

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, 18 October 2023** at **5.00 pm** for the purpose of transacting the following business:-

1. To approve as a correct record the Minutes of the meetings of the Council held on 19 July and 18 September, 2023 (Pages 3 - 14)
2. Mayor's Communications
3. Apologies for Absence
4. Declarations of Members' and Officers' Interests relating to items on the Agenda.
5. Public Questions to the Council

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

6. Petitions to Council

To receive petitions submitted under Standing Order No. 13

7. Questions to the Leader

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

8. Changes to Committee Appointments/Outside Body Appointments 2023/24 (Pages 15 - 16)

9. Standards and Audit Committee Annual Report 2022/2023 (Pages 17 - 26)

10. Treasury Management Annual Report 2022/23 and Monitoring Report 2023/24 (Pages 27 - 46)

11. Minutes of Committee Meetings (Pages 47 - 48)

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
12. To receive the Minutes of the meetings of the Cabinet of 20 June, 18 July and 19 September, 2023 (Pages 49 - 80)
 13. To receive the Minutes of the meeting of the Joint Cabinet and Employment and General Committee of 18 July, 2023 (Pages 81 - 88)
 14. To receive and adopt the Minutes of the meeting of the Scrutiny Select Committee - Economic Growth and Communities of 13 July, 2023 (Pages 89 - 100)
 15. To receive and adopt the Minutes of the meeting of the Scrutiny Select Committee - Resilient Council of 6 July, 2023 (Pages 101 - 106)
 16. Questions under Standing Order No. 19

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

By order of the Council,



Chief Executive

Chief Executive's Unit,
Town Hall,
Chesterfield

10 October 2023

COUNCIL

Wednesday, 19th July, 2023

Present:-

Councillor Brady (Chair)

Councillors	Bagley	Councillors	P Innes
	Baldauf-Good		Jacobs
	B Bingham		Kellman
	J Bingham		McLaren
	Blakemore		Miles
	Brady		Niblock
	Brock		Ogle
	Caulfield		Perkins
	Culley		Redihough
	Davenport		Sarvent
	Davies		Serjeant
	Dyke		Snowdon
	Falconer		Staton
	Flood		Stone
	P Gilby		Thompson
	Hollingworth		Thornton
	Holmes		Twigg
	J Innes		Yates
	P Innes		

*Matters dealt with under the Delegation Scheme

6 TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETINGS OF THE COUNCIL HELD ON 15 MAY AND 17 MAY, 2023

RESOLVED –

That the Minutes of the meetings of Council held on 15 May and 17 May, 2023 be approved as correct records and be signed by the Chair.

7 MAYOR'S COMMUNICATIONS

The Mayor referred to the following engagements that he and the Mayoress had attended since their election to office in May 2023:

- The Chesterfield Festival of Cricket at Queen's Park to watch the county championship cricket match between Derbyshire and Yorkshire.
- The opening of the new Health and Wellbeing Hub at Chesterfield Royal Hospital to mark the 75th anniversary of the National Health Service.
- The Mercian Regiment's Annual Pilgrimage to the Regimental War Memorial at Crich to commemorate the 100th anniversary of the opening of the Crich Memorial Tower.
- Chesterfield Football Club Community Trust's Chatsworth Concert, where the Mayor made the opening address recognising the Trust's outstanding achievements and its contribution to the wellbeing of communities in Chesterfield and North Derbyshire.

The Mayor had also been invited to attend a ceremony at the University of Derby's Chesterfield Campus to rename the simulation training facility 'The Florence Nightingale Ward' in honour of the founder of modern nursing. The Princess Royal had been in attendance and the Mayor had thoroughly enjoyed meeting and speaking with her.

The Mayor and Mayoress had also welcomed their first school visit to the Parlour, the children from Hasland Infant School. The children had been fascinated to hear about Chesterfield's history and went away eager to learn more about the role of the Council.

Finally, the Mayor reminded members that he and the Mayoress would be hosting a bottle stall at the Medieval Market on Tuesday 25 July and they hoped to see members and officers there, supporting the Mayor's charity appeal.

8 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Callan and Wheeldon.

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

No declarations were received.

10 PUBLIC QUESTIONS TO THE COUNCIL

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

In April 2022 I asked a question due to my concerns about food supplies and shortages in the future. Does the Borough Council know of any updates of plans in place in case of food shortages? And does the Borough Council support the idea of Chesterfield residents growing their own food in back gardens and on allotments, as well as looking positively on and supporting those with disabilities; so that they may do the same?

Councillor Jonathan Davies provided a verbal response assuring Mr Stone that Chesterfield Borough Council was an active member of the Derbyshire Local Resilience Partnership (DLRP) and routinely worked with partners such as the emergency services, the NHS and other Derbyshire councils to co-ordinate the county's emergency planning arrangements, including strategic and tactical oversight of Derbyshire's preparedness for emergency situations such as widespread food shortages.

The DLRP's plans had been tested during the Covid-19 pandemic, and the Partnership's response to the food shortages seen across many districts and boroughs had been positive and effective.

Councillor Davies informed Mr Stone that Chesterfield Borough Council was very supportive of the idea of Chesterfield residents growing their own food. Ranging from small scale container gardening, private gardens, allotments and community gardens, the Council encouraged and provided support where required to enable residents from all of Chesterfield's communities to take part.

Many Chesterfield residents already grew their own food, not just to feed themselves and their families but also for fun, exercise, social interaction and in their own small way as a contribution towards biodiversity and addressing climate change.

The following supplementary question was asked by Mr Stone:

Could you provide specific details of the measures in place for any future food shortages?

Councillor Davies advised that he would supply a written response to Mr Stone.

11 PETITIONS TO COUNCIL

No petitions had been received.

12 QUESTIONS TO THE LEADER

There were no questions to the Leader.

13 BUDGET OUTTURN 2022/23

Pursuant to Cabinet Minute No. 11 (2023/2024) the Service Director – Finance submitted a report on the draft General Fund Revenue, Housing Revenue Account and Capital Outturn positions for 2022/2023 and provided details of significant variations.

RESOLVED –

1. That the draft General Fund Revenue, Housing Revenue Account and Capital Outturn positions for 2022/2023 be noted.
2. That the use of the Budget Risk Reserve to cover the year-end General Fund Revenue budget deficit of £292k (paragraph 4.15) be approved.
3. That the in-year movement in General Fund Revenue Reserves and Provisions (paragraphs 4.10 to 4.16) be noted and approved.
4. That the General Fund Capital financing arrangements (Appendix A) be approved.

14 BUDGET STRATEGY

Pursuant to Cabinet Minute No. 10 (2023/2024) the Service Director – Finance submitted a report recommending the adoption of a new Budget Strategy to enable the Council to achieve a balanced budget for 2024/2025 and over the term of the Medium-Term Financial Plan (MTFP) through 2027/2028.

RESOLVED –

1. That the challenging financial operating context and the current Medium-Term Financial Plan gaps be noted.
2. That the Budget Strategy and the five thematic interventions (paragraphs 4.24 to 4.45) be approved.
3. That the proposal to move £1m of reserves from the Business Rates Reserve to the Budget Risk Reserve in 2023/2024 (paragraph 4.51) be approved.

15 ASSET MANAGEMENT STRATEGY

Pursuant to Cabinet Minute No. 13 the Service Director – Economic Growth submitted a report seeking Council approval for the adoption of a new Asset Management Strategy for the period 2023 – 2027. The Strategy would ensure the Council was managing its assets safely, effectively and efficiently and also making the best use of its land and property, in support of the Council’s priorities and objectives, as set out in the Council Plan.

RESOLVED –

1. That the Chesterfield Borough Council Asset Management Strategy 2023 to 2027 be approved for adoption and publication.
2. That future delivery plans, including any budgetary implications, be brought to future Cabinet and Council meetings for consideration and approval, as appropriate.
3. That authority be delegated to the Service Director – Economic Growth, in consultation with the Deputy Leader and Cabinet Member for Finance and Asset Management, to make minor amendments, if required, to the final version of the Asset Management Strategy.

16 OPTIONS FOR REPLACING THE COUNCIL'S FLEET

Pursuant to Cabinet Minute No. 20 (2023/2024) the Asset Management and Programmed Works Manager presented a report on options for replacing the Council’s fleet. It was noted that the majority of the Council’s fleet was ageing, and the current lease was due to expire early 2024 with no option to extend.

The Council's Climate Change Strategy target was for the Council to be carbon neutral by the year 2030. Decarbonisation of the Council's fleet was a key action to achieving this target, due to emissions from petrol and diesel vehicles. The report described the proposed journey towards a fully carbon neutral fleet.

RESOLVED –

1. That the principle of replacing the current fleet with a new lease of 34 electric vehicles and using short term hire for the Council's remaining vehicle requirements, as part of a phased approach to decarbonising the fleet before 2030, be agreed.
2. That responsibility for the associated procurement activity and budget decision making be delegated to the Service Director – Housing, in conjunction with the Service Director – Finance, the Deputy Leader, the Cabinet Member for Housing and the Cabinet Member for Climate Change, Planning and Environment.
3. That responsibility for entering into the associated legal contracts be delegated to the Service Director – Housing in conjunction with the Service Director – Finance and the Monitoring Officer.
4. That the additional costs of taking forward the recommended option be funded through the Council's General Fund Revenue and Housing Revenue Account budgets for the financial year 2024/2025.
5. That an annual report be prepared to update Council on the economy, efficiency, and effectiveness of implementation of the recommended option.

17 RELOCATION OF CUSTOMER SERVICES CENTRE

Pursuant to Cabinet Minute No. 5 (2023/2024) the Service Director – Digital, HR and Customer Services submitted a report asking Council to approve the relocation of the Council's Customer Service Centre from its current location at 85 New Square to Chesterfield Town Hall. The annual revenue savings achieved were projected at 132k as a result of the anticipated reduction in the running costs of the Council's operational estate.

RESOLVED –

1. That the Council's Customer Service Centre and the operational services based at 85 New Square be relocated into Chesterfield Town Hall during the financial year 2023-2024.
2. That £157k be allocated from the Council's Capital Programme to enable the provision of an appropriate customer service centre at Chesterfield Town Hall.
3. That painting, decoration, and minor property repairs be carried out to the second and third floors of the Town Hall, as part of the routine maintenance programme for the building, and that these works be funded through the Property Repairs Fund (PRF).
4. That 85 New Square be marked as surplus to operational requirements.
5. That delegated authority be given to the Service Director for Economic Growth, in conjunction with the Deputy Leader and Cabinet Member for Finance and Asset Management, to market 85 New Square for sale or lease, ensuring that an appropriate buyer is secured whose plans align with the Council's Town Centre Master Plan.

18 **EQUALITY AND DIVERSITY ANNUAL REPORT**

Pursuant to Cabinet Minute No. 14 (2023/2024) the Policy Officer presented for approval the Council's Equality and Diversity Annual Report for the financial year 2022/2023. The Annual Report summarised the progress the Council has made in promoting equalities and diversity during the previous financial year and the Council's future plans.

RESOLVED –

1. That the Council's Equality and Diversity Annual Report for the financial year 2022/2023 be approved.
2. That the Council's Equality and Diversity Annual Report for the financial year 2022/2023 be published on the Council's website and circulated to partners.

19 **SCRUTINY ANNUAL REPORT**

Pursuant to Scrutiny Select Committee – Resilient Council Minute No. 3 (2023/2024) the Service Director – Corporate submitted a report detailing the work of the Council's Overview and Scrutiny Committees in the financial year 2022/2023.

RESOLVED –

That the Council's Overview and Scrutiny Annual Report for the financial year 2022/2023 be noted.

20 LOCAL GOVERNMENT ACT 1972 - 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 item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A of the Act.

21 STEPHENSON MEMORIAL HALL

Pursuant to Cabinet Minute No. 21 (2023/2024) the Arts and Venues Manager presented a report setting out the progress that had been made in the development of the Stephenson Memorial Hall renovation and refurbishment project.

RESOLVED –

1. That the current delivery position of the Stephenson Memorial Hall renovation and refurbishment project be noted.
2. That the revised budget for the capital works delivery elements of the Stephenson Memorial Hall renovation and refurbishment project, as outlined in Section 6 of the report, be approved.
3. That authority be delegated to the Service Directors for Economic Growth and Leisure, Culture and Community Wellbeing to negotiate and agree final amendments to project designs and costs with the principal contractor, in consultation with the Cabinet Members for Economic Growth and Town Centres and Visitor Economy.

4. That authority be delegated to the Chief Executive in consultation with the Cabinet Members for Economic Growth, Finance and Asset Management and Town Centres and Visitor Economy, and the Service Directors for Finance and Economic Growth, to enter into the main construction contract with the principal contractor.

22 RE-ADMISSION OF THE PUBLIC

RESOLVED –

That after consideration of an item containing exempt information the public be readmitted to the meeting.

23 MINUTES OF COMMITTEE MEETINGS

RESOLVED –

That the Minutes of the following Committees be noted:

- Appeals and Regulatory Committee of 24 May, 7 and 14 June, 2023.
- Planning Committee of 22 May, 12 June, 3 and 5 July, 2023.

24 TO RECEIVE THE MINUTES OF THE MEETING OF THE CABINET OF 4 APRIL 2023

RESOLVED –

That the Minutes of the meetings of Cabinet of 4 April, 2023 be noted.

25 QUESTIONS UNDER STANDING ORDER NO. 19

There were no questions.

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COUNCIL**Monday, 18th September, 2023**

Present:-

Councillor Brady (The Mayor)

Councillors	Bagley	Councillors	P Gilby
	Baldauf-Good		Holmes
	B Bingham		J Innes
	J Bingham		P Innes
	Blakemore		Jacobs
	Brady		McLaren
	Brittain		Miles
	Brock		Perkins
	Callan		Redihough
	Caulfield		Ridgway
	Culley		Staton
	Davenport		Stone
	Davies		Thompson
	Dyke		Twigg
	Falconer		Wheeldon
	Flood		Yates

*Matters dealt with under the Delegation Scheme

26 **CONFERMENT OF THE TITLE OF HONORARY ALDERMAN OF THE BOROUGH OF CHESTERFIELD UPON FORMER COUNCILLOR ALEXIS SALIOU DIOUF**

It was moved by Councillor Redihough, and seconded by Councillor Falconer:

"That in pursuance of the power conferred by Section 249(1) of the Local Government Act 1972, the Council do hereby confer the title of Honorary Alderman of the Borough of Chesterfield upon Alexis Diouf in recognition of the eminent services which he has rendered to the Council."

On being put to the meeting, the motion was declared carried.

27 **CONFERMENT OF THE TITLE OF HONORARY ALDERMAN OF THE BOROUGH OF CHESTERFIELD UPON FORMER COUNCILLOR TERRY FRANK GILBY**

It was moved by Councillor Flood, and seconded by Councillor Holmes:

"That in pursuance of the power conferred by Section 249(1) of the Local Government Act 1972, the Council do hereby confer the title of Honorary Alderman of the Borough of Chesterfield upon Terry Gilby in recognition of the eminent services which he has rendered to the Council."

On being put to the meeting, the motion was declared carried.

28 **CONFERMENT OF THE TITLE OF HONORARY ALDERWOMAN OF THE BOROUGH OF CHESTERFIELD UPON FORMER COUNCILLOR CHRISTINE LUDLOW**

It was moved by Councillor Dyke, and seconded by Councillor Innes:

"That in pursuance of the power conferred by Section 249(1) of the Local Government Act 1972, the Council do hereby confer the title of Honorary Alderwoman of the Borough of Chesterfield upon Christine Ludlow in recognition of the eminent services which he has rendered to the Council."

On being put to the meeting, the motion was declared carried.

For publication

Changes to Committee Appointments/Outside Body Appointments 2023/24

Meeting:	Council
Date:	18 October, 2023
Directorate:	Corporate
For publication	

1.0 Purpose of the report

- 1.1 To enable the Council to consider a proposed change to the appointments of a committee for the remainder of the 2023/24 municipal year.
- 1.2 To enable the council to consider a proposed change to the appointments of an outside body for the remainder of the 2023/24 municipal year.

2.0 Recommendations

- 2.1 That the change to appointments to a committee for the remainder of the 2023/24 municipal year as proposed by the Leader of the majority group and described at paragraph 3.2 be approved.
- 2.2 That the change to appointments to an outside body for the remainder of the 2023/24 municipal year as proposed by the leader of the majority group and described at paragraph 3.3 be approved.

3.0 Report details

- 3.1 That the following change to the membership of a committee as proposed by the Leader of the majority group be agreed:
- 3.2 **Appeals and Regulatory Committee**
 - removal of Councillor Brady as a Labour group member
 - addition of Councillor Brittain as a Labour group member
- 3.3 That the following change to the membership of an outside body as proposed by the leader of the majority group be agreed:

Health and Safety Committee

- removal of Councillor Brittain as a Labour group member
- addition of Councillor P Innes as a Labour group member

Document information

Bethany Fletcher, Democratic and Elections Manager
Bethany.fletcher@chesterfield.gov.uk

For publication

Annual Report of the Standards and Audit Committee 2022/23

Meeting:	Council
Date:	18th October 2023
Cabinet portfolio:	Governance
Directorate:	Finance
For publication	

1.0 Purpose of the report

- 1.1 To set out the work of the Standards and Audit Committee for 2022/23 in an annual report in line with best practice.

2.0 Recommendations

- 2.1 That the Standards and Audit Committee consider the attached Standards and Audit Committee Annual Report and refer to Council for approval.
- 2.2 That Council approve the Annual Report of the Standards and Audit Committee.

3.0 Reason for recommendations

- 3.1 To ensure that the Standards and Audit Committee are following good practice guidelines in line with CIPFA's guidance note "Audit Committees – Practical Guidance for Local Authorities" in terms of performance and effectiveness.

4.0 Report details

- 4.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) in their guidance note "Audit Committees – Practical Guidance for Local Authorities", recommend that an Audit Committee should produce an annual report on their activity. The production of an Annual Report helps to assess how the Committee is performing and raises the profile of the Committee.
- 4.2 The Annual Report in Appendix 1 summarises the work of the Standards and Audit Committee for the financial year 2022/23.

5.0 Alternative options

5.1 The report is for information.

6.0 Implications for consideration – Financial and Value for Money

6.1 The work of the Standards and Audit Committee helps to ensure that processes and controls are operating effectively thereby contributing to ensuring that value for money is obtained.

7.0 Implications for consideration – Legal

7.1 None

8.0 Implications for consideration – Human Resources

8.1 None

9.0 Implications for consideration – Council Plan

9.1 The Standards and Audit Committee play a critical role in ensuring that the Council's governance, control and risk management arrangements are appropriate. Appropriate governance, control and risk management arrangements help to ensure that the council's resources and priorities are focused on achieving the objectives within the council plan.

10.0 Implications for consideration – Climate Change

10.1 Whilst there are not considered to be any direct climate change impacts in relation to this report, sound internal control, governance and risk management arrangements will support the achievement of the Council's objectives.

11.0 Implications for consideration – Equality and Diversity

11.1 None

12.0 Implications for consideration – Risk Management

12.1 The production of this report provides assurance to Council that the Standards and Audit Committee are fulfilling their terms of reference which reduces the risk of a failure of governance, control and risk management arrangements.

Decision information

Key decision number	<i>All key decisions must be in the Forward Plan at least 28 days in advance. There are constitutional consequences if an item is not in the Forward Plan when it should have been. Contact Democratic Services if in doubt.</i>
Wards affected	None

Document information

Report author	
Jenny Williams Head of the Internal Audit Consortium Finance	
Background documents	
These are unpublished works which have been relied on to a material extent when the report was prepared.	
None	
Appendices to the report	
Appendix 1	Annual Report of the Standards and Audit Committee 2022/2023

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CHESTERFIELD
BOROUGH COUNCIL

STANDARDS AND AUDIT COMMITTEE

ANNUAL

REPORT

2022/23

Standards and Audit Committee

Chesterfield Borough Council

Annual Report 2022/23

1. Background

- 1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) in their guidance note "Audit Committees – Practical Guidance for Local Authorities", recommend that an Audit Committee should produce an annual report on their activity.
- 1.2 The Standards and Audit Committee produce an annual report as a means of assessing how the Committee is performing and raising the profile of the work of the Committee across the Council.
- 1.3 Audit Committees are widely recognised as a core component of effective governance, their key role is to independently oversee and assess the internal control environment, comprising governance, risk management and control and advise the Council on the adequacy and effectiveness of these arrangements. At Chesterfield Borough Council the statutory duty to promote and maintain high standards of conduct by members is also overseen by the Committee.
- 1.4 The Committee is responsible for: –
 - Promoting and maintaining high standards of conduct
 - Good governance
 - Internal Audit
 - External Audit
 - Risk Management
 - Treasury Management
 - The control environment
 - Anti-fraud and anti- corruption arrangements
 - Carrying out hearings into alleged misconduct by councillors

Details of the responsibilities of the Committee are set out in the Council's Constitution (Part 2, Article 9).

- 1.5 The Committee meets on a regular basis and is chaired by Councillor Kate Caulfield. The Committee is advised by the Service Director - Finance, Theresa Channell, the Head of the Internal Audit Consortium, Jenny Williams, and the Monitoring Officer, Gerard Rogers.

2. Membership and Meetings

- 2.1 The Standards and Audit Committee is composed of eight members, 6 councillors and 2 parish representative members (appointed by Brimington Parish Council and Staveley Town Council respectively). During 2022/23 these members were: -
Councillor Caulfield (Chair)
Councillor Kellman (Vice-Chair)
Councillor Rayner
Councillor Brady
Councillor Murphy
Councillor Snowdon
Councillor Brittain / Cawthorne (Brimington Parish Council)
Councillor Wilson (Staveley Town Council)
- 2.2 The meetings are also attended by the Council's external auditor Mazars.
- 2.3 During the 2022/23 financial year the Standards and Audit Committee met on 5 occasions.

3. Standards and Audit Committee Business

- 3.1 During the year the Committee conducted the following business:
-

Internal Audit

- Received the annual internal audit report for 2021/22
- Approved the internal audit plan for 2022/23
- Received internal audit updates of progress against the audit plan for 2022/23
- Monitored the implementation of internal audit recommendations
- Received and approved the Internal Audit Charter
- Discussed the limited assurance internal audit reports and sought assurances from responsible officers. (market Fees, planning Fee income, non – housing property repairs and housing rents).

- Considered the CIPFA publication – Internal Audit Untapped Potential

External Audit

- Received the external auditors audit completion report and letter of representation
- Received an external audit progress update

Statement of Accounts

- Approved the 2021/22 statement of accounts

Treasury Management

- Considered the treasury management 2021/22 annual report and monitoring report 2022/23
- Approved the 2023/24 Treasury Management Strategy (including investment and capital strategy).

Risk Management

- Considered the Risk Management Strategy for 2023 - 2027 and received an annual progress update.

Good Governance

- Reviewed and approved the Code of Corporate Governance and Annual Governance Statement for 2021/22
- Produced the 2021/22 Annual Report of the Standards and Audit Committee for Council
- Considered the Ombudsman Annual Review Letter 2021/22
- Approved Constitution updates
- Received the RIPA annual report and inspection 2022
- Reviewed the decisions taken by officers under delegated powers
- Noted Cabinet approvals in respect of the revisions to the Corporate Complaints Procedures
- Reviewed the unreasonable complaints policy

4. The Committee's Main Achievements / Outcomes

The Standards and Audit Committee aims to add value through its activity and this year its most significant achievements have been to: -

- Ensure that for the Limited Assurance internal audit reports issued in the year that Officers are taking action to remedy the issues identified.
- Ensure that internal audit recommendations are actioned in a timely fashion.
- Ensure that the 2021/22 Annual Governance Statement is a true and transparent reflection of the Council's governance, risk and control arrangements.
- Reviewed and commented on the Council's new 4 year risk management strategy.

5 Conclusion

- 5.1 The Committee has continued to make a positive contribution to the Council's overall governance risk, and control arrangements.
- 5.2 The Committee will continue to support the Council in the year ahead by supporting the work of internal and external audit, the Service Director -Finance and the Monitoring Officer.

Councillor Kate Caulfield (Chair)
Chesterfield Borough Council Standards and Audit Committee

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For publication

Treasury Management Annual Report 2022/23 and Monitoring Report 2023/24

Meeting:	Council
Date:	18 th October 2023
Cabinet portfolio:	Deputy Leader
Directorate:	Finance

1.0 Purpose of report

- 1.1 To consider the Annual Treasury Management Report for 2022/23.
- 1.2 To consider the Treasury Management activities for the first five months of 2023/24.
- 1.3 To approve the Revised Minimum Revenue Provision Statement in respect of the financial year 2023/24.

2.0 Recommendations

- 2.1 The outturn Prudential Indicators for 2022/23 be approved.
- 2.2 The treasury management stewardship report for 2022/23 be approved.
- 2.3 The treasury management position for the first five months of 2023/24 be noted.
- 2.4 The Revised Minimum Revenue Provision Statement in respect of the financial year 2023/24 be approved.

3.0 Reasons for recommendations

- 3.1 To keep Members informed about the council's treasury management activities and to comply with the CIPFA Code of Practice for Treasury Management in the Public Services.

4.0 Report Details

This report was considered by the Standards and Audit committee at its meeting on the 13 September, 2023 where it was resolved that the report and its recommendations be supported and referred to Council for approval.

Background

- 4.1 The Council's Treasury Management Strategy requires the full Council to receive three treasury reports each financial year; the Strategy report before the start of each financial year, an annual report for the previous financial year and a mid-year review for the current year.
- 4.2 The Annual Report for 2022/23 is attached at Appendix A. The report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both Codes through Regulations issued under the Local Government Act 2003.
- 4.3 Following the Icelandic banks collapse in 2008 the regulatory framework places a much greater emphasis on the review and scrutiny by Members of treasury management activities. The attached report provides details of the treasury management activities in 2022/23 and confirms compliance with the Council's approved policies.

Summary of the Annual Report

- 4.4 During 2022/23, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

Actual prudential and treasury indicators	2021/22 Actual £'000	2022/23 Revised £'000	2022/23 Actual £'000
Actual capital expenditure	58,185	36,800	30,284
Capital Financing Requirement:			
- General Fund	56,560	59,900	57,170
- HRA	124,579	122,700	125,711
Total	181,139	182,600	182,881
External debt	143,489	145,700	135,442
Investments	27,167	10,000	15,127
Net borrowing	116,322	135,700	120,315

- 4.5 Other prudential and treasury indicators are to be found in Appendix A. The Service Director - Finance also confirms that borrowing over the medium term is only undertaken for a capital purpose and the statutory borrowing limit (the authorised limit) was not breached in 2022/23.

- 4.6 The Bank of England base rate at the start of the 2022/23 financial year stood at 0.75%. In order to control rapidly rising inflation rates the Monetary Policy Committee (MPC) pushed through rises at every subsequent meeting over the period, with recent hikes of 50bps in December and February and then 25bps in March, taking Bank Rate to 4.25% at the end of the 2022/23 financial year.
- 4.7 **Investments** – Interest income received for the year was £649,000 against a budgeted amount of £79,000. The increase was as a direct result of the interest rate rises throughout the year which were not anticipated at the time of setting the 2022/23 budget. During the 2022/23 financial year the Council continued with its policy of prioritising its investments with Money Market Funds and the Debt Management Office in order to achieve greater security. Further information can be found in Appendix A.
- 4.8 The in-house team managed average balances of £24m earning an average rate of return of 2.9%.
- 4.9 **Borrowing** – The Council’s capital financing requirement (CFR) increased during the year as a result of both the General Fund and HRA capital programmes. The Council was able to utilise internal borrowing during the year and as a result no new long-term external borrowing was undertaken during 2022/23. In addition, £2m of long term loan repayments were made. £10m of short-term borrowing was repaid and re-financed during the financial year.
- 4.10 **Treasury Management Advisors** – Arlingclose continued to provide treasury management advice to the Council throughout 2022/23. Treasury recommendations were incorporated into the 2022/23 Treasury Management Strategy Statement that was approved by Council in February 2022.

Mid-year Review 2023/24

- 4.11 **Annual Investment Strategy** - Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum 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.
- 4.12 The Bank of England’s Monetary Policy Committee reaccelerated monetary policy tightening over the period with a 0.25% rise in May to a 0.5% rise in June, taking Bank Rate to 5.0%. Arlingclose, the authority’s treasury adviser, revised its interest rate forecast to forecast a further 0.5% of monetary tightening to take Bank Rate to 5.5%. The risks, however, are that rates could be higher.

- 4.13 Given the risk of short-term unsecured bank investments, the Council continues to invest with the Debt Management Office to achieve greater security.
- 4.14 Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the five months ended 31st August 2023.
- 4.15 **Investments** - In the first quarter of the year the interest rates achieved were higher than those assumed when setting the budget (4.74% against 4.25%), which has resulted in internal investment returns being £68,000 better than forecast for the first quarter of the year.
- 4.16 **Borrowing activities in the period** – Short-term borrowing of £10m has been repaid and re-financed during the first quarter of 2022/23. Interest rates on short term borrowing were higher than those assumed when setting the budget (4.55% against 4.00%) which will result in interest costs being £55,000 more than forecast. The Council's average interest rate on its' total borrowings stands at 3.65%.
- 4.17 **Compliance with Treasury & Prudential Limits** - All treasury limits and Prudential Indicators set out in the Council's Treasury Management Strategy Statement and in compliance with the Council's Treasury Management Practices have been maintained.

The main Prudential Indicators relating to borrowing are:

- Authorised Borrowing Limit – the limit for the year was set at £181.9m, the limit has not been breached.
- Operational Boundary – this was set at £165.3m for the year, again the limit has not been breached.

Revised Minimum Revenue Provision Statement 2023/24

- 4.18 Where the Council 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). The statutory requirement to make MRP contributions does not apply to the Housing Revenue Account, however the Council may, if it chooses, make a Voluntary Revenue Provision (VRP). Historically the Council has chosen to make a VRP contribution of 1.5% of the outstanding Housing Revenue Account Capital Financing Requirement in respect of housing assets and this was reflected in the 2023/24 Minimum Revenue Provision Statement that was approved by Council in February 2023.
- 4.19 During the 2022/23 financial year a number of pressures emerged in relation to the Housing Revenue Account, particularly regarding unprecedented and unpredicted inflationary pressures around energy, fuel, contracts, building materials, interest rates (including the cost of borrowing), and pay budgets. These pressures are expected to continue into 2023/24 and beyond.

4.20 In order to allow greater flexibility to ensure that the HRA balance is maintained at an appropriate level to avoid the risk of a negative balance in the event of an exceptional cost arising, it is proposed that the Minimum Revenue Provision Statement 2023/24 is revised to remove the requirement for the HRA to make the 1.5% VRP (Appendix B).

4.21 This revision is anticipated to be a temporary measure and will be reviewed as part of the Medium Term Financial Plan and the Treasury Management Strategy for 2024/25. The revision has no impact on the General Fund.

5 Alternative options

5.1 It is a legislative requirement that the Council receives an annual report covering its treasury activities for the financial year. There are no alternative options to consider.

6 Implications for consideration – Council Plan

6.1 These arrangements enable the priorities set out in the Council Plan to be achieved.

7 Implications for consideration – Financial and value for money

7.1 The report in its entirety deals with financial and value for money implications.

8 Implications for consideration – Legal

8.1 The report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both Codes through Regulations issued under the Local Government Act 2003. There are no other legal implications.

9 Implications for consideration – Human resources

9.1 There are no human resource considerations arising from this report.

10 Implications for consideration – Risk management

10.1 There are a number of risks inherent within any treasury management strategy, the most significant risks at the moment include:

- Reporting is not compliant with statutory guidelines.
- Investment and borrowing activity is outside the approved TM framework.
- Long term borrowing is taken at rates that are not advantageous.
- Investment of principal sums with insecure counterparties.
- Investment returns are volatile and may not meet budgeted amounts.

- Borrowing is not affordable.

11 Implications for consideration – community wellbeing

- 11.1 Although there are no direct community wellbeing implications to consider in this report, the ability for the Council to appropriately manage its day to day finances and to be able to achieve a balanced budget position is critical to the continued delivery of the full range of council services that are targeted at supporting community wellbeing across the borough.

12 Implications for consideration – Economy and skills

- 12.1 Although there are no direct economy and skills implications to consider in this report, the ability for the Council to appropriately manage its day to day finances and to be able to achieve a balanced budget position is critical to the continued delivery of the full range of council services that are targeted at supporting the economy and skills agenda across the borough.

13 Implications for consideration – Climate Change

- 13.1 Individual climate change and environmental impact assessments are not required for the budget process. These are included as part of the decision-making processes for specific spending options.

14 Implications for consideration – Equality and diversity

- 14.1 There are no and diversity impact implications arising from this report.

Decision information

Key decision number	
Wards affected	

Document information

Report author	Contact number/email
Karen Ludditt	01246 936276 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	Annual Treasury Management Report 2022/23

Appendix B	Revised Minimum Revenue Provision Statement 2023/24
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Treasury Management Outturn Report 2022/23

Introduction

The Council has adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Council to approve a treasury management annual report after the end of each financial year.

The Council's treasury management strategy for 2022/23 was approved on 16th February 2022. The Authority has invested and borrowed substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Authority's treasury management strategy.

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* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year and, as a minimum, a semi-annual and annual treasury outturn report.

The Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Authority's Capital Strategy, complying with CIPFA's requirement, was approved by full Council on 16th February 2022.

External Context

Economic background: The war in Ukraine continued to keep global inflation above central bank targets and the UK economic outlook remained relatively weak with the chance of a mild recession. The economic backdrop during the January to March period continued to be characterised by high energy and commodity prices, high inflation, and the associated impact on household budgets and spending.

Starting the financial year at 5.5%, the annual CPI measure of UK inflation rose strongly to hit 10.1% in July and then 11.1% in October. Inflation remained high in subsequent months but appeared to be past the peak, before unexpectedly rising again in February. Annual headline CPI registered 10.4% in February, up from 10.1% in January, with the largest upward contributions coming from food

and housing. RPI followed a similar pattern during the year, hitting 14.2% in October. In February RPI measured 13.8%, up from 13.4% in the previous month.

The Bank of England increased the official Bank Rate to 4.25% during the financial year. From 0.75% in March 2022, the Monetary Policy Committee (MPC) pushed through rises at every subsequent meeting over the period, with recent hikes of 50bps in December and February and then 25bps in March, taking Bank Rate to 4.25%. March's rise was voted by a majority of 7-2, with two MPC members preferring to maintain Bank Rate at 4.0%. The Committee noted that inflationary pressures remain elevated with growth stronger than was expected in the February Monetary Policy Report. The February vote was also 7-2 in favour of a hike, and again with two members preferring to keep Bank Rate on hold.

Credit review: Credit Default Prices had been rising since the start of the period on the back of the invasion of Ukraine, and in the UK rose further in September/October at the time of the then-government's mini budget. After this, CDS prices had been falling, but the fallout from SVB caused a spike on the back of the heightened uncertainty. However, they had moderated somewhat by the end of the period as fears of contagion subsided, but many are still above their pre-March levels reflecting that some uncertainty remains.

On the back of this, Arlingclose reduced its recommended maximum duration limit for unsecured deposits for all UK and Non-UK banks/institutions on its counterparty list to 35 days as a precautionary measure. No changes were made to the names on the list.

As market volatility is expected to remain a feature, at least in the near term and, as ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remains under constant review.

Local authorities remain under financial pressure, but Arlingclose continues to take a positive view of the sector, considering its credit strength to be high. Section 114 notices have been issued by only a handful of authorities with specific issues. While Arlingclose's advice for local authorities on its counterparty list remains unchanged, a degree caution is merited with certain authorities.

Local Context

On 31st March 2023, the Authority had net borrowing of £120.3m arising from its revenue and capital income and expenditure, an increase on 2022 of £4.0m. 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. These factors and the year-on-year change are summarised in table 1 below.

Table 1: Balance Sheet Summary

	31.3.22 Actual £000	2022/23 Movement £000	31.3.23 Actual £000
General Fund CFR	56,560	610	57,170
HRA CFR	124,579	1,132	125,711
Total	181,139	1,742	182,881
Less: Usable reserves	(48,535)	4,000	(44,535)
Less: Working capital	(16,282)	(1,749)	(18,031)
Net borrowing	116,322	3,993	120,315

Net borrowing has increased due to a rise in the CFR as a result of expenditure on the capital programme to be met from borrowing (£1.7m) and a reduction in the level of reserves held (£4.0m), partly offset by an increase in working capital (£1.7m).

The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low. The treasury management position as at 31st March 2023 and the year-on-year change is shown in table 2 below.

Table 2: Treasury Management Summary

	31.3.22 Balance £000	2022/23 Movement £000	31.3.23 Balance £000	31.3.23 Rate %
Long-term borrowing	128,489	(3,047)	125,442	3.74%
Short-term borrowing	15,000	(5,000)	10,000	2.72%
Total borrowing	143,489	(8,047)	135,442	
Long-term investments	0	0	0	
Short-term investments	12,400	(12,400)	0	0%
Cash and cash equivalents	14,767	360	15,127	4.03%
Total investments	27,167	(12,040)	15,127	
Net borrowing	116,322	3,993	120,315	

Borrowing Strategy and Activity

As outlined in the treasury strategy, the Authority's chief objective when borrowing has been to strike an appropriately low risk balance between securing lower interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective.

The cost of both long and short-term borrowing rose dramatically over the year, with rates at the end of March around 2% - 4% higher than those at the beginning of April. Rate rises have been driven primarily by inflation and the need for central banks to control this by raising interest rates. The PWLB 10 year maturity certainty rate stood at 4.33% at 31st March 2023, 20 years at 4.70% and 30 years at 4.66%.

A new HRA PWLB rate of gilt yield plus 0.4% (0.4% below the currently available certainty rate) was announced on 15th March 2023. This discounted rate is to support local authorities borrowing for Housing Revenue Accounts and the delivery of social housing and is expected to be available from June 2023, initially for a period of one year.

At 31st March 2023, the Authority held £135m of loans, a decrease of £8m on the previous year, as part of its strategy for funding previous years' capital programmes. The year-end borrowing position and the year-on-year change in show in table 3 below.

Table 3: Borrowing Position

	31.3.22 Balance £000	2022/23 Movement £000	31.3.23 Balance £000	31.3.23 Rate %	31.3.23 Average maturity years
Public Works Loan Board	128,489	(3,047)	125,442	3.59	27 years
Short-term borrowing	15,000	(5,000)	10,000	2.72	<1 year
Total borrowing	143,489	(8,047)	135,442		

The Authority has an increasing CFR due to the 2022/23 capital programme spending and an estimated borrowing requirement as determined by the Liability Benchmark which also takes into account usable reserves and working capital.

Investment Activity

CIPFA published a revised Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes on 20th December 2021. These define treasury management investments as investments that arise from the organisation's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During 2021/22, the Authority's investment balance ranged between £12m and £42m million due to timing differences between income and expenditure. The year-end investment position and the year-on-year change in show in table 4 below.

Table 4: Investment Position

	31.3.22 Balance £000	2022/23 Movement £000	31.3.23 Balance £000	31.3.23 Rate %	31.3.23 Average maturity years
Government (incl. local authorities)	12,400	(12,400)	0	0	
Money Market Funds	14,767	360	15,127	4.03	<1 year
Total investments	27,167	(12,040)	15,127		

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

In furtherance of these objectives, the Authority continued to increase deposits into more secure asset classes during 2022/23. As a result, investment risk was lowered.

Bank Rate has increased from 0.75% at the beginning of the year to 4.25% at the end of March 2023. Short-dated cash rates, which had ranged between 0.7% - 1.5% at the beginning of April, rose by around 3.5% for overnight/7-day maturities and 3.3% for 6-12 month maturities.

By end March 2023, the rates on DMADF deposits ranged between 4.05% and 4.15%. The return on the Council's Money Market Funds ranged between 3.8% and 3.9% for the same period.

Other Non-Treasury Holdings and Activity

The definition of investments in CIPFA's revised 2021 Treasury Management Code covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and or for commercial purposes (made primarily for financial return).

Investment Guidance issued by the Department for Levelling Up Housing and Communities (DLUHC) also broadens the definition of investments to include all such assets held partially or wholly for financial return.

The Authority holds £37m of directly owned investment property and land. The Authority also holds service loans of £357,500 to Staveley Town Council, £421,000 to Chesterfield Football Club Community Trust and £270,000 to Baylight Properties in respect of Peak Resort.

Performance Report

The Authority measures the financial performance of its treasury management activities in terms of its impact on the General Fund and Housing Revenue Account revenue budgets, as shown in table 5 below.

Table 5: Performance

	Actual £000	Budget £000	Over/ under
Total investment income	(649)	(79)	(570)
Total debt expense	4,719	4,764	(45)
GRAND TOTAL	4,070	4,685	(615)

Compliance Report

The Service Director - Finance is pleased to report that all treasury management activities undertaken during 2022/23 complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 6 below.

Table 6: Investment Limits

	2022/23 Maximum	31.3.23 Actual	2022/23 Limit	Complied
Any single organisation (excluding Central Government)	£0m	£0	£5m	✓
Any group of funds under the same management	£0m	£0	£7.5m	✓
Enhanced Money Market Funds	£12m	£8.8m	£12m	✓

Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 7 below.

Table 7: Debt Limits

	2022/23 Maximum £000	31.3.23 Actual £000	2022/23 Operational Boundary £000	2022/23 Authorised Limit £000	Complied
Borrowing	£143,489	£135,442	£164,300	£180,700	✓

Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure. Total debt was below the operational boundary for the whole of 2022/23.

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 were:

Interest rate risk indicator	31.3.23 Actual	2022/23 Limit	Complied
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£118,000	£300,000	✓
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£118,000	£300,000	✓

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

	31.3.23 Actual	Upper Limit	Lower Limit	Complied
Under 12 months	11%	25%	0%	✓
12 months and within 24 months	2%	25%	0%	✓
24 months and within 5 years	6%	30%	0%	✓
5 years and within 10 years	12%	40%	0%	✓
10 years and within 25 years	49%	70%	20%	✓
25 years and above	20%	75%	15%	✓

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

Principal Sums Invested for Periods Longer than 364 days: These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

	2022/23	2023/24	2024/25
Actual principal invested > 364 days	£0	£0	£0
Limit on principal invested > 364 days	£10m	£10m	£10m
Complied	✓	✓	✓

Other

IFRS 16: The implementation of the new IFRS 16 Leases accounting standard was due to come into force for local authorities from 1st April 2022. Following a consultation CIFPA/LASAAC announced an optional two year delay to the implementation of this standard a decision which was confirmed by the Financial Reporting Advisory Board in early April 2022. Authorities can now choose to adopt the new standard on 1st April 2022, 1st April 2023 or 1st April 2024. The Authority intends to adopt the new standard on 1st April 2024.

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Revised Minimum Revenue Provision Statement 2023/24

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 former 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.

For capital expenditure where MRP is to be met by a contribution from Enterprise Zone business rates, MRP will be determined by charging the expenditure over the remaining period of allowable business rates retention for the Enterprise Zone.

For assets acquired by leases MRP will be determined as being equal to the element of the charge that goes to write down the balance sheet liability.

For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational.

Capital expenditure incurred during 2023/24 will not be subject to an MRP charge until 2024/25 or later.

The statutory requirement to make MRP contributions does not apply to the Housing Revenue Account, however the Council may, if it chooses, make a Voluntary Revenue Provision (VRP). Historically the Council has chosen to make a VRP contribution of 1.5% of the outstanding Housing Revenue Account Capital Financing Requirement in respect of housing assets.

However, as a result of ongoing pressures on the HRA such as unprecedented and unpredicted inflationary pressures around energy, fuel, contracts, building materials, interest rates (including the cost of borrowing), and pay budgets, and in order to allow greater flexibility to ensure that the HRA balance is maintained at an appropriate level to avoid the risk of a negative balance in the event of an exceptional cost arising, no VRP contribution in respect of housing assets will be made for the 2023/24 and 2024/25 financial years.

COUNCIL MEETING – 18 OCTOBER 2023 **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.

Please click on the links below to view the Minutes you want to read.

Appeals and Regulatory Committee	26 July , 13 September ,
Employment and General Committee	
Licensing Committee	27 September
Planning Committee	24 July , 21 August , 11 September
Standards and Audit Committee	12 July , 9 August , 13 September

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CABINET

Tuesday, 20th June, 2023

Present:-

Councillor Gilby (Chair)

Councillors	Holmes	Councillors	Davies
	Sarvent		J Innes
	Serjeant		Staton
	Baldauf-Good		Stone

*Matters dealt with under the Delegation Scheme

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

No declarations of interest were received.

2 **APOLOGIES FOR ABSENCE**

There were no apologies for absence.

3 **MINUTES**

RESOLVED –

That the minutes of the meeting of Cabinet held on 4 April 2023 be approved as a correct record and signed by the Chair.

4 **FORWARD PLAN**

The Forward Plan for the four month period July, 2023 to October, 2023 was reported for information.

***RESOLVED –**

That the Forward Plan be noted.

5 RELOCATION OF CUSTOMER SERVICES CENTRE

The Service Director – Digital, HR and Customer Services presented a report asking Members to approve the relocation of the Council's Customer Service Centre from 85 New Square to Chesterfield Town Hall. The relocation would also involve a number of other Council services which would in future be delivered from the Town Hall.

A feasibility study had been undertaken to determine whether it would be more economic, efficient and effective to deliver more of the Council's services from the Town Hall. The feasibility study had demonstrated that this would be the case, enabling currently redundant space at the Town Hall to be fully utilised.

85 New Square required significant repairs and maintenance work to be completed in the next five years. The work was required to meet new building safety standards, replace critical infrastructure, and address general wear and tear. It was estimated that the Council would need to spend £790k over the next five years to address these matters.

The relocation of Council services from 85 New Square was expected to achieve ongoing revenue savings of £81k per annum, rising to £132k per annum when the building was sold or rented.

It was proposed to provision public access to the Customer Service Centre on the ground floor of Chesterfield Town Hall, to the rear of the main reception area.

To enable the relocation, one-off costs totalling £157k would need to be incurred. These costs were set out in section 6.0 of the Service Director's report.

The enabling works including redecoration to the 2nd and 3rd floors of Chesterfield Town Hall would be undertaken from late June 2023 and prior to the relocation of staff, to minimise disruption to the delivery of Council services and to the workforce.

It was recognised that additional support would be needed to successfully relocate Council staff from 85 New Square to Chesterfield Town Hall and to enable the transition to agile working principles. This support would be

provided by the Service Director for Digital, HR and Customer Services, supported by HR Business Partners and the Transformational Programme Manager.

***RESOLVED –**

1. That the relocation of the Council's Customer Service Centre and the operational services based at 85 New Square into Chesterfield Town Hall during the 2023 – 24 financial year, be approved.
2. That it be noted that minor painting, decoration, and property repairs would be undertaken on the 2nd and 3rd floor of the Town Hall, as part of the routine maintenance programme for the building. This work would be funded through the Property Repairs Fund (RFP).
3. That 85 New Square be marked as surplus for operational requirements.
4. That delegated authority be given to the Service Director for Economic Growth, working in conjunction with the Deputy Leader and Cabinet Member for Finance and Asset Management, to undertake marketing for sale or lease of 85 New Square, ensuring that an appropriate buyer is secured whose plans align to the Council's Town Centre Master Plan.
5. That Cabinet recommend to full Council that funding of £157k be incorporated into the Council's capital programme so that appropriate customer service facilities can be provisioned.

REASON FOR DECISIONS

Relocation of the Customer Service Centre would enable the Council to continue to maximise the use of its operational assets whilst also reducing liability for ongoing maintenance and operational running costs. It would enable the council to continue to modernise service delivery, providing access to a greater number of public services from Chesterfield Town Hall.

CABINET**Tuesday, 18th July, 2023**

Present:-

Councillor Gilby (Chair)

Councillors	Holmes	Councillors	Davies
	Sarvent		J Innes
	Serjeant		Staton
	Baldauf-Good		Stone

*Matters dealt with under the Delegation Scheme

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

No declarations of interest were received.

7 APOLOGIES FOR ABSENCE

There were no apologies for absence.

8 MINUTES**RESOLVED –**

That the minutes of the meeting of Cabinet held on 20 June 2023 be approved as a correct record and signed by the Chair.

9 FORWARD PLAN

The Forward Plan for the four month period August, 2023 to November, 2023 was reported for information.

***RESOLVED –**

That the Forward Plan be noted.

10 **BUDGET STRATEGY**

The Service Director – Finance presented a report to set out the themes of a Budget Strategy to enable the Council to achieve a balanced budget for 2024/25 and over the term of the Medium-Term Financial Plan (MTFP) through 2027/28.

The Council approved the General Fund Revenue Budget for 2023/24 on 23 February 2023. The budget was constructed in accordance with the Council's budget principles and the 2023/24 budget was balanced with the use of £1.000m from the budget risk reserve.

Whilst the Local Government Finance Act 1992 required the Council to set a legal budget and Council Tax precept for the coming financial year i.e., 2023/24, the Council was not in a position to set a balanced MTFP over the 4-year period. There were significant gaps in the MTFP of £2.535m in 2024/25 rising to £3.408m in 2026/27.

Given the size and scale of the financial challenge it was recognised that the 2024/25 budget setting process would require an early focus to allow maximum time for the development and delivery of future budget savings. As it currently stood, the Council would need to drive out savings of at least £2.5m at pace.

A detailed approach to addressing the budget gap would be worked through over the coming months. All budget work needs process and method, and it was proposed that this was structured around a number of inter-related budget themes.

The themes were;

- Identifying General Efficiencies
- Increasing Income and Establishing Stronger Commercial Operating Principles
- Transforming how the Council deliver services
- Reducing Service Offers / Stop Doing – Statutory and Non-Statutory Services
- Rightsizing the Organisation
- Asset Rationalisation and Effective Asset Management

Employee pay was one of the biggest financial cost drivers in the Council's financial plans, with budgets in excess of £21m in 2023/24. Each 1% pay award increased costs by over £200k and the recent pay award which was equivalent to an average 5.6% increase, had contributed to the significant budget gaps now evident in the MTFP.

A full review of reserves was underway, and a refreshed Reserves Policy would be considered as part of the MTFP in February 2024, with a view to strengthening the Budget Risk Reserve. There was already evidence that underprovision existed within this reserve and therefore it was recommended that £1m of the Business Rates Reserve be repurposed to replenish the Budget Risk Reserve in 2023/24.

The period 3 (June 2023) budget monitoring report would be reported to Cabinet in September 2023.

***RESOLVED –**

That it be recommended to Full Council;

1. That the financial operating context and the current Medium Term Financial Plan gaps be noted.
2. That the Budget Strategy themes (report paragraphs 4.24 to 4.45) be approved.
3. That the movement of £1m of reserves from the Business Rates Reserve to the Budget Risk Reserve in 2023/24 (report paragraph 4.51) be approved.

REASON FOR DECISIONS

To respond to the scale of the challenging financial environment within which the Council is currently operating and to enable the Council to continue to deliver against the vision and priorities set out within the Council Plan for the period 2023/24 through, 2026/27.

The Service Director – Finance presented a report on the draft General Fund Revenue, Housing Revenue Account and Capital Outturns for 2022/23 and provided details of significant variations.

This report preceded the production of the Council's formal Statement of Accounts, and whilst it was not expected that any further adjustments would alter the final outturn position, it was possible that this could be the case.

Table 1 in the Director's report set out the draft General Fund Revenue outturn position of £292k for 2022/23. This overspend was driven by unprecedented and unpredicted inflationary pressures upon pay and contracts together with the long-term impacts upon service demands and income from the Covid pandemic.

The General Fund Revenue working balance had been set at £1.5m, and in addition to the General Fund Revenue working balance the Council maintained several other reserves. Table 2 in the Director's report detailed the balance of earmarked reserves.

The balance of the underspend from 2021/22 (£440k) had been transferred to the Budget Risk Reserve to mitigate the risks and pressures for 2022/23 and for future years. The General Fund Revenue budget deficit of £292k would therefore be met from this reserve.

The General Fund Capital Programme for 2022/23 was approved as part of the budget setting process in February 2022. An update to the Programme was included in the budget monitoring report to Cabinet on 19th July 2022 and as part of the 2023/24 Capital Programme report to full Council in February 2023.

Actual expenditure on schemes in 2022/23 was £5.421m compared with the original budget estimate for the financial year of £10.929m (as at Feb 2022) and £11.984m (as at Feb 2023). Details of the General Fund Capital Programme expenditure and financing arrangements at year end (2022/23) were provided in Appendix A in the Director's report.

For the financial year 2022/23 the HRA reported a reduction in revenue balances of £6.912m. This represented a movement of £273k compared to the forecast reduction in the balance of £6.639m reported at quarter 3 – period 9. The main variances were set out in table 4 in the Director's report.

***RESOLVED –**

That it be recommended to Full Council;

1. That the draft General Fund Revenue, Capital Outturn and Housing Revenue Account positions for 2022/23 be noted.
2. That the use of the Budget Risk Reserve to cover the General Fund Revenue budget deficit of £292k (report paragraph 4.15) be approved.
3. That the level of and movement in General Fund Revenue Reserves and Provisions (report paragraphs 4.10 to 4.16) be approved.
4. That the General Fund Capital financing arrangements (report Appendix A) be approved.

REASONS FOR DECISIONS

1. This report forms a key part of formal revenue and capital monitoring against the 2022/23 budget. The information in this report will be incorporated into the published Statement of Accounts 2022/23.
2. The approval of the budget outturn, in-year movements and reserves are required by corporate financial procedures.
3. To take account of the reserves position given the challenges facing the Council over the period of the Medium-Term Financial Plan (MTFP).

12 ANNUAL PERFORMANCE REPORT 2022/23

The Service Director – Corporate presented a report on the progress made towards the delivery of the Council Plan Delivery Plan 2022/23.

The progress made on the 36 milestones tracked during 2022/23 was detailed in Appendix 1 of the Director's report.

Quarterly monitoring and challenge had taken place throughout the year, with the Corporate Leadership Team being tasked to develop improvement strategies and alternative options for delivering key outcomes. This had helped the Council to achieve full delivery of 80% of the key milestones, with 20% scheduled for completion during 2023/24.

- 86% of milestones for the “Making Chesterfield a thriving borough” priority area had been delivered and a further 14% had made good progress and were set to be delivered during 2023/24
- 86% of the milestones for the “Improving quality of life for local people” priority area had been delivered and 95% of the Climate Change Action Plan had been fully delivered, with the development of a new asset management strategy and the strategic transport assessment being moved into delivery for 2023/24
- 62% of the milestones for the “Provide value for money services” priority area had been delivered and 72% of the key measures within this priority had met their target

***RESOLVED –**

That the significant achievements against the priority areas within the Council Plan Delivery Plan be noted.

REASON FOR DECISION

To close down the Council Plan 2019-2023 and the associated delivery plans, enabling the Council to focus attention on the new Council Plan 2023-2027 approved at Full Council in February 2023.

13 ASSET MANAGEMENT STRATEGY

The Service Director – Economic Growth presented a report seeking Cabinet and Council approval for the adoption of the Councils Asset Management Strategy 2023 – 2027, to ensure the Council was managing its assets safely, effectively and efficiently and to enable the Council to

make the best use of its land and property, to support the Council's aims and priorities, as set out in the Council Plan.

A review of the Council's asset management strategy had been progressing for some time, particularly since the return of Property and Technical Services to the Council from the Arvato/ Kier contract in August 2020.

The strategy included an overview of the council's current land and assets and in consideration of the drivers and opportunities, the strategy set out a vision, asset management policies and strategic objectives which sought to capture the focus for land and property management over the next four years.

The detail was set out in the documents in Appendix 1 of the Director's report and the strategic objectives, outputs and outcomes were highlighted as;

- Developing and delivering our Corporate Landlord approach
- Investing in decarbonisation whilst keeping our assets safe and well maintained
- Delivering a land and property rationalisation programme
- Maximising income and overall value from the existing commercial estate
- Using our land and property to maximise inclusive growth opportunities across the borough

It was reported that a delivery plan was in development, which would identify the resources needed to deliver the strategic objectives. This plan would be brought back to Cabinet and Council for approval.

***RESOLVED –**

That it be recommended to Full Council;

1. That the adoption of the Chesterfield Borough Council Asset Management Strategy 2023 to 2027 be approved.
2. To note that future delivery plans, with any additional budget requirements to implement the strategy, be brought to future Cabinet and Council meetings, as appropriate.

3. That authority be delegated to the Service Director – Economic Growth, in consultation with the Deputy Leader and Cabinet member for Finance and Asset Management, to make minor amendments, if required, to the final version of the Asset Management Strategy prior to completion.

REASON FOR DECISIONS

It is important for the Council to have a long-term asset management strategy that sets out the vision, asset management policies and strategic objectives to guide the overall management of the Council's land and property assets, in line with the vision and priorities of the Council.

14 EQUALITY AND DIVERSITY ANNUAL REPORT

The Policy Officer presented the Council's Equality and Diversity Annual Report for 2022/23 for consideration by Cabinet.

The Equality and Diversity Annual Report was attached at Appendix 1 of the officer's report. It had been developed in consultation with the Equality and Diversity Forum and included improvements and achievements over the last year, which were;

- Progress in delivering the corporate Equality and Diversity Strategy (2019-2023)
- The continued success of the Chesterfield Equality and Diversity Forum; acting as a critical friend to the council, hosting guest speakers at meetings to provide education and raise awareness of equality and diversity issues and hosting four events during the year as per the Council Plan
- Increased focus on partnership working with a range of organisations to maximise the positive impacts we can achieve in our local communities
- A summary of the equality impact assessments undertaken during 2022/23 around Council policies, strategies and plans
- Progress updates on Equality and Diversity issues throughout the year

The report also helped the Council to evidence the steps being taken to meet the Equality Act 2010 and associated Public Sector Equality Duty.

***RESOLVED –**

1. That approval of the Equality and Diversity Report be recommended to Full Council.
2. That the Equality and Diversity Report be approved by Full Council.
3. That the Equality and Diversity Annual Report be published on the Council's website and circulated to partners.

REASON FOR DECISIONS

Equalities legislation and good practice require public bodies to publish annual equalities reports. The report should summarise equalities progress during the last year and future plans.

15 HONORARY ALDERMAN / ALDERWOMAN

The Service Director – Corporate presented a report to enable the Cabinet to consider proposals to confer the title of Honorary Alderman and Honorary Alderwoman on former Members of Chesterfield Borough Council.

Section 249(1) of the Local Government Act 1972 permits Chesterfield Borough Council to confer the title of Honorary Alderman or Alderwoman on former Members of the Council who had, in its opinion, rendered eminent services to it. After the Honorary Freedom of the Borough, it was the highest honour the Council could bestow.

The conferment of the title required the convening of an extraordinary meeting of the Council and the support of two-thirds of the Members voting at the meeting.

***RESOLVED –**

1. That an extraordinary meeting of the Council be held in September 2023 to confer the title of Honorary Alderman on former Councillors Terry Gilby and Alexis Diouf and the title of Honorary Alderwoman on former Councillor Christine Ludlow.
2. That the Chief Executive, in consultation with the Leader of the Council, be authorised to make the necessary arrangements for the Council meeting and civic reception including approval of the associated costs.

REASON FOR DECISIONS

To recognise the eminent services rendered to the Council by long serving and distinguished former Members.

16 CLIMATE CHANGE ANNUAL REPORT 2022/23

The Climate Change Officer presented the Council's Climate Change Annual Report for 2022/23 for Cabinet consideration.

The Climate Change Annual Report was attached at Appendix 1 of the officer's report, and detailed improvements and achievements over the last year, which included;

- Delivering the final year of the Climate Change Action Plan 2019-23
- A summary of the Council's emissions during 22/23 compared with the baseline taken in 2019
- A summary of the wider Borough emissions and climate change issues
- Communications and training activity
- Development of the Council's new Climate Change Strategy, including evidence gathering and consultation
- A brief look at what to expect next year (2023 – 24) including the Delivery Plan and activities such as the Community Grants Scheme

***RESOLVED –**

1. That the Climate Change Annual Report be approved.

2. That the Climate Change Annual Report be published on the Council's website.

REASON FOR DECISIONS

The Council committed to producing an annual climate change report in its Climate Change Strategy 2023 – 30 and associated Delivery Plan. The annual reports are an opportunity to communicate the Council's emissions and progress in delivering its Climate Change Strategy, and wider related activities in the borough.

17 PRE APPLICATION PLANNING CHARGES

The Development Management and Conservation Manager presented a report for Cabinet to consider the appropriateness of introducing a charge for the provision of pre application planning advice.

The legislative framework for the provision of charging fees for providing discretionary services was set out under Section 93 of the Local Government Act 2003. These provisions allowed fees to be charged in relation to any function of a local planning authority and for matters ancillary to those functions (i.e. preapplication discussions). However, it was clearly stated that the income from a fee must not exceed the cost of performing the fee-related function. i.e. the fee cannot be used to make a profit.

The introduction of pre application charging was a way of increasing fee receipts in the Planning Service, which had been promoted in budget papers as an opportunity to achieve approximately £15,000 over the year.

The charging schedule, set out at Appendix A of the officer's report, was recommended to be introduced at Chesterfield. It was noted that the charging schedule should be kept under review and an initial annual assessment be made to establish what changes or improvements could be made to enhance its efficiency.

***RESOLVED –**

1. That the charges for pre-application advice by the Planning Service, as set out in Appendix A, be introduced from 1st September 2023.

2. That data on pre-application submissions be collected to assist in a 6 monthly assessment and review of the charging schedule fees.

REASON FOR DECISIONS

To secure the recovery of costs associated with provision of pre application advice in accordance with Section 93 of the Local Government Act 2003. This will assist the Council in meeting its budgetary requirements and provide a formal process to pre application planning advice.

18 CHESTERFIELD WATERSIDE ACTION PLAN

The Strategic Planning and Key Sites Manager presented an update to Cabinet members on progress and current planning and delivery position relating to the strategic regeneration project known as Chesterfield Waterside, and to seek Cabinet approval to carry out targeted consultation with land owners and stakeholders on a revised masterplan.

Chesterfield Waterside is a strategic regeneration area within the borough, defined as site SS3 in the 2020 Chesterfield Local Plan. It is also one of the projects set out in the Council Plan 2023-2027 under the Priority “Making Chesterfield a thriving borough”.

A legal partnership known as Chesterfield Waterside Limited (CWL) was formed, constituted of two substantial land owners (Bolsterstone and Arnold Laver) and Chesterfield Borough Council, to bring forward the regeneration of the area. In 2011 CWL secured outline planning consent for comprehensive redevelopment of the area based on an illustrative masterplan.

The 2011 outline planning permission permitted a new residential neighbourhood of up to 1550 high density homes, (predominantly apartments), centred around the river Rother. The key principles were to establish a new community, maximise active travel connections, bring forward new infrastructure and create a new commercial centre (approximately 30,000 sqm of employment space), centred around a new canal basin, which would accept boats accessing a river which had been returned to navigation.

It was noted that in the 13 years since the application was approved there had been changes in national and local planning policy, and the market demand for high density homes had not developed in Chesterfield as predicted when the masterplan was written. Furthermore, structural changes to how businesses operate had meant that the demand for office and commercial space had also changed.

To ensure the Council were able to respond to changes in market conditions and able to demonstrate leadership in setting the framework for a new neighbourhood that was comprehensive and brought forward in a co-ordinated way, the Council had produced a revised masterplan, which was attached in Appendix 1 of the officer's report.

The revised masterplan still envisaged a mixed use development, structured around restoration of the river to navigation, with a commercial and local centre around the existing canal basin.

The number of dwellings anticipated has been reduced from up to 1550, to 880, although the majority of these were now anticipated to be family houses rather than apartments. Commercial development would largely be limited to the office, retail and food and drink uses planned around the canal basin, and a hotel.

Consultation on the revised masterplan would be undertaken in accordance with the Council's Statement of Community Involvement (SCI) and Community Engagement Standards.

Representations received from Woodall Homes Ltd and Chesterfield Waterside Ltd were referred to by officers and noted.

A non-pecuniary interest by Cllr Gilby as Council appointed member of the Chesterfield Waterside Ltd board was noted.

***RESOLVED –**

1. That the draft masterplan for the Chesterfield Waterside site for targeted consultation with landowners and stakeholders be approved.
2. That authority be delegated to the Cabinet Member for Climate Change, Planning, and Environment, in consultation with officers

and the Service Director - Economic Growth, to finalise materials and arrangements for consultation.

REASONS FOR DECISIONS

1. An updated masterplan is required to support the determination of planning applications relating to Chesterfield Waterside in accordance with policy SS3 of the adopted Chesterfield Borough Local Plan 2018-2023. To provide a robust update to this masterplan, planning officers are required to consult with landowners and stakeholders who have an interest in the area covered by Chesterfield Waterside.
2. To allow for the preparation of materials and arrangements for consultation on the masterplan.

19 EXCLUSION OF THE PUBLIC

RESOLVED –

That under Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act.

20 OPTIONS FOR REPLACING THE COUNCIL'S FUTURE FLEET VEHICLES

The Asset Management and Programmed Works Manager presented a report on the options for replacing the Council's fleet. It was noted that the majority of the Council's fleet was ageing, and the current lease was due to expire in early 2024 with no option to extend.

The Council's Climate Change Strategy target was for the Council to be carbon neutral by the year 2030, and decarbonisation of the Council's fleet was a key component to achieving this target, due to emissions from petrol and diesel vehicles. The purpose of the report was to describe the proposed journey towards a carbon neutral fleet.

The Council currently had 208 vehicles comprising 149 leased, 5 owned, and 54 on short term hire. Of the 208 fleet vehicles, 165 were used by Housing services and paid for from the Housing Revenue Account (HRA) and the remaining 43 were paid for from the General Fund.

An initial review of existing working practices had been undertaken with regards to fleet rationalisation and to align with current service requirements, and the assumed total need going forward was for 198 vehicles. The aim was to move the fleet to electric vehicles. A range of electric vehicles had already been trialled and the Council currently had 5 fully electric vehicles. There was committed funding to increase the number of charging points at the depot from 4 to 18 (the maximum that could be currently supported by the local grid), meaning it was possible to increase the number of fully electric vehicles within the fleet to 34.

The overall replacement programme was detailed in the table in paragraph 4.5 of the officer's report.

***RESOLVED –**

1. That the principle of replacing the current fleet with a new lease for 34 electric vehicles, and using short term hire for the Council's remaining vehicle requirements, as part of a phased approach to decarbonising the fleet before 2030 be approved.
2. That responsibility for the associated procurement activity and budget decision making be delegated to the Service Director – Housing, in conjunction with the Service Director – Finance, the Deputy Leader, the Cabinet Member for Housing and the Cabinet Member for Climate Change, Planning and Environment.
3. That responsibility for entering into the associated legal contracts be delegated further to the Service Director - Housing in conjunction with the Service Director – Finance and the Monitoring Officer.
4. That the additional costs of taking forward the preferred option are incorporated into the Council's General Fund revenue and Housing Revenue Account budgets for the financial year 2024/25 shall be recommended to Full Council.

5. That an annual updating report on the economy, efficiency, and effectiveness of implementation of the preferred option be submitted to Cabinet.

REASONS FOR DECISIONS

1. The recommended way forward ensures that in the short term the Council increases the number of electric vehicles to the maximum level possible based on the current charging infrastructure, and then takes a phased approach to increasing the number of electric vehicles, as charging capacity increases, over the next five years.
2. The majority of the current fleet is ageing and by replacing it with new vehicles this will reduce breakdown and repair costs.
3. The use of short-term hire provides flexibility to allow the Council to trial different product types as and when the market for electric and other zero carbon options improves, and also allows the Council to reduce the overall number of vehicles as and when vehicle requirements change as a result of service efficiency measures.
4. This phased approach has benefits from a fleet management perspective as it spreads the work required over several years as opposed to condensing it into a single exercise.
5. Similarly, by taking on new electric vehicle leases as part of a phased approach, the impact on the Council's budget will be spread over a longer period of time, avoiding a single 'big hit' cost.
6. There are some disadvantages, including the need for more expensive, steel van racking, and the fact that instead of the installation of permanent corporate vehicle livery we will need to use temporary magnetic signage. However, these are outweighed by the advantages set out above.

21

STEPHENSON MEMORIAL HALL PROJECT

The Arts and Venues Manager presented a report on the progress that had been made in the development of a renovation and refurbishment project for the Stephenson Memorial Hall.

The Stephenson Memorial Hall project was approved by Cabinet on 14th December 2021 and by full Council on 15th December 2021. There was a further report approved by Cabinet on 7th February 2023.

In January 2023, a tender from G F Tomlinson Building Limited was evaluated by a panel consisting of council officers, a representative of the Pagabo procurement framework, the project architect, the principal designer, and the project managers. The panel recommended the appointment of G F Tomlinson Building Limited as the preferred principal contractor for the Stephenson Memorial Hall project. This was agreed by Cabinet on 7th February 2023.

On 12th June the principal contractor submitted their Pre-Construction Services Agreement return detailing the construction costs and programme. The construction costs came in at £18,396,882. With professional fees, other project costs and contingency sums, the overall project budget totalled £22,729,855. This sum was £5,576,895 higher than the capital budget of £17,152,960 agreed by Cabinet and Council in December 2021.

Since receiving the Pre-Construction Services Agreement tender return the project team had been analysing the submitted costs for different elements of the work and the way the project had been priced. The team concluded that it was possible to reduce the tender price by value engineering and challenging GF Tomlinson Building Limited on their approach and pricing. The principal contractor had reacted positively to the requests and discussions and had suggested some areas for potential value engineering themselves.

The latest position, following discussions between the Council's project team and the principal contractor was that approximately £3m of savings could be made through value engineering measures. These measures were fully detailed in Appendix 1 of the officer's report and may be subject to change.

Taking all of the potential value engineering measures into account had enabled the overall project costs to be reduced to £19,729,855. This was still £2,576,895 higher than the forecast costs of £17,152,960 agreed by Cabinet and Council in December 2021.

The additional capital costs would require the Council to make a further financial contribution if the Stephenson Memorial Hall project was to proceed to delivery. Given the complexity of the project, the current inflationary pressures and other risks and sensitivities, it was advised that further borrowing should not be undertaken on this project.

It was therefore proposed to meet the additional capital costs through;

- Additional use of the Enterprise Zone Business Rates Retention Reserve with a request for a further £2,076,895 to be applied. It was noted there was sufficient capacity within the Reserve, which was ringfenced for activity which supported economic growth.
- The remaining £500,000 would be met by a realignment of part of the Levelling Up Fund grant funding that was currently earmarked for the Revitalising the Heart of Chesterfield public realm project.

Tables 1 and 2 in the officer's report set out the details of the movements in project costs and associated funding.

***RESOLVED –**

1. That the current position regarding delivery of the Stephenson Memorial Hall project be noted.
2. That the revised budget for the capital works delivery elements of the Stephenson Memorial Hall project as outlined in Section 6 of the report be recommended to Council for approval.
3. That authority be delegated to the Service Directors for Economic Growth and Leisure, Culture and Community Wellbeing to negotiate and agree final amendments to design and costs with the principal contractor, in consultation with the Cabinet Members for Economic Growth and Town Centres and Visitor Economy.
4. That authority be delegated to the Chief Executive in consultation with the Cabinet Members for Economic Growth, Finance and Asset Management and Town Centres and Visitor Economy, and the Service Directors for Finance and Economic Growth, to enter into the main construction contract with the principal contractor subject

to Council approval of the revised budget and a final review of the financial business case.

REASONS FOR DECISIONS

1. The Stephenson Hall Memorial Hall project is a key project in the Council Plan 2023-2027 and in the council's new Growth Strategy, supporting the Visitor Destination and Town Centre strategic objectives.
2. To ensure that the main construction contract is let as soon as possible so that the Stephenson Memorial Hall project proceeds to programme, and the building is restored and refurbished so that it can be enjoyed by both residents of and visitors to Chesterfield for many years to come.

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CABINET**Tuesday, 19th September, 2023**

Present:-

Councillor Gilby (Chair)

Councillors	Holmes	Councillors	J Innes
	Baldauf-Good		Staton
	Davies		Stone

*Matters dealt with under the Delegation Scheme

22 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Serjeant and Sarvent.

23 MINUTES**RESOLVED –**

That the minutes of the meeting of Cabinet held on 18 July 2023 be approved as a correct record and signed by the Chair.

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

No declarations of interest were received.

25 FORWARD PLAN

The Forward Plan for the four-month period October, 2023 to January, 2024 was reported for information.

***RESOLVED –**

That the Forward Plan be noted.

26 **STRATEGIC PARTNERSHIP AGREEMENT BETWEEN UNIVERSITY OF DERBY AND CHESTERFIELD BOROUGH COUNCIL**

The Executive Director presented a report setting out the background work and strategic conversations that had taken place to underpin the proposal for the University of Derby and Chesterfield Borough Council to sign a Strategic Partnership Agreement to strengthen the relationship between the two organisations.

The Strategic Partnership Agreement described the following joint strategic ambitions for Chesterfield;

- To establish Chesterfield as a University town delivering higher level skills and education for our people and employers
- To work jointly, with business partners, education providers and the public sector to deliver world leading research that drives innovation, provide world class facilities to meet the needs of our community and establish a platform to help our entrepreneurs reach their potential
- To use our combined assets, within community partnerships across Chesterfield, to help to raise people's aspirations through delivering effective core skills, careers information, support, and advice

To deliver the Strategic Partnership Agreement the Council would need to assign appropriate levels of officer resources to support the proposed governance arrangements and the joint 'working' team. The council had identified some external resources to lead and coordinate colleagues in the development of a long-term delivery plan. However, it was important that the arrangements for the delivery of collaborative projects became a business-as-usual activity for the council.

***RESOLVED –**

1. That the work that has been carried out with the University of Derby and other key partners is set out in Appendix A, to establish a closer working relationship between the two organisations be noted.

2. That the signing of a Strategic Partnership Agreement between the University of Derby and Chesterfield Borough Council, as set out in Appendix B, which sets out an overarching commitment, a number of joint strategic ambitions and outcomes to embed a culture of working together to deliver change, be approved.
3. That the work underway by officers of both organisations to develop and implement a coherent and resourced delivery plan, in order to realise the outcomes set out in the Strategic Partnership Agreement, be endorsed.

REASON FOR DECISIONS

The University of Derby and Chesterfield Borough Council are two anchor institutions within the borough, with existing complementary ambitions to improve outcomes for communities in Chesterfield. The strategic partnership agreement seeks to strengthen the working relationships between the two organisations, and to maximise the resources and assets of each organisation to deliver enhanced benefits to the borough.

27 REVIEW OF MEMBERS' ALLOWANCES: ARRANGEMENTS FOR THE INDEPENDENT REMUNERATION PANEL

The Local Government and Regulatory Law Manager presented a report setting out the preparatory work that had been undertaken to enable an Independent Remuneration Panel (IRP) to carry out a review of the Members' Allowances Scheme. The report invited Cabinet to consider and recommend issues to be raised with the IRP in accordance with the protocol on arrangements for consulting on the review.

A copy of the current Member's Allowance Scheme was attached at Appendix 1A of the Manager's report.

A report recommending approval of the membership of the IRP for 2023-2027 was considered by Standards and Audit Committee on 9 August 2023 and the recommendations accepted. The IRP had therefore been convened under the Terms of Reference attached at Appendix 2 of the Manager's report.

At a meeting of Full Council on 28 September 2011 members approved a written protocol for the IRP to consider member representations to the

Panel at times of future reviews of the Members' Allowances Scheme. This had been updated to reflect current member support arrangements and timescales. A copy of the revised protocol was attached at Appendix 3 of the Manager's report.

An initial first meeting of the IRP had been arranged for 16 October 2023 in advance of which members would be invited to submit written comments and indicate if they wished to make oral comments to the Panel. The protocol also provided that a report should be submitted to Cabinet in advance of the IRP meeting to enable any relevant issues to be raised.

Members discussed the report and requested that the council's Monitoring Officer raise a number of issues with the IRP including whether councillors should be able to join the local government pension scheme and the potential inclusion of telephony allowances for mobile phones.

***RESOLVED –**

1. That the arrangements for consulting members on the review of the Members' Allowances Scheme in line with the agreed Protocol be noted.
2. That the Council's Monitoring Officer be tasked with referring the issues raised by Cabinet members on the review of the Members' Allowances Scheme to the Independent Remuneration Panel.

REASON FOR DECISIONS

To ensure Chesterfield Borough Council has a fair and transparent Members Allowance Scheme.

BUDGET MONITORING REPORT - QUARTER 1

The Service Director – Finance presented a report to provide Cabinet with an assessment of the Council's forecast year-end outturn position for the General Fund Revenue Account and Capital Programme based on budget monitoring activity to the end of period 3 (June 2023).

The report was presented in accordance with the Council's Financial Procedure Rules to provide Council with regular updates on the Council's financial position. Effective budget monitoring and forecasting was critical to understanding emerging in-year budget pressures and ensuring that there were appropriate plans in place to manage and mitigate financial risks.

The estimated outturn position for the financial year 2023/24 was significantly affected by unprecedented and unpredicted inflationary pressures upon pay and contracts, service demand pressures arising from the current cost-of-living crisis and income levels not having returned to their pre-pandemic levels. At the end of Quarter 1 (period 3), there was a forecast adverse position of £774k on the Council's net revenue budget of £12m.

The table at paragraph 4.17 of the Director's report provided a summary of the key variances across all Service Areas.

The Council was committed to delivering services within its approved revenue budgets and the Corporate Leadership Team (CLT) had been working collectively with budget managers to agree clear, robust and immediate management action plans to address the adverse year-end forecast.

In view of the current financial pressures, there would need to be a reduction in the Council's workforce. On 18 July 2023, Joint Cabinet and Employment and General Committee had approved a new voluntary redundancy and voluntary early retirement scheme, to be opened for applications from 27 July 2023 through 15 September 2023 which would support the Council in meeting its future savings targets from 2024 onwards.

In February 2023 Council approved a 2023/24 General Fund Capital Programme of £21.343m. However, this had now been updated to reflect slippage of £6.064m from the financial year 2022/23 into 2023/24. This was reported as part of the 2022/23 Budget Outturn report to Council in July 2023.

The updated Capital Programme was set out in appendix A of the Director's report.

***RESOLVED –**

1. That the forecast position of the General Fund Revenue Account at the close of period 3 for the financial year 2023/24 be noted.
2. To support the strategy for achieving a balanced budget outturn position for the financial year 2023/24.
3. That the General Fund Capital Programme expenditure forecast at the close of period 3, for the financial year 2023/24 be noted.

REASONS FOR DECISIONS

1. This periodic monitoring report summarises the current assessment of the Council's forecast outturn and sets out the active management mitigations to be progressed to balance the 2023/24 budget. It also provides a robust basis for medium term financial planning.
2. This is the first formal monitoring report for the 2023/24 financial year and comes at a time when the Council is experiencing financial pressures due to the current economic situation, cost and pay inflation and the ongoing impact of the Covid-19 pandemic.

29 CAR PARKING – REVIEW OF FEES AND CHARGES

The Service Director – Leisure, Culture and Community Wellbeing presented a report requesting Cabinet approval to set new fees and charges for the Council's Car Parks for implementation from 1 November 2023.

In accordance with the Medium-Term Financial Strategy, fees and charges should be reviewed on an annual basis to ensure that the costs of providing services are fully recovered. Car parking fees and charges had historically been reviewed on a two-yearly cycle.

The Council had commissioned a wide-ranging car parking study. The study would look at the current operational arrangements for the car parks, the long-term capacity requirements for car parking to support the

town centre, the potential to use any spare capacity for regeneration opportunities and any opportunities to support the climate change agenda. The study and recommendations would be presented to Cabinet in due course to inform future approaches in relation to all aspects of car parking management including the Council's approach to setting fees and charges from April 2024 onwards.

Budget monitoring activity of car parking income in the current financial year had confirmed a significant shortfall in the achieved income to date, which in turn had led to a significant forecast shortfall projection for income to the end of the financial year. It was therefore recommended that immediate action be taken to increase car parking charges at this time to seek to improve this position.

The proposed fees and charges were set out in Appendix 1 of the Director's report.

A review of other authorities' fees and charges had been undertaken and the results of the benchmarking exercise reported at Appendix 2 of the Director's report.

Councillor Holmes asked for his vote to be recorded against the Cabinet resolution to approve the new fees and charges for the Council's Car Parks for implementation from 1 November 2023.

***RESOLVED –**

1. That new fees and charges for the Council's car parks, as detailed in Appendix 1 of the report, be approved for implementation from Wednesday 1 November 2023.
2. That the thirty-minute car parking charge be removed so that all charges reflect hourly rates.
3. That all residents of the Borough should continue to benefit from free parking in the 2023-24 financial year before 10am and after 3pm Monday to Saturday and all-day Sunday, and Bank Holidays, at selected surface car parks using the Resident Parking Scheme.
4. That the Service Director for Leisure, Culture and Community Wellbeing, be delegated authority, in consultation with the Cabinet Member for Town Centres and Visitor Economy, to apply

appropriate negotiated fees for new activities and opportunities that are introduced during the period covered by this report.

REASON FOR DECISIONS

1. The Council continues to face significant financial challenges. The sustained period of austerity since 2010, the ongoing risks and uncertainties over future funding arrangements, the budgetary impacts of the Covid-19 pandemic and a sustained period of exceptionally high inflation, have all impacted on the Council's financial position.
2. The Council's budget strategy is to deliver a balanced and sustainable budget. Given the forecast budget deficits it is important that all potential increases to income streams be implemented as soon as possible to help mitigate these pressures.
3. It is therefore prudent to implement an in-year uplift now, to assist the Council in achieving a balanced budget for 2023-24 and to recover ground on the increasing costs associated with car park operations since the previous fees and charges increase on 4 April 2022.

JOINT CABINET AND EMPLOYMENT & GENERAL COMMITTEE

Tuesday, 18th July, 2023

Present:-

Councillor Gilby (Chair)

Councillors Holmes Serjeant Baldauf-Good Brock Davenport Davies	Councillors Falconer J Innes P Innes Sarvent Staton Stone
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*Matters dealt with under the Delegation Scheme

1 DECLARATION OF MEMBERS' AND OFFICERS' INTERESTS RELATING TO ITEMS ON THE AGENDA

No declarations of interest were received.

2 APOLOGIES FOR ABSENCE

There were no apologies for absence.

3 MINUTES

RESOLVED –

That the minutes of the meeting of Joint Cabinet and Employment & General Committee held on 7 February, 2023 be approved as a correct record and signed by the Chair.

4 VOLUNTARY REDUNDANCY SCHEME

The Service Director for Digital, HR and Customer Services presented a report seeking the adoption of a new Voluntary Redundancy and

Voluntary Early Retirement policy which would support the Council in meeting its future savings targets. The policy supplemented the position that was included within the Council's Restructure, Redeployment and Redundancy policy.

The report also recommended that a Voluntary Redundancy (VR) and Voluntary Early Retirement (VER) scheme was launched to employees from 27 July 2023. This scheme would help to underpin future service reshapes and staff reductions.

Chesterfield Borough Council had offered employees the opportunity to request VR or VER for several years. The existing scheme was first introduced in 2016, with an initial request from the Council to ask for volunteers to leave the organisation during a fixed period. The scheme had subsequently remained available for employees to request that their role was considered for VR or VER on an ad hoc basis.

In view of the significant financial pressure the Council was under, it was expected that there would be a further requirement to implement a reduced workforce by the end of 2023-24. As a result, the Council's VR and VER procedures had been reviewed and updated to support this need, with the expectation that around 30 full time equivalent posts would be saved as part of this approach.

A new policy had been developed and was attached at appendix 1 of the Director's report, and if approved, the scheme would be opened for applications from 27 July 2023 – 15 September 2023. All applications would be considered by the Council's Workforce Planning Group and S151 officer, in consultation with Trade Unions. A final decision would be taken by the Chief Executive.

It was noted that consultation in respect of the proposed policy and processes had been undertaken with the Trade Unions prior to consideration by elected members.

***RESOLVED –**

1. That the adoption of a new voluntary redundancy and voluntary early retirement policy be approved.

2. That the launch of a voluntary redundancy and voluntary early retirement scheme, to be open between 27 July 2023 and 15 September 2023, be approved.

REASON FOR DECISIONS

Launching a voluntary redundancy and voluntary early retirement scheme will support the Council's budget strategy and help to minimise the requirement for compulsory redundancies in the future.

5 SKILLS ACTION PLAN REFRESH

The Senior Economic Development Officer presented an update on the development of the Skills Action Plan, including the establishment of the Chesterfield Skills and Employment Partnership and to seek Cabinet approval for the refreshed Skills Action Plan 2023-27 and for the appointment of a new fixed term post to support the delivery of the UKSPF Skills Brokerage Project.

The purpose of the Skills Action Plan was to provide a framework of activity that supported the overall aim of the Chesterfield's Growth Strategy 2023 – 2027. The Skills Action Plan was attached at Appendix 1 of the officer's report.

The refreshed Skills Action Plan had been developed following an extensive evidence review, consultation and input from a dedicated steering group. Chesterfield Borough Council had worked with a steering group of partners to develop the plan (attached at Appendix 1 of the officer's report), ensuring it was owned and would be delivered collaboratively by those who could make a difference, with governance through a newly established Skills & Employment Partnership.

The Skills and Employment Partnership would sit alongside other strategic community wellbeing partnerships within the Chesterfield System Framework, formalising existing partner and stakeholder relationships to provide a forum from which to support delivery of and maximise the benefits of national and regional funding; thereby creating a mechanism for better and stronger delivery of skills activity in Chesterfield. Appendix 4 of the officer's report detailed the terms of reference for the partnership and showed the structure of the Chesterfield Community Wellbeing Systems Framework.

The Skills Action Plan set out 12 actions across 6 priority themes, which were detailed in Table 1 in the officer' report.

Activity within the Skills Action Plan would be monitored by the Council's skills delivery function, with regular updates provided to the Skills and Employment Partnership.

***RESOLVED –**

1. That the refreshed Skills Action Plan 2023-2027 be approved.
2. That the proposed appointment of a new fixed term post to support the delivery of the UKSPF Skills Brokerage Project be approved.
3. That the Service Director - Economic Growth, in consultation the Service Director – Finance, be authorised to finalise arrangements in respect of the procurement for commissioned activity contained within the Skills Action Plan.
4. That authority be delegated to the Service Director - Economic Growth, in consultation with the Leader and Cabinet Member for Economic Growth, to make minor amendments to the final version of the Skills Action Plan prior to publication.

REASONS FOR DECISIONS

1. To secure the adoption of the Skills Action Plan (2023-2027).
2. To ensure the successful delivery of activity within Skills Action Plan (2023-2027), including the People and Skills Investment Priority of the Chesterfield UKSPF Investment Plan.

6 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 3 of Part 1 of Schedule 12A of the Act.

7 REVIEW OF CATERING

The Service Director for Leisure, Culture and Community Wellbeing presented a report to set out the results of a review of the council's catering operations at its two facilities, the Market Hall and Queens Park Sports Centre, and consider the future operation of the facilities.

The primary focus of the review had been on the financial performance of the facilities, given the discretionary nature of their provision and the challenging financial situation facing the Council.

The financial performance for Queens Park Sports Centre café was set out in Appendix 1 of the Director's report. It compared the original budget for 2022/23 and the actual 2022/23 outturn position. The outturn position for 2022/23 showed that Queens Park Sports Centre café significantly under-performed against its budgeted position.

The financial performance for Market Hall café was set out in Appendix 2 of the Director's report. The Market Hall café had also under-performed against the original budget for 2022/23, but to a much lesser degree than Queens Park Sports Centre café.

Since the original review and petition debate, the Council had been approached by a third party who had expressed an interest in operating the Queens Park Sports Centre café on a commercial basis. Taking this into account, together with the positive interest that had been presented to the Council, it was recommended to Members that a commercial lease be developed and offered for the operation of both of the Council's café operations.

There would be implications for staff working at both café facilities whatever the final outcome. These were set out in the Human Resources section of the Director's report. Staff would be supported throughout the process and the Council would work with trade unions, following HR policies and procedures, as the implications for staff become clearer.

***RESOLVED –**

1. That the results of the review of the council's catering operations at the Market Hall and Queens Park Sports Centre and the outcomes of the petition debate at Full Council on 22 February 2023 be noted.
2. That officers be authorised to offer a commercial lease opportunity for the operation of one or both of the cafés by third party operators and if suitable offers are received, to enter into appropriate lease arrangements.
3. That the closure of Queens Park Sports Centre café be approved should no suitable commercial lease arrangement be secured.
4. That, subject to resolution 3, officers be authorised to investigate, and implement the extension of the existing food and beverage vending facilities at Queens Park Sports Centre to provide an enhanced food and beverage vending offer at the facility.
5. That the continued operation of the Market Hall café directly by the Council, be approved, should no suitable commercial lease arrangement be secured.
6. That, subject to resolution 5, officers be authorised to continue to actively manage the Market Hall café to support the development and improvement of its operation and financial performance.
7. That the staffing implications associated with these changes, as set out in the Human Resources implications sections of the report be noted.

REASONS FOR DECISIONS

1. The council's catering provision is a discretionary service and as with any service it is appropriate to carry out regular reviews of performance to ensure that a relevant and value for money offer was still able to be provided.
2. The Council continues to face significant financial challenges. The sustained period of austerity since 2010, the ongoing risks and uncertainties over future funding arrangements, the budgetary impacts of the Covid-19 pandemic and a sustained period of

exceptionally high inflation, have all impacted on the Council's financial position.

3. The performance of Queens Park Sports Centre café is not at a level that was sustainable by the Council, it carried significant risk of budget overspend and is not considered to be offering value for money for residents of the borough.
4. The Market Hall café operation is currently considered manageable in terms of its financial performance in the context of its key role within the Market Hall in supporting tenants and their associated economic activity.
5. It is considered appropriate to offer the opportunity to third parties to take a commercial lease for the operation of one or both of the cafés. If this is not successful then consideration must be given to the sustainability, budget risks and value for money that is being provided by the current in-house operations.

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SCRUTINY SELECT COMMITTEE – ECONOMIC GROWTH AND COMMUNITIES

Thursday, 13th July, 2023

Present:-

Councillor Flood (Chair)

Councillors Bagley
Dyke
Hollingworth

Councillors Jacobs
Ogle
Twigg
Innes (Cabinet
member for
Housing)

*Matters dealt with under the Delegation Scheme

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

No declarations of interest were received.

2 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Wheeldon and Niblock.

Councillor Yates was absent.

3 HOUSING UPDATE

The Service Director – Housing presented a report to the Committee detailing an update on Decent homes, voids, and repairs.

An overview of successes within Housing was given, including 100% performance on gas servicing, 93% positive customer feedback on the repairs service, significant investment in homes and neighbourhoods, The HRA Capital Programme approved by Cabinet in February 2023, Stock condition survey completed and an investment plan in development, all underlying issues have been reviewed enabling them to be addressed through the housing transformation plan, a new board, directorate plan

and performance monitoring regime, and strengthened tenant engagement.

An overview of challenges within Housing was given, including rents being capped meaning that the affordability of the HRA business plan is under significant pressure, increasing disrepair claims and damp/ mould issues, challenges with the IT system, customer complaints increasing, and still dealing with the impact of the pandemic on rents and voids.

It was noted that in terms of the Decent Homes Standard, which was a target set by Government in 2004, the Council has a 'decency' target for its stock of 100% and is currently at 99.7%. It was reported that 100% would be achieved during 2023. It was reported that the new standard and definitions from government are still awaited. In terms of next steps, all aspects of the latest Housing Capital Programme (re-roofing, re-pointing, improving insulation and the replacement of PVC-U Windows) have begun. An overall decarbonisation plan is being developed this year to ensure that the Council's Climate Change Strategy objectives are achieved by 2050. This includes solar panels, extensive insulation programmes, sheltered housing schemes and the installation of Worcester boilers which can convert to hydrogen if this proves to be a suitable alternative to gas. Most homes are currently performing at Band C, but some are below this and newer homes are higher.

It was reported that the area of Voids was a challenge. Significant transformation is required to the overall process including housing management, void repairs, and allocations. There are currently 285 'management' voids requiring remediation activity. A Voids Management Group has been established to identify and drive improvements and ensure accountability. There have been staff engagement sessions to discuss potential solutions, and these have yielded a huge amount of information. 10 of the voids have been outsourced to an external contractor with a view to increasing this number depending on the cost and performance outcomes to achieve 'quick wins'. There is also now improved communication between the Void Repairs Team and Gas and Electrical teams. Further housing management activity is planned i.e., termination visits. A monthly progress report to the Strategic Housing Board is planned and the relet standard is to be reviewed with tenant scrutiny members. A transformation project manager will also be recruited for a fixed term, to lead on all void improvement activity work.

It was reported that there were several current challenges with responsive repairs, with 1,866 overdue repairs. There are system issues, however, where many of these will have been completed but not closed off, and the number includes duplicated jobs and no access cases. The contributing factors towards the increasing number of repairs were reported as rising numbers of disrepair claims, damp and mould awareness, stock condition survey findings and tenancy visits by Housing Officers which have identified more repairs. Resources have now been concentrated in the areas of highest need. A new performance management framework has been implemented to help identify where changes are needed to drive up improvement. Increased employee engagement giving clear messages with regards to performance and budget constraints. The call centre staff are now based in the depot with responsive repairs to improve communication and increase efficiencies. In the future additional staff will be recruited including a damp and mould technical officer. Repair standards are to be clarified with tenants to manage expectations about which repairs the council is responsible for carrying out and timescales around this.

It was noted that the key responsibilities for the coming year were for the actions described for voids and repairs to be delivered, to progress with wider housing transformation activity, to plan further tenant scrutiny activity to co-design service improvements, to prepare for inspection from 2024 onwards, and to develop a new 30-year HRA business plan and Housing Strategy.

Members asked if some repairs are classed as multiple jobs due to the different aspects of the work entailed. The Service Director - Housing confirmed that this was the case and was part of the reason why repairs waiting to be completed was so high. Members asked that they be sent the full repairs policy so that they are aware of timescales for different works.

It was asked if the contractors completing voids properties had a time frame to work to. It was reported that a timeframe of two weeks would be ideal, but the pricing structure needed to be looked at and procurement involved. It was noted that an existing contractor was being used for these works as there was budget still available within their contract. When a larger number of voids is being looked at value for money will be a factor. Members asked if the Council was scrutinised nationally on their number of voids. It was reported that there is a government report which contains statistics around the void turn around time. When last assessed, the

Council's turnaround time was 94.7 days. Members asked that they are presented with reports at a future meeting to see how the Council compares nationally on voids, and how much rent and council tax is lost through voids and tenants being placed in temporary accommodation. Members asked whether the outsourcing of voids was going to be a long-term solution. It was reported that that this would only be used until the number had reached a more manageable level, around seventy.

Members asked whether when assessing voids works, we keep kitchens installed by the tenant if they are of a reasonable quality or replace them automatically. Officers subsequently clarified that when a property becomes void after a tenant's own kitchen installation, we will assess the condition. If it is in good working order and a reasonable condition, we will not remove it.

Members asked whether there was a grading system for repairs and voids. It was reported that the repairs are governed by policy. Voids are not currently categorised but there is a plan to introduce a grading system. Members queried whether some of the repairs are historic issues from properties where tenants moved in and there were a set of jobs that were still to be completed. Due to COVID some of these have been missed, therefore becoming repairs requiring attention.

It was noted that there are five more apprentices due to be recruited but more are wanted.

Members asked about the impact of the winter months on damp and mould. It was reported that all properties that were assessed as serious (within social housing) have been rectified. It is more challenging to tackle the private sector. Members discussed whether damp and mould was due to tenants drying clothes inside and not ventilating their properties. Solutions such as outside washing and drying systems (like in Staveley), and access to cleaning materials from the DCC Covid fund were suggested. It was reported that the current schedule of re-roofing and insulation works will help with these issues. Also, as Housing Officer visits have increased, they are able to spot the signs of potential problems early, therefore helping to reduce the severity of issues.

It was reported that no government guidance has yet been received around funding or staff for the decent homes standard for private sector. Members asked for an update on this when the Service Director – Housing returned.

Councillors Brock and Jacobs asked for the list of areas planned for the windows replacement scheme. The Service Director – Housing reported that the information would be forwarded onto them.

Members asked The Service Director – Housing to return in six months' time to present the Housing Strategy/ HRA Business Plan development, private sector decency and enforcement and an update on repairs and voids. Members also asked for an update on adaptations for disabled tenants at a future meeting. Members offered to circulate leaflets (DLC) if they were going to be of benefit of tenants.

RESOLVED –

That the report be noted.

4 SCRUTINY ANNUAL REPORT

The Service Director – Corporate presented a report to the Committee detailing the work of the Council's overview and scrutiny committees.

The annual report, attached at Appendix 1 of the Director's report, set out the work, achievements and impact of the overview and scrutiny function in 2022/23 across all three scrutiny committees.

During the year different approaches to scrutiny engagement had been utilised including, reports, presentations with question and answer sessions, focus groups and working groups. This had enabled scrutiny to take an in depth look at specific policy areas, plans and data sets and provided a variety of opportunities for all scrutiny members to contribute to the discussions and add value and challenge to key activity.

Throughout 2022/23 the Overview and Performance Scrutiny Forum undertook both pre-decision and post-decision scrutiny, receiving reports and influencing decisions on areas including the Arvato and Kier Transition Plan, Cost of Living, Local Government Boundary Review Communications Plan, and the Skills Action plan refresh.

The new Scrutiny Select Committee model would help to take forward the engagement and pre-decision scrutiny approach and build upon the successes of 2022/23.

RESOLVED –

That the report be recommended to Council.

5 SKILLS ACTION PLAN UPDATE

The Senior Economic Development Officer presented The Skills Action Plan Update. The plan aims to ensure that local people have the right skills to support progression into the labour market and benefit from future employment opportunities. We are currently navigating a large and complex landscape where we are reacting to regional and national policy changes that have polarised the importance of skills development and seen a shift towards local delivery. The newly established skills and employment partnership and plan will help ensure that the changes and opportunities arising from them are reflected positively at a local level. The skills action plan has been designed as a partnership plan, including activity that is a mix of Chesterfield Borough Council and activity led partners. It has been established with a private sector chair, which allows us to respond to the needs of employers, and the vice chair of Tricia Gilby.

The partnership will;

- Facilitate a stronger, more co-ordinated skills delivery in Chesterfield.
- Provide advice and guidance on strategic direction of skills and employment activity in Chesterfield.
- Provide Chesterfield with the ability to align with activity delivered under D2N2 People and Skills advisory Board and subsequent arrangements in respect of people and skills under the MCCA.
- Sits within the Chesterfield Community Wellbeing System Framework, alongside other strategic partnerships.
- The key aim of the system framework is to support and promote community wellbeing, create healthier, safer, and stronger communities.

The inclusion of the Skills & Employment Partnership within the System Framework will support existing joined up working across partners and agencies from public, private, voluntary sectors and facilitate discussion and action around common challenges and opportunities in respect of employment and skills (i.e., addressing barriers such as mental health).

To support the development of the skills action plan, a steering group was established in February 2023, consisting of core members of the partnership. The consultation was delivered through two rounds. The first round reached twenty-one distinct organisations, consisting of one-to-one interviews and workshops. This consultation informed priorities and action areas for a draft skills action plan that formed the basis of the second round of consultations, which was detailed discussions with delivery partners. The priorities and actions that have emerged are grounded in evidence and seek to meet both employer needs and equip local people with the skills they need to access and progress into work. The Skills Action Plan is ambitious delivering twelve action areas around six themes.

It was reported that the evidence from the consultation was clear in the need to address high levels of youth unemployment, build on existing good practice and Chesterfield's strong links with employers to deliver activity that better connects our young people to employers.

Over four years it will deliver;

- D2N2 Careers Hub will lead Careers Made in Chesterfield (CMiC) in a combination of activity by CBC and Pilot activity to enhance the programme funded via CEC.
- Will build on the successful pilot to deliver CMiC, scaling it up over four years to deliver activity across more sectors and more schools.
- CMiC Activity provide sector specific careers workshops and experience will be enhanced through Teachers Encounters programme and twilight careers engagement sessions that will seek to provide teachers with increased knowledge of each sector, learning and career pathways and raise awareness across more groups of the many Apprenticeships, technical and vocational pathways.
- Royal Hospital will continue to deliver outreach activity that will enable over 500 placements and engage over 100 school events.
- Chesterfield College will lead work to connect their students with schools to focus on healthy eating and living plans.

- DCC and DWP will continue to deliver the Youth Hub which will be enhanced and supported by wider Skills Action Plan activity including CMiC, UKSPF Work Readiness and Skills Brokerage Project.
- CBC will commission an evaluation of the Apprentice Town Initiative to assess the impact, lessons, and recommendations for future delivery.

It was reported that in Increasing Higher Level Skills, despite seeing significant improvement across all qualification levels, progress remains slower than nationally, particularly at level 4 and above. Chesterfield College and the University of Derby will deliver activity that seeks to increase engagement in higher level skills to deliver;

- 400 students on executive leadership programmes.
- 150 students on Health CPD.
- Support creation of five new business per year.
- 105 Higher/ degree level apprenticeships through Construction Skills Hub (from year three).
- Develop and strengthen teacher education pathways.
- Develop HTQs and Higher National Flex Units/ Professional Qualifications (Digital, Childcare, Health, Construction & Engineering).
- Increased Promotion of post 18 options.

In the area of Barriers to Employment and Widening the Workforce the consultation and evidence calls for more support to enable those further from the labour market to enter and remain in work. The DWP will lead on programmes to help more people gain and stay in work including support for the over 50s. CBC will lead on the delivery of UKSPF work

readiness and digital inclusion programme. Outputs over four years would include;

- 120 people accessing employability and basic skills support.
- Increased tenancy engagement.
- 960 sector-based work academy job outcomes.
- 12 recruitment events (3 per year).

Establishing Anchor Institutions creates an opportunity to collaborate with other large anchor organisations to further develop skills, employment, inclusion, and wider benefits locally. It will build on existing strong networks and help to identify and exploit opportunities to use procurement training and management of capital assets. The action for year one is to share best practice in executive workshops and agree priorities or action.

It was reported that the theme of Sector Specific and Future Skills will help the Council meet the skills needs and take advantage of employment and progression opportunities arising in specific sectors. The three action areas are to deliver the Construction Skills Hub, deliver DRIIVe, and deliver UKSPF Future Skills and Upskilling Programmes. The outputs over four years would be;

- 251 learning outcomes and 105 HE learners.
- Careers Insight Programmes (Construction & Rail).
- 1423sqm Rail Commercial, training, R & D space.
- Increased Investment in Green & Digital Skills.
- 60 people supported with digital/ greens skills to progress and upskill.
- 80 people engaged through FSDF.

The final area, of Skills Brokerage and Partnerships, underpins the plan and provides a means of connecting activity within the plan. It will establish the Chesterfield Skills & Employment Partnership and develop UKSPF Skills Brokerage Service therefore providing a more co-ordinated response to skills delivery, raise awareness of and increase visibility of skills funding and support in Chesterfield.

It was reported that Chesterfield Borough Council will monitor progress in the delivery of the Skills Action Plan and will provide regular progress updates to the Skills & Employment Partnership. Delivery activity and outputs will contribute to achieving improvements in youth unemployment rate and educational attainment. The Skills Action Plan will support and contribute towards the headline 2030 targets outlined in the Chesterfield Growth Strategy. Maintaining the 16-64 claimant count below the national average, and to narrow the 18-24 claimant count to within 1% point of the national average. It was noted that this is currently just over 2% so was an ambitious target.

Members discussed the areas from the report which they may want to scrutinise further. The area of 16-18 engagement and procurement were highlighted. The Officer was invited to return at the next meeting with an update.

RESOLVED –

That the report be presented at Cabinet in response to the Consultation from February 2023.

6 SCRUTINY PROJECT GROUPS PROGRESS UPDATES

There were no Scrutiny Project Groups updates to be presented.

7 SCRUTINY MONITORING

This is a standard agenda item for the Committee to consider the scrutiny recommendations implementation monitoring schedule.

RESOLVED –

There was no scrutiny monitoring schedule to be noted.

8 **FORWARD PLAN**

The Committee considered the Forward Plan for the period 1 August 2023 to 30 November 2023.

RESOLVED –

That the Forward Plan be noted.

9 **WORK PROGRAMME FOR THE SCRUTINY SELECT COMMITTEE - ECONOMIC GROWTH AND COMMUNITIES**

The Committee Members discussed options for agreeing the next Scrutiny Work Programme for 2023/24. An action was noted that further work was to be carried out for Members to meet and agree which topics would be added to the Work Programme and what timescale this would cover.

RESOLVED –

That the action be noted.

10 **MINUTES**

This is a standard agenda item to present the Minutes of the meeting of the last Scrutiny Select Committee – Resilient Council.

RESOLVED –

There were no previous Minutes to be approved as a correct record and signed by the Chair.

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SCRUTINY SELECT COMMITTEE – RESILIENT COUNCIL**Thursday, 6th July, 2023**

Present:-

Councillor Dyke (Chair)

Councillors Hollingworth
Kellman
McLarenCouncillors Ogle
Ridgway
Twigg

*Matters dealt with under the Delegation Scheme

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

No declarations of interest were received.

2 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Blakemore, Wheeldon and Snowdon.

3 SCRUTINY ANNUAL REPORT

The Service Director – Corporate presented a report to the Committee detailing the work of the Council's overview and scrutiny committees.

The annual report, attached at Appendix 1 of the Director's report, set out the work, achievements and impact of the overview and scrutiny function in 2022/23 across all three scrutiny committees.

It was reported that the range of issues of interest to Scrutiny continued to grow and matched the ambitions of the Council's Council Plan and Delivery Plans but also day to day service provision. Selecting the areas to focus scrutiny activity could be a challenge.

Following the reduction in Council size due to the Local Government Boundary Review, the number of Overview and Scrutiny Committees had been reduced from three to two. The overall number of overview and scrutiny places had decreased from 32, but the actual number of members engaged had increased, helping to increase overview and scrutiny oversight and provide much needed evening committee places.

The new Scrutiny Select Committee model would help to take forward the engagement and pre-decision scrutiny approach and build upon the successes of 2022/23.

RESOLVED –

That the report be recommended to Council.

4 COUNCIL PLAN ANNUAL PERFORMANCE REPORT 2022/23

The Service Director – Corporate presented a report on the progress made towards the delivery of the Council Plan Delivery Plan 2022/23. The progress made on the 36 milestones tracked during 2022/23 was detailed in Appendix 1 of the Director’s report.

It was reported that 86% of milestones for the “Making Chesterfield a thriving borough” priority area had been delivered and a further 14% had made good progress and were set to be delivered during 2023/24. Highlights were said to include;

- The Northern Gateway Enterprise Centre was now open and fully operational with a 65% let rate in its first year of operations
- One Waterside Place was officially opened in January 2023, providing six floors of grade A office and ground floor retail.
- Over 700 business enquiries had been received during 2022/23 with a range of support being offered including business start ups, expanding business and inward investment
- Over 1973 learners had benefited from skills programmes – enhancing their current and future careers
- We had achieved 100% local labour clauses across eligible developments during the life of the Council Plan. In 2022/23 this

created 1,017 jobs including 40 apprenticeships and created in excess of £34 million in local supply chain spend

- Over £22 million had been brought in for economic development programmes and projects during the life of the Council Plan
- The events programme had grown throughout the Plan period with traditional favourites such as the Medieval Market, 1940s Market and Fireworks but also a range of speciality markets

It was also reported that 86% of the milestones for the “Improving quality of life for local people” priority area had been delivered and 95% of the Climate Change Action Plan had been fully delivered, with asset management and the strategic transport assessment being moved into delivery for 2023/24. Highlights in this priority area were;

- Completing £14 million worth of improvement work at Pullman Close, Mallard, Leander, Brierley and Dixon Courts.
- 33 new homes were added to the Council’s housing stock with local families moving into high quality homes at Badger Croft and Harehill Mews
- Delivery of a comprehensive range of equality and diversity educational and celebratory events including sponsoring Chesterfield Pride 2022, Holocaust Memorial Day, Neurodiversity awareness sessions, cultural awareness sessions, LBT Research project and International women’s day
- New Anti-social behaviour strategy and approach launched focusing on prevention, early intervention, problem solving and engagement with new partnership approaches including multi-agency tasking, greater visibility across all partners and enhanced learning and development.
- Over £629,000 worth of disabled facilities grants were provided and adaptations made to enable people to maintain their independence and homes
- 2720 children were taught how to swim, 6662 people were members of our leisure centres and 1454 had accessed sessions for health and wellbeing

62% of the milestones for the “Provide value for money services” priority area had been delivered and 72% of the key measures within this priority met their target. Delivery highlights included;

- Take up and usage of ‘My Chesterfield’, our customer portal, was rising each month and at the year-end we had over 35,000 registered users. New services had been developed within the portal including the ability to pay for bulky waste services online and providing information on council house rent bills and balances. The new complaints system had also gone live
- Our social media accounts and website were also attracting more views, followers and engagement
- We had exceeded targets for apprenticeships with 35. This included 25 upskilling opportunities for staff and 10 new apprenticeship roles

Members asked if management vacancy controls would remain in place as part of the Council plans. The Service Director confirmed that vacancy control was something that would be still needed with current levels of funding.

Members also asked about the occupancy of One Waterside Place and if these were new or existing businesses. The Service Director advised that One Waterside Place was premium office location so was attracting expanding businesses or existing businesses looking to relocate, whereas the Northern Gateway was more suited for newer/start-up businesses.

A question was asked around the financial challenges facing the Council and further investment. The Service Director advised that the new Council Plan had the funding to deliver targets set.

The Chair thanked the Service Director for the report and requested a further update to the committee in six months’ time.

RESOLVED –

That the report be noted.

5 MYCHESTERFIELD UPDATE

This agenda item was adjourned.

RESOLVED –

That the report be presented at the next committee.

6 SCRUTINY PROJECT GROUPS PROGRESS UPDATES

There were no Scrutiny Project Groups updates to be presented.

7 SCRUTINY MONITORING

This is a standard agenda item for the Committee to consider the scrutiny recommendations implementation monitoring schedule.

RESOLVED –

There was no scrutiny monitoring schedule to be noted.

8 FORWARD PLAN

The Committee considered the Forward Plan for the period 1 August 2023 to 30 November 2023.

RESOLVED –

That the Forward Plan be noted.

9 WORK PROGRAMME FOR THE SCRUTINY SELECT COMMITTEE - RESILIENT COUNCIL

The Committee Members discussed options for agreeing the next Scrutiny Work Programme for 2023/24. An action was noted that further work was to be carried out for Members to meet and agree which topics would be added to the Work Programme and what timescale this would cover.

RESOLVED –

That the action be noted.

10 MINUTES

This is a standard agenda item to present the Minutes of the meeting of the last Scrutiny Select Committee – Resilient Council.

RESOLVED –

There were no previous Minutes to be approved as a correct record and signed by the Chair.