	-11%	-6%	-8%	-10%
Cumulative change from 16/17 (£4,923k)	-£534k	-£819k	-£1,169k	-£1,540k
%	-11%	-17%	-24%	-31%

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

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

- 7.2 **New Homes Bonus (NHB)** - the grant was first announced in the Spending Review 2010. The money has been historically top-sliced from the Local Government Finance allocation to fund NHB. There has, therefore been, a strong argument for using some, if not all, of the allocations to support the revenue budget. The grant is paid as a reward/incentive for increasing the housing supply and is intended to help councils finance the costs which new housing and an increased population create.

The grant confirmed by DCLG for 2019/20 is £312,659.

New Homes Bonus (NHB)	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
NHB	461,645	312,659	16,800	8,400	5,320	0

The Council in recent years, has not seen new properties built or empty properties brought back into use in large numbers to offset those lost through demolition and conversion to commercial use; figures are in the 100-200 net additional homes annually. Based on this, it is difficult with any certainty to project that the number of new properties will exceed the new baseline of 0.4% of council tax band properties in order to get NHB. Therefore being prudent, we have assumed no new NHB from 2020/21.

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

8.0 Fees & Charges

- 8.1 The Council's policy for Fees and Charges (**Appendix D**) requires charges to be set at a level to at least recover costs but reduced concessionary rates are permissible to ensure equal access to services. Fees and charges are reviewed annually taking into account comparisons with other similar authorities, the case for continuing concessions, the cost recovery position, etc. Fees & charges represent a significant income to the Council and amount to double the income raised through the council tax. For 2019/20 the budget includes £9.9m (£9.3m in 2018/19) from fees and charges compared to only £4.8m from the council tax. The main income sources and the assumed increases for 2019/20 are summarised in **Appendix E**.

9.0 Council Tax & Collection Fund

- 9.1 Income raised locally through the council tax represents the other major financing source for the General Fund revenue budget.
- 9.2 Collection Fund Balance** – before calculating the council tax for the coming year the estimated balance on the current year’s Council Tax elements of the Collection Fund must be established and taken into account. The balance on the Collection Fund was reported to the Cabinet on 15th January 2019. There is an estimated deficit balance of £27,135 at the end of March 2019. The deficit is shared amongst the major precepting authorities; the Borough’s share is £2,770 (10.21%).
- 9.3 Tax Base** - the Tax Base provides an estimate of how much each £1 of Council Tax would raise. The Tax Base is expressed as the equivalent number of Band ‘D’ dwellings in the borough. The Employment and General Committee approved the Tax Base on 21st January 2019 as:

Tax Base – Band ‘D’ Properties

Area	2018/19	2019/20	Increase / (Decrease)	
			No.	%
Brimington Parish	2,329.75	2,330.59	0.84	0.04
Staveley Town	4,101.13	4,136.40	35.27	0.9
Chesterfield Area	22,338.22	22,533.64	195.42	0.9
Total	28,769.10	29,000.63	231.53	0.8

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

- 9.4 Referendum Limit** – the capping regime was replaced some years ago with a requirement to hold a referendum if the

proposed council tax increase exceeds a limit set by the Secretary of State. The limit for 2019/20 has been set at 3% but with a concession for district councils which allows them to increase their council tax by a maximum of £5 or 3%. The £5 increase is equivalent to an increase of 3.13%.

- 9.5 Council Tax Increase** – the budget has been prepared assuming a council tax increase of £5 for a Band ‘D’ property. For local tax payers the impact of a £5 per annum increase on the Band ‘D’ tax, compared to the current council tax, is 3.13% in percentage terms, but low in monetary terms, for a;
- **Band ‘A’** property (more than half the properties in the Borough) equivalent to £3.33 per annum or 6.4 pence per week;
 - **Band ‘D’** equivalent to £5.00 per annum or 9.6 pence per week.

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

10.0 2019/20 Net Expenditure Estimate

10.1 The Medium Term forecast approved a year ago, by the Full Council on 22nd February 2018, showed a deficit, before savings targets, of £291k in 2019/20.

10.2 The table below provides a summary of the budget forecasts which have been reported to the Cabinet during the current financial year 2018/19:

(Deficit) / Surplus Forecasts			
Stage	Cabinet	2018/19 £'000	2019/20 £'000
Start of the year	20 th Feb	56	(291)
Q1 Budget Monitoring	17 th Jul	298	491

Q2 Budget Monitoring	23 rd Oct	(130)	(785)
1 st draft budget report	18 th Dec	0	(280)
Latest Forecast	26 th Feb	162	(202)

10.3 The budget forecast for 2019/20 in **Appendix A** assumes a £5 Council Tax increase. The forecast shows a deficit of £202k but this assumes that savings of £227k will be achieved.

10.4 Strategy for funding the deficit –The Council’s key response to tackling future budget deficits is driving through service efficiencies / improving productivity / maximising income growth across its services. Proposals will be developed during 2019/20 across services to identify such efficiency/productivity/income gains in consultation with Portfolio holders. The programme aims to identify £1.2m per annum of savings or income growth by 2021/22. Every effort will be made to avoid having to use reserves to support the budget as the reserves would be more effectively used on proposals that will produce ongoing revenue budget savings or income growth.

11.0 Flexible Use of Capital Receipts Strategy

11.1 As part of the November 2015 Spending Review, the Government announced that it would introduce flexibility for local authorities to use capital receipts from the sale of non-housing assets to fund the revenue costs of service reform and transformation which are forecast to generate ongoing savings to an authority’s net service expenditure. Guidance on the use of this flexibility was issued in March 2016 which applied to the financial years 2016/17 to 2018/19. In December 2017 the Government confirmed that this flexibility would be extended for a further three years to 31st March 2022.

11.2 Government has provided a definition of expenditure which qualifies to be funded from capital receipts. This is:

“Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. Within this definition, it is for individual local authorities to decide whether or not a project qualifies for the flexibility.”

11.3 The Council intends to use the capital receipts flexibility to part fund the ICT Improvement Programme, which was approved by Council in April 2018. The original programme included capital expenditure that will now be delivered using cloud-based technology and as such has been reclassified as revenue expenditure. There has been no change to the overall cost of the project.

11.4 The estimated use of capital receipts and annual savings generated by this project are set out in the table below:

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Estimated Expenditure	412	480	0	0	0
Estimated Savings	(227)	(232)	(592)	(825)	(1,023)

It is forecast that the ICT Improvement programme will achieve total net revenue savings of around £4.5m during the 8 years to 2026/27.

11.5 The Guidance requires that the impact on the Council’s prudential indicators should be considered when preparing a Flexible Use of Capital Receipts Strategy. There will be no impact on the Council’s prudential indicators as a result of the implementation of this strategy, as the expenditure to be funded from capital receipts had previously been included

within the capital programme. Therefore there has been no change in the overall use of capital receipts.

12.0 Medium Term Forecast - 2020/21 through to 2023/24

12.1 It is good financial practice for authorities to consider their budgets over the medium term and not just for the year ahead. The forecasts are based on current levels of service provision with no allowance for future growth. They assume that the current business rate retention model continues. The government is consulting on changes to the current model.

12.2 The table below provides a summary of the deficits/savings targets over the medium term:

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Surplus / (Deficit) forecast after planned savings	(202)	(803)	(1,125)	(1,196)	(1,311)
ICT Digital Innovation Savings	(227)	(231)	(592)	(825)	(1,023)
Total Savings target	(429)	(1,034)	(1,717)	(2,021)	(2,334)
Change on previous year - deficit (increase)/decrease		(605)	(683)	(304)	(313)

The scale of the future forecast deficits and the need for significant IT investment means that work must continue in 2019 to deliver on the planned efficiency and income proposals, and to identify new savings proposals in order to be able to produce balanced and sustainable budgets for future years.

12.3 The Council has a good track record of delivering balanced budgets. The scale of the savings required in future years

means that delivering savings and income growth must continue to be a priority for the Council. Work is currently underway to explore further commercialisation opportunities, smarter procurement, vacancy control, voluntary redundancy and voluntary early retirement, the continuation of the programme of asset disposals and the identification of further areas for income generation.

- 12.4 The budget estimates are based on the best available information but inevitably there is a degree of risk and uncertainty in some of the assumptions made. Details of the most significant risks and issues are provided in **Appendix H**.

13.0 Reserves & Balances

- 13.1 The Council maintains a General Working Balance plus a number of other earmarked reserves. A review of all the reserves and provisions has been undertaken as part of the budget process.
- 13.2 **General Working Balance** – the working balance provides a cushion for cash flow shortages and a contingency for unforeseen events. The minimum prudent level for the working balance is a matter of professional judgement based on past experience, the level of other earmarked reserves and an assessment of future risks. The working balance is being maintained at £1.5m to recognise the range of risks the Council is currently exposed to. An updated financial risks assessment is provided in **Appendix H**, which indicates that a balance of £1.5m should be adequate. A balance of £1.5m is equivalent to 15% of the Council's budget requirement. Over the medium term the Council will need to continually review the minimum working balance required as budget risks and the level of other earmarked reserves change.
- 13.3 **Earmarked reserves** are held to meet known or anticipated liabilities. Details of the earmarked reserves held by the

Council, including their purpose and predicted movements over the next five years are included in **Appendix G**. The level of reserves is considered to be adequate.

14.0 Consultation

- 14.1 The consultation meeting with the business ratepayers' representatives took place on 6th February 2019. Issues discussed included the changes to the business rates system, the small business rates relief and retail relief schemes, the Council's budget forecasts and the council tax increase options.
- 14.2 Consultation with Council Taxpayers took place at a Community Assembly meeting on 9th January 2019 which was attended by approximately 60 members of the public. The Council Plan and budget were discussed and council tax increase options.

15.0 Other Local Council Taxes

- 15.1 The special items to be added to the tax in **parished areas** are:
- **Staveley Town Council** - Band 'D' tax increased by 2.6% to £95.96 (£93.51 in 2018/19); &
 - **Brimington Parish Council** – Band 'D' tax is unchanged at £21.70 (£21.70 in 2018/19).
- 15.2 **Derbyshire County Council** has agreed on 6th February 2019 to increase its council tax by 3.99% to £1,322.88 (£1,272.12 in 2018/19).
- 15.3 **Derbyshire Police & Crime Commissioner** set the Constabulary's precept and council tax on 24th January 2019- the Band D tax will be £216.60, an increase of £24 (12.46%) (£192.60 in 2018/19).
- 15.4 **The Derbyshire Fire and Rescue Authority** set its precept and council tax on 14th February 2019 – the Band D tax will be £76.22 an increase of 1.98% (£74.74 in 2018/19).

15.5 Details of the council taxes for each major preceptor and by each tax band are shown in **Appendix J**.

16.0 Calculation of Expenditure

16.1 The calculation of expenditure required under Section 32 of the Local Government Finance Act 1992 is shown at **Appendix I**.

17.0 Legal Implications

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

18.0 Chief Financial Officers Assurances

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

Robustness of estimates – subject to the risks highlighted elsewhere in this report, the Director of Finance & Resources is

satisfied that the estimates are based on the best available information and that procedures are in place to ensure the estimates are accurate and reliable. Budget responsibility is devolved to service managers who are best placed to complete the budget working papers. The central Accountancy Team coordinate the budget process and check through all budget working papers. The Council's procedures, allied to experienced staff and a robust approach to risk management should minimise the inherent risks and uncertainties in the forecasting process.

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

Further work will continue to establish the exact costs, and means of financing, the planned investments in ICT technology and digital innovation and robust project management arrangements put in place to ensure the timely and effective delivery of budget savings and/or income generation proposals.

18.2 Level of reserves - details of the Council's reserves are provided in Section 13 above and in **Appendix G**. The General Fund working balance is being maintained at £1.5m to recognise the financial risks the Council currently faces particularly in relation to Business Rates income. The updated Budget Risk and Sensitivity Analysis in **Appendix H** also supports the minimum working balance being maintained at this level.

The policy on the use of reserves will continue to be to use earmarked reserves for their intended purpose with surplus reserves being used for investment in the Council's priorities and/or for transformation schemes which are designed to produce on-going revenue budget savings

The reserves have declined from 2018/19 but are still considered adequate for 2019/20. The position in future years

will depend on the Council's success in delivering the required budget savings and surpluses.

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

19.0 Alternative Recommendations

19.1 It is within the gift of the Council to propose alternative budget allocations and/or council tax level.

20.0 Recommendations

20.1 That Council:

- 20.1.1 Approves the revised budget for 2018/19 (Section 5).
- 20.1.2 That the Director of Finance & Resources be given delegated authority to make decisions related to the application of the business rates retail relief scheme (paragraph 6.5).
- 20.1.3 Notes the Collection Fund and the Tax Base forecasts (Section 9).
- 20.1.4 Approves the overall revenue budget summary for 2019/20 (Section 10 and Appendix A).
- 20.1.5 Approves the use of the capital receipts flexibility to fund the revenue costs of the ICT programme which will lead to budget savings (Section 11).
- 20.1.6 Notes the budget forecasts for 2020/21 and the medium term and the strategy for addressing the projected deficits (Section 12).

- 20.1.7 Approves the estimates of reserves including maintaining the General Working Balance at £1.5m (Section 13 and Appendix G).
- 20.1.8 Notes the budget risks and sensitivity analysis (Appendix H).
- 20.1.9 Increases the Council's share of Council Tax by £5 for a Band 'D' property in 2019/20.
- 20.1.10 Approves the 2019/20 Council Tax Requirement and financing (Appendix I).
- 20.1.11 Notes the Director of Finance & Resources' assurances (Section 18).

21.0 Reasons for Recommendations

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

Decision information

Key decision number	860
Wards affected	All wards
Links to Council Plan priorities	To be financially self-sufficient by 2020.

Document information

Report author		Contact number/email
Kevin Hanlon		Kevin.hanlon@chesterfield.gov.uk
Background documents		
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>		
Appendices to the report		
Appendix A	General Fund Revenue Budget Summary	
Appendix B	Budget Strategy	
Appendix C	Financial Strategy	
Appendix D	Fees & Charges Policy	
Appendix E	Analysis of Fees & Charges Income	
Appendix F	Revenue Grants	
Appendix G	Reserves & Balances	
Appendix H	Budget Risks & Sensitivity Analysis	
Appendix I	Section 32 Statement	
Appendix J	Council Taxes	

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GENERAL FUND REVENUE ESTIMATES SUMMARY

	2018/19		2019/20	2020/21	2021/22	2022/23	2023/24
	Original	Revised	Estimate	Estimate	Estimate	Estimate	Estimate
	£	£	£	£	£	£	£
Per Lead Member reports:							
Leader of the Council	55,850	37,480	47,190	43,670	44,840	50,160	54,370
Deputy Leader of the Council	1,223,910	1,198,950	1,209,290	1,212,520	1,216,230	1,219,880	1,225,440
Cabinet Member for Economic Growth	163,790	313,610	134,990	259,920	321,140	397,830	452,010
Cabinet Member for Town Centre and Visitor Economy	(374,650)	27,420	166,850	148,120	261,200	260,250	360,680
Cabinet Member for Health and Well Being	7,692,040	7,099,130	7,842,510	7,829,120	8,081,120	8,270,500	8,431,650
Cabinet Member for Homes and Customers (GF)	1,920,230	2,010,950	2,060,480	2,156,950	2,280,290	2,418,960	2,519,090
Cabinet Member for Governance	2,760,790	2,777,630	2,983,920	2,897,580	2,964,500	3,050,590	3,112,510
Cabinet Member for Business Transformation	507,190	383,420	502,530	525,330	544,220	564,450	583,770
Portfolios Total	13,949,150	13,848,590	14,947,760	15,073,210	15,713,540	16,232,620	16,739,520
Spirepride surplus	(559,910)	(559,910)	(581,670)	(602,860)	(613,410)	(642,490)	(672,940)
OSD surplus	(255,240)	0	(255,240)	(255,240)	(255,240)	(255,240)	(255,240)
Holiday pay	0	60,000	25,000	25,000	25,000	25,000	25,000
Crematorium surplus	(250,000)	(274,370)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)
Transformation Projects	(25,000)	0	0	0	0	0	0
Savings - "Cease and Reduce" Programme	(25,000)	0	0	0	0	0	0
ICT Digital Innovation Savings	0	0	(227,000)	(231,540)	(592,420)	(825,020)	(1,023,000)
Pension Costs - 2020 Revaluation	0	0	0	145,000	145,000	145,000	145,000
Electricity Inflation	50,000	0	50,000	50,000	50,000	50,000	50,000
Historical Leisure VAT Claim	0	0	(56,270)	0	0	0	0
Staff vacancies allowance	(150,000)	0	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Total Service Expenditure	12,734,000	13,074,310	13,552,580	13,853,570	14,122,470	14,379,870	14,658,340
Interest & capital charges	(2,389,457)	(2,157,880)	(2,949,111)	(3,101,794)	(3,069,034)	(2,985,771)	(2,966,055)
Contrib to/(from) Digital Innovation Reserve	0	(31,245)	(444,317)	(250,000)	(10,000)	(50,000)	0
Contrib to/(from) Service Improve't Reserve	(57,610)	(63,530)	(33,530)	0	0	0	0
Contrib to/(from) Revenue Risk Reserve	0	(40,000)	(35,620)	0	0	0	0
Contrib to/(from) Earmarked Reserves	(150,000)	(150,000)	(107,000)	0	0	0	0
Contribution to Vehicle & Plant Fund	106,000	106,000	106,000	106,000	106,000	106,000	106,000
Bad debt provision	50,000	25,000	25,000	25,000	25,000	25,000	25,000
New burden grants/other income		(570)	0				
Surplus/(deficit) - savings target	55,781	161,629	(202,325)	(803,424)	(1,125,378)	(1,196,011)	(1,311,032)
NET EXPENDITURE	10,348,714	10,923,714	9,911,677	9,829,352	10,049,058	10,279,088	10,512,253
Total Savings Target	5,781		(429,325)	(1,034,964)	(1,717,798)	(2,021,031)	(2,334,032)

GENERAL FUND REVENUE ESTIMATES SUMMARY

	2018/19		2019/20	2020/21	2021/22	2022/23	2023/24
	Original	Revised	Estimate	Estimate	Estimate	Estimate	Estimate
	£	£	£	£	£	£	£
Financed By:							
RSG	0	0	434,451	0	0	0	0
Business Rates Baseline	4,104,263	4,104,263	3,319,436	3,383,384	3,451,052	3,520,073	3,590,475
Settlement Funding	4,104,263	4,104,263	3,753,887	3,383,384	3,451,052	3,520,073	3,590,475
Retained Business Rates Growth	2,027,498	2,193,346	1,217,159	1,247,588	1,278,778	1,310,748	1,343,516
Business rate growth returned to pilot	(830,185)	0	0				
Business rate growth - Strategic Investment Fund contribution		(117,717)	0				
Business rate pooling	0	0	300,000	300,000	300,000	300,000	300,000
NNDR Fund Surplus/(Deficit)	(288,036)	(288,036)	(975,642)				
Contrib (to)/from Business Rate Reserve	252,391	(50,926)	550,926				
Council tax support grants to parishes	(33,071)	(33,071)	(26,456)	(19,841)	(13,226)	(6,611)	0
Council Tax Fund Surplus/(Deficit)	54,318	54,318	(2,770)				
New Homes Bonus	461,645	461,645	312,659	16,800	8,400	5,320	0
Council Tax (taxbase x tax below)	4,599,891	4,599,891	4,781,914	4,901,421	5,024,054	5,149,558	5,278,262
TOTAL FINANCING	10,348,714	10,923,714	9,911,677	9,829,352	10,049,058	10,279,088	10,512,253

Council Tax Income:							
Taxbase Growth				0.5%	0.5%	0.5%	0.5%
Taxbase Estimate	28,769.10	28,769.10	29,000.63	29,145.63	29,291.36	29,437.82	29,585.01
Tax increase	0		3.13%	1.99%	1.99%	1.99%	1.99%
Band 'D' Tax	159.89	159.89	164.89	168.17	171.52	174.93	178.41
Yield =- taxbase x Band 'D'	4,599,891	4,599,891	4,781,914	4,901,421	5,024,054	5,149,558	5,278,262

BR Growth Retention:							
Growth rate							
CBC 40% share of income (18/19 50% share of income)	18,114,220	18,114,220	14,590,750	14,955,519	15,329,407	15,712,642	16,105,458
Less tariff	(13,733,487)	(13,738,492)	(11,281,885)	(11,563,932)	(11,853,030)	(12,149,356)	(12,453,090)
Add s31 grant re SBRR	1,513,061	1,710,101	2,143,659	2,197,250	2,252,182	2,308,486	2,366,198
Add s31 grant re other reliefs	112,908		0	0	0	0	0
Gross income before levy	6,006,702	6,085,829	5,452,524	5,588,837	5,728,558	5,871,772	6,018,566
Less Baseline Funding	(4,104,263)	(4,104,263)	(3,319,436)	(3,402,422)	(3,487,482)	(3,574,670)	(3,664,036)
Growth	1,902,439	1,981,566	2,133,088	2,186,415	2,241,076	2,297,102	2,354,530
Levy (NB 50% on nndr3 not nndr 1)			(1,066,544)	(1,093,208)	(1,120,538)	(1,148,551)	(1,177,265)
S31 Grant - Switch to CPI Adj					0	0	0
Adjs to Levy & Tariff	(314,726)	(334,530)	(344,660)	(353,277)	(362,109)	(371,162)	(380,441)
Levy Account surplus		50,926					
S31 Grant - SBRR compensation 17/18 (government error)		30,387	0				
Retained BR re renewable energy	30,430	49,880	49,530	50,768	52,037	53,338	54,672
Grant re Multiplier Cap	409,355	415,118	445,746	456,890	468,312	480,020	492,020
BR Growth Retained above Baseline	2,027,498	2,193,346	1,217,159	1,247,588	1,278,778	1,310,748	1,343,516
Add Baseline Funding	4,104,263	4,104,263	3,319,436	3,402,422	3,487,482	3,574,670	3,664,036
Total BR Income Retained	6,131,761	6,297,609	4,536,595	4,650,010	4,766,260	4,885,418	5,007,552

BUDGET STRATEGY

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

- ◆ Prepare budgets annually covering a five-year period - the objective will be to produce a balanced budget in year and set out how to balance the medium term budgets.
- ◆ Direct or re-allocate resources to priority areas.
- ◆ Target low priority and discretionary areas of spend when looking for savings, including non-pay, voluntary redundancy, vacancy control, restructures and none statutory services.
- ◆ Identify and manage budget risks effectively.
- ◆ Estimate annual savings targets and seek to achieve these through business transformation, joint working, internal re-structuring and alternative service delivery methods.
- ◆ Rigorously scrutinise all growth requests, both statutory and discretionary, particularly in relation to how they contribute to the corporate objectives, their affordability and sustainability.
- ◆ Maximise income generation opportunities. Fees and charges to be reviewed at least annually applying the Council's approved 'Charges Policy'.
- ◆ Aim to set increases in the Council Tax at a level to produce a much stronger tax base in view of our very low comparative tax.
- ◆ Consult stakeholders on spending/saving plans and tax increases.
- ◆ Manage reserves prudently to cover future financial risks
- ◆ Only approve supplementary budgets where a budget cannot be transferred (vired) from elsewhere and only when there is a legal requirement, the event was unforeseen and unavoidable, or any other case of extreme urgency.
- ◆ Adopt sound asset management practices including identifying under-utilised assets, investing in income generating assets and identifying poor performing assets for disposal.

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FINANCIAL STRATEGY

1. A five year forward plan will be maintained, reviewed and rolled forward each year as part of the budget process, encompassing:
 - ◆ Proposed development of services.
 - ◆ Efficiency savings.
 - ◆ A General Fund revenue expenditure forecast.
 - ◆ A Housing Revenue Account capital and revenue expenditure forecast.
 - ◆ A General Fund capital expenditure and resources plan.
 - ◆ Proposed use of reserves and balances.

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

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

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

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

5. In order to sustain its capital programme, the Council will:
 - ◆ Aim to raise capital receipts of an average of £1 to £2 million a year (in addition to those from the sale of Council houses).
 - ◆ Where appropriate, encourage private sector schemes either on their own or jointly with the Council.
 - ◆ Seek to maximise receipt of capital grant.

Appendix C

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

7. At the close of a financial year, unless there are unusual circumstances:
 - ◆ Any under-spending on General Fund will be transferred to the Budget Risk Reserve except to the extent that in exceptional circumstances, approval is given to carry forward unspent budgets to the subsequent financial year or are required to meet future revenue spending, in which case they will remain in the General Working Balance;
 - ◆ Any overspending will be met from the Budget Risk Reserve or General Fund balance.
 - ◆ Any D.L.O./D.S.O. surpluses arising in the year which are not required for operational purposes will be transferred to the General Fund.

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

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

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

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

CHARGING POLICIES

CHARGING PRINCIPLES
◆ To make a charge wherever identifiable groups benefit directly from a service, rather than it being a general benefit to the entire community.
◆ Fees and charges should aim to recover the full cost of the service except where: <ol style="list-style-type: none"> a) There is an opportunity to maximise income; or b) Members determine that a reduction or subsidy should be made for specific reasons.
◆ That where charges are reduced from full cost the reason for the reduction is reviewed periodically (at least annually) to ensure that it remains valid.
◆ People on low incomes and/or suffering disadvantage through poverty or social exclusion may be charged less to ensure equal access.
◆ Differential charges for residents/non-residents may be appropriate.

CHARGING TARGETS
The objectives of charging should be translated into specific measurable targets. The development of targets should be done: <ol style="list-style-type: none"> a) in general terms as part of the annual review process; and b) in detail as part of offering Value for Money and Best Value.

CHARGING DECISIONS
Information to be included in all charging reports
Analysis of the impact of the proposed charge on: <ul style="list-style-type: none"> Corporate and service objectives Charging targets
Previous year's experience: <ul style="list-style-type: none"> Price increase Affect on demand Performance against targets
Analysis of local competition (if any)
Current charge
Proposed charge
Percentage increase
Estimated income
Estimated costs
Income as a percentage of costs
Number of users
Subsidy / Surplus per user
Reason for subsidy (if there is one)

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FEES & CHARGES INCLUDED IN THE BUDGET FORECASTS

Description	2018/19		2019/20		2020/21		2021/22		2022/23		2023/24	
	original	revised	estimate		estimate		estimate		estimate		estimate	
	£'000	£'000	£'000	% Rev to Est	£'000	%	£'000	%	£'000	%	£'000	%
Trade Waste	669	658	664	1%	682	3%	700	3%	719	3%	738	3%
Licensing	313	331	337	2%	337	337%	337	0%	337	0%	337	0%
QPSC	2,058	2,080	2,180	5%	2,246	3%	2,313	3%	2,382	3%	2,454	3%
SLC	1,184	1,212	1,278	5%	1,317	3%	1,356	3%	1,397	3%	1,439	3%
Parks	101	74	74	0%	76	3%	77	1%	79	3%	81	3%
Cemeteries	239	239	246	3%	254	3%	261	3%	269	3%	277	3%
Winding Wheel - promotions & lettings	473	473	473	0%	473	0%	474	0%	474	0%	474	0%
Pomegranate - productions	696	665	698	5%	701	0%	704	0%	707	0%	710	0%
Planning fees	500	500	600	20%	600	0%	600	0%	600	0%	600	0%
Markets	468	433	433	0%	445	3%	445	0%	445	0%	445	0%
Market Hall	353	366	374	2%	374	0%	374	0%	374	0%	374	0%
Car Parking (incl. season tickets)	2,293	2,291	2,573	12%	2,699	5%	2,699	0%	2,779	3%	2,779	0%
Total	9,347	9,322	9,930	6%	10,204	3%	10,340	1%	10,562	2%	10,708	1%

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GRANTS & CONTRIBUTIONS INCLUDED IN THE BUDGET FORECASTS

Grant Type & Description	2018/19		2019/20	2020/21	2021/22	2022/23	2023/24
	original £	revised £	estimate £	estimate £	estimate £	estimate £	estimate £
Revenue Support Grant	0	0	434,451	0	0	0	0
New Homes Bonus	461,645	461,645	312,659	16,800	8,400	5,320	0
Housing Benefit Admin	576,590	554,070	514,860	471,000	431,140	394,900	361,950
Housing Benefit - Main Subsidy	33,376,900	29,916,300	29,923,160	29,923,160	29,923,160	29,923,160	29,923,160
Business Rates Admin	165,000	164,000	164,000	164,000	164,000	164,000	164,000
Tourism DMS, NEDDC/BDC	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Museum 'The Trench', East Mids Museums	0	1,500	0	0	0	0	0
GP Referral scheme, Public Health	0	45,000	45,000	45,000	45,000	45,000	45,000
Walking for Health / etc., Public Health	19,660	30,520	61,000	50,000	50,000	50,000	50,000
Eastwood Park, HLF	0	51,210	0	0	0	0	0
King George V Playing Fields, Staveley TC	6,500	6,870	7,060	7,250	7,430	7,610	7,800
Parks, Friends' groups	0	10,000	10,000	10,000	10,000	10,000	10,000
Children's Play Areas, s.106 contributions	16,020	14,270	11,100	10,730	2,960	2,960	2,030
Woodlands, Rural Payments Agency (HLS)	8,500	8,500	8,500	8,500	8,500	8,500	8,500
Chesterfield In Bloom, new floral towers	0	2,000	0	0	0	0	0
Highways Amenity Maintenance, DCC	105,980	105,980	105,980	105,980	105,980	105,980	105,980
Weed Spraying, DCC	24,440	24,440	24,440	24,440	24,440	24,440	24,440
Community Safety	15,710	15,710	15,710	15,710	15,710	15,710	15,710
Total Revenue Grants	34,784,945	31,420,015	31,645,920	30,860,570	30,804,720	30,765,580	30,726,570

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MOVEMENTS ON RESERVES & PROVISIONS - revised at quarter 3

Title	Purpose	B/Fwd 1st Apr 18 £'000	2018/19 In/(out) £'000	B/Fwd 1st Apr 19 £'000	2019/20 In/(out) £'000	B/Fwd 1st Apr 20 £'000	2020/21 In/(out) £'000	B/Fwd 1st Apr 21 £'000	2021/22 In/(out) £'000	B/Fwd 1st Apr 22 £'000	2022/23 In/(out) £'000	B/Fwd 1st Apr 23 £'000	2023/24 In/(out) £'000	B/Fwd 1st Apr 24 £'000
Vehicles & Plant	Replacement fund	766	372 (613)	525	372 (210)	687	372 (722)	337	372 (272)	437	373 (263)	547	372 (531)	388
Wheeled Bins Replacement Fund	Replacement fund	76	84 (80)	80	83 (80)	83	84 (80)	87	84 (80)	91	83 (80)	94	84 (80)	98
Property Repairs	Even-out 10 year repairs programme	354	1,181 (1,170)	365	1,193 (1,169)	389	1,193 (1,169)	413	1,193 (1,169)	437	1,193 (1,169)	461	1,193 (1,169)	485
ICT Reserve	Replacement fund	67	146 (213)	0	146 (146)	0								
DLO/DSO Reserve	Provision for improvements	576	- (227)	349	-	349	-	349	-	349	-	349	-	349
Museum Exhibits	Opportunity purchases fund	25	-	25	-	25	-	25	-	25	-	25	-	25
Theatre Restoration	Improvements to theatre/WW from levy on ticket sales	367	90 (426)	31	90	121	90	211	90	301	90	391	90	481
Insurance Reserve - caims not yet reported	Self insurance element claims not yet reported	597	-	597	-	597	-	597	0	597	0	597	0	597
Insurance Provision - current claims	Self insurance element of reported claims	735	226 (226)	735										
MMI - Insurance Provision	To fund liability of claims unpaid due to MMI insolvency	17	- (10)	7	- (7)	0	-	0	-	0	-	0	-	0
MMI - Insurance Reserve	To fund liability of claims unpaid due to MMI insolvency	366	- (30)	336	- (30)	306	- (30)	276	- (30)	246	- (30)	216	- (30)	186
Repaid Improvement Grants	Private sector grants clawed back from recipients	222	75	297	50 (85)	262	50 (85)	227	50 (85)	192	50 (86)	156	50 (36)	170
Planning LDF Review Provision	Provision for cost of LDF review	236	- (50)	186	- (150)	36	20	56	20	76	20	96	20	116
Transport Co Pensions	Provsion for the pension cost of former employees.	1,008	64 (50)	1,022	64 (50)	1,036	63 (50)	1,049	61 (50)	1,060	19 (50)	1,029	18 (50)	997
Flood Restoration	Flood defence/prevention	53	- (53)	0	-	0	-	0	-	0	-	0	-	0
New Home Bonus		0	462 (462)	0	307 (307)	0	11 (11)	0	3 (3)	0	0 0	0	-	0
Service Redesign		750	-	750	-	750	-	750	-	750	-	750	-	750
Business Rate Reserve		1,937	51	1,988	- (551)	1,437	-	1,437	-	1,437	-	1,437	-	1,437
Budget Risks Reserve	To cover future budget risks	683	143 (259)	567	9 (45)	531	-	531	-	531	200	731	-	731
Service Improvement		339	34 (75)	298	34 (33)	299	9	308	-	308	-	308	-	308
Invest to Save Fund	Pump priming for schemes with a pay-back	31	- (31)	0	- 0	0	-	0	-	0	-	0	-	0
GF Deficit Reduction Reserve		257	- (150)	107	- (107)	0	-	0	-	0	-	0	-	0
Northern Gateway Reserve		280	- (80)	200	- 0	200	-	200	-	200	- (200)	0	-	0
S106 Contributions		254	- (23)	231	- 0	231	-	231	-	231	-	231	-	231
Community Infrastructure Levy		734	150	884	50 0	934	50	984	50	1,034	50	1,084	50	1,134
ICT Digital Innovation		596	110 (31)	675	10 (445)	240	10 (250)	0	10 (10)	0	50 (50)	0	-	0
General Fund Working Balance	Required to prevent supplementary in year council tax increase	1,500	-	1,500	-	1,500	-	1,500	-	1,500	-	1,500	-	1,500
TOTALS		12,826	(1,071)	11,755	(1,007)	10,748	(445)	10,303	234	10,537	200	10,737	(19)	10,718

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KEY BUDGET RISKS & SENSITIVITY ANALYSIS 2019/20

Description	Budget Risk	Risk Assessment				Containment Actions			Progress
		Probability	Impact	Value £000'S	Comment	What	Who	When	
Achieving income targets - leisure, car parks, etc	Net expenditure falls if economy severely dips or switch to competitors. 5% of budgets.	Med	High	324	Key Leisure, Business Unit, Car Park income	Base budgets adjusted. Monthly budget monitoring + marketing & promotional activities.	Service Managers	Monthly	
Saltergate MSCP Delays	Delays in completion of construction (assumed 1 month)	Med	Med	36	Med-term issue	Progress being monitored with contractor	Service Manager/CFO	Monthly	
Investment returns - not achieving budget.	Each 0.25% = £90k gross to Gen Fund.	Low	High	110		Cautious estimate. Monitor Quarterly	Group Financial Accountant	Monthly	
Benefits - high spend £30m with complicated grant scheme.	Increase in expd with less than 100% subsidy. Failure to Comply with Regulations	Low	High	200		Regular monitoring of claims processed. Staff Training	Benefits Manager (Arvato)	Quarterly	
Ind & Comm. Property portfolio - reduced rent income during economic downturn and due to disposals to generate capital receipts.	Industrial & commercial £100k. Vicar Lane £50k Pavements £50k	Med	High	200		Monitor voids. Flexible Payments for existing. Planned Disposal Programme	Estates Officer (Kier)	Monthly	
Any other unforeseen significant expenditure		High	High	100		Maintain adequate working balance/ insurance fund + effective risk mgt.	SLT, CMT, budget holders, Accty	On-going	
Exit strategy for expenditure funded by fixed term grants.	Use of reserves for VR	Low	High	-		Avoid directly employing staff, if do ensure on short term contracts and redundancy provision included in budget.	Staff submitting grant applications.	On-going	
VAT - 5% exempt limit exceeded	Limit exceeded £250k un-recoverable plus excess amount.	Low	High	328		Monitoring	Deputy Chief Accountant	Monthly	
Further cuts in Government Grants beyond those assumed in the forecast.	Settlement figures for RSG 4 yrs known.	Low	High	-		Monitor developments	CFO	On-going	
Pension costs increases under LGPS revaluations.	1% pa budgeted, deficit reductions rising	Med	High	-	Med-term issue	Define pensionable elements and monitor impact.	CFO	Mar-19	
MMI – risk of insolvent run-off following recent ruling on EL claims.	'Clawback' beyond the £345k provision (£1.4m claims settled).	Med	High	250		Clawback rate currently 25%. Provision of £384k established and in line with Insurance Fund review completed in 2016.	CFO	On-going	
ICT Digital Innovation Savings	Failure to achieve savings (assume 20%)	Low	Med	45		Monitor progress against targets early in 2019/20	CFO / SLT / CMT	On-going	
Achieving vacant post saving targets	20% of £100k target	Low	Med	20		Target rmonitoring required monthly on staff turnover	CFO/HR	Quarterly	
Collection Fund - Council tax collection rate below target.	Loss of interest. Coll'n Fund deficit to following year CBC Share 10%	Med	Med	25		Monitor the collection rate.	Revs Manager (Arvato)	Monthly	
Localisation of council tax support	Increased take-up by pensioners or working age and full implementation of universal credit.	Med	High	25		Monitoring claims and income so remedial action taken ASAP.	CFO	Monthly	
Busines Rates Pool	Delcining business rates growth £300k exposure	Med	High	300		Monitor income	CFO	Quarterly	
Gen Fund Rev Budget	Total exposure			1,963					
	Allowance %	Prob	Total £000	Allow £000		Impact assessment:			
Risk allowance	90%	High	100	90		High = £50k or more			
	50%	Med	1,160	580		Med = £10k-£49k			
	10%	Low	703	70		Low = less than £10k			
Risk allowance			1,963	740					

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CALCULATION OF EXPENDITURE – SECTION 32 LGFA '92

	2019/20 £
Gross Expenditure – Chesterfield Borough Council	115,430,740
<u>Special Items</u>	
- Staveley Town Council Precept - (£383,514 in 18/19)	396,936
- Brimington Parish Council Precept - (£50,554 in 18/19)	<u>50,574</u>
Total Special Items	447,510
Gross Expenditure 31A (2)	115,878,250
Gross Income – Chesterfield Borough Council	(106,356,192)
Revenue Support Grant	(434,451)
Business Rates Baseline Need	(3,319,436)
Retained Non Domestic Rates Growth	(1,517,159)
Gross Income Including Use of Reserves 31A (3)	(111,627,238)
Collection Fund (Surplus)/Deficit : Council Tax	2,770
Non Domestic Rates	975,642
Council Tax Requirement 31A (4)	5,229,424
Tax base (28,769.10 in 2018/19)	29,000.63
Average Band 'D' Tax (incl. Parishes)	£180.32
Percentage Increase - (2018/19 £174.98, +3.20%)	+3.05%
C.B.C.'s Council Tax	£164.89
Percentage Increase - (2018/19 £159.89, +3.23%)	+3.13%

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COUNCIL TAXES 2019/20

COUNCIL TAXES								
COUNCIL AREA	VALUATION BAND/PROPORTION OF BAND 'D' TAX							
	A	B	C	D	E	F	G	H
	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
	£	£	£	£	£	£	£	£
CHESTERFIELD BOROUGH:								
Staveley Town	173.90	202.88	231.87	260.85	318.82	376.78	434.75	521.70
Brimington Parish	124.39	145.12	165.86	186.59	228.05	269.51	310.98	373.18
All Other Areas	109.93	128.25	146.57	164.89	201.53	238.17	274.82	329.78
MAJOR PRECEPTING AUTHORITIES:								
Derbyshire CC	881.92	1,028.91	1,175.89	1,322.88	1,616.85	1,910.83	2,204.80	2,645.76
Derbyshire Fire & Rescue	50.81	59.28	67.75	76.22	93.16	110.10	127.03	152.44
Derbyshire Police	144.40	168.47	192.53	216.60	264.73	312.87	361.00	433.20

TOTAL COUNCIL TAX PAYABLE IN EACH AREA								
COUNCIL AREA	VALUATION BAND/PROPORTION OF BAND 'D' TAX							
	A	B	C	D	E	F	G	H
	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
	£	£	£	£	£	£	£	£
Staveley Town	1,251.03	1,459.54	1,668.04	1,876.55	2,293.56	2,710.58	3,127.58	3,753.10
Brimington Parish	1,201.52	1,401.78	1,602.03	1,802.29	2,202.79	2,603.31	3,003.81	3,604.58
All Other Areas	1,187.06	1,384.91	1,582.74	1,780.59	2,176.27	2,571.97	2,967.65	3,561.18

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For publication

Council Tax 2019/20

Meeting:	Council
Date:	27 th February 2019
Cabinet portfolio:	Leader
Report by:	Director of Finance & Resources

For publication

1.0 Purpose of report

- 1.1 To set the Council's own Council Tax for 2019/20.
- 1.2 To set the aggregate amounts of Council Tax for 2019/20, including all of the precepting authorities, for each area/category of dwelling within the Borough in accordance with requirements of the Local Government Finance Act 1992.

2.0 Background

- 2.1 The Council's budget is set out in the 2019/20 Budget & Medium Term Financial Plan, General Fund and Housing Capital Programmes and Treasury Management Strategy reports. The budget reports form the basis of the Council Tax recommendation in this report.

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

2.3 Under the Local Government Act 1992 the Council is required to determine whether it's relevant basic amount of council tax for a financial year is excessive. Where the increase exceeds the principles determined by the Secretary of State the authority is required to hold a council tax referendum. For 2019/20 an increase is deemed to be excessive for a shire district council if it is 3% or more above the 2018/19 level and more than £5 above the 2018/19 level.

3.0 **Recommendations**

3.1 That it be noted that at its meeting on 21st January 2019 the Employment and General Committee calculated the following tax base amounts for the year 2019/20 in accordance with regulation made under Section 31B of the Local Government Finance Act 1992 as:

(a) 29,000.63 being the tax base calculated for the whole Council area.

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

Staveley Town Council	4,136.40
Brimington Parish Council	2,330.59

- 3.2 That the Council approves the calculation of the Council Tax requirement for the Council's own purposes for 2019/20 (excluding parish precepts) as **£4,781,914**.
- 3.3 That the following amounts be calculated for the year 2019/20 in accordance with Sections 31 to 36 of the Act:
- (a) **£115,878,250** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act (gross expenditure) taking into account all precepts issued to it by Parish Councils;
 - (b) **£111,627,238** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act (gross income including grants and the use of reserves);
 - (c) **£2,770** being the deficit on the Council tax elements of the Collection Fund and **£975,642** being the deficit on the Business Rate elements;
 - (d) **£5,229,424** being the amount by which the aggregate at 3.3(a) above exceeds the aggregate at 3.3(b) above plus 3.3(c), calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. Please note that this is the total of the Borough's requirement of **£4,781,914** plus the total parish precepts of **£447,510**.
 - (e) **£180.32** being the amount at 3.3(d) above divided by 3.1(a) above, calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
 - (f) **£447,510** being the aggregate amount of all special items (parish precepts) referred to in Section 34(1) of the Act.

- (g) **£164.89** (Band 'D' Council Tax) being the amount at 3(e) above less the result given by dividing the amount at 3(f) above by the amount at 3.1(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates. The tax does not exceed the principles set by the Secretary of State for determining excessive tax increases and triggering a referendum.

Parts of the Council's area:

- (h) The following being the amounts calculated by adding the amount at 3.3(g) to the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned in 3.3(f) divided in each case by the amount at 3.1(b), calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more items relate.

Parish	Band 'D' Tax £
Staveley	260.85
Brimington	186.59

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

Part of the Council's area	Valuation Band							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Staveley Town Council	173.90	202.88	231.87	260.85	318.82	376.78	434.75	521.70
Brimington Parish Council	124.39	145.12	165.86	186.59	228.05	269.51	310.98	373.18
All other parts of the Borough	109.93	128.25	146.57	164.89	201.53	238.17	274.82	329.78

3.4 That it be noted that for the year 2019/20 the Derbyshire County Council, the Derbyshire Fire and Rescue Service and the Derbyshire Police & Crime Commissioner have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Precepting Authority	Valuation Band							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Derbyshire County Council	881.92	1,028.91	1,175.89	1,322.88*	1,616.85	1,910.83	2,204.80	2,645.76
Derbyshire Fire & Rescue Service	50.81	59.28	67.75	76.22	93.16	110.10	127.03	152.44
Derbyshire Police & Crime Commissioner	144.40	168.47	192.53	216.60	264.73	312.87	361.00	433.20

*The Derbyshire County Council Tax increase of 3.99% includes 2.00% to support the delivery of adult social care duties and responsibilities in 2019/20, equivalent to an additional £25.44 for dwellings in Council Tax Valuation Band 'D', which is included in the £1,322.88 in the table above.

3.5 That, having calculated the aggregate in each case of the amounts at 3.3(i) and 3.4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for

the year 2019/20 for each of the categories of dwellings shown below:

Part of the Council's area	Valuation Band							
	A 6/9	B 7/9	C 8/9	D 9/9	E 11/9	F 13/9	G 15/9	H 18/9
	£	£	£	£	£	£	£	£
Staveley Town Council	1,251.03	1,459.54	1,668.04	1,876.55	2,293.56	2,710.58	3,127.58	3,753.10
Brimington Parish Council	1,201.52	1,401.78	1,602.03	1,802.29	2,202.79	2,603.31	3,003.81	3,604.58
All other parts of the Borough	1,187.06	1,384.91	1,582.74	1,780.59	2,176.27	2,571.97	2,967.65	3,561.18

4.0 REASON FOR RECOMMENDATIONS

4.1 There is a statutory requirement for the Council to set a balanced budget and a Council Tax for each financial year. The format of the Council Tax resolution is based on the model recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA).

Document information

Key decision number	861
Wards affected	All
Links to Council Plan priorities	All
Report author	Contact number/email
Helen Fox	Helen.fox@chesterfield.gov.uk
Background documents	
These are unpublished works which have been relied on to a material extent when the report was prepared.	

For publication

Approval of the Council Plan 2019 – 2023 and Performance Management Framework (J040)

Meeting:	Council
Date:	27.02.2019
Cabinet portfolio:	Deputy Leader
Report by:	Assistant Director – Policy and Communications

1.0 Purpose of report

1.1 To present for approval the Corporate Plan 2015-2019

2.0 Recommendations

2.1 That the Council Plan 2019 – 2023 is approved.

2.2 That the Council Plan 2019/20 delivery plan is approved.

2.3 That the performance management framework 2019 – 2023 is approved.

2.4 That the Deputy Leader is delegated to approve any minor drafting changes and design that may be required in order to improve the readability and accessibility of the plan.

3.0 **Background**

- 3.1 In 2015 following on from a recommendation during our Local Government Association peer challenge review, the Council moved to a four year Council Plan which aligned with the medium term financial forecast. This approach has been extremely successful in targeting resources and collective effort on key priorities and delivering positive outcomes for our communities.
- 3.2 A new four year plan has been developed for 2019 – 2023. The Council Plan defines the Council’s key priorities, objectives and commitments over the four year period. The plan is aimed at providing focus, setting out priorities that will require collected corporate effort during the period. It is not an attempt to describe every service that the Council will provide; this will be covered by service plans on an annual basis.
- 3.3 Alongside the Council Plan we have developed a year 1 2019/2020 delivery plan which sets out the key milestones and measures we will need to achieve to keep the Council Plan on target for delivery. The delivery plan will be reviewed annually and approved by Council.
- 3.4 A new performance management framework has also been developed to accompany the Council Plan. The framework will underpin the Council Plan, measure and demonstrate our success in terms of milestones, outputs, outcomes and measures and effectively review and challenge performance.
- 3.5 This report is due to be considered at the Cabinet meeting on 26 February, 2019.

4.0 **Council Plan 2019 – 2023 and annual delivery plan**

- 4.1 The Council Plan 2019 – 2023 (attached at Appendix 1) provides continuity with the 2015-19 plan, maintaining the same vision, three overarching priorities and values. Discussions during the drafting of the plan concluded that each of these elements are clearly stated and remain relevant for the next four years. Staff have become familiar with the vision and priorities and are clearly demonstrating the Council's values which they helped to co-design. There is therefore significant benefit in leaving these unchanged and continuing to use them to shape how we talk to staff, partners and our communities about the work of the Council. The values will also be used to shape the Council's Workforce Strategy and its approach to partnership working.
- 4.2 Whilst the overall framework of the plan is maintained from the previous version, the objectives set out within each overarching priority have been revised and updated. As noted above, these objectives are not intended to collectively cover all of the activity that will be delivered by the Council during this period. Rather, they provide focus and ambition that will shape how the Council prioritises its financial and staff resources.
- 4.3 For each objective, a series of commitments for 2023 have been developed alongside some key facts and figures relating to current performance.
- 4.4 To ensure that we stay on track for delivering on the 2023 commitments we have developed a year 1 2019/2020 delivery plan (attached at Appendix 2). This document sets out the key milestones, inputs, outputs and measures we will need to deliver during the first year of the plan. The delivery plan will be

reviewed annually and approved by Council in February alongside the budget and medium term financial plan.

- 4.5 The Council Plan and delivery plan have been produced through a series of discussions and workshops with Executive Members, Scrutiny Chairs and officers. Our evidence base included performance information, demographics trends and forecasts and intelligence from our community engagement programme. Horizon scanning techniques were also used to consider key emerging issues over the next four years and beyond.
- 4.6 Further minor drafting and design work will be required for the plan to maximise readability and accessibility so delegated authority is being requested for the Deputy Leader to oversee this activity.
- 5.0 **Performance management framework**
- 5.1 A new performance management framework has been developed alongside the new Council Plan to support and demonstrate plan delivery. The performance framework is attached at Appendix 3.
- 5.2 The performance framework will help the Council to:
- Improve services to and outcomes for our communities
 - Identify and rectify poor performance at an early stage
 - Ensure the right information reaches the right people at the right time so that effective decisions are made and action are taken
 - Enable evaluation, review and learning to help improve future performance

- Prioritise goals and allocate diminishing resources effectively
- Ensure everyone is clear about their role and accountable for delivering their contributions to achieve delivery of the vision, council plan and key services
- Demonstrate success and value for money
- Motivate and engage staff

5.3 The performance management framework identifies the key plans and activities which underpin delivery of the Council Plan, sets out how we will measure and demonstrate success and how we will review and challenge performance.

6.0 Equalities

6.1 Equality, diversity and social inclusion have been key considerations during the development of the plan and our values. As programmes and projects are developed to deliver our vision and priorities the appropriate level of equality analysis and community engagement will be undertaken. Overall the plan is considered to have a positive equality impact contributing to increasing the proceeds of economic growth, improving quality of life including health and wellbeing.

7.0 Risk management

Risks	Impact	Likelihood	Mitigating Action	Residual Impact	Residual Likelihood
Failure to make sufficient progress on plan delivery	H	M	Priorities, aims and projects are challenging but realistic. They provide a focus for the use of resources during the period	M	L

Failure to complete projects on time/budget/to quality standards.	H	M	Performance management framework developed to challenge projects and activities and develop mitigation where necessary.	M	L
Core services unable to identify contribution to the corporate priorities	M	M	Performance management framework clearly identifies the role of members, managers and staff. Service plans and Personal Development Plans are used to make the link between the contribution of teams and individual members of staff, and the Council Plan.	L	L
Failure to resource priorities in the plan	M	M	The Council Plan 2023 commitments and year 1 delivery plan have been developed alongside the budget and medium term financial forecast to minimise this risk.	M	L

8.0 Recommendations

- 8.1 That the Council Plan 2019 – 2023 is approved.
- 8.2 That the Council Plan 2019/20 delivery plan is approved.
- 8.3 That the performance management framework 2019 – 2023 is approved.
- 8.4 That the Deputy Leader is delegated to approve any minor drafting changes and design that may be required in order to improve the readability and accessibility of the plan.

9.0 Reason for recommendations

- 9.1 To provide the Council with a clear statement of its strategic priorities for 2019 – 2023, to approve the year 1 delivery plan and establish a new performance management framework to support plan delivery.

Decision information

Key decision number	846
Wards affected	ALL

Document information

Report author	Contact number/email
Donna Reddish - Assistant Director - Policy and Communications.	Donna.reddish@chesterfield.gov.uk
Appendices to the report	
Appendix 1	Council Plan 2019 - 2023
Appendix 2	Council Plan 2019/20 delivery plan
Appendix 3	Performance management framework

Chesterfield Borough Council – Council Plan 2019 – 2023

Chesterfield Borough is a great place to live, work, visit and invest. We want all our communities to share in the benefits of Chesterfield's success, enjoying healthy and active lives. We face a challenging time with further reductions in local government funding and an increasing demand for services. The Council Plan helps us to effectively invest and deploy our time, resources and energy to support key services and work with residents, partners and businesses to ensure that everyone in the borough can achieve their full potential.

The Council Plan includes our priorities for the next four years:

- Making Chesterfield a thriving borough
- Improving quality of life for local people
- Providing value for money services

These are the activities on which we will focus our efforts and want to see a real shift in over the four years. The four year plan allows us time to plan ahead without trying to speculate about what our communities will need and expect in the distant future. The Plan doesn't cover in detail everything we do (this is covered in our service plans and annual council plan delivery plan) but we have included some key facts and figures which tell you a bit more about our day to day activity.

Throughout the plan development we have been guided by our simple but important vision:

Putting our communities first

Chesterfield Borough Council is here to serve and support our communities including our residents, tenants, businesses, visitors, students and voluntary groups. Together we will continue to make our borough a great place to live, work, visit and invest.

How we will work

It isn't just what we do that is important, it is the way that we do it. The council has four values that describe how we will work to achieve our vision of putting our communities first.

We are customer focused: delivering great customer service, meeting customer needs. We regularly carry out satisfaction surveys to find out what our communities and residents think of the services we provide. We engage with our residents, tenants, visitors and businesses through a wide range of groups, forums, roadshows and online, seeking their views on our services and how we can improve them. We look to deal promptly and effectively with complaints and always welcome comments and compliments.

We take a can do approach: striving to make a difference by adopting a positive attitude. Our staff come up with and deliver solutions to problems and regularly go the extra mile to ensure our communities are well served. We contribute actively to partnerships with other organisations in the borough and beyond. We manage our suppliers and contractors fairly but robustly to make sure we get the best from the public money we spend.

We act as one council, one team: proud of what we do, working together for the greater good. We value regular and open engagement with all staff and carry out regular surveys to find out how we can improve as an employer. We invest in the development of our staff, regularly attracting additional funding for training. We promote a commercial outlook within our teams, to make sure we secure value for money and look for opportunities to generate additional income that we can then invest in service delivery.

We believe in honesty and respect: embracing diversity and treating everyone fairly. The council has a strong record of going well beyond its statutory equality duties and regularly works with partners to host and promote events throughout the borough that celebrate diversity. Our staff and councillors work well together and individuals are able to express their views openly within their teams and at wider meetings and events.

Priority – Making Chesterfield a thriving borough

Objective – Chesterfield Borough – A great place to live, work and visit

By 2023 we will:

- Enable the completion of 1000 new homes
- Deliver the Northern Gateway project to provide:
 - 510 jobs
 - 20,000 sq feet space for businesses to grow at a new enterprise centre
 - 530 car parking spaces at the new multi-storey car park
 - Environmental improvements
- As a partner in Chesterfield Waterside Ltd enable:
 - 314 new apartments
 - 30,000 sq.m of space for business and commercial use
 - 300 jobs
- Bring in a minimum of £2 million in external funding to enable housing, business and commercial space which will maximise the benefits of HS2
- Increase the number of overnight stays in the borough and increase the contribution of tourism to the borough's economy year on year
- Support Peak World Wide in delivering the first phase of the Peak Resort development providing 400 jobs and maximising the benefit for the wider economy
- Encourage a co-ordinated approach to the regeneration of the Staveley works Corridor (including the Staveley HS2 infrastructure maintenance depot) by working closely with the landowners and partners

Objective – Vibrant town centres

By 2023 we will:

- Increase the number of residents living in our town centres by enabling residential conversions and developing town centre sites
- Increase footfall with a range of events and specialist markets each year
- Develop an annual spend local awareness campaign to support our independent traders
- Maintain safety within Chesterfield town centre by continuing to enforce the Public Spaces Protection Order

Objective – Build a stronger business base

By 2023 we will:

- Encourage inward investment and business expansion by providing accommodation advice and support to over 150 businesses
- Increase the number of business start-ups, improve local competitiveness and encourage inward investment by providing business support and key account management
- Strengthen inward investment, business engagement and the promotion of Chesterfield by continuing to support and work collaboratively with Destination Chesterfield

Objective – Develop an inclusive approach to growth

By 2023 we will:

- Enable 350 apprenticeships via the apprentice town initiative
- Reach 5000 children via the HS2 and you initiative which encourages children to start preparing for future job opportunities
- Deliver 100% local labour clauses on eligible developments and maximise local supply chain opportunities
- Reduce youth unemployment in the borough
- Enable local businesses and employees to access a wide range of skills and education opportunities

Key facts and figures

- We manage 720,000 sq.ft of commercial, office and industrial space
- Tourism generates £175m for the Chesterfield economy each year
- 3.7 million visits to Chesterfield a year
- 81% rate our visitor information centre as excellent
- 96% customer satisfaction for our theatres
- Over 130,000 visits to the Pomegranate and Winding Wheel theatres
- We process over 840 planning applications a year
- Levied over £744,000 in external funding for skills training for local businesses

Priority – Improving quality of life for local people

Objective – Provide quality housing and improve housing conditions across the borough

By 2023 we will:

- Build a minimum of 100 new Council homes
- Ensure 100% of our Council homes meet the decent homes standard
- Invest in over 1350 major improvements in our council homes including new kitchens, bathrooms, heating systems, windows and rewiring
- Improve the quality of private sector housing

Objective – Improve our environment and enhance community safety

By 2023 we will:

- Improve access to and the quality of public spaces and parking through the completion estate improvements at Barrow Hill and Grangewood
- Combat anti-social behaviour in the Town Centre through the enforcement of the Public Space Protection Order
- Maintain high standards by investing in key parks, open spaces and play facilities
- Maintain resident satisfaction with parks and open spaces and keeping public land clear of litter and refuse

Objective – Help our communities to improve their health and wellbeing

By 2023 we will:

- Maintain physical activity rates as recorded by Sport England Active Lives survey
- Increase physical activity opportunities by providing good community access to the artificial turf pitch at Queen's Park
- Support community engagement and development activities through the allocation of 15% of the community infrastructure levy
- Increase the usage and engagement in our parks and open spaces through the provision of a range of events and activities
- Put health and wellbeing at the heart of our decision making

Objective – Reduce inequality and provide support to vulnerable people

By 2023 we will:

- Maintain independent living through the continued support of vulnerable people
- Continue to provide advice and support to ensure our residents are accessing the benefits they are entitled to
- Continue to work with partners to tackle homelessness
- Reduce social isolation by growing our accessible health and wellbeing programmes at our venues to reach over 1000 people a year
- Enable people to access our leisure and cultural services by maintaining our commitment to a fair and transparent concessions policy
- Encourage our young people to become active citizens by engaging over 500 young people in our local democracy programme
- Improve community cohesion, raise awareness of equality issues and celebrate our diverse communities through the delivery of a minimum of four events each year with the Chesterfield Equality and Diversity Forum

Key facts and figures

- 87% of residents are satisfied with Chesterfield as a place to live
- 89% of our tenants are satisfied with the Council as a landlord
- We manage over 9000 council homes
- We spend over £17million a year on council home property improvements
- 100% of our council homes stock meets the decent homes standard
- Over 900 homelessness preventions a year
- We license over 400 premises, 550 vehicles, 640 drivers and 30 private hire operators
- 146,000 calls to our Careline service, supporting vulnerable people
- We collect over 39,000 tonnes of household waste each year from our 49,000 households, 18,000 of which is recycled or composted
- Over 1500 tonnes of litter is collected each year from litter bins, litter picking and sweeping
- We carry out over 520 food premises inspections each year
- We have over 5800 members at our leisure centres
- We teach over 1900 children to swim each year

- We provide and maintain over 280 parks and open spaces including award winning destination parks, play areas, allotments etc.
- Over the last two years we have invested over £285k in play area improvements

Priority – Providing value for money services

Objective – Become and stay financially self-sufficient

By 2023 we will:

- Deliver high quality, value for money services and maintain customer satisfaction ratings
- Ensure that social value including maximising the social, economic and environmental benefits forms a key part of our procurement and commissioning arrangements
- Maximise local revenues streams including commercial income targets, council tax and business rates collection to fund services
- Reduce the subsidy to zero (net operational costs) for our theatres and leisure centres
- Successfully manage the public private partnership services transition for 2020 and maintain service standards
- Work with partners to enable more efficient use of the Council's properties and land

Objective – Make our services easier to access and deliver savings through the use of technology

By 2023 we will:

- Design services so they are available online with an improved customer service offer and support for people who cannot access online services
- Using technology, intelligence and customer feedback to have better conversations and engagement with our customers
- Achieve £900,000 of savings through improved use of technology

Objective – Improve services and customer interaction by investing in our staff

By 2023 we will:

- Maintain our Investor in people status

- Invest in a highly skilled workforce to increase productivity
- Help to develop the careers of over 90 apprentices across the Council by ensuring that we provide opportunities for people to develop qualifications, vocational skills and increase employability

Key facts and figures

- 76% of residents satisfied with Chesterfield Borough Council
- Since 2015 central government have cut our funding by £1.9million
- Majority of our residents pay around £2 per week for our services
- We receive over 171,000 calls to our call centre each year
- There are over 469,000 visits to our website a year, have over 7300 followers on Twitter and 7100 like on Facebook
- We improved from a bronze to a Silver standard investors in people
- We support 24 apprentices at the Council each year

Get in touch

Whether you are a resident, work in a local business, for one of our partner organisations or are a member of staff, we welcome your views about this plan.

You may want to contribute to its delivery, find out more about what we do or suggest activities you feel are missing. You can contact us in the following ways.

Website and social media

Website: www.chesterfield.gov.uk

Facebook: www.facebook.com/ChesterfieldBoroughCouncil

Twitter: www.twitter.com/chesterfieldbc

Call us

You can telephone us on 01246 345 345 or you can text 07960 910 264.

Visit us in person

Customer Service Centre

85 New Square

Chesterfield S40 1SN

Opening hours

8.30am to 5pm on Monday, Tuesday and Thursday

10am to 5pm on Wednesday

8.30am to 4.30pm on Friday

9am to noon on Saturdays for payments only

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Council Plan 2019 – 2023 – Year 1 delivery

Our vision: Putting our communities first

Our Values:

- Customer focused – delivering great customer service, meeting customer needs.
- Can do – striving to make a difference by adopting a positive attitude.
- One council, one team –proud of what we do, working together for the greater good.
- Honesty and respect – embracing diversity and treating everyone fairly.

Our priorities

Making Chesterfield a thriving borough

Improving the quality of life for local people

Providing value for money services

Our objectives for 2019 - 2023

- Chesterfield Borough – A great place to live, work and visit
- Vibrant town centres
- Build a stronger business base
- Develop an inclusive approach to growth

- Provide quality housing and improve housing conditions across the borough
- Improve our environment and enhance community safety
- Help our communities to improve their health and wellbeing
- Reduce inequality and provide support to vulnerable people

- Become and stay financially self sufficient
- Make our services easier to access and deliver savings through the use of technology
- Improve services and customer interaction by investing in our staff

Our key milestones for 2019/20

- Open the 530 space Saltergate multi-storey car park
- Complete public realm improvements at Northern Gateway
- Commence the construction of the Northern Gateway Enterprise Centre
- Support the delivery of the Elder Way development
- Commence residential development at Waterside
- Complete the HS2 Station Masterplan
- Complete the Visitor Economy Action Plan
- Deliver a programme of town centre events
- Develop options for the refurbishment of the George Stephenson’s Memorial Hall
- Develop and launch successful spend local campaign
- Organise and host the Skills Conference

- Complete a borough wide private sector housing stock condition survey
- Complete phase 1 at Barrow Hill and commence phase 2. Continue work at Grangewood
- Develop and approve the parks and open spaces strategy and action plan
- Open the new 3G pitch at Queen’s Park
- Plan and deliver the 2019/20 local democracy programme
- Plan and deliver four equality and diversity events

- Achieve customer services excellence accreditation
- Complete the depot review as part of the One Public Estate programme
- Start a new trade recycling and bin cleaning service within Chesterfield
- Promote the Council’s commercial service offer to residents and businesses
- Establish a catering function at the Winding Wheel Stage Bar
- Achieve year 1 business plan income targets for the theatres.
- Achieve year 1 business plan income targets for the leisure centres.
- Develop a feasibility study for the utilisation of available space at the Healthy Living Centre
- Complete the year 1 ICT improvement programme
- Develop a business case and resource plan for a Project Management Office
- Develop a resource and transition plan for the return of PPP services

Performance measures

	Making Chesterfield a thriving borough	Improving the quality of life for local people	Providing value for money services
Our key measures for 2019/20	<ul style="list-style-type: none"> • Number of new homes in the borough • Number of new homes in the town centre • Planning applications processed within approved timescales • Amount of external funding accessed for HS2 programme • Number of children reached via HS2 and you project programme • Tourism contribution to the economy • Visitor numbers • Visitor overnight stays • Town centre occupancy rates • Number of businesses • Number of business start-ups in the borough • Number of businesses supported to find accommodation • Additional local spend • % local labour clauses • % jobs secured by local people on developments with local labour clauses • Number of young people not in education, employment or training • Number of businesses, learners engaged in skills programmes and external funding levied • Visitor numbers at theatres 	<ul style="list-style-type: none"> • Number of new Council homes developed • Decent homes standard • Activity rates measured by active lives survey • Number of children in our learn to swim programme • Number of green flag rated parks and open spaces • Number of people supported via Careline and Neighbourhoods • Number of homeless preventions per annum • Additional amount of benefits claimed due to Council support • Number and amount spent on disabled facilities grants • Number of children engaged in local democracy campaigns • Number engaged in theatres health and wellbeing programme 	<ul style="list-style-type: none"> • Are you being served key measures • STAR key measures • Employee Survey key measures • Number of CBC apprentices • Council tax, rent and NNDR collection rates • Increase in self-service transactions • Website hits • Twitter and facebook numbers • Net promoter score – Winding Wheel • Net promoter score – Pomegranate Theatre • Participation in parks and open spaces events and activities (Number of people engaged in events and activities at CBC parks and open spaces) • Average call response times

Chesterfield Borough Council

**Performance Management
Framework
2019 - 2023**

1.0 Purpose of the framework

This framework sets out how we will manage performance. We want all staff to understand their responsibilities and accountabilities in order to deliver the Council's vision and council plan.

2.0 Introduction

Effective performance management ensures the right actions are taken at the right time so that the council can achieve its vision and priorities. In these challenging times of reducing budgets and increasing demand for services, the need for effective performance management has never been greater, as it allows us to:

- Help to improve services to and outcomes for our communities
- Prioritise our goals and help allocate our diminishing resources effectively
- Ensure everyone is clear about their role and accountable for delivering their contributions to achieve delivery of the vision, council plan and key services
- Demonstrate value for money
- Motivate and engage staff

Effective performance management requires:

- Strong leadership at all levels
- Commitment to the council's values and accountability and responsibility assigned to individuals and teams
- The right information reaching the right people at the right time so that decisions are made and actions are taken
- Ongoing evaluation, review and learning to help improve future performance
- The ability to identify and rectify poor performance at an early stage

3.0 Our Vision, priorities and values

Our vision – Putting our communities first

Chesterfield Borough Council is here to serve and support our communities including our residents, tenants, businesses, visitors, students and voluntary groups. Together we will continue to make our borough a great place to live, work, visit and invest. Our vision ***Putting our communities first*** is at the heart of everything we do.

Our priorities for 2019 – 2023

Our Council Plan for 2019 - 2023 helps us to effectively invest and deploy our time, resources and energy to support key services and work with residents, partners and businesses to ensure that everyone in the borough can achieve their full potential. Our priorities for 2019 – 2023 are:

- Making Chesterfield a thriving borough
- Improving quality of life for local people
- Providing value for money services



Our values

It isn't just what we do that is important, it is the way that we do it. The council has four values that describe how we will work to achieve our vision of putting our communities first.

We are customer focused: delivering great customer service, meeting customer needs. We regularly carry out satisfaction surveys to find out what our communities and residents think of the services we provide. We engage with our residents, tenants, visitors and businesses through a wide range of groups, forums, roadshows and online, seeking their views on our services and how we can improve them. We look to deal promptly and effectively with complaints and always welcome comments and compliments.

We take a can do approach: striving to make a difference by adopting a positive attitude. Our staff come up with and deliver solutions to problems and

regularly go the extra mile to ensure our communities are well served. We contribute actively to partnerships with other organisations in the borough and beyond. We manage our suppliers and contractors fairly but robustly to make sure we get the best from the public money we spend.

We act as one council, one team: proud of what we do, working together for the greater good. We value regular and open engagement with all staff and carry out regular surveys to find out how we can improve as an employer. We invest in the development of our staff, regularly attracting additional funding for training. We promote a commercial outlook within our teams, to make sure we secure value for money and look for opportunities to generate additional income that we can then invest in service delivery.

We believe in honesty and respect: embracing diversity and treating everyone fairly. The council has a strong record of going well beyond its statutory equality duties and regularly works with partners to host and promote events throughout the borough that celebrate diversity. Our staff and councillors work well together and individuals are able to express their views openly within their teams and at wider meetings and events.



4.0 Performance framework

For any performance management framework to be effective it must reflect the council's priorities and be fully integrated into business planning arrangements. Put simply if the Council Plan outlines what we will deliver, this framework explains how we will deliver.

The Performance Matrix

- Council Plan
- Annual Delivery Plan
- Service Plan
- Employee Personal Plans

- Your Chesterfield/Our Homes
- Website
- Social Media
- Information and engagement events with our communities

- Annual delivery plan milestones, outputs, outcomes and performance indicators
- Annual service plan milestones, outputs, outcomes and performance indicators
- Project management office
- Employee personal development review and learning plans

- Annual report
- Quarterly reporting cycle
- Exceptions reporting via Finance and Performance Board
- Identify improvement needed
- Implement remedial actions

5.0 Delivery plans

To ensure that we stay on track with our Council Plan progress and our day to day activity delivery plans are required to ensure that all employees understand their role and contribution.

Council Plan – Annual delivery plan

Each year we will develop an annual delivery plan for Council Plan priorities which identifies the key milestones and performance measures we need to monitor and achieve to ensure that we are on track for delivering on our priorities over the four year Council Plan period.

The annual delivery plan will be approved by Cabinet each year in February alongside the budget and medium term financial plan.

Project Management Office

During 2019/20 we will be developing a business case and resource plan for a project management office which will sit within this performance management framework and enable stronger oversight and challenge of project performance.

Service Plans

The Director of Finance and Resources and the Assistant Directors will be responsible for developing service plans in collaboration with their teams on an annual basis. They will be developed in February and March following the Council Plan annual delivery plan approval with a delivery period of 1 April – 31 March each year.

Each service plan will include their purpose, contributions towards the Council Plan, their project management priorities and operational priorities for the year with relevant milestones and measures. Service risk assessments and service wide workforce development issues will also be considered.

All service plans will be published via aspire in the Council's management group so all managers can access information about what each service will be delivering and to consider how they can contribute and collaborate.

Personal development appraisals and learning plans

All Chesterfield Borough Council employees will have the opportunity for a focused one to one discussion with their manager which identifies their personal priorities and objectives for the year in relation to the Council Plan, Project Management and Service Plan. The review will also consider their progress against last year's objectives and consider how they demonstrating the Council's values. There will also be a discussion about the competencies expected of the employee and what learning and development is required to ensure they can reach their full potential in the role.

All employees should have access to one to ones meetings and team meetings throughout the year to consider progress but between October and November each year – employees will have a formal six month review of their performance to discuss their progress on objectives and learning and development.

6.0 Measure

Being able to measure performance is key to managing performance. Sound business planning not only sets clear priorities and objectives but also establishes the conditions of success. Performance measures clearly link inputs and activities to outputs and outcomes to enable accurate monitoring and interpretation of current performance, supports continuous improvement and affords credible projections of future performance.

Within our Council Plan annual delivery plan, our Service Plans and employee personal development plans we have identify the key milestones we need to reach during the year to keep us on track. This includes the key inputs and performance indicators which can link our actions to outputs and most importantly outcomes for our communities. In developing our milestones and performance indicators we consider:

SMART

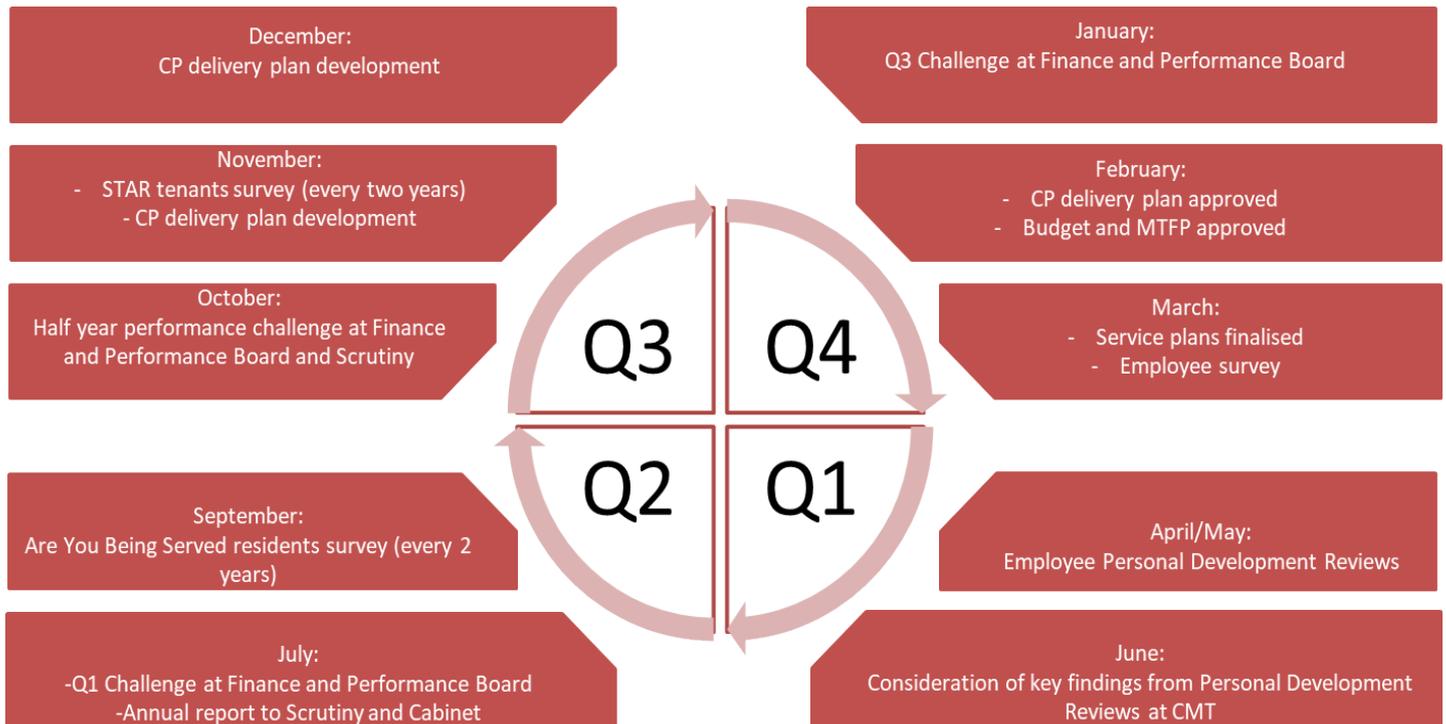
Targets a specific area for improvement/ action with clear unambiguous objectives:

- What do we need to accomplish and why?
- Who is involved?
- What are the delivery requirements, challenges and restraints
-

Measurable	Achievable	Relevant	Timely
<ul style="list-style-type: none"> • How much? • How many? • How will we know when we have achieved it? 	<ul style="list-style-type: none"> • Setting milestones and measures that are realistic and attainable for the level of skills and resources • How can the milestones and measures be accomplished? 	<ul style="list-style-type: none"> • Is this worthwhile? • Is the time right? • Does it deliver on our Council Plan priorities/ Service priorities 	<ul style="list-style-type: none"> • When can the results be achieved? • Deadline/timeframe for which resources will be committed • Prevent milestones and measures from being overtaken by day to day issues

7.0 Report and review

Reporting and review is critical to ensuring elected members and senior management have the information they need to identify areas of concern, take action where necessary and demonstrate success. Performance is managed through a reporting cycle to enable continuous review and improvement.



Finance and Performance Board

Quarterly progress reports will be produced for Finance and Performance Board to enable performance to be considered, challenged and where necessary remedial action taken. The report will include:

- Milestones and measures from the Council Plan annual delivery plan
- Information from key satisfaction surveys including employee survey, Are you being served and STAR
- Any issues of concern emerging from Service Plan monitoring

There is also a mechanism for exceptions reporting on a more regular basis should there be significant concerns about progress in between quarterly reviews.

Overview and Performance Scrutiny

Comprehensive performance reports will be available to Overview and Performance Scrutiny Forum. The Half yearly report and draft annual report will enable scrutiny to challenge performance against the annual delivery plan consider trends and actions from Finance and Performance Board and at service level to improve performance.

Service Plans

Service plans will be monitored and performance challenged at regular management team meetings. A short progress report will be produced to help inform the quarterly performance reporting and to provide an escalation route via Finance and Performance Board should there be an area of concern from any service.

Employee performance review

The Human Resources team will provide updates to the Corporate Management Team in May and November to highlight progress and trends from employee performance reviews. The appraisal process will inform the Workforce Strategy and overarching learning and development plan for the Council.

Annual performance report

In July each year a comprehensive performance report will be considered by Cabinet which brings together:

- Overall progress on Council Plan delivery including milestones, outputs and outcomes and key measures
- Highlights and key deliverables from Service Plans
- Update on personal development plan completion targets and summary of overall performance
- Updates to the key Council Plan infographics

8.0 Demonstrating success

Our annual report will be available to the public via the Chesterfield Borough Council in July but throughout the year performance information will be used to develop content, stories, videos and infographics for Your Chesterfield/Our Homes, website, social media, community information and engagement activity, aspire intranet, core briefs for team meetings and management seminars.

9.0 Responsibilities

Elected Members		
<p>Full Council</p> <ul style="list-style-type: none"> Approve Four year Council Plan <p>Cabinet</p> <ul style="list-style-type: none"> Formulate the Council's priorities Co-develop four year Council Plan and annual delivery plan Consider annual performance report 	<p>Portfolio holders</p> <ul style="list-style-type: none"> Regular portfolio meetings with Director/Assistant Directors to challenge performance Attend Finance and Performance Board where appropriate <p>Leader/ Deputy Leader</p> <ul style="list-style-type: none"> Monitor, challenge and respond to performance information at Finance and Performance Board Regular portfolio meetings with Director/Assistant Directors to challenge performance 	<p>Scrutiny</p> <ul style="list-style-type: none"> Monitor and challenge performance data and action (twice yearly) Undertake specific reviews of any identified performance issues which can be undertaken by the Council's arrangements for Scrutiny
Managers		
<p>Senior Leadership Team</p> <ul style="list-style-type: none"> Strategic responsibility for delivery of the Council Plan Monitor, challenge and respond to performance information at Finance and Performance Board 	<p>Corporate Management Team</p> <ul style="list-style-type: none"> Develop and deliver service plans including contribution to Council Plan delivery Attend Finance and Performance Board where appropriate Overall responsibility for employee personal development reviews and learning plans Contribute effectively to all performance monitoring and demonstrating success activity 	<p>Managers</p> <ul style="list-style-type: none"> Support corporate management team to develop and deliver service plans Ensure employee personal development reviews are undertaken to a high standard Support staff to deliver their objectives, improve on values and competencies and manage staff performance Contribute effectively to all performance monitoring and demonstrating success activity
Staff		
<p>Policy and Communications Service</p> <ul style="list-style-type: none"> Support development of the four year Council Plan, annual delivery plans and service plans Oversee the performance management framework Lead on the demonstration of success 	<p>Human Resources team</p> <ul style="list-style-type: none"> Lead on the delivery of the employee performance review programme and link into workforce strategy and overarching learning and development plan Support managers to improve/ challenge employee performance 	<p>All staff</p> <ul style="list-style-type: none"> Engage in service planning and the employee personal development reviews Deliver individual objectives and demonstrate the values and appropriate competencies in all activity Be responsible for personal development, learning and

		performance <ul style="list-style-type: none"> • Contribute effectively to all performance monitoring and demonstrating success activity
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10 Other Forms of Challenge

What	Details
Community engagement	<p>There is a wealth of detailed feedback from our community engagement programme activities. This includes our two yearly residents and tenants satisfaction surveys, regular service specific customer surveys, public meetings, Equality and Diversity Forum, social media feedback and local Councillors surgeries.</p> <p>We also undertake a range of employee based engagement activities including an annual employee survey, focus groups, lessons learned engagement sessions and have regular Trade Union engagement.</p>
Complaints, comments and compliments	Our communities are encouraged to give feed back to the Council on the services we provide via the complaints, comments and compliments service.
Sector Led Improvement and voluntary challenges	The Council is actively using the Local Government Association's (LGA) ' Taking the Lead ' approach for sector led improvement including a commitment to take part in a Peer Challenge every four years. Additional voluntary challenges are used to drive performance including Investors in People accreditation and compliance with the Local Government Equality and Diversity framework.
Benchmarking	Comparing the Council with other providers and agencies helps it to understand the wider context, provides the potential to learn from others and to achieve more. There are several benchmarking tools and services we use to benchmark our performance, costs and employment issues. This includes LG Inform – the LGA's performance comparison tool, the Society of Information Technology Managers (SOCITM), Association of Public Service Excellence (APSE), Housemark and the Chartered Institute of Public Finance (CIPFA) nearest neighbours model. These are all filtered into the performance challenge via Finance and Performance Board

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For publication

Strengthened Local Enterprise Partnerships (R000)

Meeting:	Council
Date:	27.02.2019
Cabinet portfolio:	Leader of the Council
Report by:	Chief Executive Assistant Director – Policy and Communications

1.0 Purpose of report

- 1.1 This report updates members on HM Government's review of Local Enterprise Partnerships (LEPs) and seeks delegated authority for the Leader of the Council to respond to the review and to make a final decision on council membership of the Sheffield City Region (SCR) and Derby, Derbyshire, Nottingham, Nottinghamshire (D2N2) LEPs.

2.0 Recommendations

- 2.1 That Council notes the requirements of HM Government's review of Local Enterprise Partnerships, the current positions of the Secretary of State for Housing, Communities and Local Government and his officials and also those of SCR and D2N2 LEPs, and the emerging positions of neighbouring councils.

- 2.2 That the Leader is given delegated authority to respond to HM Government's Local Enterprise Partnerships review and to make the final decision on council membership of SCR and D2N2 LEPs.
- 2.3 That the Leader reports back to full Council at the earliest opportunity informing members of the final decision taken and clearly setting out for members the rationale for that decision.

3.0 **Background**

- 3.1 In November 2017 HM Government announced in its Industrial Strategy its intention to conduct a review of LEP roles and responsibilities; the review was to look in particular at matters of leadership, governance, accountability, financial reporting and geographical boundaries.
- 3.2 The Ministry of Housing, Communities and Local Government (MHCLG) published the review 'Strengthened Local Enterprise Partnerships' in July 2018 ([www.gov.uk/government/publications/strengthened-local-enterprise-partnerships.](http://www.gov.uk/government/publications/strengthened-local-enterprise-partnerships))

4.0 **Strengthened Local Enterprise Partnerships**

- 4.1 MHCLG has firstly set out within the review a number of new requirements of LEPs around leadership and organisational development whilst also making commitments to support implementation, in particular, through the provision of additional short-term capacity funding. These requirements and commitments include:
- Development of a national training programme for LEPs
 - Up to £20million over the two financial years 2018/19 and 2019/20 in additional capacity funding

- Introduction of a defined term of office for LEP Chairs and Deputy Chairs
- Changes to the composition of LEP boards – a maximum of 20 persons on the board (with the ability to co-opt up to five additional board members) and two thirds of board members to be from the private sector
- Changes to the diversity of board membership specifically gender balance and representation from people with protected characteristics

4.2 Improved accountability and performance are also important features of the review, including:

- A new requirement for LEPs to publish annual performance reports and to also hold their annual general meetings in public
- Revision of the national assurance framework to clarify the Government’s approach to intervention should a LEP be found to be underperforming
- Defined responsibilities for the Chair, Board, Directors and Accountable Bodies over spending decisions, appointments and governance matters

4.3 However, the most controversial element of MHCLG’s review was always going to be around geography. All LEP Chairs and other stakeholders were asked to come forward by 29 September 2018 with considered proposals on geographies which best reflect real functional economic areas and remove overlaps. MHCLG also made payment of the afore-mentioned capacity funding contingent on the satisfactory development of these proposals and gave warning that the value of future post-Brexit funding allocations (the UK Shared Prosperity Fund) to LEPs would similarly be impacted should LEPs not comply with the requirement to remove overlaps.

4.4 In addition, in areas with a Mayoral Combined Authority (MCA), LEPs were strongly encouraged to move towards co-terminous geographies with the MCAs.

4.5 These new requirements have created significant challenges for many local authorities across England in particular those in overlapping geographies, which is the case for Chesterfield Borough Council (CBC).

5.0 CBC and LEP-ography

5.1 CBC has been a formal partner in SCR LEP since 2013, along with three other Derbyshire districts (Bolsover, Derbyshire Dales and North East Derbyshire) and Bassetlaw district council in Nottinghamshire. CBC is also a non-constituent member of SCR MCA. This status affords the Leader of the Council a seat on the LEP board and at the MCA and Leader / Chief Executive representation on some of the sub-board/sub-MCA governance structures. CBC's officers are also invited to all LEP officer groups.

5.2 CBC is also a partner in D2N2 LEP. Due to the larger number of local authorities that make up the LEP geography the Leader does not have a seat on the board. CBC, as is the case for all 8 district / borough councils in Derbyshire, is represented on the board by the Leader of High Peak Borough Council. CBC also currently has no member / officer representation on any of the sub-board governance structures; however, officers do attend some of the LEP officer groups.

5.3 More recently, the new Chair of D2N2 LEP has established a new Leaders' Forum to improve communications and engagement with the leaders of all 19 D2N2 local authorities. The Leader of the Council attended the first meeting in December 2018 and more are planned on a quarterly basis.

5.4 CBC's involvement in both LEPs reflects our functional economy geography which looks north towards Sheffield and South Yorkshire, our travel to work and housing market areas

which comprise Chesterfield borough alongside Bolsover, North East Derbyshire and Bassetlaw districts, and our place in the administrative county of Derbyshire. CBC has also worked its standing in the overlapping geography as well as any council, as evidenced by the significant benefits that have been achieved for our residents and businesses. In this regard, Appendix 1 highlights the main funding streams which we have secured respectively from SCR and D2N2 LEPS.

6.0 The SCR/D2N2 overlap

- 6.1 Overlaps emerged when LEPS were first established and affect several areas of the country; at the time the Department for Communities and Local Government (now MHCLG) actively canvassed councils such as ourselves to join LEPS whose geography best reflected how their economy worked and also took steps to allocate Government funding streams to LEPS on a notional 50:50 basis where a council bridged two LEP geographies.
- 6.2 As is already referenced in paragraph 4.3, MHCLG is now taking a very different line, insisting that overlaps must be removed and that councils can only be part of one LEP.
- 6.3 MHCLG's approach to enforcing this position is also interesting in that their stated intent is to financially penalise (paragraph 4.3 again refers) LEPS that default on this requirement.
- 6.4 In response to MHCLG's ask for LEP Chairs and other stakeholders to come forward with their proposals by 29 September 2018, D2N2 LEP made the case for all five overlap districts, including Chesterfield borough to become members solely of D2N2 LEP. SCR LEP, however, resisted MHCLG's direction and made the case for the overlap to be retained and for the five overlap districts to continue their membership of both LEPS.

- 6.5 This latter position matched that of the five overlap districts, with Chesterfield borough's specific representations on the matter set out in a carefully worded letter from the Leader of the Council to the Chair of D2N2 LEP. This was dated 7 September 2018 and is attached, for reference, at Appendix 2.
- 6.6 Due to this impasse, The Right Hon. James Brokenshire, Secretary of State at MHCLG, met with the Chairs of D2N2 and SCR LEPs on 6 November 2018 and subsequently clarified his position in writing. This letter is attached at Appendix 3.
- 6.7 The Secretary of State's letter was followed by a 4 December 2018 letter to the Chair of D2N2 LEP and Vice Chair of SCR LEP from the relevant Area Directors at the Cities and Local Growth Unit (see Appendix 4 for a copy of the letter).
- 6.8 Both the Secretary of State and the Area Directors were unequivocal in re-affirming MHCLG's insistence that districts such as Chesterfield borough could only be members of one LEP.
- 6.9 The Secretary of State was, however, more relaxed about councils potentially retaining their non-constituent membership of a MCA covering a particular geography whilst at the same time being members of a LEP whose remit extended over a different geography. The Secretary of State recognised that there needed to be strong collaboration between neighbouring LEPs to reflect areas of shared economic geography and viewed this as one of the mechanisms to support effective collaboration.
- 6.10 This means in practice that CBC could in future be a member of both SCR LEP and MCA or a member of D2N2 LEP and SCR MCA. The latter option is not, however, a given as it is for SCR MCA, as a corporate body in its own right, to determine whether it would wish CBC to retain its non-constituent

membership status after resolving to no longer be a member of SCR LEP.

- 6.11 On 9 January 2019, the Leader of the Council hosted a meeting at Chesterfield Town Hall involving the Area Directors, the Chairs and Chief Officers of D2N2 and SCR LEPs and the Leaders and Chief Officers of the overlap districts. At this meeting, all of the above was again referenced and, in particular, MHCLG's resolve to not allow CBC and other overlap districts continuing dual membership of SCR and D2N2 LEPs.
- 6.12 The Area Directors, however, went further in making it clear that if a district or borough wanted to leave the LEP of choice of its county council an exceptionally good business case would need to be made, there would need to be clarity on how the district and county councils would continue to discharge their statutory responsibilities without detriment to residents and businesses, and the county council would need to be supportive of such an arrangement. In Chesterfield borough's case, it is highly unlikely that Derbyshire County Council would accede to CBC continuing to be a member of SCR LEP and not a member of D2N2 LEP.
- 6.13 The Area Directors also concluded that it would be difficult to envisage a situation where Chesterfield borough remained as a member of SCR LEP were North East Derbyshire district to resolve to run with membership of D2N2 LEP. This is on the basis that Chesterfield borough would no longer have a contiguous border with the South Yorkshire local authorities.
- 6.14 This latter position has become more of a reality in recent weeks as we understand that the Leaders of North East Derbyshire, Bolsover and Derbyshire Dales districts have now written to the Secretary of State at MHCLG and to the SCR and D2N2 LEP Chairs advising of their 'in-principle' decision to retain membership of D2N2 LEP and non-constituent

membership of SCR MCA. We also, however, understand that this 'in principle' decision is subject to receipt of satisfactory assurances from the Secretary of State and D2N2 LEP.

7.0 Future LEP membership

- 7.1 It is evident from the above that Chesterfield borough's LEP future is a very fluid and dynamic matter, which is why delegated authority is now sought from full Council for the Leader of the Council to make the final decision.
- 7.2 MHCLG's position is clear that CBC can only be a member of one LEP. And whilst the onus is on SCR and D2N2 LEPs to come up with the solution, as it stands it is also clear that CBC will ultimately be required to exercise a choice.
- 7.3 At the time of writing this report, CBC's position is unchanged – we remain committed to being members of both SCR and D2N2 LEPs; and, for completeness, a non-constituent member of SCR MCA. We also understand this to be the position of Bassetlaw District Council.
- 7.4 It is also evident that the matter of overlapping geography is not unique to SCR and D2N2 LEPs, for example, councils in the West Midlands are also currently resisting MHCLG's advances. They similarly see no need to remove overlaps.
- 7.5 In this standstill period, however, it makes sense for CBC to continue to seek clarity on a number of matters. These include:
- a) **Governance** – both SCR and D2N2 LEPs have undertaken recent reviews of their governance arrangements; and we are waiting to see what positions of authority and influence will be afforded to the Leader of the Council and Chief Executive. At SCR, it is anticipated that the Leader of the Council will continue to have a seat on the LEP Board

and the Leader and Chief Executive respectively seats on at least one sub-Board, e.g. skills, business growth, housing etc. At D2N2, the Leader of the Council will not have a seat on the LEP Board but the Leader and / or Chief Executive are likely to have seats respectively on at least one sub-Board. There is also then the new D2N2 Leaders' Forum (see paragraph 5.3 above).

- b) **Transitional arrangements** – there needs to be clarity from both SCR and D2N2 LEPs on how they will ensure CBC, its residents and businesses suffer no detriment should the council ultimately make or have to make a decision to run with membership of one of the two LEPs. This position applies not only to projects and programmes to which LEP funding has previously been assigned but equally to projects and programmes for which the council is currently making funding applications, e.g. the submission made in Autumn 2018 for SCR skills capital funding to support the construction of a new rail research and innovation centre at Barrow Hill Engine Shed.

- c) **Collaboration** – Due to the overlapping nature of Chesterfield borough's functional economic geography, it is important that the two LEPs set out in advance how they intend to collaborate and engage on key activities and programmes, in particular the development of Local Industrial Strategies. This is considered essential irrespective of whatever final decision CBC arrives at. The council will want to be involved in the future design and development of the key strategies of both LEPs; in so doing acting in the best interests of the borough's residents and businesses who are largely uninterested in and unhindered by HM Government's Local Enterprise Partnerships review.

- d) **Enterprise Zone Business Rates** – parts of Markham Vale are within SCR LEP’s Enterprise Zone (EZ). EZ benefits, including enhanced capital allowances, simplified planning arrangements and superfast broadband have encouraged new businesses to locate to Markham Vale. In line with Government policy and the positions of Sheffield, Rotherham and Barnsley councils, CBC currently passports the business rates uplift arising from new investments within the EZ geography to SCR LEP to support funding of SCR’s Executive. Clarity has therefore been sought from HM Government’s Cities and Local Growth Unit on the options available to CBC should the council relinquish its membership of SCR LEP, which is likely to mean the EZ at Markham Vale falling within the responsibility of D2N2 LEP.

8.0 Considerations

- 8.1 There are no legal, human resources or equality and diversity issues arising from this report at this stage. However further analysis of financial implications, and additional assessments of risks and opportunities will be required should CBC ultimately choose to or have to comply with MHCLG’s policy direction that the Council from April 2020 can only be a member of one LEP. Such analysis and assessments will form a key part of the Leader’s future considerations.

9.0 Recommendations

- 9.1 That Council notes the requirements of HM Government’s review of Local Enterprise Partnerships, the current positions of the Secretary of State for Housing, Communities and Local Government and his officials and also those of SCR and D2N2 LEPs, and the emerging positions of neighbouring councils.
- 9.2 That the Leader is given delegated authority to respond to HM Government’s Local Enterprise Partnerships review and to

make the final decision on council membership of SCR and D2N2 LEPs.

- 9.3 That the Leader reports back to full Council at the earliest opportunity informing members of the final decision taken and clearly setting out for members the rationale for that decision.

10.0 Reason for recommendation

- 10.1 To enable the Leader of the Council to respond on behalf of the full Council, in a timely manner, to HM Government's Local Enterprise Partnerships review; acting in the best interests of the borough's residents and businesses.

Decision information

Key decision number	867
Wards affected	ALL

Document information

Report author	Contact number/email
Huw Bowen Chief Executive	Huw.Bowen@chesterfield.gov.uk
Donna Reddish Assistant Director – Policy and Communications.	Donna.Reddish@chesterfield.gov.uk
Appendices to the report	
Appendix 1	Financial benefits secured through participation in the SCR and D2N2 LEPS
Appendix 2	7 September 2018 letter from Cllr Tricia Gilby to Elizabeth Fagan, Chair of D2N2 LEP
Appendix 3	14 November 2018 letter from The Rt Hon James Brokenshire MP, Secretary of State for Housing, Communities and Local Government to Chairs of SCR and D2N2 LEPS
Appendix 4	4 December 2018 letter from Andrew Batterbee and Rowena Limb, Area Directors, Cities and Local Growth Unit to D2N2 LEP Chair and SCR LEP Vice-Chair

Financial benefits secured through participation in the SCR and D2N2 LEPs

Programme	SCR LEP/MCA	D2N2 LEP
Infrastructure	<p>Parts of Markham Vale are located within the SCR Enterprise Zone, with businesses moving to the EZ potentially benefitting from up to £100m of enhanced capital allowances.</p> <p>A SCR LEP sponsored bid to the Government's Enterprise Zone Capital Grant Fund secured £14m of funding to support the construction of the Seymour Link Road and site works at Markham Vale North.</p> <p>Four schemes have benefited from capital investment from the Sheffield City Region Infrastructure Fund (SCRIF) programme:</p> <ul style="list-style-type: none"> - Markham Vale Seymour Link Road £3.1m - Chesterfield Waterside £2.7m - Peak Resort £2.85m - Chesterfield Northern Gateway £5.83m 	<p>Two schemes have benefited from capital investment from D2N2 LEP's Local Growth Fund:</p> <ul style="list-style-type: none"> - Markham Vale Seymour Link Road £2.52m - University of Derby St Helena's campus £3.48m <p>D2N2 LEP has also made a funding allocation of £16.04m for the A61 Corridor / Whittington Moor project, covering both Chesterfield borough and North East Derbyshire district, for completion by 2020/21.</p> <p>The project comprises 5 scheme elements:</p> <ul style="list-style-type: none"> - Chesterfield Station masterplan - Avenue southern access road - 21st Century transport corridor - Standard gauge for sustainable travel - A61 Whittington Moor roundabout. <p>Plans for the Whittington Moor roundabout have since been withdrawn (following public consultation) and a small scale scheme will now be funded through DCC's own resources.</p> <p>D2N2 LEP has also made a provisional allocation of £1m from D2N2's 'HS2 strategic sites' strand to support site acquisition in the Chesterfield station masterplan area (subject to submission of approved business case).</p>

<p>Housing</p>	<p>A provisional funding allocation (£1.79m) has been made from SCR LEP’s Housing Fund to support housing scheme delivery on Brimington Rd (subject to submission and approval of a strategic business case).</p>	
<p>HS2 Station Masterplan</p>	<p>SCR LEP has allocated £130,000 to support the development of the HS2 station detailed master plan.</p>	<p>D2N2 LEP has allocated £110,000 to support the development of the HS2 station outline master plan.</p>
<p>Business Support</p>	<p>Eight Chesterfield companies have received total grants of £1.36m from SCR LEP’s Unlocking Business Investment Programme.</p> <p>A further 6 Chesterfield companies have received grants totalling £440k from SCR LEP’s Business Investment Fund (with the fund still open for new applications).</p> <p>Chesterfield businesses also receive on-going general and specialist support via the SCR LEP’s Growth Hub.</p>	<p>Two companies have received total grant of £140k via D2N2 LEP’s Unlocking Investment for Growth RGF programme.</p> <p>D2N2 LEP’s Growth Hub provided initial funding to enable CBC to create a full-time business advisor post to support Chesterfield businesses. D2N2 Growth Hub ESIF project has now provided continuation funding for the post (£165k in 2 phases).</p> <p>Chesterfield businesses also receive on-going general and specialist support via the D2N2 LEP’s Growth Hub.</p>
<p>Skills and Employment</p>	<p>SCR LEP’s Skills Made Easy Programme has provided funding of £496k to 186 Chesterfield businesses to support apprenticeships and workforce up-skilling.</p> <p>40 Chesterfield businesses have also received funding of £357k from the SCR LEP’s Skills Bank to support up-skilling of the workforce. Skills Bank 2 is to be launched in April 2019.</p>	<p>24 Chesterfield businesses have received total funding of £98k from D2N2 LEP’s Skills Local Programme to support workforce up-skilling.</p> <p>D2N2 LEP’s Employ Local Programme has provided skills training to 168 young unemployed people (at a total cost of £101k).</p>

	<p>Two SCR LEP programmes (Ambition SCR [£215k] and Talent Match [£283k]) have supported approximately 350 young people not in training, education or employment to enter the labour market.</p> <p>Chesterfield College has received £243k from the SCR LEP Skills Capital Programme to support upgrades of engineering training equipment.</p> <p>An un-ringfenced allocation of £8.33m from the Skills Capital Programme has also been made for the DRIIVE Innovation Centre (subject to the submission of an approved business case).</p>	<p>Ten Chesterfield schools have received a share of £100k (£10k per school) from D2N2 LEP's Careers Local Programme to support the provision of careers advice.</p>
Inward Investment Promotion	<p>Chesterfield has benefitted from SCR's inward investment marketing activities.</p>	<p>D2N2 LEP has allocated ESIF match funding of £374k (2016-22) via the 'Invest in D2N2' project to support Destination Chesterfield's (and the Council's) inward investment activities.</p>

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Email: tricia.gilby@chesterfield.gov.uk

Elizabeth Fagan
 Chair of D2N2 Local Enterprise Partnership
 8 Experian Way
 NG2 Business Park
 Nottingham
 NG2 1EP

Please ask for: Cllr Tricia Gilby
 Telephone: 01246 345237

Our ref: PAG/EH

7th September 2018

Dear Elizabeth

The Future of D2N2 Local Enterprise Partnership

Thank you for your letter of 4 September 2018.

Congratulations on your appointment as the new Chair of the D2N2 Local Enterprise Partnership (LEP). I look forward to meeting you in October. If diaries permit, I would welcome the opportunity to show you around Chesterfield's regeneration schemes and to introduce you to some of the town's business leaders.

I'm sure Sajeeda will have already briefed you on our £1bn regeneration programme and referenced the Chesterfield Waterside, Peak Resort, Northern Gateway and Markham Vale schemes. It would also be good for me, in my role as Chair of the HS2 Chesterfield and Staveley Delivery Board, to show you, at first hand, our emerging master planning work with regards Chesterfield Railway Station and the HS2 Infrastructure Maintenance Depot at Staveley. You'll also be aware that Chesterfield is in the final running to land a major inward investor; Talgo. The Spanish rail company will make their location decision for their new UK manufacturing facility at the end of October. Should this investment be realised, Talgo will create 1,000 high quality manufacturing jobs within Chesterfield and North Derbyshire and a further 6,000 supply chain jobs.

Chesterfield Borough Council is therefore an important partner for D2N2 LEP.

I'm happy to confirm that we remain committed to being part of the D2N2 LEP area but our agreed position is for Chesterfield borough to also remain part of the Sheffield City Region LEP area, i.e. for the 'overlap' to be retained.

We see no reason for HM Government to end 'overlap areas' between LEPs. Chesterfield Borough Council works the 'overlap' very well and to the full advantage of the borough's residents and businesses.

You set out in your letter and in the accompanying papers various facts and figures about the D2N2 economy and Chesterfield's place within it. I'm not going to challenge that intelligence; I thank you for it. However, I have available to me an equally compelling, if not more so, set of facts and figures that make the case for Chesterfield also being part of the SCR functional economic geography. And to further illustrate the point I make about how well the Council works the 'overlap', I can evidence for you not just potential investment of Local Growth Funding (LGF) (for which I'm very grateful to D2N2 LEP)

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but actual investment of £14.5m of SCR LEP LGF in the afore-mentioned regeneration schemes. We have also accessed through SCR LEP £14m of capital grant for Markham Vale on the basis of parts of the site falling within the SCR enterprise zone.

I would particularly welcome the opportunity to discuss with you how D2N2 LEP can better engage with and involve Chesterfield Borough Council. But as I said to Matthew and Sajeeda when they met with Huw Bowen, the council's Chief Executive and I on 22 August 2018, a periodic meeting of council leaders and yourself doesn't do it. We have a lot of expertise in economic development, skills and apprenticeships, housing and planning, place marketing etc. that D2N2 should be taking maximum advantage of. And whilst I wouldn't expect to sit on the D2N2 LEP Board, I would want to see myself and senior officers invited to be part of policy making and decision taking LEP sub-Board and officer meetings.

My concern about this governance matter is also heightened by a similar lack of commitment from the upper tier authorities to engage and involve district / borough councils in the emerging Strategic Alliance proposals.

Whilst I note the statement that you make with regards recognising existing SCR LEP funding commitments to Chesterfield Borough and pledging to develop an ongoing collaboration agreement with SCR LEP, your officers were also unable to give Huw and I any real comfort with regards a critical funding commitment. SCR LEP has confirmed to Chesterfield Borough Council its commitment to make a substantial multi-million pound investment towards delivery of Talgo's new UK manufacturing facility; subject of course to Talgo making the right location decision.

There are also good examples that I can cite of where SCR and D2N2 LEPs have both committed funding to our 'overlap' area, e.g. LGF investment in Markham Vale North, and revenue for HS2 master planning and business support.

It is for these and other reasons that my political colleagues and I have come to the considered view that our best option, at this point in time, is for Chesterfield Borough Council to remain part of both D2N2 and SCR LEPs and to continue to work the 'overlap' to the full advantage of the borough's residents and businesses.

I would therefore respectfully ask that you have regard to this agreed position when developing the D2N2 LEP's response to HM Government's LEP review.

I am now on annual leave until 24 September 2018 but Huw is available should you or Sajeeda wish to speak with him during this period.

Yours sincerely



Councillor Tricia Gilby
Leader of Chesterfield Borough Council

cc Huw Bowen



**Ministry of Housing,
Communities &
Local Government**

Elizabeth Fagan
Chair, D2N2 LEP

Lord Christopher Haskins
Chair, Humber LEP

David Kerfoot OBE DL
Chair, York, North Yorkshire & East Riding LEP

Sir Nigel Knowles
Chair, Sheffield City Region LEP

Ursula Lidbetter MBE
Chair, Greater Lincolnshire LEP

Roger Marsh OBE
Chair, Leeds City Region Enterprise Partnership

(sent by email)

The Rt Hon James Brokenshire MP
*Secretary of State for Housing, Communities and
Local Government*

***Ministry of Housing, Communities and Local
Government***

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14 November 2018

Thank you for meeting me on 6 November with a number of your colleagues from the East Midlands and Yorkshire and Humber regions to discuss your LEP geography proposal, and for all your hard work on submitting your implementation plans on 31st October.

As I said in the meeting, the Government has a clear view that there should be no overlaps between LEP areas. This was the policy set out in *Strengthened Local Enterprise Partnerships* in July, and removing overlaps from LEP geography remains a key priority. I believe it is the right thing to do as we look to LEPs to lead on local industrial strategies, and to take decisions on how to invest the new UK Shared Prosperity Fund (SPF). As I said in our meeting, this view is strongly shared by my colleagues across Government.

In saying this, of course, we do not take the view that LEPs are separate economic areas insulated from their neighbours. Collaboration between LEPs is important now, not only in cases where there are overlap areas; and it will be every bit as important in the future. In agreeing on the best ways to eliminate overlap areas, we would encourage you to look to neighbouring LEPs to agree how best to enshrine that collaboration in the future. In assessing LEPs in future annual performance reviews, we will be taking account of how effectively and openly you work with neighbouring LEPs.

I would also like to clarify that co-terminosity with Mayoral Combined Authority (MCA) areas is important, recognising that non-constituent membership of the MCA by Councils and LEPs creates the basis for wider spatial collaboration.

Failure to resolve the overlaps will lead to increasing levels of relative disadvantage for LEPs. In the short run, we have said we are prepared to make additional capacity funding available in 2018-19 to each LEP to fund a timely and effective implementation of the LEP review, and the development of an evidence base for Local Industrial Strategies. We will move to release this funding only where LEPs have both proposed and are now implementing changes to their geographies that meet the conditions set out and where we are content with your implementation plans.

More seriously, if in time there were cases where overlaps have not been resolved, then your areas may not benefit from UK Shared Prosperity Fund.

I am therefore keen that the remaining overlap areas are now resolved. I would therefore ask you, building on the positive contributions made at the meeting on 6 November, to work further on the best approach your overlaps, and return to me with proposals by 16 November. My officials are on hand to offer advice or to take part in any discussions.

*Yours sincerely,
James Brokenshire*

RT HON JAMES BROKENSHIRE MP



Department for
Business, Energy
& Industrial Strategy

APPENDIX 4

Andrew Battarbee
Area Director
Yorkshire, Humber & North East
Cities & Local Growth Unit

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Nigel Brewster
Vice-Chair
Sheffield City Region Local Enterprise Partnership

Rowena Limb
Area Director,
East Midlands and South East Midlands
Cities & Local Growth Unit

Elizabeth Fagan
Chair
D2N2 Local Enterprise Partnership

Rowena.limb@beis.gov.uk

cc. Dave Smith, MD, Sheffield City Region
Sajeeda Rose, Interim CEO, D2N2 LEP
Sir Nigel Knowles, Chair, Sheffield City Region

4 December 2018

Dear Nigel and Elizabeth,

LEP Review: Geography

At the telephone meeting between the D2N2 and Sheffield City Region LEPs on Friday, 30 November, there was agreement that it would be helpful if the Government could set out its position in writing in respect of the “overlap areas” so that you could share this with all of your Board members as you seek to reach an agreement.

We attach the letter sent by the Secretary of State to both LEP Chairs on 16 November and confirm that this still sets out the Government’s view.

We would like to emphasise the point made by the Secretary of State that, whilst we want to see simple LEP arrangements, the Government recognises there are shared economic characteristics and such areas will need to work collaboratively, whatever boundary decisions are reached. The submissions both your LEPs produced showed that the current overlap areas do indeed extend across different functional economic areas. The point being emphasised by Ministers is that in future we want these areas to be in one LEP but with strong collaboration between neighbouring LEPs to reflect areas of shared economic geography, as we already have in some shared sectoral specialisms across the country (e.g. the space/satellite sector).

Ministers are not prepared to accept continuation of dual memberships. Equally, in future we will be intolerant of LEPs which do not collaborate with neighbours where there are overlapping and shared interests, and we will hold LEPs to account if they failed to collaborate effectively.

During the call you raised a question about the Government's commitment to the Sheffield City Region devolution deal. I can reaffirm we remain committed to the devolution deal for the Sheffield City Region agreed in 2015. The MCA that was to be created by this deal has now been enshrined in law and we look forward to the final consents being obtained so that the £900m of new money and other benefits for the region can begin to flow. Furthermore, there is no need from Government's perspective to amend the MCA membership, with the non-constituent members seen by Ministers as one of the mechanisms to support effective collaboration.

We would be grateful if you could share this note and the Secretary of State's letter with all Board members. We understand D2N2 have already shared the letter with their board and all the nineteen local authorities in their membership. We hope that you can now move to early agreement on which LEP will be the host for the current overlap areas, so that you can develop mutually satisfactory arrangements for joint working and also to starting work on your local industrial strategies with clarity about your boundaries.

A response to this letter ahead of the 21 December will be welcome.

Yours sincerely

Andrew Battarbee
Area Director
Yorkshire, Humber & North East
Cities & Local Growth Unit

Rowena Limb
Area Director,
East Midlands and South East Midlands
Cities & Local Growth Unit

For publication

Re-signing the Derbyshire Armed Forces Covenant (R000)

Meeting: Council

Date: 27.02.2019

Cabinet portfolio: Leader

Report by: Assistant Director – Policy and Communications

1.0 **Purpose of report**

1.1 To present the updated Derbyshire Armed Forces Covenant and to recommend re-signing.

2.0 **Recommendations**

2.1 That Chesterfield Borough Council re-signs and commits to implementing the updated Derbyshire Armed Forces Covenant.

2.2 That Chesterfield Borough Council works with our partners in the Derbyshire Armed Forces Covenant Partnership to develop an updated action plan to deliver on covenant pledges.

3.0 **Background**

3.1 On the 25 April 2012, the Council pledged its support to the armed forces community by signing up to and adopting the Derbyshire Armed Forces Covenant.

3.2 The original covenant was developed by the Ministry of Defence, working with the Royal British Legion. The covenant purpose is to encourage local authorities to pledge their support to their local armed forces community and to support the Service community in their area and nurture understanding and awareness amongst the public of issues affecting the Armed Forces community.

3.3 In Derbyshire a collaborative approach was taken to develop a Derbyshire wide covenant based on the national framework. Derbyshire County Council and all Derbyshire districts signed up and adopted the covenant during 2012 and have worked together to deliver on pledges.

3.4 This report is due to be considered at the Cabinet meeting on 26 February, 2019.

4.0 **Updated Derbyshire Armed Forces Covenant**

4.1 The Ministry of Defence, again working closely with the Royal British Legion have updated the covenant to better reflect the challenges currently faced by the armed forces community. The core principles of the covenant remain the same:

- No member of the armed forces community should face disadvantage in the provision of public and commercial services compared to any other citizen
- In some circumstances special treatment may be appropriate especially for the injured or bereaved

- 4.2 These core principles should be taken into account when writing and implementing policies and should be integrated in services, support and engagement activity.
- 4.3 The revised covenant highlights key areas where local authorities and other partners can support the armed forces community including:
- Housing issues
 - Social isolation and sense of community
 - Transition to civilian life
 - Employment
 - Remembrance and recognition
- 4.4 The Derbyshire Armed Forces Covenant Partnership aims to work together to maximise our impact in these areas as well as seeking external funding (usually from the Armed Forces Covenant Fund established by the Ministry of Defence) to support projects. During the early years of covenant funding Derbyshire had been fairly successful in working with community groups and organisations to develop bids and obtain funding. Two organisations in the borough – Staveley Armed Forces and the Volunteer Centre received significant funding to assist with their activities.
- 4.5 In recent rounds gaining funding has become more challenging particularly for areas without access to extensive data around the armed forces community or a military base. The partnership has recently been successful in bidding for £50k of external funding to deliver a research project which will provide qualitative and quantitative data about the Derbyshire armed forces community and their needs. This data will be invaluable to support covenant delivery and future funding bids.

4.6 The updated covenant is attached at Appendix 1.

5.0 **Delivering our pledges**

5.1 Following on from the 2012 covenant signing, Chesterfield Borough Council undertook a range of improvements to demonstrate our commitment and support for the armed forces community. This includes:

- Changes to many of our policies and practices to maximise support including housing allocations, homelessness, benefits advice service and concessions on services
- Maintained our commitment to advice services including Derbyshire Unemployed Workers Centre, Citizens Advice Bureau and Derbyshire Law Centre which also support the armed forces community
- Changed our leave policy to support our staff to carry out public duties including up to ten days per year for reservist duties
- Supported the Heroes Welcome scheme
- Enhanced our remembrance and recognition activities with a variety of ceremonies including freedom of the borough for local regiments, commemoration of Armed Forces Day, armistice day and remembrance Sunday commemorations and an extensive World War 1 100 year commemoration programme

5.2 We are recommending that Chesterfield Borough Council works with our partners in the Derbyshire Armed Forces Covenant Board to develop an updated action plan to continue to maximise our support for the armed forces community and

deliver on community covenant pledges. An action planning day has been arranged for March 2019 to progress this activity.

6.0 Equalities

6.1 Equality analysis of the Derbyshire Armed Forces Covenant and its impacts has been considered and no negative impacts for protected characteristics identified. Our armed forces community includes a diverse range of people so the pledges and actions emerging from the covenant make significant positive contributions to all protected groups. We will be undertaking a full equality impact assessment for the new action plan.

7.0 Resources

7.1 Since 2012 our commitment to the armed forces community has been built into our core business. Where specific additional activity emerging from the covenant, action plan and partnership have a resource impact for example the World War 1 commemoration programme, external funding and alternative resourcing models have been sought.

8.0 Recommendations

8.1 That Chesterfield Borough Council re-signs and commits to implementing the updated Derbyshire Armed Forces Covenant.

8.2 That Chesterfield Borough Council works with our partners in the Derbyshire Armed Forces Covenant Partnership to develop an updated action plan to deliver on community covenant pledges.

9.0 Reason for recommendations

- 9.1 To demonstrate our support and commitment to the armed forces community.

Decision information

Key decision number	863
Wards affected	ALL

Document information

Report author	Contact number/email
Donna Reddish - Assistant Director - Policy and Communications.	Donna.reddish@chesterfield.gov.uk
Appendices to the report	
Appendix 1	Derbyshire Armed Forces Covenant



An Armed Forces Covenant

Between

Local Authorities in Derbyshire

and

The Armed Forces Community

(Serving personnel, both regular and reservist, veterans and military families)

**We, the undersigned, agree to work and act together to honour the
Armed Forces Covenant.**

7 March 2019

The Armed Forces Covenant

An Enduring Covenant Between
The People of the United Kingdom
Her Majesty's Government

– and –

All those who serve or have served in the Armed Forces of the Crown and their
Families

The first duty of Government is the defence of the realm. Our Armed Forces fulfil that responsibility on behalf of the Government, sacrificing some civilian freedoms, facing danger and, sometimes, suffering serious injury or death as a result of their duty. Families also play a vital role in supporting the operational effectiveness of our Armed Forces.

In return, the whole nation has a moral obligation to the members of the Royal Naval Service, the Army and the Royal Air Force, together with their families. They deserve our respect and support, and fair treatment.

Those who serve in the Armed Forces, whether regular or Reserve, those who have served in the past, and their families, should face no disadvantage compared to other citizens in the provision of public and commercial services. Special consideration is appropriate in some cases, especially for those who have given most, such as the injured and the bereaved.

This obligation involves the whole of society: it includes voluntary and charitable bodies, private organisations, and the actions of individuals in supporting the Armed Forces. Recognising those who have performed military duty unites the country and demonstrates the value of their contribution. This has no greater expression than in upholding this Covenant.

SECTION 1: PARTICIPANTS

1.1 This Armed Forces Covenant commitment for Derbyshire is made between:

Derbyshire County Council; Amber Valley Borough Council; Bolsover District Council; Chesterfield Borough Council; Derby City Council; Derbyshire Dales District Council; Erewash Borough Council; High Peak Borough Council; North East Derbyshire District Council; Peak District National Park Authority; South Derbyshire District Council;

and

The Armed Forces Community in Derbyshire (Serving personnel, regulars & reserves, veterans and their families and members of the military sponsored cadet organisations).

SECTION 2: PRINCIPLES OF THE ARMED FORCES COVENANT

2.1 Life in the Armed Forces is different from the rest of society; Armed Forces personnel make sacrifices on behalf of the nation. They go where they are sent, when they are sent. So families will have to move, sometimes with little notice, to unfamiliar areas; or they may have to live apart for extended periods of time and they will face the stresses and challenges that arise when a loved one is deployed on operational duties.

2.2 This means that they can find themselves at a disadvantage in comparison with their civilian neighbours in accessing the goods and services that as citizens we should all expect. The Armed Forces Covenant aims to ensure that those who serve or have served, and their families are treated fairly and are not disadvantaged because of their Service.

2.3 The Armed Forces Covenant is based upon two key principles:

- no member of the Armed Forces community should face disadvantage in the provision of public and commercial services compared to any other citizen;
- in some circumstances, special treatment may be appropriate for the injured or bereaved.

2.4 These principles should be taken into account when writing and implementing policies that impact upon the local populations and should be integrated into all the services, support, engagement and work within the Local Authorities of Derbyshire.

2.5 For the purposes of this Covenant, the Armed Forces community includes Armed Forces personnel and members of the military sponsored cadet organisations. Armed Forces personnel include serving personnel (regulars and reserves), veterans and their families. Children of Armed Forces personnel, no matter the marital status of their parents, should be considered part of this community while still dependent.

2.6 The Covenant presents an opportunity for Local Authorities to bring knowledge, experience and expertise to bear on the provision of help and advice to members of the Armed Forces community.

2.7 For the Armed Forces community, the Covenant encourages the integration of Service personnel, Veterans and their families into civilian life and to engage with their local community.

SECTION 3: OBJECTIVES AND GENERAL INTENTIONS

- 3.1 This Armed Forces Covenant defines the enduring, general principles that should govern the relationship between the Nation, the Government and the Armed Forces community.
- 3.2 The signatories to this Covenant will offer support and guidance to the local Armed Forces community and make it easier for serving personnel (regular and reserve), veterans and their families to access help and support from statutory providers.
- 3.3 The Covenant is intended to be a two-way arrangement; members of the Armed Forces community are encouraged to do as much as they can to support all aspects of their local community and promote activity which integrates serving personnel, veterans and their families into local community life.

SECTION 4: CORE INFRASTRUCTURE FOR COVENANT DELIVERY

- 4.1 The MOD publication *Armed Forces Covenant A Guide for Local Authorities* provides guidance on the core infrastructure for Covenant delivery, including the following recommendations.
 - a. **Armed Forces Champions & Lead Officers.** Each Local Authority will appoint an Armed Forces Champion (an elected member) and a Lead Officer, empowered to effect change across the Local Authority.
 - b. **Action Plans.** Each Local Authority will produce and publish an Action Plan to underpin the Covenant commitment; this will help to set out the overall direction and to ensure that the authority keeps on track.
- 4.2 **NHS Trusts.** Local Authorities must be aware of the role of the NHS in the county with reference to the NHS online guide *How to support the Armed Forces in the NHS* that provides resources and information on the Armed Forces agenda within the NHS, including how to advocate and demonstrate support to the Armed Forces community. The key elements of NHS activity are:
 - a. **Armed Forces Network.** The NHS Employers' Armed Forces Network is an opportunity for NHS staff leading on the Armed Forces agenda to share and learn from each other;
 - b. **Step into Health.** The Step into Health programme connects employers in the NHS to people from the Armed Forces community, by offering an access route into employment and career development opportunities;
 - c. **Reserve Forces Champions.** The NHS Reserve Forces Champions Scheme aims to increase the awareness of reservists within the NHS and to highlight the benefits of employing reservists.
- 4.3 **Regular Stakeholder Engagement.** Representatives from each Local Authority will meet regularly through the **Derbyshire Armed Forces Covenant Partnership Board**. These meetings will act as a forum where emerging challenges can be discussed and action taken to resolve them; also providing ideal opportunities to share good practice and to network.
- 4.4 **Communications.** The commitments made in this Covenant will be publicised so that local communities are aware of what is being done to deliver them. This will be achieved through dedicated web-pages or newsletters. Local Authority staff who deal with members of the public will be trained so that they are aware of how specific commitments impact upon local services and delivery.

SECTION 5: ACTIONS AND OUTCOMES

- 5.1 **Derbyshire Armed Forces Covenant Partnership Board.** Each Local Authority will be represented on the Derbyshire Armed Forces Covenant Partnership Board.
- 5.2 **Armed Forces Covenant Fund.** The best possible use will be made of the Covenant Fund, an enduring government grant awarded to projects that will benefit the Armed Forces community.
- 5.4 **Healthcare**
- a. Strive for equity of access to primary and secondary health care services for Service personnel and their dependents; Service family members should maintain their relative position on any NHS waiting list, if moved around the UK due to the Service person being posted.
 - b. Veterans should receive priority treatment (subject to the clinical needs of others) in respect of NHS hospital treatment relating to a condition resulting from their service in the Armed Forces.
 - c. Veterans should be able to access mental health professionals who have an understanding of Armed Forces culture.
 - d. Ensure the Clinical Commissioning Groups (CCGs) are aware of the potential difficulties faced by members of the Armed Forces community and identify ways in which the CCGs can be involved in Covenant delivery.
 - e. Provide appropriate information to local GPs to ensure that they are aware of the provisions offered to ex-Service personnel under the Covenant.
- 5.5 **Education**
- a. Work with the Department of Children and Young People (DCYP) to determine the numbers and location of the children of serving personnel (regular and reservist), as well as dependent young people, to include Early Years and Children's Centres.
 - b. Ensure that schools are aware of the Service Pupil Premium and are claiming all that they are entitled to. Determine ways in which Pupil Premium is spent and identify and share areas of good practice.
 - c. Work with schools and local providers to identify where Service personnel's children might require additional support to help them deal with a parent being away from home for long periods of time, often in conflict situations. Children in some Service families may be considered more vulnerable than the general population because of the pressures they face, including PTSD.
 - d. Ensure that policies enable a smooth transition for children from Forces families, alleviating any issues that may be experienced finding a school place mid-term, when a serving parent has been transferred to a new area of the UK; assist when issues arise at any other time relating to finding a school place for a dependent child.

5.6 **Mobility and Deployment**

- a. Identify and share best practice regarding house purchase/rental, enabling service personnel to settle in local communities, working alongside mortgage providers etc. particularly those who have signed the Armed Forces Covenant for businesses.
- b. Ensure the Armed Forces community works closely with council and private housing teams in support of their role of providing advice and support to households leaving the Armed Forces or being re-located within the UK.

5.7 **Housing**

- a. Maintain strong relationships between Local Authorities and the Armed Forces community to ensure timely and accurate information is given and received regarding movement of Service personnel and their housing needs and aspirations.
- b. Ensure that Local Authorities are mindful and remain aware of the particular issues faced by Service personnel and their families. This includes identifying best practice in solving the most challenging of circumstances where a service family or household is settling in our region from another part of the UK or where the housing need is the result of separation or divorce within a Service family.
- c. Raise awareness of housing issues and develop solutions and support systems required to solve or prevent such issues; such as homelessness by Veterans.

5.8 **Social Isolation and sense of community**

- a. Promote best practice engagement in communities across Derbyshire, including support to those experiencing social isolation.
- b. Support the development of projects as identified by local communities, making use of the Covenant Fund as appropriate.

5.9 **Transition**

- a. Raise awareness of the issues experienced by the Armed Forces community, including the challenge of career change, and offer support and information on issues arising during transition into civilian life.
- b. Raise awareness, during transition, and offer support, signposting and information to get involved in volunteering and community action as a pathway to health and wellbeing, developing personal interests, helping others and increasing employability
- c. Ensure that injured Service persons transitioning to the civilian world are able to access supported housing or support to enable their existing home to be modified to meet their needs and that they are quickly and compassionately assessed on their level of care requirements.

5.10 Employment and Employers

- a. Promote mutually beneficial relationships between employers and Defence, by advocating the transferable skills and attributes that Armed Forces personnel bring to the civilian workplace as an economic asset.
- b. Promote the Armed Forces Covenant for business, encouraging employers to sign the Covenant in order to pledge commitments to support Defence personnel by:
 - **Promoting the Armed Forces:** promoting the fact that we are an Armed Forces-friendly organisation, to our staff, customers, suppliers, contractors and wider public;
 - **Veterans:** supporting the employment of veterans, recognising military skills and qualifications in our recruitment and selection process. Working with the Career Transition Partnership (CTP) in order to establish a tailored employment pathway for Service leavers;
 - **Service Spouses & Partners:** supporting the employment of Service spouses and partners; working with and advertising vacancies with the military Families Federations and other agencies. Providing flexibility in granting leave for Service spouses and partners before, during and after a partner's deployment;
 - **Reserves:** supporting our employees who are members of the Reserve Forces: recognising the need to be flexible with regard to leave for annual Reserve Forces training; supporting any mobilisations and deployment. Actively encouraging members of staff to become Reservists;
 - **Cadet Organisations:** supporting our employees who are volunteer leaders in military cadet organisations, recognising the need to be flexible with regard to leave for annual training camps and courses. Actively encouraging members of staff to become volunteer leaders in cadet organisations. Supporting local military cadet units;
 - **Armed Forces Charities:** supporting Armed Forces charities with fundraising and supporting staff who volunteer to assist.

5.11 **Remembrance and Recognition.** Promote participation in and support for events and functions to celebrate and remember the sacrifices of our Armed Forces Personnel, both past and present. This will include: the Poppy Appeal; Remembrance Sunday; Armistice Day; Armed Forces Day; Reserves Day.

5.12 Information sharing

- a. Raise awareness of the Armed Forces Covenant throughout Derbyshire and particularly to the Public Sector through development of resources and discussion.
- b. Identify good practice within communities which promote greater visibility of the Armed Forces, their contribution and needs.
- c. Promote the Armed Forces Covenant Fund to community groups and Forces personnel.

Section 6: Signatories

Derbyshire County Council

Signed:

Name:

Position:



Amber Valley Borough Council

Signed:

Name:

Position:



Bolsover District Council

Signed:

Name:

Position:



Chesterfield Borough Council

Signed:

Name:

Position:



Derby City Council

Signed:

Name:

Position:



Derbyshire Dales District Council

Signed:

Name:

Position:



Erewash Borough Council

Signed:

Name:

Position:



High Peak Borough Council

Signed:

Name:

Position:



North East Derbyshire District Council

Signed:

Name:

Position:



Peak District National Park Authority

Signed:

Name:

Position:



South Derbyshire District Council

Signed:

Name:

Position:



THE MINISTRY OF DEFENCE

Royal Navy

Signed:

Name: Commodore David Elford ADC OBE RN

Position: Naval Regional Commander Eastern England



Army

Signed:

Name: Colonel Adam Fraser-Hitchen C Eng

Position: Dep Commander (Reserves) HQ 7 Inf Bde and East



Royal Air Force

Signed:

Name: Gp Capt Gordon Bettington

Position: Deputy Commandant RAFC Cranwell



For publication

Approval of Senior Pay Policy Statement 2019-20

Meeting:	Council
Date:	27 February 2019
Cabinet portfolio:	Business Transformation
Report by:	HR Manager

For publication

1.0 **Purpose of report**

- 1.1 To seek approval to a revision of the current Senior Pay Policy Statement in accordance with the Localism Act 2011 and the Local Government (Transparency Requirements) (England) Regulations 2014.

2.0 **Recommendations**

- 2.1 That the revised Senior Pay Policy Statement be approved by Full Council.

3.0 **Background**

- 3.1 A first version of this Policy was developed in March 2012 following the implementation of the Localism Act 2011. Section 38 (1) of the Act requires that English and Welsh local authorities produce a Senior Pay Policy Statement for 2012/13

and each financial year after that. In 2014, the Department for Communities and Local Government published a revised Local Government Transparency Code on 3 October 2014 which sets out the requirement to publish data relating to Senior Pay.

- 3.2 The objective for publishing this information is to increase public transparency and local democratic accountability in how senior pay is set in local authorities. The intention is for Councils to be able to demonstrate value for money in the remuneration package of the senior managers and also show the role that local councillors play in determining senior reward.
- 3.3 The Policy has to be approved by Full Council each year and published on the Council's website. A copy of the Senior Pay Policy Statement 2019-20 is attached at Appendix A.
- 3.4 This report was considered by Cabinet at its meeting on 5 February, 2019, where it was resolved to recommend to full Council that the revised Senior Pay Policy Statement for 2019/20 be approved.

4.1 Key Issues

- 4.2 The Senior Pay Policy statement contains the following key changes:
 - Revision to pay scales for senior officers from April 2019
 - Revision to pension banding from April 2019 and update on employer pension contribution rate
 - Information on the lowest paid employees pay
 - Ratio of senior pay to lowest pay
- 4.3 There has been no additional guidance issued for this year's Pay Policy Statement.

4.4 Should there be any significant changes in pay and conditions during the financial year, then the Policy will be updated accordingly.

5.0 Consultation

5.1 As this Senior Pay Policy Statement is a legislative requirement and a revision to the original Policy agreed in 2012, no consultation has taken place with Trade Unions. They have, however, been provided with a copy of the draft Policy and advised that this will be published on approval by full Council.

6.0 Financial implications

6.1 There are no financial implications directly relating to the publication of this Policy Statement.

7.0 Equalities

7.1 A preliminary Equalities Impact Assessment is attached at Appendix C.

8.0 Risk management

Risk	Likelihood (H/M/L)	Impact (H/M/L)	Mitigating action
Failure to publish Senior Pay Policy Statement	L	H	The current policy is available on the intranet. Approval at Full Council in February will ensure we meet the statutory deadlines for publication. Any further guidance provided will be incorporated into the policy to ensure it meets

			the legislative requirements
Failure to update and publish Statement on an annual basis	L	H	The policy is to be added to the Forward Plan to ensure that it is reviewed annually. HR Manager to keep up to date with guidance and advice on these issues to ensure changes are incorporated as appropriate

9.0 Recommendations

9.1 That the revised Senior Pay Policy Statement be approved by Full Council.

10.0 Reason for recommendations

10.1 To meet the requirements of the Localism Act 2011 by publishing this policy by 31 March 2019.

Decision information

Key decision number	859
Wards affected	All
Links to Council Plan priorities	To deliver value for money services.

Document information

Report author		Contact number/email
Kate Harley		01246 345366 Kate.harley@chesterfield.gov.uk
Appendices to the report		
Appendix A	Senior Pay Policy Statement	
Appendix B	Structure chart	
Appendix C	EIA	

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Senior Pay Policy Statement

Policy

Guiding Principles

2019/20

Prepared by: Human Resources

Date: February 2019

For Review: February 2020

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Senior Pay Policy Statement

1. Introduction

1.1 Legislation

Section 38 (1) of the Localism Act 2011, requires all local authorities in England and Wales to produce a Senior Pay Policy Statement which is updated on an annual basis.

The Act and supporting statutory guidance provide details of matters that should be included in this statutory pay policy, which must be complied with when setting the terms and conditions of Chief Officers. The policy must be formally approved by full Council each year and published on the Council's website.

In addition, the Department for Communities and Local Government published a revised Local Government Transparency Code on 3 October 2014. The Local Government (Transparency Requirements) (England) Regulations 2014 regulates the Code which sets out the information local authorities are required to publish.

1.2 Scope

This Senior Pay Policy Statement will cover the following areas:

- The principles underpinning the Council's pay policy for the whole of the workforce
- The Council's policy on the level and elements of remuneration for each Chief Officer
- The Council's policy on the remuneration of its lowest-paid employees, along with a definition of 'lowest-paid employees'
- The Council's policy on the relationship between the remuneration of its Chief Officers and other officers
- The Council's policy on other specific aspects of Chief Officers' remuneration
- Information about terms and conditions of service for Chief Officers, particularly those that represent a cost to the Council
- The Council's policy on making discretionary payments on early termination of employment
- The Council's approach to remuneration at all levels to balance the need to secure and retain high-quality employees and avoiding excessive cost to the taxpayer
- The factors that are taken into account in deciding on what point of a scale a recruit is appointed, and by whom any decision is made
- An indication of the percentage rate at which the employer's pension contributions is set
- Information about re-employment of employees in receipt of a local government pension

1.3 Context

Chesterfield Borough Council recognises that, in the context of managing scarce public resources, remuneration at all levels needs to be adequate to secure and retain high quality employees dedicated to delivering public services, whilst at the same time not being unnecessarily generous and excessive.

It is essential that local authorities are able to determine their own pay structures in order to address local priorities and to compete in the local labour market. It is recognised that senior management roles in local government are complex and diverse with managers working in a highly politicised environment where often national and local pressures conflict.

If the council is to maintain its high performance, then it must be able to retain and attract high calibre leaders to deliver the complex agenda.

1.4 Definitions

The term Chief Officer covers the following Senior Leadership roles at Chesterfield Borough Council

- **Chief Executive**
- **Executive Director x 2**
- **Director of Finance and Resources**

At a meeting of the Joint Employment & General and Cabinet Committee on 15 December 2015, a new Corporate Management structure was approved creating the following new roles:

- Director of Finance and Resources
- Assistant Director Commercial Services
- Assistant Director Customers, Commissioning and Change
- Assistant Director Economic Growth Manager
- Assistant Director Health & Wellbeing
- Assistant Director Housing
- Assistant Director Policy & Communications

With the exception of the new Director of Finance and Resources, these new posts were employed at the third tier level and were employed on Chief Officer terms and conditions. Implementation of the new structure took place during 2016 and the final appointment, the Director of Finance and Resources was implemented November 2016.

The statutory duties of Head of Paid Service and Section 151 Officer are incorporated into the post of Chief Executive and the new Director of Finance and Resources carries out the responsibilities of the Section 151 officer. The

duties of the Monitoring Officer are incorporated into the post of Regulatory and Local Government Law Manager.

2. Background to Pay and Grading

2.1 Whole Workforce

In order to secure equal pay within the organisation, the NJC job evaluation scheme was applied to all posts covered by the NJC for Local Government Employees (excluding Chief Officers).

A new grading structure was implemented in 2003 for the whole workforce (excluding Chief Officers and Craft Workers) with negotiations then continuing with the relevant Trade Unions to complete the Single Status exercise.

An equal pay audit was undertaken on all evaluated posts to:

- Analyse the pay arrangements for all the Council employees
- Identify any differences in levels of pay between men and women
- Review the reasons for, and possible causes of, difference in pay, in particular whether these can be attributed to direct or indirect sex discrimination, and
- Identify how to close gaps in pay that cannot be attributed to reasons/causes other than sex discrimination.

The final Pay and Conditions were later agreed in the form of a Local Collective Agreement in November 2007. The actual salary at each point is determined by the National Joint Council (NJC) Pay Award, the last one being awarded as at 1 April 2018 for two years following a national review of the pay spine.

The national review resulted in a two year pay award for 2018-2020 which saw the bottom 14 scale points increased by up to 9% to make significant progress on the government aim of paying the National Living Wage of £9.00 per hour by 2020. Additionally the review proposed increased spine points at the lower end of the pay scales to ensure that consistent pay progression could be achieved.

The council is currently in negotiation with Trade Unions locally on implementation of year 2 of the pay award following the addition of extra scale points to the NJC scale.

2.2 Living Wage

The new legislative requirement to pay the National Living Wage of £7.20 came into force from 1 April 2016. However the council was committed to paying the Living Wage determined by the Living Wage Foundation and this was implemented from 1 April 2016 at the rate of £8.25 per hour for staff at spine points 12 and below and increased in line with the rate set by the Living Wage foundation each April since. In discussing the implementation of the pay award for 2019 the living wage element is likely to be removed as the NJC award raises the bottom pay to the level of the National Living Wage.

2.3 Corporate Management Team

In 2014, a review of the Corporate Management Team (CMT) was carried out and a revised structure agreed in June 2014. See Appendix 1.

This restructure resulted in the deletion of the Deputy Chief Executive and Head of Service posts and the creation of two new Executive Directors and Director of Finance and Resources.

With the challenges facing the council it was essential for the new Senior Leadership Team to have the skills and capabilities to deliver the changes required.

Following the implementation of the above new structure, a review commenced of the roles at the next tier of management. In December 2015, agreement was reached for seven new roles to be created to ensure that the Corporate Management and Senior Leadership Teams, could effectively deliver the objectives in the Council Plan in the context of the challenges facing the council. The revised structure was fully implemented in November 2016.

3. Senior Management Salaries

3.1 Senior Leadership Team - Benchmarking

In deciding on appropriate salaries for the new senior leadership positions in 2014, a benchmarking exercise was carried out into emerging management structures across district/borough councils in England. The research found that there was a move away from annual incremental progression through an agreed salary scale, to senior officers now being appointed on spot salaries.

The salaries for the current Senior Leadership posts effective from 1 April 2019 are shown in the table below (subject to 2% pay rise being implemented).

Incremental points	Chief Executive	Executive Director	Director of Finance and Resources
1	£102,033.00	£92,016.00	£84,064.00
2	£104,807.00		
3	£107,580.00		
4	£108,188.00		
5	£110,905.00		

A revised pay agreement was agreed with Chief executives in 2018 covering the two year period 1 April 2016 31 March 2020. This agreement awarded a 2% cost of living rise and was implemented from 1 April 2018.

3.2 Package over £100,000

Where the salary package of any post exceeds £100,000, full council will be given the opportunity to approve the level of remuneration. The salary package is defined as base salary, any routinely paid allowances, bonus fees and other benefits in kind which are due under the contract.

3.3 New Corporate Management Team

The new Corporate Management Team was implemented from March 2016, and comprised of 6 manager posts with new job roles. These all include an identical set of corporate responsibilities, together with a set of service specific responsibilities.

There was also a change to the Senior Leadership Team which saw the Chief Finance Officer role being deleted and the new Director of Finance and Resources post established.

The new CMT roles and the new Director of Finance and Resources role were evaluated by a senior adviser to the Local Government Association, using the LGA Chief Officer method of job evaluation. The recommended salary bands took account of comparable roles in other local authority organisations.

To provide consistency with the approach taken to other roles within the Senior Leadership Team, the Director of Finance and Resources was appointed on a spot salary.

Salaries at April 1st 2019.

Post	Incremental Range			
	1	2	3	4
Director of Resources	£84,064			
Assistant Director Commercial Services	£61,025	£63,678	£66,331.62	£68,985
Assistant Director Customers,	£61,025	£63,678	£66,331.62	£68,985

Commissioning and Change				
Assistant Director Economic Growth	£61,025	£63,678	£66, 331.62	£68,985
Assistant Director – Health And Wellbeing	£61,025	£63,678	£66,331.62	£68,985
Assistant Director Housing	£61, 025	£63,678	£66, 331.62	£68,985
Assistant Director Policy & Communications	£53,066	£55,719	£58,373	£61,025

These pay scales will be uplifted in line with the national pay award on an annual basis.

4. Terms and Conditions of Service

The Chief Executive is employed under the terms and conditions of service of the Joint Negotiating Committee for Chief Executives of Local Authorities, and the Executive Directors, Director of Finance and Resources and Corporate Management team under the terms and conditions of service of the Joint Negotiating Committee for Chief Officers of Local Authorities.

There are currently no additional local agreements relating to the employment of chief officers that represent a charge on the public purse, with the exception of election duties (see following paragraph).

5. Additional Payments

5.1 Election Duties

The Chief Executive receives fee payments pursuant to his appointment as Returning Officer at elections. The fees paid in respect of parish, district and county council elections vary according to the size of the electorate and number of postal voters and are calculated in accordance with a fee structure determined by Derbyshire County Council. Fee payments for national and European elections are set by central government and are, in effect, not paid by the council, as the fees are reclaimed.

5.2 Acting Up Payments

Acting up payments are made where an employee may undertake the full duties and responsibilities of a higher graded post. For employees at Scale 8 and above (which includes Chief Officers) a continuous qualifying period of four weeks will apply before payment can be made. Further details are set out in paragraph 8 of the Local Collective Agreement.

5.3 Honoraria

An honorarium is payable in circumstances where an employee carries out additional duties which are at a higher level than those in their substantive post, but there is no entitlement to a higher salary. Further details are set out in Paragraph 9 of the Local Pay Agreement.

5.4 Telephone Rental

A line rental may be paid to any Chief Officer who is expected to be contactable at home. The same payment is made to all eligible employees, regardless of grade.

A mobile telephone is provided to employees at the discretion of the Service Manager where it is considered appropriate for the delivery of the service. The cost of the monthly rental is paid as well as business related calls.

5.5 Car Mileage and Expenses

All employees, including Chief Officers, are able to claim for mileage and expenses occurred for business reasons only. A review of car mileage payments was carried out in 2012/13 and a decision made by Cabinet in July 2013 to implement the HMRC rates for mileage claims. These revised payments have been applied to all employees claiming mileage since March 2014. Essential user allowance is no longer paid. Expenses are paid in accordance with the Council's Subsistence Policy.

5.6 Other financial benefits

Post holders employed under the terms and conditions relating to Chief Executives and Chief Officers are not in receipt of any financial benefits that are not also available to other employees.

They are exempt from receiving the following benefits which other employees receive:

- Unsocial hours payments
- Overtime Payments

The Chief Executive and Chief Officers do not receive any additional payments relating to performance related pay, bonuses or ex-gratia benefits.

6. Incremental Progression

The policy of the council in respect of incremental progression is the same regardless of the level of the post and is set out at paragraph 1 of the Local Collective Agreement. On taking up employment, individuals will normally start at the bottom spinal column point of the appropriate grade; however, there is discretion to appoint at a higher point depending on skills, experience

and any market factors which could impact on the ability to otherwise recruit to the post.

In the case of a Chief Officer appointment, this decision would be made by the Chief Executive. The Appointments Panel would make this decision for any Chief Executive appointment (in accordance with the council's constitution).

7. Lowest Paid Employees

Following the implementation of Single Status and the NJC Job Evaluation Scheme, local grades were implemented. The lowest paid employees are determined by those whose job evaluation score was between 250-279, which placed them on Scale 1 at SCP 4-6. From 1 October 2015, the NJC for Local government Employees agreed that the bottom Spinal Column Point would be removed as this would be lower than the National Minimum Wage. The lowest grade currently starts at SCP 6 however pending negotiations with Trade Unions on the pay award from April 2019 it is likely that this will map across to the new scale point 1 which will be £9.00 an hour.

8. Relationship between salaries

The ratio of the Council's top earner to that of its median paid employee is 6.00. This ratio has been based on year to date taxable earnings for the financial year 1 January 2018 to 31 December 2018.

9. Pensions

9.1 Contributions

Employees of the Council (including Chief Officers) pay a contribution to the Local Government Pension Scheme relative to their annual full-time equivalent pensionable pay (including pensionable allowances) (rates below as of April 2018):

Band	Range (£)	Contribution Rate
1	£0 to £14,100	5.5%
2	£14,101 to £22,000	5.8%
3	£22,001 to £35,700	6.5%
4	£35,701 to £45,200	6.8%
5	£45,201 to £63,100	8.5%
6	£63,101 to £89,400	9.9%
7	£89,401 to £105,200	10.5%
8	£105,201 to £157,800	11.4%
9	More than £157,801	12.5%

An assessment is undertaken on an annual basis to determine the contribution rate.

Following changes under the LGPS regulations in 2014, all employees now have an option to pay half contributions and build up half of the normal pension. This is known as the 50/50 section of the scheme and is designed to be a short-term option for when times are financially difficult.

The Employer's contribution at Chesterfield is currently 14.2% of pensionable pay.

9.2 Discretions

There are a number of discretions available under the Local Government Pension Scheme applicable to all employees. The aim of the Chesterfield Borough Council Policy on discretions is to ensure:

- fairness and equity in funding and contribution levels are adequate to meet future demands
- elected members are made aware of the financial consequences of decisions
- the age, skills and experience profile of the organisation is balanced

The discretions agreed for all employees are set out in the council's discretions policy.

9.3 Re-employment of employees in receipt of a pension

The council has a statutory duty to appoint on merit and will always seek to appoint the best candidate for a position based on skills, knowledge, experience and abilities.

Under the terms of the Local Government Pension scheme, an employee who has retired from local government service and is in receipt of a pension may reapply for local government employment. However, where this happens, the pension maybe subject to abatement, i.e. if the pension added to the new salary is higher than the original salary then the amount of pension will be reduced accordingly.

There are currently no re-employed pensioners in senior management positions and no previously employed Chief Officer has returned under a contract for services.

Where a former employee has left on the grounds of redundancy, the Council will apply the provisions of the Redundancy Modifications Order regarding recovery of the redundancy payment, if relevant.

10. Payments on Termination of Employment

Payments on termination of employment will be made under the LGPS or in accordance with the discretions set out above. Other payments may be made where the council has specific legal advice to the effect that a payment may be necessary to eliminate risk of claims against the Council.

Any severance payment currently over £100,000 must be agreed by full council.

A decision is still expected following the consultation relating to Public Sector Exit Payments. If agreed, this legislation will place a cap of £95,000 on the total package for employees leaving public sector employment.

11. Publication of Information

Information relating to the salaries of senior management is already published on the council's website. This policy statement, which has been approved by Full Council, will also be made available and placed on the website from March 2019.

Corporate Management Structure - 2019

Senior Leadership Team

Chief Executive

Executive Director	Executive Director	Director of Finance and Resources
--------------------	--------------------	--

Corporate Management Team

Assistant Director Economic Growth	Assistant Director Housing
Assistant Director Commercial Services	Assistant Director Health and Wellbeing
Assistant Director Customers, commissioning and Change	Assistant Director Policy and Communications

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Equality Impact Assessment - Preliminary Assessment Form

The preliminary impact assessment is a quick and easy screening process. It should identify those policies, projects, services, functions or strategies which require a full EIA by looking at negative, positive or no impact on any of the equality groups.

Service Area: HR
Section: HR
Lead Officer: Kate Harley

Title of the policy, project, service, function or strategy the preliminary EIA is being produced for: **Senior Pay Policy Statement**

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

Existing
Changed

Q1 - What is the aim of your policy or new service?

To set out the Council's policy in relation to the pay and remuneration for Chief Officers in accordance with Section 38 (1) of the Localism Act 2011 and the Local Government Transparency Code. The aim of developing and publishing this policy is to provide transparency to the remuneration packages for Chief Officers and explain the rationale for the pay and grading of Chief Officers. The term Chief Officers refers to the Chief Executive, Executive Directors and Director of Finance and Resources.

Q2 - Who is the policy or service going to benefit?

The policy is not going to benefit any specific group, however, ensuring transparency to the remuneration packages for Chief Officers should benefit employees and the wider public.

Q3 - Thinking about each group below, does, or could the policy, project, service, function or strategy have an impact on protected characteristics below? You may also need to think about sub groups within each characteristic e.g. older women, younger men, disabled women etc.

Please tick the appropriate columns for each group.

Group or Protected Characteristics	Potentially positive impact	Potentially negative impact	No impact
Age – including older people and younger people.			X
Disabled people – physical, mental and sensory including learning disabled people and people living with HIV/Aids and cancer.			X
Gender – men, women and transgender.			X
Marital status including civil partnership.			X
Pregnant women and people on maternity/paternity. Also consider breastfeeding mothers.			X
Sexual Orientation – Heterosexual, Lesbian, gay men and bi-sexual people.			X
Ethnic Groups			X
Religions and Beliefs including those with no religion and/or beliefs.			X
Other groups e.g. those experiencing deprivation and/or health inequalities.			X

If you have answered that the policy, project, service, function or strategy could potentially have a negative impact on any of the above characteristics then a full EIA will be required.

Q4 - Should a full EIA be completed for this policy, project, service, function or strategy?

Yes

No

Q5 - Reasons for this decision:

Whilst this policy sets out the principles which underpin the council's pay policy for the whole of the workforce, the key purpose is to publicise how the council reaches its decision on the pay of Chief Officers and any other benefits. It is a requirement of the Localism Act 2011 that the pay policy statement is approved by full council and published by 31 March 2019

Please e-mail this form to the Policy Service before moving this work forward so that we can confirm that either a full EIA is not needed or offer you further advice and support should a full EIA be necessary.

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COUNCIL MEETING – 27 FEBRUARY 2019
MINUTES OF COMMITTEE MEETINGS

These Minutes are of Committee meetings taken under delegated powers since the last meeting of Council. The Minutes are for information only and there will be no questions or discussion on the Minutes at the Council meeting.

Please click on the links below to view the Minutes you want to read.

Appeals and Regulatory Committee	28 November, 2018 (Full) 28 November 5 December 12 December 19 December 2 January, 2019 9 January 16 January 30 January 6 February
Employment and General Committee	21 January, 2019
Licensing Committee	12 December, 2018 2 January, 2019 9 January
Planning Committee	10 December, 2018 7 January, 2019 28 January
Standards and Audit Committee	28 November, 2018 5 December 23 January, 2019

If you require paper copies of the Minutes please contact:

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CABINET

Tuesday, 4th December, 2018

Present:-

Councillor P Gilby (Chair)

Councillors Bagley Blank Brunt	Councillors T Gilby Ludlow Serjeant
Non Voting Catt Members	Dickinson

*Matters dealt with under the Delegation Scheme

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

No declarations of interest were received.

66 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors A Diouf, Huckle and J Innes.

67 MINUTES

RESOLVED –

That the minutes of the meeting of Cabinet held on 13 November, 2018 be approved as a correct record and signed by the Chair.

68 FORWARD PLAN

The Forward Plan for the four month period 1 December, 2018 to 31 March, 2019 was reported for information.

***RESOLVED –**

That the Forward Plan be noted.

69 DELEGATION REPORT

Decisions taken by Cabinet Members during November, 2018 were reported.

***RESOLVED –**

That the Delegation Report be noted.

70 MODERN SLAVERY STATEMENT AND CHARTER

The Assistant Director – Policy and Communications submitted a report recommending for approval Chesterfield Borough Council's Modern Slavery Statement. The report also provided details on the Modern Slavery Charter launched by the Co-operative Party and proposed that the Council sign up to the Charter and work towards implementation of the actions.

The Modern Slavery Act 2015 imposed a duty on organisations which supply goods and/or services from or to the UK and have a global turnover above £36 million to publish a statement on slavery and human trafficking each financial year. Local Authorities currently do not need to comply with this duty, however Chesterfield Borough Council volunteered to develop and implement modern slavery statements from 2018/19 onwards to demonstrate the Council's commitment to, and prevention of, exploitation.

The Modern Slavery Statement and Co-operative Party Modern Slavery Charter were attached as appendices to the officer's report.

***RESOLVED –**

1. That the Chesterfield Borough Council Modern Slavery Statement for 2019/20 be approved.
2. That it be recommended to full Council that Chesterfield Borough Council sign up to, and work towards, implementation of the Cooperative Party Charter against Modern Slavery.

REASON FOR DECISIONS

To demonstrate and strengthen our commitment to preventing and reducing the impact of modern slavery.

71 LOCAL COUNCIL TAX SUPPORT SCHEME 2019-20

The Director of Finance and Resources submitted a report seeking approval for the Local Council Tax Support Scheme for 2019/20.

It was reported that the proposed scheme being recommended for adoption in 2019/20 was unchanged from 2018/19.

***RESOLVED –**

That Cabinet recommends to full Council that:

1. Approval be given to continue with the current Local Council Tax Support Scheme for 2019/20. 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. Delegated powers be granted to the Director of Finance and Resources to update the Local Council Tax Support Scheme 2019/20, 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.
3. Approval be given to continue the current local council tax discounts, which were originally implemented in 2013/14.

REASON FOR DECISIONS

To ensure that the Council is able to continue to operate a localised scheme providing council tax support from April 2019.

72 CHESTERFIELD GROWTH STRATEGY 2019-2023

The Senior Economic Development Officer presented a report seeking approval for the Chesterfield Growth Strategy (2019-2023). The strategy had been considered by Cabinet on 2 October, 2018 and approved for wider consultation.

Four organisations had engaged with the consultation and minor amendments had been made to the strategy in response, including the addition of the foreword.

The report included a summary of the comments received during the consultation and the strategy was attached at Appendix A of the officer's report.

***RESOLVED –**

That Cabinet recommends to full Council that the Chesterfield Growth Strategy (2019-2023) be adopted.

REASON FOR DECISIONS

1. To set out the role of the Council in supporting the growth and regeneration of the Borough.
2. To provide a framework for actions over the period 2019-23 that will deliver the Council's priority of making Chesterfield a thriving borough and contribute towards delivery of the priority of improving the quality of life for local people.

73 CHESTERFIELD BOROUGH LOCAL PLAN

The Strategic Planning and Key Sites Manager presented a report on the new Chesterfield Borough Local Plan (2018 to 2033). The report also provided an update on the results of the consultation on the draft Local Plan. Subject to approval by Council, the Plan would be submitted to the Secretary of State for independent examination.

Under the Planning and Compulsory Purchase Act 2004, each Local Planning Authority is required to prepare a Local Plan for their area that addresses priorities for development and use of land. The plan must be based on robust evidence and be in accordance with the National Planning Policy Framework.

The Local Plan covers a 15 year period from 2018 to 2033, setting out the overall strategy for the pattern, scale and quality of development and makes sufficient provision for:

- housing, employment, retail, leisure and other commercial development;
- infrastructure;
- community facilities;
- conservation and enhancement of the natural, built and historic environment, and planning measures to address climate change.

The report outlined the consultation process which would take place following approval by Council on 12 December, 2018. The Local Plan (2018-2033) was attached as an appendix to the officer's report, along with the policies map, statement of consultation and responses to previous consultations.

***RESOLVED –**

That it be recommended to full Council that:

1. The results of the previous stages of consultation and evidence base be considered.
2. The Chesterfield Borough Local Plan be approved for formal consultation under Regulation 19 of the Town and Country Planning (Local Planning)(England) Regulations and for subsequent submission to the Secretary of State for independent examination by an inspector appointed by the Secretary of State.
3. The Strategic Planning and Key Sites Manager be granted delegated authority, in consultation with the Cabinet Member for Economic Growth and the Assistant Director – Economic Growth, to make minor consequential changes to the plan (that do not

materially alter the plan) as may be required to prepare the plan for consultation and subsequent submission.

4. The Strategic Planning and Key Sites Manager be granted delegated authority, in consultation with the Cabinet Member for Economic Growth and the Assistant Director – Economic Growth, to prepare the technical submission documents required under Regulation 22 (1) of the Town and Country Planning (Local Planning) (England) Regulations 2012.

REASON FOR DECISIONS

To meet the council's duty to prepare a Local Plan under the Planning and Compulsory Purchase Act 2004.

74 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 information relating to financial and business affairs.

75 REVIEW OF OUTSTANDING AND RECEIVED S106 PAYMENTS

The Development Management and Conservation Manager presented a report seeking approval for revised arrangements for the collection and writing off of old section 106 (s106) payments and re-allocation of existing funds.

A number of recommendations had been made following the annual audit of the s106 process which required action to be undertaken to ensure procedures were updated and outstanding agreements resolved.

Details of the outstanding s106 agreements were provided and the report explained the actions being proposed to achieve an outcome for each case.

***RESOLVED –**

1. That the revised arrangements for the collection and writing off of old s106 agreement payments be approved.
2. That £3,614.62 from the Percent for Art contributions be reallocated to the Percent for Art maintenance pot.
3. That £22,515 from the Percent for Art contributions be pooled into the pot for the delivery of a Percent for Art scheme at the Saltergate multi-storey car park and associated public realm improvements.
4. That £13,215.59 be re-allocated from Open Space contributions to a general play and open space refurbishment pot but that decisions on how this should be applied be held pending the adoption of the Open Space and Play Strategy for the Council.
5. That £78,336.19 be re-allocated to a general pot for improvements to parking, walking and cycling opportunities within the Borough.
6. That Derbyshire County Council be requested in writing to agree that the £2,662.85 residue from the contribution for highways works in connection with the Outwood Academy development be paid into the same general pot for improvements to parking, walking and cycling opportunities within the Borough.

REASON FOR DECISIONS

1. To progress conclusions to outstanding old agreements where payments have not been made.
2. To progress a solution to old agreements where payments have been made and the funds have not been applied.

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CABINET**Tuesday, 18th December, 2018**

Present:-

Councillor P Gilby (Chair)

Councillors	Bagley	Councillors	T Gilby
	Blank		Huckle
	Brunt		Ludlow
Non Voting Members	Catt		Dickinson

*Matters dealt with under the Delegation Scheme

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

No declarations of interest were received.

77 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors A Diouf, J Innes and Serjeant.

78 MINUTES**RESOLVED –**

That the minutes of the meeting of Cabinet held on 4 December, 2018 be approved as a correct record and signed by the Chair.

79 FORWARD PLAN

The Forward Plan for the four month period 1 December, 2018 to 31 March, 2019 was reported for information.

***RESOLVED –**

That the Forward Plan be noted.

80 **CHESTERFIELD BOROUGH COUNCIL'S RESPONSE TO THE HS2 WORKING DRAFT ENVIRONMENTAL STATEMENT (WDES), AND THE WORKING DRAFT EQUALITY IMPACT ASSESSMENT (WDEIA)**

The HS2 Project Manager presented a report seeking approval for the Council's proposed responses to HS2 Limited's consultation on two working draft documents: the Environmental Statement (WDES) and the Equality Impact Assessment (WDEIA).

The purpose of the consultation was to identify possible conflicts between the design, construction and operation of the line, and the areas and communities that the proposed HS2 railway line will come into contact with.

The responses to the consultation were largely supportive of the proposed HS2 project and focussed on three main areas: strategically important considerations, design and environmental considerations and issues which require further information from HS2 Ltd.

The Council's responses to the WDES and WDEIA were attached as Appendices A and B of the officer's report and would need to be submitted to HS2 Ltd by 21 December, 2018.

***RESOLVED –**

1. That the draft responses to the HS2 Working Draft Environmental Statement and Working Draft Equality Impact Assessment, attached as Appendices A and B of the officer's report, be approved and submitted to HS2 Limited by 21 December, 2018.

REASON FOR DECISIONS

To progress the HS2 Growth Strategy and safeguard the widest level of community interest.

81 **GENERAL FUND REVENUE BUDGET SUMMARY**

The Director of Finance and Resources submitted a report to update members on the development of the General Fund Revenue Budget Summary for 2019/20 and future years.

The latest revised budget for 2018/19 showed a projected breakeven position. The report attributed this to successfully applying for VAT exemption on sporting activities, increased interest on investments, and procurement savings with regards to gas and electricity suppliers and the refuse collection contract.

The report provided an update on the Medium Term Financial Forecast. The latest projected deficit for 2019/20 was £280k, increasing to £1.3m by 2023/24. The deficit position for 2019/20 assumed savings from the ICT Transformation Programme of £250k; if these savings were not achieved this would have an adverse impact on the deficit.

The Director of Finance and Resources advised that, in advance of the final budget for 2019/20 being agreed by full Council on 27 February, 2019, work would be undertaken between Cabinet Members and the Corporate Management Team to continue to identify further savings and income generation proposals.

***RESOLVED –**

1. That the updated budget projections for 2018/19 and future years, as detailed in Appendix A of the officer's report, be noted.
2. That work to refine the draft estimates and to identify further budget saving proposals be continued.

REASON FOR DECISIONS

To keep Members informed on the development of the budget proposals for 2019/20 and to provide an update on the medium term financial forecasts.

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CABINET**Tuesday, 15th January, 2019**

Present:-

Councillor P Gilby (Chair)

Councillors	Bagley Blank Brunt A Diouf	Councillors	T Gilby Huckle Ludlow Serjeant
Non-voting Members	Catt		J Innes

*Matters dealt with under the Delegation Scheme

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

No declarations of interest were received.

83 APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor Dickinson.

84 MINUTES**RESOLVED –**

That the minutes of the meeting of Cabinet held on 18 December, 2018 be approved as a correct record and signed by the Chair.

85 FORWARD PLAN

The Forward Plan for the four month period 1 February to 31 May, 2019 was reported for information.

***RESOLVED –**

That the Forward Plan be noted.

86 DELEGATION REPORT

Decisions taken by Cabinet Members during December, 2018 were reported.

***RESOLVED –**

That the Delegation Report be noted.

87 MINUTES OF THE SHEFFIELD CITY REGION MAYORAL COMBINED AUTHORITY

Minutes of the meeting of the Sheffield City Region Combined Authority held on 29 October, 2018 were reported for information.

***RESOLVED –**

That the Minutes be noted.

88 REVISED CORPORATE AND HOUSING ASB POLICIES FOLLOWING STAKEHOLDER CONSULTATION

The Neighbourhoods Manager presented a report seeking approval for the adoption of a revised Corporate Anti-social Behaviour Policy and Housing Services Anti-social Behaviour Policy.

Approval was given by Cabinet on 13 November, 2018 to begin a consultation on the draft policies. Copies of the consultation documents were provided to a group of council tenants, the Tenant Challenge Panel, Derbyshire Constabulary, Derbyshire County Council Community Safety Unit and Derbyshire Law Centre.

Following the consultation, amendments were made to the policies to include assurances that serious anti-social behaviour from a previous tenant would be taken into account when re-letting the property, to avoid neighbouring tenants suffering a similar experience again, and revisions to procedures for the storage, retention and deletion of data.

The summary of consultation responses along with the revised policies were attached as appendices to the officer's report.

***RESOLVED –**

1. That the Corporate Anti-social Behaviour Policy and Housing Services Anti-social Behaviour Policy be approved and implemented from 5 February, 2019.
2. That the Cabinet Member for Health and Wellbeing and the Cabinet Member for Homes and Customers be granted delegated authority to approve minor policy amendments between formal review periods.
3. That a full review of the policies takes place after 3 years.

REASON FOR DECISIONS

To take account of developments in anti-social behaviour characteristics, legislation and national and local priorities.

89

ANNUAL HRA RENT AND SERVICE CHARGE SETTING

The Assistant Director – Housing and the Director of Finance and Resources submitted a report recommending for approval Council house rent and service charge levels for 2019/20.

Pursuant to Minute No. 126 (Cabinet, 2016/17), from 1 April 2019 onwards all Chesterfield Borough Council housing rents (social and affordable) will be reduced by 1%, which will result in an average actual decrease of £0.77 per week on a 52 week basis for tenants in 2019/20.

A detailed summary of the proposed service charge levels for 2019/20 was attached at Appendix 1 to the officer's report. It was noted that the proposed charges had been devised to ensure that all services break even on costs.

***RESOLVED –**

1. That for 2019/20, approval be given to set individual social rents based on the current National Social Rent Policy, giving a cash rent decrease of 1% with effect from 1 April, 2019.

2. That for 2019/20 onwards, approval be given to increase the rent level for a social rent property to the target rent, where the property is re-let to a new or transferring tenant.
3. That for 2019/20 onwards, approval be given to set individual affordable rents based on the current National Social Rent Policy, giving a cash rent decrease of 1% with effect from 1 April, 2019.
4. That for 2019/20 onwards, approval be given to set the rent level of an affordable rent property that is re-let to a new or transferring tenant, by reference to 80% of the market rent for a similar property prevailing at the time of re-letting.
5. That the revised levels of service charges, as set out in paragraph of the officer's report, be approved.
6. That the Director of Finance and Resources, in consultation with the Assistant Director – Housing, be granted delegated authority to implement any variation of rent during the 2019/20 financial year as necessary to take account of the adjustments referred to in paragraph 3.15 of the officer's report.

REASONS FOR DECISIONS

1. To enable the council to set the level of council house rents in accordance with Government guidelines.
2. To enable the council to set service charges for 2019/20 and to ensure that the cost of delivering services continues to break even.
3. To contribute to the council's corporate priority 'To improve the quality of life for local people'.

90

COLLECTION FUND REVISED ESTIMATES 2018/19

The Director of Finance and Resources presented the Collection Fund revised estimates for 2018/19. An estimated deficit of £27,135 on the Council Tax elements of the Collection Fund was expected.

The report noted that the major precepting authorities would be able to take this deficit into account when setting their Council Tax precepts for the 2019/20 financial year.

***RESOLVED –**

That the estimated deficit on the Council Tax Collection Fund of £27,135 be agreed and allocated to the major precepting authorities as outlined in Appendix A to the officer's report.

REASON FOR DECISION

To fulfil a statutory requirement and to feed into the budget setting process for 2019/20.

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CABINET**Tuesday, 5th February, 2019**

Present:-

Councillor Serjeant (Vice-Chair in the Chair)

Councillors	Bagley	Councillors	Huckle
	Blank		Ludlow
	Brunt		Serjeant
	T Gilby		
Non-voting	Catt		J Innes
Members	Dickinson		

*Matters dealt with under the Delegation Scheme

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

No declarations of interest were received.

92 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors A Diouf and P Gilby.

93 MINUTES**RESOLVED –**

That the minutes of the meeting of Cabinet held on 15 January, 2019 be approved as a correct record and signed by the Chair.

94 FORWARD PLAN

The Forward Plan for the four month period 1 March to 30 June, 2019 was reported for information.

***RESOLVED –**

That the Forward Plan be noted.

95 **MINUTES OF THE SHEFFIELD CITY REGION MAYORAL COMBINED AUTHORITY**

Minutes of the meeting of the Sheffield City Region Mayoral Combined Authority held on 17 December, 2018 were reported for information.

***RESOLVED –**

That the Minutes be noted.

96 **SENIOR PAY POLICY**

The Human Resources Manager submitted a report seeking approval for the Senior Pay Policy Statement for 2019/20, in accordance with the Localism Act 2011 and the Local Government (Transparency Requirements) (England) Regulations 2014.

The Senior Pay Policy Statement for 2019/20, as attached at Appendix A to the officer's report, included details of how senior pay was set within the Council. The revised policy statement reflected changes in the pay scales and pension bandings for senior officers, and in the ratio of the highest paid to the lowest paid.

***RESOLVED –**

That it be recommended to full Council that the revised Senior Pay Policy Statement for 2019/20 be approved.

REASON FOR DECISION

To meet the requirements of the Localism Act 2011 by publishing the Senior Pay Policy Statement by 31 March, 2019.

97 **CIVIC ARRANGEMENTS 2019/20**

The Cabinet Member for Governance presented a report outlining proposals for the civic year 2019/20 in respect of the election of the Deputy Mayor, the Annual Council meeting, Civic Dinner and Civic Service.

The report noted that each year the Council is asked to confirm its civic arrangements for the forthcoming municipal year, namely the appointment of the Deputy Mayor, the date of the Annual Council meeting to elect the Mayor and Deputy Mayor, and the associated civic events.

The appointment of the Deputy Mayor as Vice Chairman of the Council is a statutory appointment under Part 1 of the Local Government Act 1972. In the case of a Borough Council, the Vice Chairman is entitled to use the title of Deputy Mayor.

***RESOLVED –**

1. That it be recommended to full Council that Councillor Avis Murphy be invited to become Deputy Mayor of the Borough for 2019/20.
2. That it be noted that the Annual Council meeting will be held on Wednesday 15 May, 2019, followed by a civic reception at the Winding Wheel.
3. That it be noted that the Annual Civic Service and Procession will be held on Saturday 18 May, 2019.

REASON FOR DECISION

To enable the Council to confirm civic arrangements for 2019/20.

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JOINT CABINET AND EMPLOYMENT & GENERAL COMMITTEE

Tuesday, 4th December, 2018

Present:-

Councillor P Gilby (Chair)

Councillors	Bagley Blank Brunt Davenport T Gilby	Councillors	T Gilby Ludlow Serjeant Simmons Catt Dickinson
Non-Voting Members	Catt Dickinson		

*Matters dealt with under the Delegation Scheme

27 **DECLARATION OF MEMBERS' AND OFFICERS' INTERESTS RELATING TO ITEMS ON THE AGENDA**

No declarations of interest were received.

28 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Burrows, Huckle, Innes and Wall.

29 **MINUTES**

RESOLVED –

That the Minutes of the meeting of the Joint Cabinet and Employment and General Committee on 23 October, 2018 be approved as a correct record and signed by the Chair.

30 **EXCLUSION OF PUBLIC**

RESOLVED –

That under Section 100(A)(4) of the Local Government Act 1972 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 4 of Part 1 of Schedule 12A of the Act.

31 **PLANNING SERVICES RESOURCES**

The Assistant Director – Economic Growth submitted a report seeking approval for the proposed Planning Service staffing structures.

The new staffing structures would ensure that the Planning Service was properly resourced to continue to deliver the statutory and local functions required to support sustainable economic and housing growth.

The report provided detail on the financial and human resources implications. It was explained that the proposals had been the subject of ongoing consultation with the Strategic Planning and Key Sites Team and the Development Management Team.

***RESOLVED –**

1. That the proposed new staffing structures for the Strategic Planning and Key Sites Team and the Development Management Team, as attached at appendix C of the officer's report, be approved.
2. That the proposal to establish the new posts of Principal Planning Officer, Enforcement Officer and four Career Grade Planner / Senior Planners in the Development Management Team be approved.
3. That the proposal to establish two new Career Grade Planner / Senior Planner posts in the Strategic Planning and Key Sites Team be approved.
4. That the existing posts of Career Grade Planning Assistant and two Planning Assistants in the Development Management Team and two Senior Planners in the Strategic Planning be removed from the staffing establishment.
5. That the proposal to establish the new post of Housing Delivery Manager in the Economic Development Team be approved.

6. That a contribution of £25,000 per annum from the Housing Revenue Account, to support the cost of the proposed Housing Delivery Manager, be approved.
7. That a new provision of up to £15,000 per annum within the Development Management Team and Strategic Planning budgets to meet the costs of viability advice be allocated.
8. That an allowance be included within the 2019/20 Development Management Team and Strategic Planning budgets of up to £30,000, to provide provision for review and improvement of planning administration and validation processes.

REASONS FOR RECOMMENDATIONS -

To ensure the Planning Service is properly structured and resourced to continue to deliver the statutory and local functions in support of sustainable economic and housing growth in the Borough.

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OVERVIEW AND PERFORMANCE SCRUTINY FORUM

Tuesday, 13th November, 2018

Present:-

Councillor Sarvent (Chair)

Councillors J Barr Callan Caulfield L Collins	Councillors Dyke Falconer Flood P Innes
--	--

Councillor Tricia Gilby, Leader of the Council +++
 Kevin Hanlon, Director of Finance and Resources ++
 Charlotte Kearsey, Democratic and Scrutiny Officer
 Donna Reddish, Assistant Director – Policy and Communication +

+ Attended for Minute No. 26
 ++ Attended for Minute No. 27
 +++ Attended for Minute No. 26, 27 and 29

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

No declarations of interest were received.

25 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Borrell and Perkins.

26 DEPUTY LEADER - COUNCIL PLAN AND CORPORATE PERFORMANCE PROGRESS UPDATE

The Leader and Assistant Director – Policy and Communications attended to provide a progress report on the Council Plan for Year 4, 2018/19.

The Assistant Director advised that of the 32 key activities for 2018/19 four had been completed and a further 22 remained on target. This was a significant improvement from the quarter 1 position. The Corporate

Management Team had re-prioritised and challenged performance to bring the majority of activities back on track.

The Committee was advised that 91% of priorities for a thriving borough remained on target compared to 73% in quarter 1. Furthermore, 71% of priorities for improving quality of life and 73% of targets for value for money remained on target.

Due to the financial challenges facing local authorities there had been significant focus on the value for money strand of the Council Plan and day to day financial management.

There were five activities which were rated amber and one rated as red. It was explained that these were of significant size and complexity, such as, the Staveley and Rother Valley Corridor which involved a number of key stakeholders and a complex mix of activities required to start delivery. Officers would continue to work and negotiate with partners to bring this site, and others, forward.

Despite challenging circumstances, performance had been improved or maintained on several key economic indicators and customer focused activity, these included:

- 100% of local labour clauses had been maintained but the percentage of jobs secured for local people had increased from 42% to 72%;
- There had been a reduction in the number of young people not in education, employment or training;
- Town Centre occupancy and market stall occupancy remained on track;
- The number of complaints in key service areas had reduced but customer contact times via the call centre had been maintained;
- Chesterfield Borough Council's social media presence had continued to grow.

An area of concern was the reduction in performance across the planning application process. Investigation indicated that increased demand and capacity issues had impacted on service delivery. The Assistant Director

– Economic Growth would be preparing a response to these challenges. Members supported a resolution to the issues within the Planning Service.

In reference to the multi-agency alcohol health improvement activity, Members noted some concerns about identifying those in need because many people drink at home so it was important not to only rely on the Licensing Team.

Members were pleased to see that the activity to produce a Health and Wellbeing Strategy was rated amber in light of the challenging financial environment. The Assistant Director noted that delivery of the strategy would be complex due to the partnership working required.

The Chair thanked the Leader and Assistant Director for providing the update and answering their questions.

RESOLVED –

That an update be brought to the first meeting of the Overview and Performance Scrutiny Forum in 2019/20.

27 DEPUTY LEADER - BUDGET MONITORING AND MEDIUM TERM FINANCIAL FORECAST

The Leader and Director of Finance and Resources attended to provide an overview of the budget over the first half of 2018/19 and updated Members on the budget forecast for the end of 2018/19 and predictions for 2019/20.

The Council was on target to balance the budget for 2018/19 however, significant challenges for 2019/20 and beyond remained.

Details of the savings versus cost pressures for the current and previous two budgets were provided. Chesterfield Borough Council staff had been working hard to find savings but despite saving as much as possible the income had not matched the pressures. It was explained that the challenges would only increase in the coming years.

The financial challenges were explained and included:-

- Business rate income uncertainty due to appeals;

- Declining Pavements and Vicar lane income;
- Fair Funding;
- Economy risks;
- Growth requests across services;
- Capital project budget pressures.

The Housing Revenue Account (HRA) budget 2018/19 was balanced in the long term.

The HRA capital spend for the 2018/19 budget was £20 million. There had been £3.8 million brought forward from future year's to fund external wall insulation and new build schemes and it was estimated that there would be an underspend of around £1.5 million on the current year's schemes. The net impact of these changes would be an increase of capital expenditure of £2.3 million in 2018/19.

The Council's reserves were reviewed and restructured in 2017/18. The current reserve balances were explained to the committee.

Members noted that there had been success made in mitigating known risks but there were many unknown risks which would be challenging.

Members enquired about Business Rates and whether these could be lowered. It was explained that Business Rates were set nationally and CBC had no involvement.

The Chair thanked the Leader and the Director of Finance and Resources for providing the update and answering their questions.

RESOLVED –

That an update be brought to the first meeting of the Overview and Performance Scrutiny Forum in 2019/20.

The Forward Plan was considered.

RESOLVED –

That the Forward Plan be noted.

29 SCRUTINY MONITORING

A monitoring progress update on the Cabinet response to the recommendations of the Town Centre Scrutiny Project Group report was provided.

The Scrutiny Monitoring Schedule was considered.

RESOVLED –

1. That the update on the Cabinet response to the recommendations of the Town Centre Scrutiny Project Group report be noted.
2. That the Cabinet response to the recommendations of the Town Centre Scrutiny Project Group report be approved.
3. That the Scrutiny Monitoring Schedule be approved.

30 SCRUTINY PROJECT GROUP PROGRESS UPDATES

HS2 Scrutiny Project Group

Lead Member of the project, Councillor Flood, advised that the recommendations within the report of the scrutiny project group had been approved by Cabinet.

RESOLVED –

That the update be noted.

31 WORK PROGRAMME FOR THE OVERVIEW AND PERFORMANCE SCRUTINY FORUM

The Work Programme for the Overview and Performance Scrutiny Forum was considered.

RESOLVED –

That the Work Programme be approved.

32 JOINT OVERVIEW AND SCRUTINY

There were no updates.

33 OVERVIEW AND SCRUTINY DEVELOPMENTS

The next East Midlands Scrutiny Network meeting would be held at Rutland County Council.

The Forum was advised that the Scrutiny Network had been invited to Chesterfield Borough Council in March, 2019.

34 MINUTES

The Minutes of the Overview and Performance Scrutiny Forum held on 11 September, 2018 were presented.

RESOLVED –

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

**COMMUNITY, CUSTOMER AND ORGANISATIONAL SCRUTINY
COMMITTEE**

Tuesday, 27th November, 2018

Present:-

Councillor P Innes (Chair)

Councillors Borrell
Dyke
Flood

Councillors Sarvent
Niblock

Councillor Bagley ++
Councillor Derbyshire

Mick Blythe, Client Manager ++
Damon Bruce, Customer Centric Services Manager ++
Clare Fowkes, Operational Benefits Manager ++
Brian Offiler, Democratic and Scrutiny Officer
Ian Waller, Assistant Director – Health and Wellbeing +

+ Attended for Minute No. 32
++ Attended for Minute No. 33

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

No declarations of interest were received.

30 APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor L Collins.

31 MINUTES

The Minutes of the meeting of the Community, Customer and Organisational Scrutiny Committee held on 2 October, 2018 were presented.

RESOLVED –

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

32 CABINET MEMBER FOR HEALTH AND WELLBEING - PROGRESS REPORT ON HEALTH AND WELLBEING DEVELOPMENT

The Assistant Director - Health and Wellbeing presented a report to update Members on the key actions being delivered to improve health and wellbeing outcomes and to address health inequalities in the borough since the previous report to the Scrutiny Committee in May 2018.

The report referred to the positive interventions which the Chesterfield Health and Wellbeing Partnership continued to promote and develop across the borough through close partnership working to enable communities to grow their capacity to deliver positive change.

The Partnership was currently focusing work in the Staveley and Poolsbrook area, which had been identified as being in need of targeted support to tackle social isolation through physical activity.

Following assessments and consultation in Poolsbrook a range of interventions had been started, including junior sport and physical activity sessions, junior art and craft sessions and a weight management programme. A healthy cooking programme would commence in the New Year. Further consultation with the community in Staveley was continuing to direct the most appropriate interventions there.

The report explained the development of Place Alliances across Derbyshire involving commissioners, community services providers, local authorities, primary care, the voluntary and community sector and the public to work together to meet the health and wellbeing needs of local people. The Chesterfield Alliance was now established with the focus of improving health outcomes for the most frail in the community.

Arising from Members' questions and comments the following issues were discussed:

- The importance of identifying leaders from within local communities to be able to continue activities beyond the short-term and the difficulty and cost of otherwise bringing in external activity leaders;

- The possibility of all those involved in delivering holiday activity programmes across the borough sharing their experiences to learn from each other;
- Whether the attendance at the summer holiday activities at the Healthy Living Centre had been proportionately lower from Poolsbrook and Middlecroft and from academy schools;
- Patients at Inkersall surgery having to travel to Grangewood if they needed to see a GP.

The Chair suggested the possibility of the Committee considering some of the initiatives in Poolsbrook in greater detail through an appreciative inquiry approach in the New Year.

There were initial indications that usage of foodbanks was continuing to increase, and further detail would be provided to Members of the Committee outside the meeting. It was noted that food was being donated by various suppliers through different groups and schemes, including Fareshare.

The Committee expressed its support for the work being undertaken to improve health and wellbeing and the Chair thanked the Assistant Director - Health and Wellbeing for his contribution to the meeting.

RESOLVED –

- (1) That the ongoing work through the Health and Wellbeing Partnership be supported.
- (2) That the Chair explore with the Assistant Director – Health and Wellbeing the possibility of the Committee considering some of the initiatives in Poolsbrook in greater detail through an appreciative inquiry approach in the New Year.
- (3) That progress on the work to improve health and wellbeing in the borough be considered further by the Committee in March, 2019.

33 **CABINET MEMBER FOR HOMES AND CUSTOMERS - PROGRESS REPORT ON IMPLEMENTATION OF UNIVERSAL CREDIT**

The Cabinet Member for Homes and Customers, the Client Manager, the Customer Centric Services Manager and the Operational Benefits Manager presented a progress report on the implementation of Universal Credit (UC) in Chesterfield since the previous report to the Committee in May, 2018.

The report referred to the continuing work by the benefits team with partners and stakeholders to ensure the best possible outcomes for claimants and the Council. A strong working relationship had been developed with the Department for Work and Pensions (DWP), and this had resulted in the Council and Arvato being identified as a best practice organisation.

Following the introduction of full service UC in Staveley in July, 2018 benefits staff were working closely with staff at Staveley Job Centre, and arrangements to support claimants in the Staveley area appeared to be working well.

The report provided updated statistical information on the implementation of UC, including:

- 12,247 UC notifications from DWP for the assessment of Council tax support since April, 2018;
- 306 Housing Benefit transitional payments to a total value of £45,000 since April, 2018;
- 1,229 Council Tax Support claims live in payment for UC recipients;
- 110 Employment Support Allowance (ESA) claimants had received increased weekly awards with arrears payments totalling £577,328 since November, 2017;
- 157 Discretionary Housing Payments (DHPs) had been made to UC recipients since April, 2018, totalling £81,732.
- Assisted digital support had been provided to 446 customers and budgeting support to 146 customers since November, 2017.

Foodbank vouchers had been issued in 27 cases of budgeting support;

- 672 Council households in receipt of UC were claiming Council Tax Support, with average arrears of £474 for those in arrears (average arrears nationally for UC claimants was £662).

The report referred to the provision of assisted claim support and budgeting support transferring nationally to the Citizens Advice Bureau (CAB) from April, 2019. The benefits team was liaising with Chesterfield CAB regarding this proposed change to seek to address the concern that it may be more difficult to identify claimants in need of support.

The concern that 2019-20 was a 53 week rent year whilst the UC calculation was only based on 52 weeks had been raised with the DWP.

Future challenges for the benefits team in implementing UC were identified in the report, including:

- managed migration being delayed;
- claimants with a severe disability payment in their legacy benefit having to claim Housing Benefit;
- the carer element not being included in UC awards;
- sole occupiers with others named on a tenancy only receiving 50% or less housing costs.

A case study illustrating the complexity and impact of the scheme for the claimant and the benefits team was attached to the report.

Members asked whether it was possible to further increase opportunities for access to IT to enable claimants to keep their online journals updated and whether printed information about where IT access and advice was available could be provided for Members to distribute via their street surgeries.

Members expressed their appreciation of the work being undertaken by the benefits and neighbourhood teams in partnership with voluntary services. The Committee endorsed the approach being taken to identify and resolve individual and systemic problems with the DWP and supported the Cabinet Member for Homes and Customers in considering how best to escalate concerns where necessary.

The Chair thanked the Cabinet Member for Homes and Customers, the Client Manager, the Customer Centric Services Manager and the Operational Benefits Manager for their contribution to the meeting.

RESOLVED -

- (1) That the report be noted.
- (2) That the ongoing work on implementation of UC and the consideration by the Cabinet Member for Homes and Customers of how to best escalate concerns where necessary be supported.
- (3) That a progress report be submitted to the meeting of the Committee in March, 2019.

34 SCRUTINY PROJECT GROUPS PROGRESS UPDATES

The Chair reported that the Scrutiny Project Group on Council owned community rooms was continuing its work on the review and that it was now expected that the group's report would be presented to the Scrutiny Committee in March, 2019.

RESOLVED -

That the progress report of the Scrutiny Project Group on Council owned community rooms be noted.

35 SCRUTINY MONITORING

The Committee considered the Scrutiny recommendations monitoring schedule. It was noted that some of the recommendations from the HS2 report would be due to be monitored by the Community, Customer and Organisational Committee.

RESOLVED -

That the Scrutiny monitoring schedule be noted.

36 FORWARD PLAN

The Committee considered the Forward Plan for the period 1 December, 2018 – 31 March, 2019.

RESOLVED –

That the Forward Plan be noted.

37 WORK PROGRAMME FOR THE COMMUNITY, CUSTOMER AND ORGANISATIONAL SCRUTINY COMMITTEE

The Committee considered the list of items included on its work programme for 2018/19.

RESOLVED -

That the work programme be approved and updated to include the decisions of the current meeting.

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**COMMUNITY, CUSTOMER AND ORGANISATIONAL SCRUTINY
COMMITTEE**

Tuesday, 22nd January, 2019

Present:-

Councillor P Innes (Chair)

Councillors	Borrell	Councillors	Sarvent
	L Collins		Niblock
	Flood		

Councillor Blank +++++
Councillor Caulfield ++
Councillor Ludlow +

Rachel Appleyard, Senior Democratic and Scrutiny Officer +++
Brian Offiler, Democratic and Scrutiny Officer
John Ramsey, Principal Green Space Strategy Officer +
Donna Reddish, Assistant Director – Policy and Communications +++++

+ Attended for Minute No. 41
++ Attended for Minute Nos. 41 and 42
+++ Attended for Minute No. 42
++++ Attended for Minute No. 43

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

No declarations of interest were received.

39 APOLOGIES FOR ABSENCE

No apologies for absence were received.

40 MINUTES

The Minutes of the meeting of the Community, Customer and Organisational Scrutiny Committee held on 27 November, 2018 were presented.

RESOLVED –

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

41

SCRUTINY MONITORING

The Cabinet Member for Health and Wellbeing and the Principal Green Space Strategy Officer presented the Scrutiny Progress Monitoring Report on the Scrutiny recommendations on Friends Groups, following the previous monitoring report to the Committee on 22 May, 2018 (Minute No. 5, 2018/19).

The report outlined the actions taken and/or planned to address each of the scrutiny recommendations. It was noted that an inaugural meeting to relaunch the Friends of Groups network was planned for March, 2019. The meeting would include distribution of the Friends of Groups information pack documents, consideration of the annual survey and sharing of case studies of successful projects and activities.

Councillor Caulfield, Lead Member of the Scrutiny Project Group, welcomed the partnership approach adopted, and the Committee supported the actions taken and proposed.

The Chair thanked the Cabinet Member for Health and Wellbeing, the Principal Green Space Strategy Officer and Councillor Caulfield for their contribution to the meeting.

RESOLVED –

- (1) That the actions taken in respect of the scrutiny recommendations on Friends Groups be noted and the further proposed actions be supported.
- (2) That further progress on the implementation of the recommendations be reported to the Committee in the summer of 2019.

42 **SCRUTINY PROJECT GROUPS PROGRESS UPDATES**

Councillor Caulfield, Lead Member of the Scrutiny Project Group on Community Rooms and the Senior Democratic and Scrutiny Officer presented the group's report.

The report outlined the reasons for the review, its aims and links to Council priorities and the approach taken by the group. It summarised the findings of the review in respect of the usage of the rooms, information about their availability, arrangements for booking and accessing them and the income and expenditure generated. The group's recommendations were detailed in the report, with the aim of supporting the ongoing sustainable use of the rooms.

It was noted that additional information relating to expenditure had been received following the drafting of the report, which would require further investigation by the group. It was also suggested that further detail in respect of the Burns Close building be obtained.

The Committee supported the findings and recommendations within the group's report, pending consideration of the further issues by the group.

The Chair thanked Councillor Caulfield and the Senior Democratic and Scrutiny Officer for their contribution to the meeting.

RESOLVED -

- (1) That the Scrutiny Project Group's report on Community Rooms be supported in principle, pending further consideration of the additional information and issues by the group.
- (2) That the final version of the report be presented to the Committee once the group had completed its further investigation and consideration.

43 **DEPUTY LEADER AND CABINET MEMBER FOR GOVERNANCE - COMMUNICATIONS AND ENGAGEMENT STRATEGY PROGRESS REPORT**

The Cabinet Member for Governance and the Assistant Director – Policy and Communications presented a progress report on the delivery of the

Communications and Engagement Strategy following its approval by Council in July, 2018.

The report outlined progress against the eight objectives of the strategy, including:

- Two high quality editions of the new combined Your Chesterfield and Our Homes publication had been produced during 2018/19, with further editions planned for January 2019 and March 2019;
- Preparation to achieve compliance with the EU Web Accessibility Directive by 2020;
- The launch in January, 2019 to bring together all live and concluded consultation information on a consultations page on the Council's website;
- An increase in the number of face to face engagement sessions to enable members of the public without internet access to engage, such as changes to the allocations policy, repairs and maintenance, anti-social behaviour, Gypsy and Traveller consultation and the Local Plan;
- All services to be required to produce a 'you said, we did' statement to appear on the Council's website when reporting back on consultation findings;
- The use of infographics, case studies and videos to present information in a more accessible and engaging way;
- Undertaking a social media stakeholder audit to identify relevant stakeholder groups and prioritise how best to engage these groups;
- Improved branding and signage in the town hall;
- Increased use of the core brief and Aspire intranet to enable key messages and information to be shared with staff.

Annual action plans would be developed for each of the next four years of the strategy, including active engagement in the ICT transformation programme in order to seek to maximise benefits for engaging with customers.

It was confirmed that recruitment was progressing well for the vacant post of Communications and Marketing Manager.

Arising from Members' questions and comments it was explained that arrangements for Members accessing the intranet would need to be considered as part of the ICT transformation programme. Members supported the targeted use of face to face consultations where appropriate and the use of videos internally and externally to present key messages.

The Chair thanked the Cabinet Member for Governance and the Assistant Director – Policy and Communications for their contribution to the meeting.

RESOLVED –

That the work outlined in the progress report be noted and that further progress be reported to the Committee in the next Council year, subject to the outcome of the annual scrutiny work programming for 2019/20.

44 FORWARD PLAN

The Committee considered the Forward Plan for the period 1 February – 31 May, 2019.

RESOLVED –

That the Forward Plan be noted.

45 WORK PROGRAMME FOR THE COMMUNITY, CUSTOMER AND ORGANISATIONAL SCRUTINY COMMITTEE

The Committee considered the list of items included on its work programme for 2018/19.

RESOLVED -

That the work programme be approved and updated to include the decisions of the current meeting.

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ENTERPRISE AND WELLBEING SCRUTINY COMMITTEE**Tuesday, 4th December, 2018**

Present:-

Councillor Sarvent (Chair)

Councillors D Collins
V Diouf

Councillors Falconer

Carl Griffiths, Housing Options Manager +
Ian Waller, Assistant Director – Health and Wellbeing ++

+ Attended for Minute No. 37

++ Attended for Minute No. 38

*Matters dealt with under the Delegation Scheme

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

No declarations were received.

36 APOLOGIES FOR ABSENCE

An apology was received from Councillor Caulfield.

**37 CABINET MEMBER FOR HOMES AND CUSTOMERS -
HOMELESSNESS**

The Housing Options Manager explained that the Homelessness Reduction Act came into force in April 2018. This placed a wider set of duties on a wider group of people. In response to this a number of actions had been taken including the development of a Hub – a single point of contact based at Pathways Chesterfield and a new winter night shelter scheme that started on 1 December, 2018.

It had been acknowledged that rough sleepers had complex needs including, but not limited to, accommodation requirements. As a result, multi-agency panels were being created, tailored to an individual's circumstances. The aim of the Housing Options Team was to put people

on the path to recovery and carry out a review of each case to learn lessons and determine preventative measures.

The Housing Options Manager reported that he had submitted a bid for funding to enable the Council to offer the Housing First model in a specified unit but he was unaware whether this had been successful. Both the existing projects had funding in place for the next 2 years.

RESOLVED –

1. That the update be noted.
2. That a further update be brought to the April 2019 meeting of the Enterprise and Wellbeing Scrutiny Committee.

38 SCRUTINY PROJECT GROUPS

Leisure, Sports and Cultural Activities

The committee were advised that the Council's legal team were currently examining the contracts for the new Queen's Park Sports Centre to determine whether there was any outstanding training to be delivered to staff. It was acknowledged that the training may have been beneficial to the team three years ago but would now have been superseded by our own training programmes. The Assistant Director – Health and Wellbeing concluded that there were no further outstanding issues.

Future use of the former Queen's Park Sports Centre

The Assistant Director – Health and Wellbeing advised members that progress was being made with regards to the development of the new sports pitches. A number of planning conditions were aligned to this scheme and these were being worked through. The project team responsible for the delivery of the scheme was currently focussed on areas of work including drainage schemes, further coal mining investigations and additional utility surveys.

The project team had met with Environmental Services, and Kier to incorporate their knowledge. Cost certainty was expected in early 2019.

The committee was informed that work was due to start in late February 2019/early March 2019.

Skills

Councillor Simmons, Lead Member of the Scrutiny Project Group, informed the Committee that the project group was now producing a draft report to be presented to Cabinet in early February 2019. It was acknowledged that the working group had received excellent officer input, particularly from the Senior Economic Development Officer.

Play Strategy

The Principal Green Space Strategy Officer circulated a schedule of work to members of the committee prior to the meeting. No further updated was received.

RESOLVED –

1. That the updates be noted.
2. That the Skills Scrutiny Project Group report be presented to the next meeting of the committee.

39 CORPORATE WORKING GROUPS

The Chair advised that there was no update available on the activity of the Housing Revenue Account Steering Group.

RESOLVED –

That the Committee receive an update at the next meeting either by Cllr Perkins, Scrutiny Representative or in writing.

40 SCRUTINY MONITORING

The Committee considered the Scrutiny recommendations monitoring schedule.

RESOLVED -

1. That the Scrutiny monitoring schedule be noted.

2. That the new Queen's Park Leisure Centre be removed from the schedule.

41 FORWARD PLAN

The Forward Plan for the four month period 1 December, 2018 to 31 March, 2019 was presented for information.

RESOLVED –

That the Forward Plan be noted.

42 WORK PROGRAMME FOR THE ENTERPRISE AND WELLBEING SCRUTINY COMMITTEE

The 2018/19 Work Programme for the Enterprise and Wellbeing Scrutiny Committee was considered.

The Chair suggested that 'Housing Supply and Impact of New Housing' be removed from the work programme.

The committee acknowledged that an update on the revised Allocations Policy would provide members with a better understanding and overview of the Council's position. It was proposed that the item be added to the Work Programme to come to the Committee meeting on 2 April 2019.

The Committee discussed the Careline Response Service item and decided that an update would be useful following further developments at County level. It was proposed that the item be added to the Work Programme to come to the Committee meeting on 2 April 2019.

RESOLVED –

1. That 'Housing Supply and Impact of New Housing' be removed from the Work Programme.
2. That 'Allocations Policy' be updated on the Work Programme.
3. That 'Careline Response Service' be updated on the Work Programme.

43 MINUTES

RESOLVED –

The Minutes of the meeting of the Enterprise and Wellbeing Scrutiny Committee held on 25 September, 2018 were approved as a correct record and signed by the Chair.

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