



Please ask for Graham Ibberson
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The Chair and Members of Cabinet

19 February 2024

Dear Councillor,

Please attend a meeting of the CABINET to be held on TUESDAY, 27 FEBRUARY 2024 at 10.30 am in Committee Room 1, Town Hall, Rose Hill, Chesterfield, the agenda for which is set out below.

AGENDA

Part 1(Public Information)

1. Declarations of Members' and Officers' Interests relating to items on the Agenda
2. Apologies for Absence
3. Minutes (Pages 3 - 24)

To approve as a correct record the Minutes of the Cabinet meetings held on 16th January 2024 and 5th February 2024.

4. Forward Plan

Please follow the link below to view the latest Forward Plan.

[Forward Plan](#)

Items Recommended to Cabinet via Cabinet Members

Chesterfield Borough Council, Town Hall, Rose Hill, Chesterfield S40 1LP

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Cabinet Member for Finance and Asset Management

5. Budget and Medium Term Financial Plan 2024/25 (Pages 25 - 88)
6. General Fund Capital Programme 2024/25 (Pages 89 - 100)

Cabinet Member for Housing

7. HRA Budget 2024/25 (Pages 101 - 120)
8. HRA Capital Programme 2024/25 (Pages 121 - 146)

Cabinet Member for Town Centres and Visitor Economy

9. Cultural Services Review – Winding Wheel Theatre (Pages 147 - 174)

Yours sincerely,

A handwritten signature in black ink, appearing to read 'S. Smith', is positioned below the closing text.

Head of Regulatory Law and Monitoring Officer

CABINET

Tuesday, 16th January, 2024

Present:-

Councillor Gilby (Chair)

Councillors Holmes
Sarvent
Serjeant

Councillors Baldauf-Good
Davies
Staton

*Matters dealt with under the Delegation Scheme

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

No declarations of interest were received.

52 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Stone and J Innes.

53 **MINUTES**

RESOLVED –

That the minutes of the meeting of Cabinet held on 12th December 2023 be approved as a correct record and signed by the Chair.

54 **FORWARD PLAN**

The Forward Plan for the four-month period February, 2024 to May, 2024 was reported for information.

***RESOLVED –**

That the Forward Plan be noted.

55 HOUSING RENTS AND SERVICE CHARGES

The Service Director – Housing presented a report seeking approval to set housing rents and service charge levels for the financial year 2024/25.

Social rents were set according to the Government's National Social Rent Policy and the Welfare Reform and Work Act 2016. In accordance with the Government's National Social Rent Policy, which came into effect on 1 April 2020, it was permissible for the Council to increase rents by up to CPI plus 1% per annum, until 1 April 2024. The basis for the annual rent increase was the previous September's Consumer Price Inflation (CPI) which in 2023 was 6.7%, meaning the maximum by which the Council could increase tenants' rents from 1 April 2024 would be 7.7%.

It was therefore recommended that for the financial year 2024/25 all rents (social and affordable) would increase by 7.7%. This would result in an average social rent in 2024/25 of £95.95 per week and an average affordable rent of £108.88 per week.

Details of the proposed increases to heating charges, garage rents, garage site rents, garden assistance scheme charges, water charges, community room charges and charges for warden services were set out in Appendix 1 of the officer's report. The increases were set at rates to ensure that the Council could recover the costs of providing the services.

A 7.7% increase in general needs rents (social and affordable) in a 53-week rent year would result in an additional £3.974 million of income in 2024/25 as compared to that achieved in 2023/24.

***RESOLVED –**

1. That for the financial year 2024/25, individual social rents for current general needs tenants be set based on the current national social rent policy, giving a rent increase of 7.7% with effect from 1 April 2024.
2. That for the financial year 2024/25 and onwards, where a social rent property is re-let to a new or transferring tenant the rent level be increased to the target rent for that property.

3. That for the financial year 2024/25, individual affordable rents be set based on the current national social rent policy giving a rent increase of 7.7% with effect from 1 April 2024.
4. That for the financial year 2024/25 and onwards, where an affordable rent property is re-let to a new or transferring tenant the rent level be set by reference to 80% of the market rent (including service charges where applicable) for a similar property at the time of letting, or the formula rent for the property, whichever is greater.
5. That the Housing Revenue Account Service Charges for the financial year 2024/25, as set out in Appendix 1 of the officer's report, be approved.

REASONS FOR DECISIONS

1. To enable the Council to set the level of council house rents for the financial year 2024/25 in accordance with Government guidelines and the Rent Standard.
2. To enable the Council to set the level of service charges for the financial year 2024/25 to recover the costs of providing these services to tenants.
3. To contribute to the Council's corporate priority to 'improve the quality of life for local people'.

56 CAR PARKS STUDY

The Service Director – Economic Growth presented a report informing Cabinet of the findings of the Chesterfield Car Parking Study that had been undertaken by Ove Arup and Partners in 2023. The aims of the study were to ensure the Council was aware of options and opportunities to improve the provision of car parking in Chesterfield Town Centre and be better informed about car parking demand and the potential for surplus land to be released for regeneration purposes.

The Chesterfield Car Parking Study looked at four key areas related to car parking provision in Chesterfield Town Centre. The key areas were:

- Car parking income.

- Car parking usage.
- Climate change opportunities across the car parking estate.
- Regeneration opportunities on Chesterfield Borough Council owned car parks.

The study found that the income generated by the car parks was not sufficient to meet current income targets and recommended that a review of car parking charges was carried out at least once a year and that flexibility was built into the fees and charges structure so that charge increases could be facilitated as seamlessly as possible, if more frequent increases were needed.

The study also found that there was considerable spare capacity within the Council's car parks, with current occupancy levels shown in paragraph 4.16 of the officer's report.

It was reported that to meet the Council's climate change ambitions, there was a need to scale up EV charging capacity to meet future demand and that the Council should also investigate the option of installing solar canopies at some of the car parks.

The Chesterfield Car Parking Study highlighted options and opportunities to improve the Council's car parking estate from a sustainability and regeneration perspective. It was likely that external funding would be required to deliver some of the highlighted regeneration opportunities on those car parking assets identified as being surplus to need.

***RESOLVED –**

1. That the Chesterfield Car Parking Study and its findings be endorsed.
2. That the following suggestions made in the Chesterfield Car Parking Study be approved;
 - That officers develop further recommendations for investment in car parking provision, and the reuse of excess parking to support the regeneration of the town centre
 - That car parking charges be reviewed on an annual basis with an in-year appraisal to assess performance against budgetary targets

REASON FOR DECISIONS

To enable Chesterfield Borough Council to implement appropriate changes to the management and delivery of Chesterfield Borough Council owned car parking provision to support the vitality and viability of Chesterfield Town Centre.

57 CAR PARK FEES AND CHARGES 2024/25

The Town Centre Operations Manager presented a report recommending the proposed fees and charges for council owned car parks for the financial year 2024/25, to be implemented from 1 April 2024.

It was reported that the new fees and charges policy adopted by Cabinet on 12 December 2023 proposed that all fees and charges should be reviewed on an annual basis.

Car parking fees and charges had historically been reviewed on a two-yearly cycle. The recent Car Parking Study had however recommended moving to an annual review of fees and charges to ensure price increases took account of changes in in-year costs and inflation. This change in practice was reflected in the officer's report and would be the approach going forwards.

The proposed fees and charges were set out in Appendix 1 of the officer's report and had been based on a robust assessment of the impact of in-year cost increases, current demand and the Council's overall financial position.

The report also documented the outcomes of the review that had been undertaken of the current free residents parking scheme that provided free parking before 10am and after 3pm from Monday to Saturday, and free all day parking on Sundays and Bank Holidays to Borough residents on selected car parks. The removal of the scheme was not recommended as it supported both residents and town centre businesses to make use of the town centre. However, the introduction of a small charge to use the scheme was viewed as both realistic and sustainable given the nature and extent of the current financial pressures facing the Council.

It was therefore recommended that users of the scheme would pay a fee of £1 before 10am and £2 after 3pm from Monday to Saturday, and £2 on Sundays Bank Holidays (all day). It was estimated that this change could achieve additional income £126,305 per annum, as detailed in Appendix 3 of the officer's report.

It was noted that increasing car parking the fees and charges would assist the Council in delivering a balanced budget for 2024/25 and help relieve pressure on the Council's Medium-Term Financial Plan.

It was anticipated that increasing the fees and charges to the levels recommended would potentially raise an additional £234,000 of income over a twelve-month period. This figure included an assumed attrition rate of 5%.

Councillor Holmes asked for his vote to be recorded against the Cabinet's decisions to approve the recommendations in the car parking fees and charges report.

***RESOLVED –**

1. That the recommended increases to the fees and charges for car parks, as detailed in Appendix 1 of the officer's report, be approved for implementation from Monday 1 April 2024.
2. That a revision to the current Residents Parking Scheme, to introduce a one-off tariff of £1 before 10am (Monday to Saturday) and a one-off tariff of £2 after 3pm (Monday to Saturday) and a one-off tariff of £2 on a Sunday (all day) and £2 on Bank Holidays (all day), be approved.
3. That the Service Director for Leisure, Culture and Community Wellbeing, be delegated authority with the Cabinet Member for Town Centre and Visitor Economy, to apply appropriate negotiated fees and charges for new activities and opportunities that arise during the period covered by this report.

REASONS 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 are implemented as soon as possible to help mitigate these pressures.
3. It is therefore prudent to implement an uplift to assist the Council in achieving a balanced budget for 2024-25 and to continue to recover ground on the increasing costs associated with the delivery of car parking and other town centre operations.

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CABINET**Monday, 5th February, 2024**

Present:-

Councillor Gilby (Chair)

Councillors	Holmes	Councillors	Davies
	Sarvent		Staton
	Serjeant		Stone
	Baldauf-Good		

*Matters dealt with under the Delegation Scheme

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

No declarations of interest were received.

59 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor J Innes.

60 **MINUTES**

The minutes of the meeting of the Cabinet held on Tuesday 16 January would be available for members to approve at the next scheduled meeting of the Cabinet, on Tuesday 20 February.

61 **FORWARD PLAN**

The Forward Plan for the four month period March, 2024 to June, 2024 was reported for information.

***RESOLVED –**

That the Forward Plan be noted.

62 **CULTURAL SERVICES REVIEW - HASLAND VILLAGE HALL,
ASSEMBLY ROOMS AND REVOLUTION HOUSE**

The Cabinet Member for Town Centres and Visitor Economy presented a report setting out detailed proposals to achieve financial savings relating to the operation of three cultural venues operated by the Council: Hasland Village Hall, Assembly Rooms, and Revolution House.

In the financial year 2022/23 Hasland Village Hall had operated with a financial deficit of approximately £32,000. The forecast deficit for the current financial year was £24,000.

Officers had reviewed in detail the Hall's operation and in order to reduce the financial deficit and ideally move to a position of full cost recovery, two approaches were proposed: reducing expenditure; and increasing income.

In order to reduce staffing costs, it was proposed that changes be made to the operating procedures for regular hirers. Regular hirers would be issued with a key for the Hall and would be given an induction on how to open and close the building. They would also be provided with an emergency telephone number if they had any operational issues. This change would negate the need for a caretaker to be on duty at the Hall at the time of such hires.

In order to increase income, it was proposed that fees and charges were increased to enable the council to recover the costs of provision. The recommended increases in fees and charges would be set out in the Cultural Services Fees and Charges 2024/25 report.

In the financial year 2022/23 the Assembly Rooms operated with a financial deficit of approximately £54,000. The forecast deficit for the current financial year was £55,000.

Officers had reviewed in detail the Assembly Room's operation and did not consider that substantive changes could be made to the current operating model that would lead to a significant reduction in the financial deficit in the near future. Therefore, it was proposed that the Assembly Rooms cease to be let to external parties for events from 30 June 2024, or earlier if that could be achieved.

In the financial year 2022/23 Revolution House operated with a financial deficit of approximately £8,000. The forecast deficit for the current financial year was £7,000.

Officers had reviewed in detail the House's operation in 2023. It was felt that there were limited opportunities to generate income from Revolution House as it was currently operated, and no real way of reducing expenditure apart from not opening to the public. In addition, Revolution House needed ongoing maintenance due to its age and the fact that it had a thatched roof.

It was therefore recommended that the Council sought interest from suitably qualified and experienced organisations to manage and operate Revolution House, in line with the desire to support the conservation of this significant historical asset for the benefit of the borough. The terms of any disposal would need to be worked through, whether it be a long lease arrangement or community asset transfer.

Councillor Holmes asked for his vote to be recorded against the Cabinet decision to dispose of Revolution House.

***RESOLVED –**

1. That alternative operational arrangements be devised for Hasland Village Hall so that the premises can be provided to the community without requiring an operational subsidy, and that the building can be let for certain uses without the requirement for a council employee to be on site.
2. That officers be authorised to progress with a community asset transfer process for Hasland Village Hall, including carrying out appropriate engagement activities with residents and community organisations as part of the process.
3. That the letting of the Assembly Rooms be ceased to external parties as from 30th June 2024, or earlier if that can be achieved, and that officers provide guidance about the availability of alternative facilities to the regular community hirers.
4. That officers be authorised to advertise the Assembly Rooms for commercial letting, and to develop heads of terms to establish

appropriate lease arrangements for the Assembly Rooms, in line with the desire to generate sufficient rental income to cover the costs of providing and maintaining the premises.

5. That the temporary closure of Revolution House be approved, as from 1st April 2024, until such time as a suitable alternative arrangement can be put in place to achieve budget savings.
6. That the disposal of Revolution House to a suitable organisation, be approved, in line with the desire to support the conservation of this significant historical asset for the benefit of the borough.

REASON FOR RECOMMENDATIONS

The proposals have been brought forward to respond to the savings targets identified in the Budget Strategy Implementation Plan, which was approved in November 2023. This will enable the Council to work towards developing a balanced 2024/25 budget and MTFP, which will support the Council to continue to deliver against the vision and priorities set out in the Council Plan.

63 CULTURAL SERVICES FEES AND CHARGES 24/25

The Cabinet Member for Town Centres and Visitor Economy presented a report recommending changes to the fees and charges for lettings at Hasland Village Hall, the Market Hall Assembly Rooms and the meeting rooms at the Town Hall, and for miscellaneous Museum services for the financial year 2024/25.

In accordance with the Council's Medium-Term Financial Strategy, fees and charges were required to be reviewed on an annual basis to ensure that the cost of providing services were appropriately recovered..

The Hasland Village Hall currently had three main categories of hire fees, community charges, community concessionary charges and commercial charges. It was proposed that the fees be increased as detailed in Appendix A of the officer's report.

The Assembly Rooms had two main categories of hire fees, community charges and commercial charges. It was proposed that the fees be increased as detailed in Appendix B of the officer's report.

It was also proposed to introduce new fees, as detailed in Appendix C of the officer's report, for the use of Town Hall committee rooms by external parties from 1 April 2024. The proposed fees had been based on those charged at other Council venues.

It was noted that most museums, which hold archaeological archives, charge for the deposition and future care of archaeological items and were supposed to include this cost in their charges to the landowner / developer. It was proposed that the deposition charges be increased as detailed in Appendix D of the officer's report.

***RESOLVED –**

1. That the changes to the room hire charges, equipment hire and staffing charges at Hasland Village Hall be approved from 1 April 2024, as detailed in Appendix A of the officer's report.
2. That the changes to the room hire charges, equipment hire and staffing charges at the Assembly Rooms be approved from 1 April 2024, as detailed in Appendix B of the officer's report.
3. That the introduction of room hire charges for the meeting rooms at the Town Hall be approved from 1 April 2024, as detailed in Appendix C of the officer's report.
4. That the changes to miscellaneous charges for the provision of Museum services be approved from 1 April 2024, as detailed in Appendix D of the officer's report.
5. That authority be delegated to the Service Director for Leisure, Culture and Community Wellbeing, in consultation with the Cabinet Member for Town Centres and Visitor Economy, to apply appropriate negotiated fees and charges for new activities and opportunities that are introduced during the period covered by the officer's report.

REASONS FOR RECOMMENDATIONS

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 are implemented as soon as possible to help mitigate these pressures.

64 **SPORT AND LEISURE FEES AND CHARGES 24/25**

The Cabinet Member for Health and Wellbeing presented a report seeking Cabinet approval for the setting of sports and leisure fees and charges for the period 2024/25. These fees and charges related to various activities and facilities provided at Queen's Park Sports Centre and Staveley Healthy Living Centre.

In accordance with the Medium-Term Financial Strategy, fees and charges were required to be reviewed on an annual basis to ensure that the costs of providing services were appropriately recovered.

In setting sports and leisure fees and charges for 2024/25, a range of factors had been considered. These included:

- The need to generate additional income to work towards lowering the level of Council subsidy currently required to operate the sports centres.
- The levels of fees and charges applied by other sports and leisure providers within the Chesterfield area and the potential impact of local competition on centre usage and membership.
- The Council's Concessions Policy, which aims to promote health and address health inequalities in our communities.
- The need to continue to meet customer expectations and develop and deliver new activities and services to encourage more of the Borough's residents to engage in regular physical activity.
- To enable the Council to continue to invest in its sports and leisure centres.

It was proposed to keep the current legacy prices for existing fitness suite members in 2024/25 to aid the retention of what is currently a very strong membership base.

***RESOLVED –**

1. That the proposed fees and charges for sports centre activities, as set out in Appendix 1 of the officer's report, be approved with effect from 1 April 2024 until 31 March 2025.
2. That the proposed fitness membership fees for new customers, as set out in Appendix 1 of the officer's report, be approved with effect from 1 April 2024 until 31 March 2025, whilst the fitness membership fees for existing members be held at their current levels.
3. That approval be given to remove racket sports from the current Fitness Membership package and replace this with a racket only membership fee.
4. That authority be delegated to the Service Director – Leisure, Culture and Community Wellbeing, in consultation with the Cabinet Member for Health and Wellbeing, to apply appropriate fees and charges to new activities that are introduced during the period covered by the officer's report.
5. That authority be delegated to the Service Director – Leisure, Culture and Community Wellbeing, in consultation with the Cabinet Member for Health and Wellbeing, to make changes to the approved fees and charges, if required to stimulate usage, support the retention of customers, develop income and /or to respond to external forces.

REASONS FOR RECOMMENDATIONS

1. To comply with the Council's Budget Strategy for recovering fees and charges to contribute to the costs of service delivery.
2. To balance the need between competitive pricing and maximising income alongside wider community wellbeing priorities.

3. To continue discretionary pricing to support the most vulnerable and given the range of current pressures maintaining existing concessions is an appropriate method of targeting support.

65 **HOUSING SERVICES COMPLAINTS PERFORMANCE REPORT**

The Leader of the Council presented a report on behalf of the Cabinet Member for Housing describing the Housing Service's Complaints Performance for the first three quarters of the financial year 2023/24.

It was noted that in order to comply with the Housing Ombudsman's complaint handling code, it was important that the Council's performance in relation to housing complaints was reported to an appropriate governing body.

The Council had changed its complaints handling policy and introduced a new ICT - enabled complaints system on 8 November 2022. The new ICT system allowed for a much more visual presentation of data on performance as well as the ability to interrogate individual complaints. A summary of complaints performance for Quarters 1, 2 and 3 of 2023/24 was shown in the table at paragraph 4.13 of the officer's report.

The number of complaints had increased to 46 per month, from an average of 25 per month in 2022. The main reasons for this were that the repairs service had necessarily prioritised emergency repairs, landlord compliance activity and repairs involving damp and mould, meaning that less urgent repairs were taking longer to complete, alongside dealing with the legacy effects of the significant backlog of repairs that had been generated during the term of the pandemic when Housing Property Services staff couldn't enter tenants homes. It was also noted that around 3,000 repairs were completed each month.

It was also noted that there had been a reduction in the average number of days taken to respond to complaints, from 40 days in August 2023, to 12 days by the end of December 2023.

The Council's Housing Service was taking the following steps to address the underlying causes of complaints:

- Conducting a fundamental review of its repairs and maintenance services.

- Recruiting two additional officers to deal with repairs complaints to reduce response times.
- Conducting a deep dive into the causes of housing management complaints.
- Introducing manager level complaints performance reports for tier 4 housing managers, to enable them to review individual complaints directly with their teams.
- Continuing to work with tenants on scrutiny reviews and use their feedback to inform future service development improvements.

***RESOLVED –**

1. That it be noted that the Council's Housing Service currently complies with the Housing Ombudsman's code of practice, as evidenced in the self-assessment provided in Appendix 1 of the officer's report.
2. That the Housing Service's complaints handling performance for the first three quarters of the financial year 2023/24 be noted.
3. That the measures proposed at paragraph 4.22 of the officer's report be endorsed to bring about immediate improvements to the Housing Service's complaints handling performance.
4. That officers be asked to prepare an end of year performance report for the financial year 2023/24 and to provide regular performance reports throughout the financial year 2024/25.

REASON FOR RECOMMENDATIONS

It is important for the Council to receive feedback from tenants who are not satisfied with the performance of the service and to make improvements as a result. Monitoring complaints and reporting activity is required in order to meet the requirements of the Housing Ombudsman and the Social Housing Regulator.

66 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 1 of Part 1 of Schedule 12A of the Act.

67 CHANGES TO CARELINE AND INDEPENDENT LIVING SERVICE

The Service Director – Housing presented a report setting out the impact on the Council’s Careline service of Derbyshire County Council’s (DCC) decision to alter its commissioning arrangements for assistive technology, falls recovery and independent living services.

The Careline Service currently delivers assistive technology and falls recovery services for DCC, however, these contracts were due to come to an end on 31 March 2024.

It was recognised that the service provided significant levels of support to elderly and vulnerable people across the borough and extensive analysis had been undertaken to establish how the Council could continue to deliver these vital services.

The loss of DCC income would have a significant impact on the future financial viability of the Council’s Careline Service. However, if the Council were to discontinue the Careline service from 1 April 2024, there would be a range of consequential impacts. These included:

- The loss of well-regards falls recovery service to Careline customers.
- Additional burdens on the NHS and ambulance service.
- The risk that not all of the DCC funded customers could be transitioned to a new telecare provider in time for the 31 March 2024 cut-off date.
- Significant risks of redundancy for the Council’s valued careline staff.
- The need to commission a new out of hours calls handling service for other Council services.

Significant analysis had been carried out to consider the options and risks associated with the Council continuing to provide the service and the following strategy was proposed:

- Increase the number of customers through a robust marketing strategy and action plan.
- Make changes to the current fees and charges structure.
- Invest £120,000 in transferring the remaining customers who remain on analogue equipment to digital equipment.
- Invest £30,000 in the development and implementation of a new marketing promotions strategy.
- Reshape the service to maximise the efficiency of the staffing resources.
- Apply an appropriate level of Housing Revenue Account contribution to the service costs.
- Include a revenue contribution from other council services who rely on the Careline service for their out of hours call out arrangements.
- Maximise other income opportunities.

The estimated expenditure and financing plans for the new Careline operating model were detailed in Table 1 and paragraph 6.4 of the officer's report.

***RESOLVED –**

1. That the information set out in the report regarding changes to the Careline Service, as a result of Derbyshire County Council ending contracts and removing funding be noted.
2. That the information provided with regards to the risk to Council customers and employees if the service is discontinued, and the risks associated with the Council continuing to provide the service be noted.
3. That continuation of the Careline Service be approved, as a 24 hour calls and falls response service, with a view to it being provided on a cost-neutral basis, in recognition of the critical role it plays in supporting vulnerable customers and the wider health and social care system.
4. That the new service strategy set out in paragraph 4.8 of the officer's report, be approved, including the changes to the charging structure for the service, for existing and new customers, as set out in paragraph 4.8b of the officer's report.

5. That authority be delegated to the Service Director – Housing, in consultation with the Cabinet Member for Housing, to review and make changes to the detailed schedule of additional charges, as and when appropriate.
6. That the allocation of £150k from General Fund budget reserves, to fund new digital equipment, for existing customers, including any who are seeking to transfer from DCC provision, and the development of a marketing strategy to drive the estimated growth in customer numbers, be approved.
7. That officers be authorised to commence a reshape of the Careline service to reflect the new delivery model, in line with the Council's Human Resources policies and procedures.
8. That a contribution from the Housing Revenue Account reflective of the proportion of Careline customers who are council tenants, be approved, in recognition of the important role Careline plays in helping people to sustain their tenancies.
9. That the establishment of a £300,000 Careline budget risk reserve to recognise the financial risk that the Council will be taking in 2024/25, in striving to establish a cost-neutral position, be approved.
10. That it be noted that there will be frequent and regular reviews of service operations and the financial standing of the Careline Service throughout 2024/25, and that if sufficient progress is not being made towards the achievement of a cost neutral position, officers be authorised to develop options to reconsider the future of the service, including bringing the service to an end.

REASONS FOR RECOMMENDATIONS

1. To ensure that services to our most vulnerable residents are protected, and to mitigate risks to our Careline employees who deliver vital services.
2. To ensure that Members are aware of the risks of continuing with the service, and to put in place mitigating action to manage the potential financial risk of the service not achieving a cost neutral position in 2024/25.

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For publication

2024/25 Budget and Medium-Term Financial Plan

Meeting:	Cabinet Council
Date:	27th February 2024 28th February 2024
Cabinet portfolio:	Leader of the Council
Directorate:	Finance
For publication	

1.0 Purpose of report

- 1.1 To consider the General Fund revenue budget report for the financial year 2024/25 and the medium-term financial plan for the period 2024/25 to 2027/28 and to make recommendations to full Council on the budget allocations and Council Tax level.

2.0 Recommendations

- 2.1 That Cabinet considers and approves the budget savings proposals described in **paragraph 4.54** of the report for immediate implementation.

Cabinet recommends to Council that it:

- 2.2 Notes the forecast outturn for 2023/24 which presents a deficit for the year of **£282k** to period 8 (**paragraph 4.18**) and the further management controls proposed to achieve a balanced outturn position for 2023/24 by year end.
- 2.3 Approves the overall revenue budget for 2024/25 (**table 4 and Appendix B – to follow**).
- 2.4 Approves the use **£214k** from the Budget Risk Reserve to balance the 2024/25 revenue budget (**paragraph 4.66**).
- 2.5 Approve the submission for a proposal to employ flexible use of capital receipts in the financial years 2023/24 and 2024/25 and to delegate the amendment and final approval of this proposal to the Service Director – Finance (CFO), in consultation with the Deputy Leader and Cabinet Member for Finance and Asset Management (**paragraph 4.90 to 4.92**).

- 2.6 Approves the 2023/24 Council Tax Requirement and financing (**Appendix H and I – to follow**).
- 2.7 Increases the Council's share of Council Tax for properties in each band, a **2.99%** increase for a Band 'D' property, in 2024/25 to **£190.81** (**paragraph 4.61**).
- 2.8 Approves the Local Council Tax Support scheme which remains unchanged for 2024/25 (**paragraph 4.64**).
- 2.9 Notes the Collection Fund and the Tax Base forecasts (**paragraphs 4.60, 4.63 and 4.33**).
- 2.10 Notes the financial projections in the Medium-Term Financial Plan (MTFP) for 2025/26 to 2027/28 (**Table 4 and paragraph 4.68**).
- 2.11 Approves the estimates of reserves including maintaining the General Working Balance at **£1.5m** (**paragraphs 4.70 - 4.72**).
- 2.12 Notes the budget risks and sensitivity analysis (**Appendix D**) and the Chief Finance Officer's assurances (**paragraphs 4.73 – 4.88**).
- 2.13 Notes that Cabinet (or the Joint Cabinet and Employment and General Committee) has still to make final decisions on the budget savings proposals described in **paragraph 4.55** of the report.

3.0 Reasons for recommendations

- 3.1 For the Council to meet the statutory requirements relating to setting the General Fund revenue budget and the level of Council Tax for 2024/25.

4.0 Report Details

Background

- 4.1 Like all local authorities, Chesterfield Borough 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, the cost-of-living crisis and a sustained period of exceptionally high inflation, have all impacted on the Council's financial position.
- 4.2 In response to these challenges, the Council has already made significant savings over many years and taken steps to manage demand and deliver services in the most economic, efficient, and effective way. It is against this context that the Council must now develop its approach to balancing the

2024/25 budget and to achieving the same over the period of the MTFP. This report covers the General Fund revenue budget, which is one part of a suite of budget reports which together make up the MTFP.

- 4.3 The financial impact of Covid-19 and the cost-of-living crisis on Council services has been and continues to be significant, resulting in new cost pressures and reductions in income, particularly in areas such as car parking, markets and town centre retail units. Income remains significantly below pre-pandemic levels and may never fully recover.
- 4.4 These challenges are exacerbated by the uncertainty of future financial settlements for local government and how available funding will be shared. Local authorities continue to be provided with one-year financial settlements, which provide little financial certainty and security.
- 4.5 Longer-term reform of local government funding has been delayed until the next Parliament and a structural solution is needed to meet the many statutory duties and demands placed on local authorities.

Budget Strategy and Budget Implementation Plan

- 4.6 The Council's Budget Strategy was approved by Council on 19 July 2023. This report set out the assumptions which underpinned the General Fund revenue element of the MTFP at that time, the priority work that needed to be undertaken to establish new and emerging service pressures, and a strategic framework for delivering the savings that would be needed to achieve a balanced budget for 2024/25 and over the medium-term
- 4.7 The Budget Strategy report set out the need to drive out savings of at least **£2.5m** at pace, within a framework that was prudent, responsible, and sustainable, and optimised to secure savings in the short- and medium-term to reduce and remove reliance on reserves, stabilising the Council's financial position and establishing affordability of Council services.
- 4.8 The Budget Strategy Implementation Plan was presented to Cabinet on 14 November 2023. This report set out a detailed approach to addressing the budget gap following extensive work with the Council's Corporate Leadership Team (CLT) and Cabinet Portfolio Holders, drawing on the thematic interventions set out in the Budget Strategy. These interrelated interventions were designed to support the development of proposals that would enable a balanced budget to be achieved whilst also providing information to enable the Council to reconsider how best to continue to deliver the priorities and outcomes in the Council Plan within the available resources. The thematic interventions were:
 - Identifying General Efficiencies
 - Increasing Income and Establishing Stronger Commercial Operating Principles

- Transforming how we Deliver Services
 - Reducing Service Offers / Stop Doing – Statutory and Non-Statutory Services
 - Rightsizing the Organisation
- 4.9 The report set out revised budget gaps for 2024/25 to 2027/28 based on updated assumptions. Given the considerable size of the budget gaps all Council services, corporate and front line, were asked to develop savings proposals in relation to each of the 5 thematic interventions set out within the Council’s Budget Strategy. The resulting implementation plan was split into 2 stages. Cabinet approved **£539k** of stage 1 savings proposals, which were predominately operational decisions which had no or minor impact on service delivery.
- 4.10 The Stage 2 savings proposals however required further development, including where appropriate engagement or consultation with service users, stakeholders, staff, and trade unions. Officers were therefore tasked with progressing the development of the proposals through to decision-making, in line with the Council’s constitution, including carrying out specific engagement and consultation activities as required to support decision making. These proposals were expected to deliver potential savings of between **£1.690m** and **£2.460m**, although at this point, it was not possible to accurately quantify the level of savings that were to be delivered until the reviews had been completed.
- 4.11 Although the report provided an update on certain budget assumptions, some elements were still uncertain, and the report did not include the outcomes of the Provisional or Final Local Government Finance Settlement, which have now been announced.

Policy & Financial Planning Framework

- 4.12 The aims of the Budget Strategy and Budget Strategy Implementation Plan were to find deliverable cost reductions and additional income to set a balanced budget for 2024/25, and one that continued to support delivery of the new Council Plan. The Council Plan defines the Council’s key priorities, objectives, and commitments over the four-year period 2023/24 to 2026/27. The Council Plan is aimed at providing focus, setting out priorities that will require a collective corporate effort during the period and draws upon our extensive ‘State of the Borough’ evidence base and communications, consultation, and engagement activities. The Council Plan identifies the key commitments and places increased focus on achieving real outcomes to deliver our vision of ‘putting our communities first.’ The strategic principles embedded within the MTFP, aim to establish a framework for aligning the revenue and capital spending proposals with the Council’s priorities.

2023/24 Forecast Outturn

- 4.13 The Council approved the General Fund Revenue Budget for 2023/24 on 22 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. This was to enable the Council to take a more strategic approach to reviewing priorities and managing the budget gaps over the medium term.
- 4.14 In the months since the Medium-Term Financial Plan (MTFP) was approved, the national fiscal and economic situation changed dramatically and a number of in-year spending pressures emerged particularly in relation to unprecedented and unpredicted inflationary pressures around contracts and pay (leading to increased costs of service delivery), increased demand for our services and a challenging employment market leading to recruitment and retention issues.
- 4.15 The rate of Consumer Price Inflation (CPI) at the start of 2023 was 10.5% (end of December 2022) and at that point was forecast by the Bank of England to gradually fall to 5.2% by the end of 2023. As at the end of December 2023 inflation had actually fallen below this estimate to 4%, showing that the rate at which prices are increasing has slowed, however, the impact continues to drive upward pressure across a range of expenditure budgets. The current rate of inflation is still 2% above the Bank of England inflation target of 2%.
- 4.16 The Local Government Employers pay offer, which was made in February 2023 and accepted late 2023, set out an increase for 'Green Book' employees of £1,925 for 2023/24. This equates to a circa 5.6% increase in the 2023/24 pay budget. The 2023/24 base budget included provision for a 4% pay award. The additional 1.6% required has therefore created an in-year pressure in excess of **£300k**.
- 4.17 The period 5 forecast was reported to Cabinet on 14 November 2023 and presented an adverse position of **£334k** (excluding the impact of the Pay award) on the Council's net revenue budget of £12.5m. This was based on activity to the end of August together with projected future trends in income and expenditures. The report reconfirmed the Council's commitment to delivering services within the approved budget with the Corporate Leadership Team (CLT) working collectively with budget managers to agree clear, robust and immediate management action plans to address the adverse forecast.
- 4.18 At the end of Period 8 the forecast deficit for 2023/24 has reduced to **£282k** and now includes the impact of the afore mentioned pay award.
- 4.19 Despite the improved position the forecast adverse position is still a concern. The Council will continue to monitor the financial position carefully over the next month to identify areas where spending can be contained, and income maximised to ensure projected departmental expenditures are managed, as a

minimum, within approved budgets. The expectation is that any surplus at the end of the financial year will be used to supplement the Budget Risk Reserve.

Settlement Funding

- 4.20 The provisional Local Government Funding Settlement for 2024/25 was published on 18 December and confirmed a number of announcements made in the 2023/24 settlement and 2023 Autumn Statement on government spending priorities. The 2024/25 provisional settlement proposed an overall increase in Core Spending Power (CSP), a notional estimate of the funding available to Local Authorities, of 6.5%.
- 4.21 In January, the Government announced an additional £600m funding for local authorities, including £500m for those with social care responsibilities. The final Local Government Funding Settlement published on 5 February 2024 confirmed this figure with total CSP for local authorities set at £64,706m. This is an increase in cash terms of 7.5% compared to 2023/24.
- 4.22 CSP is the Government calculation used to illustrate the overall impact of local authority funding and comprises the Settlement Funding Assessment (which combines income generated under the Business Rates Retention scheme and Revenue Support Grant), Council Tax, and Specific Grants.
- 4.23 It is important to note that the national increase of 7.5% is based on a number of assumptions regarding the tax base for Business Rates and Council Tax and assumes all authorities will increase Council Tax by the maximum permitted without holding a referendum. For 2024/25 this is an increase of 2.99% for Council Tax plus an additional 2% in Social Care Precept for top tier authorities. It is also important to note that Chesterfield's overall core spending power, for 2024/25, represents an assumed annual increase of 5.5% which is lower than the national average increase of 7.5%.
- 4.24 The announcement reflected a net increase of **c£2.0m** in settlement funding over and above that assumed in the budget assumptions in the February 2023 General Fund Revenue Budget report to full Council. The following paragraphs set out the allocations of government funding for 2024/25 and the assumptions we have had to make for future financial years in the absence of further information.
- 4.25 Revenue Support Grant (RSG) - Authorities currently continue to receive RSG from the Government in addition to their retained Business Rates. The current MTFP assumed £554k in 2024/25 and £458k from 2025/26 onwards. This assumption was based on the best information available at the time. The settlement has confirmed that Chesterfield will receive **£707k** in 2024/25, however this has increased primarily due to the rolling in of specific grants (£165k - Council Tax Administration Grant). The total increase in RSG within the MTFP is **£153k**. It is assumed that this level will continue in 2025/26 uplifted by inflation i.e. £737k in 2025/26.

- 4.26 Funding Guarantee – This grant was first introduced in 2023/24 and is designed to ensure that authorities receive at least a 3% increase in CSP. £59.7k had been included within the original budget estimates for 2024/25. The Government increased the rate to 4% following the provisional settlement for 2024/25. The figure for Chesterfield has increased by **£631k** to **£691k** for 2024/25 to largely compensate the Council for the reduction in New Homes Bonus (see below), and a figure of **£455k** has been assumed for 2025/26.
- 4.27 Service Grant -This was a new one-off grant for 2022/23. The original MTFP £136k of the Service Grant in 2024/25. The confirmed allocation is **£24k** in 2024/25. No further Service Grant has been assumed within the MTFP beyond 2024/25.
- 4.28 New Homes Bonus (NHB) – The scheme was first introduced in 2011/12 to help address the national housing shortage. The scheme was designed to reward those authorities that increased their housing stock either through new build or by bringing empty properties back into use. At the time, the 2023/24 settlement was published the Government committed to consulting on a review of the NHB scheme and as such, the MTFP assumed no NHB past 2023/24. No consultation has taken place. The Settlement confirmed the allocation of **£24k** in 2024/25, which is lower than assumed in November 2024. No NHB has been assumed in future years of the MTFP.
- 4.29 Council Tax Referendum Threshold - The Settlement has confirmed the referendum levels for 2024/25. District Councils are permitted to increase their share of the Council Tax by the greater of up to 3% or £5 without triggering the need to hold a referendum. It is important to note that the Government assumes in the CSP calculation that councils will increase Council Tax to the maximum allowed level. If the Council, therefore, does not implement at the maximum level, then its spending power would be reduced going forward with no funding from Government to mitigate this.

Business Rates

- 4.30 The estimate of business rates income for 2024/25 has been calculated as part of the NNDR1 on 31 January 2024. This has included the 2023 Business Rates revaluation which was implemented in April 2023. This has seen every non-domestic property receive a revised revaluation. This will impact on both the baseline funding and the tariff. Under the retained Business Rates system any authority whose Business Rates income is more than their initial 'baseline' funding level, as is the case for Chesterfield, will pay the balance in the form of a tariff to the Government and this is used to fund other local authorities where their Business Rates are disproportionately low. The final estimate of business rates income, after the tariff payment to the Government, is **£6.751m** (includes compensation) for 2024/25. The Business Rates multiplier has been frozen for the third consecutive year. Local Authorities are provided

with grant which compensates for the reduction in Business Rates income that can be collected.

- 4.31 The business rates baseline was due to be reset in 2022/23, however this has been delayed until at least 2025/26. The current business rates system allows councils to retain a proportion of the growth in the local business rates tax base, however this will be lost during any baseline resetting exercise. The proposed reset represents a significant funding risk to the Council and hinders its ability to plan over the Medium Term. To help mitigate against these losses we have assumed no further growth in business rates income after the financial year 2024/25.
- 4.32 Chesterfield is a member of the Derbyshire Business Rates Pool and the MTFP assumes a return from the pool of **£350k** for 2024/25 and **£400k** for 2025/26.
- 4.33 Each financial year we are required to calculate the surplus/deficit on the business rates element of the Collection Fund, which is a deficit of £387k for 2023/24. The Council's share is **£155k** in 2023/24 and this has been included in the MTFP for 2024/25.
- 4.34 Markham Vale Enterprise Zone - Annual business rates generated from the Enterprise Zone can be retained by the Council for a period of 25 years after the formation of the Zone. The Council has resolved to prioritise investment in: key projects delivery, economic growth activities, and skills activities; and that the funding should be particularly targeted at unlocking and accelerating key developments and sites and delivering better outcomes for local communities.

Fair Funding Review

- 4.35 A General Election is due to take place no later than 28 January 2025 and as a consequence Local Government Finance reform, originally due to be implemented from April 2020, has been pushed back until at least April 2025. However, due to the time required for the reforms to be consulted on and implemented by a new Government, it is more likely that the reforms will be delayed until April 2026. This could result in the Council receiving a reduced level of funding from Government in the medium to long-term. The impact of this will remain unknown until further information is provided. This means that funding levels over the medium term continue to remain speculative beyond the next financial year.

Budget 2024/25 and Updated Medium Term Plans

- 4.36 The Budget Strategy Implementation Plan was presented to Cabinet on 14 November 2023 and based on the best available information at that time, set out budget gaps (before savings) of **£4.066m** in 2024/25 rising to **£5.941m** in 2025/26.

- 4.37 Since the Budget Strategy Implementation Report was published, work has been ongoing in reviewing service pressures and updating the budget assumptions to be included within the medium-term financial plan. In addition, the impacts of the Final Local Government Financial Settlement and other announcements have also been assessed and reflected in our plans. This section provides details of the assumptions used in the construction of the MTFP.
- 4.38 **Non-Pay Inflation.** As at the end of December 2023 inflation had actually fallen to 4% and whilst the rate at which prices are increasing has slowed down, the impact continues to drive upward pressure across a range of expenditure budgets. The current rate of inflation is still 2% above the Bank of England inflation target of 2%.
- 4.39 Whilst inflation rates are falling, the impact of the higher rates in 2023 will continue into 2024/25 and beyond. Many of the Council's contracts attract inflationary uplifts for the coming financial year based on inflation in the preceding September and October. The MTFP assumed no general price inflation within the estimates other than pay and annual inflationary increases to contractual commitments particularly in relation to the indexation of the refuse and recycling contracts which are based on a cost-plus CPI indexation for the prevailing rate of CPI in March and is applied from May. We are also seeing significant increases in our ICT software licence agreements which are also linked to CPI.
- 4.40 Due to the high levels of uncertainty and volatility the MTFP recommended that **£550k** be set aside in a central contingency for inflationary increases in 2023/24 with an additional **£100k** in 2024/25 to accommodate further increases, to be allocated to services in-year once the estimates became more certain. These have now been quantified and **£929k** has been included within the base estimates for 2024/25 and the **£650k** contingency has therefore been removed. The net impact of the inflationary pressure is **£279k**.
- 4.41 **Utility Costs** - The Council has previously benefited from low prices for utilities. However, these contracts expired in March 2023 and the retendering of these contracts has cost significantly more than the current budget provision. A report was presented to Cabinet in December 2022, setting out the procurement process and delegations required to secure best value for the Council. A sum of **£976k** was built into the MTFP to cover this increase. The Council is due to enter into a new contract for the supply of energy on 1 April 2024 and the costs are expected to be lower than that of our existing contract, due to the fall in wholesale energy prices. The energy budgets for 2024/25 have been reduced by **£250k** to take account of this reduction.
- 4.42 **Pay inflation** - The 2023/24 base budget included a 4% assumption for pay inflation. However, at the end of February 2023, after the Council had set its

budget, the Local Government Employers made an offer which significantly exceeded this. Local government trade unions have now accepted this offer of a flat rate of **£1,925** per annum increase for the majority of council employees under 'green book' conditions. This results in an average 5.6% pay increase for council staff, with the percentage increase being greater for lower paid employees. This will result in an additional **£450k** cost pressure in the 2024/25 base budget.

4.43 The MTFP for 2024/25 currently assumes a pay increase of 2% for all years. This level of provision is likely to be insufficient due to the concerns that inflation may reduce slower than originally forecast. To mitigate this risk the forecast for pay inflation has been increased to 3%, which, together with other pay related costs, has resulted in an additional forecast pressure of **£348k** in the 2024/25 base budget.

4.44 **Bad Debt Provision** – A review of the Council's outstanding debt has been undertaken to establish the adequacy of the provision. The current provision is £269k and this has been increased by **£50k** as part of the budget assumptions.

Service Pressures

4.45 The budget assumptions have been reviewed and updated to take account of known changes, new and emerging service pressures, and inflationary increases. These have been included based on the latest forecasts, however there are risks that these may in time materialise differently to that assumed. An assessment of the 2023/24 in year budget has also necessitated the inclusion of pressures to reflect shortfalls of income and the need for additional funding to meet demand and inflationary increases.

4.46 The first draft of the budget (which was part of the November 2023 report on the Budget Strategy Implementation Plan) identified new emerging cost and income pressures of **£2.137m** in 2024/25 rising to **£2.340m** by 2027/28. There has been a net increase in pressures of **£70k** in 2024/25 and a net reduction of **£20k** in future years, since the November report and these are summarised within Table 1 with further details set out below.

Pressure Type	MTFP Impact			
	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Demand - reduced income	600	710	790	890
Demand – cost pressures	581	445	294	298
New Requirements	530	546	547	548
Other	496	437	384	584

Total Net Service Pressures	2,207	2,138	2,015	2,320
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- 4.47 Demand - reduced income – A budget pressure is included in the revenue budget for 2024/25 to reflect the income shortfalls that we are seeing particularly in relation to the Pavements shopping centre and other town centre commercial and retail property (**£490k**) due to increased void rates which has impacted on rental, service charge and business rates income. There is also a further anticipated budget reduction in car parking income (**£110k**) which is over and above the £400k pressure included in the 2023/24 base budget. Income from all car parks is lower than expected due to the longer than expected recovery of the economy post pandemic and the ongoing economic impact on town centre footfall.
- 4.48 Demand - cost pressures – These relate mainly to the homelessness service (**£100k**) which is under significant pressure from the increased use of bed and breakfast temporary accommodation, increased costs in relation to private sector housing enforcement activity (**£40k**) and additional resources required within the revenues and benefits service (**£194k**) due to Government delays in implementing universal credit migration and (**£100k**) in relation to Housing Benefits Subsidy. Additional pressures are also emerging within the ICT service (**£128k**) relating to data storage and cloud infrastructure costs.
- 4.49 New Requirements – These relate primarily to new and enhanced software requirements within the ICT service (**£500k**) particularly in relation to elections mobile functionality, egress secure data transfer, Salesforce and MuleSoft applications. An assumption has been made that **£334k** of ICT costs are transformational in nature i.e., they will either generate further savings or future cost avoidance and therefore meet the criteria for the use of capital receipts flexibility.
- 4.50 Other Pressures – These include additional financing costs, primarily due to increases in interest rates, particularly on short term variable rate loans, partially offset by the increased income from our investments (**£250k**). There are increased cost of External Audit (**£90k**) following the procurement of audit services through the national scheme. There has also been a realignment of cultural services budgets (**£156k**) due to the closure of the Pomegranate Theatre in June 2023 in preparation for the Stephenson Memorial Hall restoration project.

Savings and Efficiency Proposals

- 4.51 Given the considerable size of the budget gaps all Council services, corporate and front line, were asked to develop savings proposals in relation to each of the 5 thematic interventions set out within the Council’s Budget Strategy.

- 4.52 **£539k** of new stage 1 savings proposals were built into the draft MTFP. These are largely officer operational decisions or decisions delegated to Cabinet members. These are proposals that will have little or no impact on service delivery and limited policy implications if at all. They are as a direct result of in year budget reviews, the appropriate charging out of service costs to grant funding or bespoke reserves, services' behaving more commercially or implementation of limited-service transformation measures. Some of these proposals are one off and, as such, will fall out in future financial years. The ongoing impact of these savings proposals is £269k in 2027/28. Details of the individual proposals are set out in **Appendix A**.
- 4.53 The Stage 2 savings proposals however required further development. Following on from the approval of the Budget Strategy Implementation Plan in November, officers have progressed the development of these proposals through to appropriate decision-making, in line with the Council's constitution, including carrying out specific engagement and consultation activities as required to support decision making. A total of **£1.614m** of savings proposals in 2024/25 have been subject to separate reports that have been approved by Cabinet (or Joint Cabinet and Employment and General Committee) over the last few months.
- 4.54 A further **£607k** of Stage 2 savings proposals are referenced in the following bullet points. As will be evidenced, as officers have worked through these savings proposals it has been shown that most can be achieved through operational decisions with little or no impact on service delivery, however, there are a number of savings proposals where Cabinet will need to make a decision, and these are highlighted for ease of reference. Cabinet are therefore invited to consider and approve the savings proposals for immediate implementation, to enable their incorporation into the budget estimates for 2024/25 and the MTFP.
- **Achieving cost neutral provision of outdoor sports and leisure activities; bowls, football pitches, cricket festival, other subsidised activities.** Environmental Services has and will continue to work across all of these areas to deliver the forecast savings set out in the November 2023 Budget Strategy Implementation Plan report.

Currently, positive engagement work has taken place with clubs using bowls greens and as a result of this work the service will deliver on the identified savings for 2024/25, with a further assessment planned for late Spring / early Summer in relation to whether the full level of forecast savings can be achieved in future financial years.

Work regarding savings and efficiencies relating to the provision of grassed football pitches across the Borough is underway. Engagement has already taken place with the Derbyshire Football Association and further engagement is planned with the Football Foundation regarding funding options and opportunities that might be available to the Council to support

this specific proposal and deliver the required savings for 2024/25. This work will progress over the coming months recognising that any new arrangements for funding the provision of grassed football pitches will need to be in place for the start of the new football season.

The service is confident that it is able to cover the costs of other subsidised outdoor sports and leisure activities through the application of grant funding, and as a result will achieve the forecast savings associated with these activities.

- **Move towards a cashless council approach** – Cash volumes are continuing to reduce as the Council transitions to taking card payments in its venues, and it is expected that savings of at least £36k can be delivered from 2025/26.
- **Transform the delivery of the Community Safety functions across the Council to deliver improved outcomes** – Over the last couple of years, and in particular following the approval of the new corporate Anti-Social Behaviour Strategy, noticeable improvements have been made in reducing anti-social behaviour in communities and dealing with environmental health complaints. This has been accomplished through community safety, housing management and private sector housing working more effectively together and has resulted in the immediate achievement of a £60k annual saving to the General Fund as it has not proven necessary to recruit to a long-term vacancy within the council's establishment. More significant changes to other working arrangements between community safety and housing management are also being developed, however, it is recognised that any further savings that arise as a result of any service re-shapes would fall to the Housing Revenue Account (HRA).
- **Refocus Your Chesterfield as a digital newsletter** – Removal of hard copies of the newsletter. It is expected that the forecast savings will be achieved from the reduction in printing and postage costs.
- **Visit Peak District and Derbyshire (VPDD)** – Recent consultations with relevant stakeholders and Visit Peak District and Derbyshire (VPDD) have identified a national and regional changing picture with regards to the establishment of Local Visitor Economy Partnerships (LVEPs), which with the imminent establishment of the East Midlands County Combined Authority (EMCCA) could provide a useful vehicle to support the Council with delivery of its visitor economy strategy. This has led to an amended savings proposal that removes the permanent annual revenue contribution that the Council makes to support VPDD and replaces it with one-off funding of £10.5k for 2024/25 only. This approach provides the Council with an additional 12 months to fully understand the implications and value of the emerging LVEPs. However, **Cabinet is asked to approve the allocation of £10.5k from the Markham Vale Business Rates**

Retention Reserve to enable the full saving relating to this proposal to be realised in 2024/25.

- **Reduce grounds maintenance of highway verges to Highway Authority requirement and review and reduce operational costs of managing and maintaining parks and open spaces - grounds maintenance, public toilet provision, evening park closures.** The Council's Voluntary Redundancy / Voluntary Early Retirement (VR/VER) scheme has resulted in several Environmental Services employees expressing interest in taking advantage of the scheme. Alongside consideration of whether or not to recruit to a number of existing vacancies within the Service's establishment, the need to respond to the VR / VER request has provided the opportunity for a fundamental review of the range of work undertaken by Environmental Services, the planning and programming of this work and task allocation.

Through this programme of review, it has been identified that the forecast savings of £162k per annum could be achieved through the removal of five full time equivalent posts within the service.

The impact of this reduction in staff numbers would mean that the maintenance carried out to the borough's highway verges would reduce to align with the amount of funding that Derbyshire County Council currently provide to the Council to deliver this service. Other impacts, however, would be managed through better aligning service delivery across the borough to service need, and whilst response times to particular issues may be less timely than at present, the service is confident that all current street cleaning and grounds maintenance activities will continue to be resourced and prioritised to appropriate levels and in line with the council's health and safety and statutory responsibilities.

There are no changes currently planned to public toilets provision within the borough's parks and open spaces, however, these services will be part of an ongoing review programme given the discretionary nature of their provision.

Due to the risks relating to anti-social behaviour, no changes to the current arrangements for the out of hours locking of parks and open spaces are proposed at this time. However, these arrangements will also form part of the afore mentioned ongoing review programmes.

The removal of the five posts will be achieved through either VR / VER or the deletion of vacant posts or a combination of the two.

- **Proposal – review and reduce costs of parks-based community events and activities – Stand Road Fireworks display, East Midlands in Bloom competition, other parks activities.** Environmental Services are responsible for the delivery of the Stand Road

Fireworks display. This responsibility is significant and presents a major draw on staff time to enable the event to take place safely. In addition, the inevitable restoration work that is needed within Stand Road Park post the event also falls upon Environmental Services.

Given the planned reduction in the Service's staffing establishment, the increasing costs associated with delivery of the event (£25,000) and the conflict and compatibility issues relating to climate change and animal welfare, it is proposed to cease delivery of the annual Stand Road Fireworks display with immediate effect. **Cabinet is therefore asked to consider and make a decision on the proposal.**

The Council has taken part in East Midlands in Bloom for over a decade, with last year the Borough winning the title of Best Small City in both 2022 and 2023. Taking part is a major undertaking for the Council both in terms of direct costs associated with the event and significant indirect costs in the deployment of staff to deliver the standards of street cleanliness and grounds maintenance required ahead of the annual judging process. This responsibility is significant and again presents a major draw on staff time within Environmental Services.

It is therefore recommended to Cabinet that the Council's participation in the annual East Midlands in Bloom Awards ceases with immediate effect. However, it is proposed that staff continue to work with the long established In Bloom Committee of volunteers to see whether there are any activities that could be sustained at a Chesterfield level.

The Council also carries out a range of discretionary activities in its parks and open space. It is proposed that these will continue to be provided, however, only where it is possible for the costs of doing so to be covered by grant funding. In this regard, the Council already has a good track record in securing small grants to enable activity programmes to take place in our parks and open spaces. This would then allow for the removal of the annual revenue funding that the Council allocates for this purpose.

- **Removal of vacant posts and savings from voluntary redundancy and voluntary early retirement.** A voluntary redundancy and voluntary early retirement scheme was launched in 2023. This scheme has helped the council to reduce its workforce by approximately 30 FTE on a voluntary basis, removing the need for compulsory redundancies at this time. The scheme has supported the delivery of many of the savings proposals set out in this report and outside of these savings, further savings of £200k have been realised.

4.55 In addition, there are 4 savings proposals with a value of **£186k** which are still subject to consultation, engagement and further approval. These proposals are summarised in the following bullet points:

- **Reshaping HR and Payroll Service to drive out efficiencies** – Review of service to include the use of Support Services to provide administrative support. This proposal is subject to further engagement and approval.
- **Implementation of an appointments system for Customer Services at the Town Hall** – Proposal to move to deliver face to face customer services via an appointment-based system rather than the existing drop in system. This proposal is subject to further engagement and approval.
- **Phasing out Voluntary Sector Advice Agency Grants** – The Council currently provides four community and voluntary sector organisations with core grant funding of £217.7k (64% (£139k) from the General Fund and 36% for the Housing Revenue Account). This proposal is subject to a 12-week consultation period. A report will be presented for Cabinet consideration and decision on 19 March 2024.
- **Review and reduce costs of Chesterfield town centre events programme – outdoor markets and specific events, Christmas lights switch on.** The MTFP assumes that the annual estimated savings associated with this proposal will be achieved, however, the proposal will be the subject of a future report to Cabinet.

4.56 The savings associated with the proposals described in the preceding paragraph have been included within the overall budget for now, however, should these proposals not be approved then a contribution from the Budget Risk Reserve will be required to cover the value of the savings. Alternative savings proposals would also then be required to be put forward, during 2024/25, to replenish the reserve. The inclusion of these savings proposals in the budget report does not constitute approval or pre-empt a decision.

4.57 **Terms and Conditions of Employment.** In addition to the voluntary redundancy and voluntary early retirement scheme, the Council is currently engaged in negotiations with recognised Trade Unions to implement a series of temporary and permanent changes to terms and conditions of employment which will result in revenue savings of approximately **£100k**. The negotiations are expected to be concluded during the first half of 2024/25. With any key decision reserved for future consideration and approval by Joint Cabinet and Employment and General Committee.

4.58 **Net additional income for the One Waterside Place development –** There is a net additional saving of **£33k** from this development. Increased rental income of £250k has been offset by the costs of financing the development.

4.59 In total, **£2,407m** of Stage 2 savings have been achieved for 2024/25, with the ongoing impact set to rise to **£2,791m** in 2027/28; though as already

referenced some of these are still subject to appropriate consultation and decision making. The full list of savings are detailed in Table 2 below.

Table 2: Stage 2 Savings Proposals				
Detail	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000
Reshape HR and payroll service to drive out efficiencies	10	10	10	10
Subtotal: Efficiency and Alternative Funding Theme	10	10	10	10
Increasing Fees and Charges in line with the updated Fees and Charges Policy				
• Car Parking	234	234	234	234
• Leisure Centres	348	348	348	348
• Trade Waste	37	37	37	37
Achieving a cost neutral provision for outdoor sports and leisure activities				
• Bowling Greens	20	40	40	40
• Football Pitches	40	80	80	80
• Cricket Festival	0	12	12	12
Review of Cultural Community and Commercial Spaces				
• Hasland Village Hall	17	17	30	30
• Assembly Rooms	4	57	57	57
• Revolution House	5	9	9	9
Introduction for charging for the collection of Garden Waste	373	442	442	442
Review of resident's town centre Car Parking Scheme	126	126	126	126
Review of Sports Centre operations to achieve a cost neutral budget position	180	180	180	180
Review of Winding Wheel operations to achieve a cost neutral budget position	172	172	172	172
Subtotal: Increase Income / Commercial Theme	1,556	1,754	1,767	1,767
Implementation of an appointment system for customer services at the town hall	18	18	18	18
Move towards a cashless council approach	0	36	36	36
Transform the Visitor Information Service - digital deliver	38	38	66	66
Transform the delivery of the CCTV operations using improved technology	80	80	80	80
Transform the delivery of the Community Safety functions across the Council to improve outcomes	60	60	60	60
Subtotal: Transform Service Delivery Theme	196	232	260	260
Phasing out Voluntary Sector Advice Agency grants - full saving is £217.7k by year 2027/28. £36k of the savings in 2024/25 are within the Housing Revenue Account	58	78	137	137
Refocus Your Chesterfield as a digital newsletter	27	27	27	27

Review of Coach Station provision	0	30	30	30
Withdrawal of funding from Marketing Derbyshire and Peak District Partnership (year 1 funding from UKSPF)	14	14	14	14
Review and reduce the costs of Chesterfield town centre events programme including outdoor markets and specific events / Christmas lights switch on (year 1 funding from UKSPF)	100	100	100	100
Reduce grounds maintenance of highway verges to Highway Authority requirement and review and reduce operational costs of managing and maintaining parks and open spaces - grounds maintenance, public toilet provision, evening park closures	162	162	162	162
Review and reduce costs of park-based community events and activities including Stand Road fireworks display/ East Midlands in Bloom/ other park activities	84	84	84	84
Subtotal: Reduce Service/ Stop doing	445	495	554	554
Removal of vacant posts/ Voluntary Redundancy/ Voluntary Early Retirement	200	200	200	200
Subtotal: Rightsizing the Organisation	200	200	200	200
Total Stage 2 Savings	2,407	2,691	2,791	2,791

Council Tax & Collection Fund

4.60 The overall Council Tax base for 2024/25 has been calculated and set at **30,443.17**, an increase of just over 0.7% from 2023/24. The Tax Base provides an estimate of how much each £1 of Council Tax would raise and is expressed in terms of an equivalent number of Band 'D' dwellings in the borough. A meeting of the Council's Employment and General Committee has been arranged for members to consider and approve the Tax Base set out in Table 3. The MTFP also assumes a collection rate of 98.25%.

Area	2023/24	2024/25	Increase	
			No.	%
Chesterfield (whole area)	30,222.43	30,443.17	220.74	0.7
Staveley Town Council	4,434.99	4,500.49	65.50	1.5

Brimington Parish Council	2,508.11	2,525.03	16.92	0.7
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- 4.61 To help maintain and protect current levels of service provision the MTFP assumes a Council Tax increase of 2.99% in 2024/25, in line with the referendum limit set by the Government. The Band D Council Tax would increase by **£5.54** - from £185.27 to **£190.81** in 2024/25 and would have the following impact on local taxpayers:
- For a Band 'A' property (more than half the properties in the Borough), the increase is equivalent to an extra **£3.69** per annum or 7.10 pence per week.
 - For a Band 'D' property, the increase is equivalent to an extra **£5.54** per annum or **10.7** pence per week.
- 4.62 A 2.99% increase together with the increase in tax base will contribute an additional **£72k** per annum, over and above that which had been assumed in our original MTFP assumptions, to be invested in local service provision. The Council's share of the overall Council Tax bill is approximately 10%.
- 4.63 Collection Fund Balance – The estimated year-end balance is a deficit of £100k, this deficit is shared amongst the major precepting authorities; the Borough's share is **£10k** (10%).
- 4.64 Local Council Tax Support Scheme - Since 2013/14, the Council has operated a local scheme which requires property occupiers of working age to pay at least the first 8.5% of the Council Tax liability for their property. The 'taper,' i.e., the rate at which support is withdrawn as income increases, is set at 20%. Those of pensionable age continue to receive up to 100% support. The scheme is to remain unchanged for 2024/25. The Council will continue to work with householders and local advice agencies to ensure that those experiencing difficulties paying their Council Tax bills receive appropriate advice and support.

Balancing the budget

- 4.65 Table 4 sets out the final budget position, showing the movements (increases and decreases) from the original estimates within the MTFP approved in February 2023.

Table 4: Updated budget				
Gap	2024/2 5 £000	2025/2 5 £000	2026/2 7 £000	2027/2 8 £000
Existing MTFP gaps @ Feb 2023	2,535	3,403	3,403	3,803
<u>Pressures</u>				

Pay award – impact of 2023/24 and 3% in 2023/24	798	798	798	798
Increase in Bad Debt Provision	50	50	50	50
Utilities (gas and electricity)	(250)	(150)		
Inflation	279	540	610	685
Service Pressures / other	2,207	2,138	2,015	2,320
Flexible use of capital receipts to fund ICT costs	(334)	0	0	0
Gaps after cost pressures	5,285	6,779	6,876	7,656
<u>Updated funding assumptions</u>				
Revenue support Grant	(153)	(279)	0	0
Less Grants rolled in	165	165		
New Homes Bonus	(24)	0	0	0
Service Grant/ Funding Guarantee	(519)	(445)	0	0
Business Rates/ S31Grants/ contribution	(1,504)	(503)	(200)	(200)
Additional Pooling	(50)	(100)	0	0
Collection Fund deficits (Council Tax and NNDR)	165	0	0	0
Council Tax assuming 2.99% increase	(72)	(72)	(72)	(72)
Gaps after cost pressures and funding	3,293	5,545	6,604	7,384
<u>Balancing the budget</u>				
Stage 1 Savings	(539)	(529)	(269)	(269)
Stage 2 Saving	(2,407)	(2,691)	(2,791)	(2,791)
Terms and Conditions saving	(100)	(100)	(100)	(100)
Net additional income One Waterside Place	(33)	(33)	(33)	(33)
Use of the Budget Risk Reserve	(214)	0	0	0
Budget Gaps	0	2,192	3,411	4,191

- 4.66 **The use of Reserves to balance 2024/25** - The Council has established a Budget Risk Reserve, as a supplement to the General Fund Working Balance, to provide a further contingency for unforeseen items. It is recommended that **£214k** of the budget risk reserve be used to smooth the gap in 2024/25.
- 4.67 Whilst there is no legal requirement to set a balanced MTFP, this is considered good practice. However, the introduction of the expected fair funding reforms, which are expected to consider how Government funding is best redistributed to areas of need, still do not have a confirmed implementation date. The impact of this will remain unknown until further information is provided. This means that how much funding the Council can expect to receive from Government over the medium term continues to remain speculative beyond the financial year 2024/25.
- 4.68 Given the size and scale of the financial challenge set out in **table 2**, it is acknowledged that the Council will not be in a position to set a balanced MTFP over the 4-year period. Instead, the Council has focused to date on the delivery of ongoing, sustainable savings in the current financial year and in

2024/25 that will go some way to addressing the gaps in future financial years.

- 4.69 The 2025/26 budget process will, therefore, require an early focus to allow maximum time for the development and delivery of further budget savings. There are likely to be more difficult decisions for the Council to make in the coming financial year.

Reserves balances

- 4.70** Reserves are an important part of the Council’s financial strategy and are held to create long-term financial stability. They enable the Council to manage change and are a key element of its financial standing and resilience. The Council’s key sources of funding face an uncertain future and the Council therefore holds earmarked reserves and a working balance to mitigate future financial risks. The Council’s Reserves Policy is set out in **Appendix F**.

- 4.71 General Fund Working Balance – The General Fund working balance has been set at **£1.5m** and has been informed by the detailed risk assessment undertaken as part of the annual budget-setting process. The on-going financial risks set out in this report suggest it imprudent to consider reducing this amount. The Council has also previously established a Budget Risk Reserve, as a supplement to the General Fund Balance, to provide a further contingency for unforeseen items. The Budget Risk Reserves is classified as an earmarked reserve and its balance (**£1.3m**) is included within table 5 below. Details of the updated assessment of financial risks and uncertainties is provided in **Appendix D**.

- 4.72 Earmarked Reserves - In addition to the General Working Balance the Council maintains several other reserves. Earmarked reserves, by their very nature, are set aside and committed for specific purposes, such as property repairs and vehicle & plant replacements. Table 5 below shows a summary of projected balances on these reserves at 31 March 2024. The summary of useable reserves excludes the General Working Balance of £1.5m, S106 and Community Infrastructure Levy sums. Further details on individual reserves are provided in **Appendix G**.

Table 5: Updated reserves	
Type	Estimated Balance @ 31 March 2024 £000
Insurance Reserves	706
Reserves held to mitigate risk	3,331
Corporate initiatives	240
Service Specific	3,285
Asset Maintenance and Vehicle Replacement	1,643
Revenue reserves held for Capital	149

Other minor balances	137
Total Reserves	9,491

Financial Stability and Resilience – Robustness of estimates and adequacy of reserves

- 4.73 The Local Government Act 2003 (section 25) requires the Chief Financial Officer (CFO) to report on the robustness of estimates and the adequacy of financial reserves when the statutory calculations to determine the Council Tax are reported. The CFO is the officer responsible for administration of the Council's financial affairs for the purposes of Section 151 of the Local Government Act 1972.
- 4.74 Robustness of estimates - The Medium-Term Financial Plan forms the overarching framework within which the Council's financial planning and management activity takes place. The annual budget is an integral part of the rolling multi-year MTFP. This approach enables it to support delivery of the Council's priorities and services as detailed within the Council Plan.
- 4.75 The assessment of the robustness of the budget estimates focuses on the likelihood that actual spending and income may vary from the 2024/25 budget, the long-term financial sustainability of the Council, the impact on reserves of the current budget strategy and the subsequent impact on the financial health of the organisation.
- 4.76 The Council has well established and robust budget processes. These have been followed when compiling the 2024/25 budget and medium-term projections. A prudent approach has been taken to the estimates and assumptions used in the preparation of the budgets. The focus was to deliver a balanced 2024/25 budget in line with legal requirements rather than to deliver a medium-term financial plan in the face of so much uncertainty. Following a period of intensive financial work, the Council is able to present a balanced budget for 2024/25.
- 4.77 However, the Council is subject to significant market uncertainties that make the estimation of costs and income difficult. CPI inflation remains high, and the labour market is particularly difficult, with many areas of the Council finding staff recruitment and retention difficult, leading to the need to take on interim staff to maintain service delivery. Furthermore, adverse economic conditions are leading to an increase in service demands. As a result of these challenges the estimates contained within the budgets are less robust than would normally be expected.
- 4.78 In addition, the outlook for local government funding remains uncertain. This is the sixth year that a single year financial settlement has been announced. This hinders financial planning and makes it more difficult for

the Council to achieve financial sustainability. Fundamental changes to the distribution of funding have been delayed and implementation of any such changes are not now expected until 2026/27. The assumption in relation to future funding reflects a prudent view and could be more negative than the eventual outcome.

- 4.79 In constructing the budget estimates, priority has been given to funding existing and emerging service pressures. These have been subject to vigorous review, scrutiny and challenge by budget holders, Corporate Leadership Team and members.
- 4.80 The scale of savings to be achieved by the Council over the coming financial years is considerable.
- 4.81 The savings proposals have also been subject to robust challenge and the MTFP assumes that they will be delivered in full. In this regard, savings delivery plans have been introduced as part of the 2023/24 MTFP process. These delivery plans are to give the Council and the S151 Officer the necessary assurance that the savings included within the budget estimates are robust, credible and deliverable. The Corporate Leadership Team will assume accountability for achieving the commitments set out in the delivery plans. Future savings proposals will require, in all likelihood, fundamental changes in the way that the council operates, and services are delivered.
- 4.82 Subject to the risks and uncertainties highlighted elsewhere in this report and in **Appendix D**, the CFO is satisfied that the estimates are based on the best available information and that procedures are in place to ensure the estimates are accurate and reliable. Budget responsibility is devolved to budget managers supported by finance colleagues. A robust approach to risk management minimises the inherent risks and uncertainties in the forecasting process.
- 4.83 The Council recognises the importance of individual and collective accountability and requires managers to actively manage and monitor their budgets throughout the financial year and to undertake any required corrective action at the earliest opportunity.
- 4.84 Levels of reserves - details of the Council's reserves are provided in **sections 4.70 – 4.72** above. The assessment of reserves is important in the context of the sustained cuts in funding, the level of risk and depletion of reserves. It is important to acknowledge that reserves are 'one off' funds and are therefore suitable for funding 'one off' or unexpected costs. The use of reserves to fund ongoing expenditure or a failure to achieve budgeted savings is never advised, except in emergencies and/or to enable transition to new ways of working. Whilst the use of reserves to date has been deemed to be affordable, they are now at a level whereby any significant further use would leave the Council exposed to risk and unable to manage potential risks. During the budget setting process for 2025/26 it is advised

that efforts be made to identify additional sums to replenish and supplement the reserves as part of the Council's overall Budget Strategy.

- 4.85 The General Fund minimum working balance is being maintained at **£1.5m** to recognise the financial risks the Council currently faces. The updated Budget Risk and Sensitivity Analysis in **Appendix D** also supports the General Fund minimum working balance being maintained at this level.
- 4.86 Housing Revenue Account Reserves – The HRA budget is set out in a separate report to this Cabinet. The HRA working balance is a statutory reserve that should hold sufficient revenue funds to meet unexpected, unplanned expenditure and / or shortfalls in income. The level of the working balance has been reviewed based on a thorough assessment of budget risks and uncertainties and whilst it is sufficient for 2024/25, this position has only been achieved by the removal of Direct Revenue Financing, as this is no longer deemed affordable, and the pausing of voluntary debt repayment for a second year. The 2024/25 budget currently shows a gap of £729k and, whilst the forecast deficits over the MTFP reduce year on year, it is 2028/29 before there is no reliance on the use of the HRA working balance to deliver a balanced budget.
- 4.87 Given the size and scale of the challenges the CFO advises that a fundamental review of the HRA Medium Term Financial Plan and 30-year Business Plan be undertaken during 2024, to review the assumptions informing their construct, the finances needed to maintain the council's housing stock at least to the minimum Decent Homes Standard and achieve compliance with new regulatory standards, and identify the savings and efficiencies that will need to be made over the medium term to maintain a balanced, risk-adjusted and financially resilient Housing Revenue Account.
- 4.88 The CFO considers the budget estimates for the financial year 2024/25 to be robust and the financial reserves, up to 31 March 2025, to be adequate. However, it should be noted that the position in future financial years will depend on the Council's success in delivering planned budget savings and its ability to replenish and apply surpluses to maintain and bolster the levels of both earmarked and unearmarked reserves. Given the financial challenges, and the size and scale of future budget gaps, the CFO advises that the 2025/26 budget process will require an early focus to allow maximum time for the development and delivery of future budget savings. This should include creating headroom within the budget for replenishing reserves as part of the Council's overall Budget Strategy.
- 4.89 Whilst legislation requires that the CFO comments on the robustness of estimates and the adequacy of reserves, good practice requires consideration of two further matters.
- The Chartered Institute of Public Finance and Accountancy (CIPFA) has developed a **Financial Resilience Index** which is a comparative

analytical tool to support good financial management. The index illustrates a range of measures associated with financial risk including levels of reserves as a proportion of the Council's overall budget.

- CIPFA has also produced a **Financial Management Code** to support good financial management and demonstrate a local authority's financial sustainability, giving assurance that an authority is managing its resources effectively. Compliance with this Code will help strengthen the framework that surrounds the Council's financial decision making.

The Code is based on a set of principles supported by specific standards and statements which are considered necessary to help councils manage their finances in the short and medium term and demonstrate financial resilience to meet unforeseen demands on services and unexpected challenges in their financial circumstances.

The Council will continue to assess its compliance against the Index and the Code. The CFO will also be undertaking rigorous training for elected members and officers on the implications and actions needed to meet the requirements of the code as part of a programme to enhance financial management skills and accountabilities across the organisation.

Flexible Use of Capital Receipts Strategy

- 4.90 As part of the Provisional Local Government Settlement, the Government announced in December 2023 that there would be a continuation of the capital receipts flexibility programme until March 2030 to give local authorities the continued freedom to use capital receipts from the sale of their own assets (excluding Right to Buy receipts) to help fund the revenue costs of transformation projects and release savings.
- 4.91 The Guidance on the Flexible Use of Capital Receipts allows set-up and implementation costs to be counted as qualifying costs, however the ongoing revenue costs of new processes or arrangements cannot be included. The Council is not obliged to fund transformation projects from capital receipts, however, on the adoption of this strategy, will have the option to do so.
- 4.92 The Council intends to utilise **£1.141m** of capital receipts flexibility in 2023/24 and **£1.334m** in 2024/25. Full details can be found in the Flexible Use of Capital Receipts Strategy Revised 2023/24 and 2024/25 attached at **Appendix C**.

Consultation, Budget Conversation and Engagement

- 4.93 The Council committed to engage with residents and stakeholders on an ongoing basis when approving its Budget Strategy Implementation Plan. This has taken the form of a 'budget conversation' from 17 November to 15

December 2023. Respondents were asked to take part in a short survey and answer a series of broad questions about where and how they think council budgets should be spent. The invitation to take part in the Budget Conversation was shared via social media and on the council's website. Paper copies were also available at key locations (Visitor Information Centre, Town Hall, Queens Park Sports Centre, Staveley Healthy Living Centre and Brimington Parish Council Office).

- 4.94 Information gathered during the budget conversation, including comments and individual submissions, have been used to inform proposals and key decision considerations including equality and climate change impact assessments. The outcomes of the Budget Conversation are set out in **Appendix E**.
- 4.95 There have also been focussed pieces of consultation and engagement on specific savings proposals with relevant stakeholder audiences in parallel with the budget conversation process.
- 4.96 The consultation meeting with the business ratepayers' representatives took place on 5 February 2024. Issues discussed included current business rates relief schemes, planned changes to the business rates system, the Council's budget forecasts and the Council's options with regards increasing Council Tax in the coming financial year.

Other Local Council Taxes

- 4.97 Details of the Council Taxes for each major preceptor and by each tax band will be shown in **Appendix I** (to follow).

Calculation of Expenditure

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

5 Alternative options

- 5.1 There are other options in terms of increasing Council Tax by a lesser amount, but this would put pressure on already stretched Council resources. The Council is facing a number of future risks and uncertainties, and these are set out in the body of the report and within **Appendix D**. This is the sixth one-year settlement for councils and continues to hamper the ability to undertake effective financial planning and ensure financial sustainability.
- 5.2 A 2.99% Council Tax increase, together with the tax base adjustments, will contribute an additional **£72k** per annum, over and above that already assumed within our estimates, to be invested in local service provision. Chesterfield is a relatively low tax-base council with most properties in band

A and B. Any increase in Council Tax will raise less additional revenues than higher tax-base authorities.

- 5.3 It is important to note that the Government assumes in the Core Spending Power calculation that councils will increase Council Tax at the maximum allowed level. If the Council, therefore, does not implement at the maximum level, then its spending power would be reduced going forward with no funding from Government to mitigate this.

6 Implications for consideration – Financial and value for money

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

7.0 Implications for consideration – Legal

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

8.0 Implications for consideration – Human resources

- 8.1 There are no human resource implications to consider in this report.

9.0 Implications for consideration – Council Plan

- 9.1 In preparing the budget estimates for the coming financial year and updating the MTFP, detailed consideration has been given to the need for the Council's finances to be at levels appropriate to enable the Council to deliver in full on the priorities and objectives that it has set out within the Council Plan for the period 2023 to 2027.

- 9.2 The preparation of sustainable and balanced budgets over the medium term is also a key activity in contributing to delivery of the third Council Plan priority 'building a resilient council.'

10.0 Implications for consideration – Climate Change

- 10.1 Climate Change has been a key consideration during the development of the Medium-Term Financial Plan. Climate Change Impact Assessments are

undertaken for specific spending options and activities and form a key part of informed decision making. The Medium-Term Financial Plan makes a significant positive climate change commitment with the mainstream funding package to enable the staffing resource and project funds required to support the Climate Change Strategy and delivery of the council's Climate Change Action Plan and 2030/2050 targets.

11.0 Implications for consideration – Equality and diversity

- 11.1 Equality and diversity has been a key consideration during the development of the Medium-Term Financial Plan. Equality and Diversity Impact Assessments are undertaken for specific spending options and activities and form a key part of informed decision making.

12.0 Implications for consideration – Risk management

- 12.1 There are a number of significant risks inherent in any budget forecasting exercise and these risks increase as the period covered increases. The most significant budget risks have already been referenced. A more detailed budget risks and sensitivity analysis is included at **Appendix B**.

Decision information

Key decision number	
Wards affected	

Document information

Report author	Contact number/email
Theresa Channell Karen Ludditt	Theresa.channell@chesterfield.gov.uk 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	Stage 1 Savings
Appendix B	General Fund Summary - marked to follow
Appendix C	Flexible use of Capital Receipts Strategy
Appendix D	Budget Risks & Sensitivity Analysis - marked to follow
Appendix E	Budget Conversation Report
Appendix F	Reserves Policy
Appendix G	Reserves
Appendix H	Section 32 Statement – marked to follow

Appendix I	Council Taxes – marked to follow
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Stage 1 Savings Proposals

Appendix A

Thematic intervention	Directorate	Proposal	MTFP IMPACT			
			2024/25 £	2025/26 £	2026/27 £	2027/28 £
Efficiency/ alternative funding	Digital, HR and Customer Services	Streamline reception services following customer services move to town hall	9,735	9,735	9,735	9,735
Efficiency/ alternative funding	Digital, HR and Customer Services	Reduce caretaking requirements at town hall	10,595	10,595	10,595	10,595
Efficiency/ alternative funding	Economic Growth	Reduce contribution to local plan reserve	3,000	3,000	3,000	3,000
Efficiency/ alternative funding	Economic Growth	Fund economic development service costs from ring-fenced business rates for two years	267,280	267,280	0	0
Efficiency/ alternative funding	Leisure, Culture and Community Wellbeing	Review of recycling contract operations	100,000	100,000	100,000	100,000
Efficiency/ alternative funding	Leisure, Culture and Community Wellbeing	Minor changes to street cleansing operational arrangements	3,000	3,000	3,000	3,000
Efficiency/ alternative funding	Leisure, Culture and Community wellbeing	Reduce operational resources for car parking cash collection arrangements	29,000	29,000	29,000	29,000

Efficiency/ alternative funding	Leisure, Culture and Community wellbeing	Reshape of markets service delivery linked to changes in operational requirements	30,000	30,000	30,000	30,000
Efficiency/ alternative funding: sub-total			452,610	452,610	185,330	185,330
Increase income/ behave commercially	Economic Growth	Enterprise centres – review commercial operating position <ul style="list-style-type: none"> • Minor cost reductions • Review charges to tenants • Use UKSPF efficiently 	22,000	2,000	2,000	2,000
Increase income/ behave commercially	Economic Growth	Introduce charges for plans for footpath diversions and highway diversion orders	1,000	1,000	1,000	1,000
Increase income/ behave commercially	Leisure, Culture and Community wellbeing	Leasing out vacant floor space in Healthy Living Centre	48,000	48,000	48,000	48,000
Increase income/ behave commercially	Leisure, Culture and Community wellbeing	Winding wheel – review charges to commercially run operations	15,000	15,000	15,000	15,000
Increase income/ behave commercially:			86,000	66,000	66,000	66,000
Transform service delivery	Digital, HR and Customer Services	Implement robotics process automation to reduce administrative burdens	0	10,787	17,811	17,811
Transform service delivery: Sub-total			0	10,787	17,811	17,811
Stage 1 savings Total			538,610	529,397	269,141	269,141

Appendix C

Flexible Use of Capital Receipts Strategy Revised 2023/24 and 2024/25

In the Spending Review 2015, the Chancellor of the Exchequer announced that to support local authorities to deliver more efficient and sustainable services, the government will allow local authorities to spend up to 100% of their capital receipts on the revenue costs of transformation projects. Initially this flexibility on the use of capital receipts was limited to those receipts received between 1 April 2016 and 31 March 2019, however there have subsequently been a number of extensions to this scheme.

As part of the Provisional Local Government Finance Settlement 2024/25 it was announced that the Government has extended the flexibility to use capital receipts to March 2030. It has also committed to engage with the sector to explore additional capital flexibility options to enable invest-to-save and transformation initiatives.

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

Historic use of Capital Receipts Flexibility 2016/17 to 2022/23

The Council first published a Flexible Use of Capital Receipts Strategy in 2019/20 as part of the Annual Budget and Medium-Term Financial Plan report.

Since the strategy was first approved the Council has applied £892k of capital receipts flexibility to part fund the ICT Improvement Programme, which was approved by Council in April 2018. Savings to date on the ICT improvement programme are circa £1.4m and it is expected that savings to the end of the ICT transformation programme will total £4.4m.

Future use of Capital Receipts Flexibility

The Council will use the powers under the Government’s Statutory Guidance on the flexible use of capital receipts, to fund up to **£2.5m** qualifying transformation expenditure on the projects summarised in Table 1 below. In some cases, there is a direct link between a project and the realisable financial benefit. In others, the project contributes to enabling the savings.

Table 1: Qualifying Expenditure to be funded by Capital Receipts				
Project	Description	Planned Use of Receipts		Expected Savings
		2023/24	2024/25	



ICT Transformation	Cloud based software costs associated with the ongoing ICT Transformation programme.	£333k	£334k	£4.4m over the life of the transformation programme
Voluntary Redundancy/ Voluntary Early Retirement Scheme	Redundancy costs associated with the VR/VER scheme.	£688k	£1m	Ongoing savings of circa £530k per annum have been identified as being directly or indirectly attributable to confirmed VR/VER requests. Further savings are expected and will be quantified as part of any future VR/VER applications.
Business Transformation Team	Costs associated with the Business Transformation Team – enabling Council wide transformational savings	£120k	£0	Project dependant – for 23/24 savings will include those realised as a result of the Relocation of the Customer Service Centre. £80k per annum in year 1 rising to £132k per annum post asset release.

Eligible Capital Receipts

Table 2 below sets out the level of capital receipts available to utilise in respect of capital receipts flexibility. It should be noted that the flexibility excludes Right-To-Buy capital receipts. It should also be noted that it is Council policy that capital receipts are not relied upon to fund any expenditure until they are realised. Consequently, the planned use of the flexibility shown in Table 1 does not exceed the value of eligible receipts currently realised and available.

Table 2: Eligible Capital Receipts	
Details	2023/24 £'000
General Fund capital receipts b/f	(2,540)
Add: Capital receipts received in year	(1,883)
Less: Capital Receipts committed for 2023/24 Capital Programme	284
Less: Capital receipts committed for future years Capital Programme	1,217
Available Receipts	2,922

Impact of Strategy on Prudential Indicators

The guidance requires that the impact on the council's Prudential Indicators should be considered when preparing a Flexible Use of Capital Receipts Strategy. These capital receipts have not been factored into the council's Capital Financing Requirement (CFR) by way of either reducing debt or financing capital expenditure.

Capital receipts which are allocated to fund the council's capital programme will not be subsequently used to fund qualifying expenditure. Therefore, there will be no change to the council's Prudential Indicators that are contained in the Treasury Management Strategy Statement which will be presented to Full Council in February 2024 for approval.

In using the flexibility, the council will have due regard to the Guidance on Flexible Use of Capital Receipts issued by the Secretary of State under section 15(1)(a) of the Act, the requirements of the Prudential Code, the CIPFA Local Authority Accounting Code of Practice and the current edition of the Treasury Management in Public Services Code of Practice.

Governance

It is a condition that local authorities applying this direction must send details of their planned use of the flexibility to the Secretary of State for each financial year in which the direction is used. This should be sent as soon as is practicable after the council has determined and approved its strategy for the use of the direction but must be sent before the flexibility is used.

Where local authorities update their plans during the financial year, an updated plan reflecting the changes must be sent to the Secretary of State. This requirement can be

met by providing to the Secretary of State a copy of the authority's own planning documents.

By submitting the information set out to the Secretary of State the council will have met the condition; there is no further requirement to receive explicit consent in order to use the flexibility as set out in this direction. It is expected that the council will evidence compliance in full of this condition to their external auditors as necessary.

The strategy will be presented with the budget annually to Full Council for approval.

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KEY BUDGET RISKS & SENSITIVITY ANALYSIS 2024/25

Description	Budget Risk	Risk Assessment			Containment Actions		
		Probability	Impact	Value £000'S	What	Who	When
2023/24 overspend	Expenditure not contained within approved budgets	Medium	Medium	200	Enhanced forecasting processes in place for 2023/24. Mitigations already in place / forensic review of budgets undertaken / review vacant posts/ review non-essential spending.	Accountability with Budget Holders and Service Directors	Monthly
Income from Fees and Charges	Levels set in the budget not achieved/ cost of living crisis impact	Medium	Medium	100	The Council has established a new Fees and Charges Policy - which sets out recovery of costs. Fees and charges are reviewed annually as part of the Councils budget process and a detailed report presented to Cabinet to review and approve. Levels have been reviewed over the past two-years and income budgets have been reduced to a realistic and achievable base. Service costs are reviewed annually and decisions based on this assessment. Decisions on any services where full cost recovery is not proposed must be in line with policy and referred to Cabinet for approval.	Service Managers	Monthly
Parking Income	Income is lower than budgeted as a result of lower demand or customer behaviour change.	Medium	Medium	200	Budget pressures have reduced income base to a level that is both realistic and achievable and based on the latest activity and financial data, with known changes factored in where appropriate. Monthly budget monitoring in place and reporting to CLT monthly and to Cabinet each quarter.	Accountability with Budget Holders and Service Directors	Monthly
Planning Income	Failure to achieve income targets due to reduced demand. Budget includes savings targets which were set in 2023/24.	High	Medium	300	Budgets set based on latest activity. Difficult to influence demand for services. Monthly monitoring and reporting to CLT.	Accountability with Budget Holders and Service Directors	Monthly
Industrial and Commercial. Property portfolio	Industrial & commercial/ Vicar Lane/ Pavements. Reduced rent income during economic downturn and due to disposals to generate capital receipts	Medium	High	250	Assumptions adjusted within the MTFP to bring income targets to an achievable level. Horizon scanning and discussions with existing tenants. Monitor voids/ business cases. Flexible Payments for existing customers. Planned Disposal Programme. Asset Management Plan updated. Corporate Property Board meeting monthly.	Head of Corporate Property/ Technical Services	Monthly

Careline service	Withdrawal of DCC funding. Service delivery based on cost neutral impact to GF. Service will need to have sufficient take up to cover costs by 1 April 2024.	High	High	500	Report set out risks and recommendation to establish a risk reserve £300k. Careline steering group established. Robust monitoring in place with a review by 1 April. Swift action to be taken if numbers fail to materialise.	Service Director Housing	On-going
Budget assumptions do not cover inflationary impact	Contract inflation not captured within budgets	Medium	Low	300	Inflation for pay set at 3% for 2024/25. Contractual inflation built within budgets for 2024/25. Pressures process built into the MTFP.	Accountability with Budget Holders and Service Directors	Monthly
Additional cost pressures as a result of cost-of-living crisis	Further demand for services e.g. homelessness	Medium	High	150	Maintain adequate working balance and effective risk management and monitoring. Enhanced monitoring reporting to CLT.	Accountability with Budget Holders and Service Directors	On-going
Non achievement of saving	Failure to achieve savings built into the MTFP	Medium	Low	300	Implementation plans for savings. Monitor progress against targets early in 2024/25. Enhanced forecasting introduced in 2023/24 and reported to CLT monthly.	Accountability with Budget Holders and Service Directors	On-going
Benefits - high spend £23.3m with complicated grant scheme.	Increase in expenditure with less than 100% subsidy. Failure to comply with Regulations/ recovery of overpayments.	Medium	High	200	The Council provides extensive training to staff who are responsible for the processing of HB claims to ensure they have the appropriate technical knowledge and skills. The Council has an assurance process for reviewing claims and changes in circumstances to identify errors and correct these.	Benefits Service Manager	Quarterly
Property Maintenance - 10-year maintenance programme	Condition Survey in progress. Potential additional requirements	High	Medium	1,000	Asset Management Strategy and Plan will inform outcome and actions need to address. Stock condition survey pilot in 2023/24 to roll out during 2024/25. Funding requirement from Capital Receipts is a risk.	Executive Director	On-going
Reduced recovery rates/ Provision for Bad Debts	Recovery of all debts including Council Tax and Business Rates	Medium	High	250	Regular monitoring level of debtors and collection rates. Further provision included within the MTFP.	Finance	On-going
VAT - 5% exempt limit exceeded	Limit exceeded £250k unrecoverable plus excess amount.	Low	High	400	In year monitoring and forecasting	Head of Finance	Monthly

Treasury Management	The Council relies on internal borrowing and some loans on variable rates. Higher borrowing associated with higher interest rates.	Medium	High	400	MTFP includes extra pressure for Treasury Management costs. Treasury Management reserve to be set up as part of the Outturn process.	CFO	Monthly
MMI	'Clawback' beyond provision	Low	High	100	Clawback rate currently 25%. Provision established and in line with Insurance Fund review completed.	CFO	On-going
Changes in government funding / fair funding review	Reduced funding from Government	High	High	tba	MTFP is based on the latest funding announcements. Advice from Pixel Consulting. Funding conformed for 2024/25. Will impact on future years but mitigated somewhat as budget assumes low levels of funding from government going forward. There will be transitional arrangements in place	CFO	Awaiting consultation from Government
Potential Business Rates Reset	Impact on Growth above baseline	High	High	700	Will remain a risk for future years. Business Rates Reserve established to mitigate impact in future years	CFO	Awaiting consultation from Government
Business Rates Pool	Potential changes in pooling arrangement / Declining business rates growth £300k exposure 50%	Medium	low	200	Business Rates Risk reserve set up to mitigate risk / Transitional arrangements likely.	CFO	Quarterly

General Fund Revenue Budget	Total exposure			5,550
	Allowance %	Prob	Total £000	Allow £000
Risk allowance	70%	High	2,500	1,750
	40%	Med	2,550	1,020
	25%	Low	500	125
Risk allowance			5,550	2,895

Risk allowance can be covered by the General Fund Balance £1.5m / the Budget Risk Reserve/ Business Rates Reserve

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Budget Conversation Report 2023

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1. Summary

Questionnaire format: Web/Paper
Responses: 154 (122 web, 32 paper)
Date range: 17 November 2023 to 15 December 2023

2. Introduction

Respondents were asked to take part in a short survey and answer a series of broad questions about where and how they think CBC budgets should be spent.

Before taking part in the survey, respondents were asked to read through the background information included on the [CBC Budget Conversation webpage](#) and in the [Budget Conversation brochure](#).

The invitation to take part in the Budget Conversation was shared via social media and on the council's website. Paper copies were also available at key locations (Visitor Information Centre, Town Hall, Queens Park Sports Centre, Healthy Living Centre and Brimington Parish Council Office).

Information gathered during the budget conversation including comments and individual submissions are being used over the coming weeks to inform proposals and key decision considerations including equality and climate change impact assessments.

3. Questionnaire results

Which of the following best describes you?

Respondents could select all that applied to them.

Which of the following best describes you?		
	Number	Percentage
I am a resident of Chesterfield Borough	125	83.9%
I work in Chesterfield Borough but live in another area	5	3.4%
I am a visitor of Chesterfield Borough	8	5.4%
I work for Chesterfield Borough Council	9	6.0%
I represent a business in Chesterfield Borough	2	1.3%
I represent a community organisation in Chesterfield Borough	12	8.1%
Other	4	2.7%

Budget theme 1 – Identifying efficiencies or alternative funding.

Guidance notes within the survey:

This theme is about the council identifying ways to reduce costs that won't have a big impact on the services that we provide. The council has already done a lot of work within this theme, but you might have additional ideas about how we could do this.

Examples could include removing roles at the council that haven't been filled or needed for a long time, streamlining our processes and the way we work internally, reducing how much we spend on items and services we buy and revisiting our arrangements for buying them (procurement), minimising waste, and making the best use of external funding and grants.

Are there any specific services or processes that you think could be provided more efficiently?

90 responses were received, covering a wide range of subject areas. Some covered one subject area, others covered multiple. The most common themes for this question were:

1. Comments relating to CBC staffing issues including structures (18)
2. Suggestions around enabling the digitalisation and transformation of services (17)
3. Suggestions relating to alternative delivery models for services including trusts and shared services (12)
4. Suggestions around improving asset (mainly buildings) management, rationalisation or maximisation (10)
5. Comments and suggestions regarding housing issues (7)

Budget theme 2 – Increasing income and behaving commercially.

Guidance notes within the survey:

The costs of delivering services are increasing due to a period of exceptionally high inflation which means the cost of buying goods, services and contracts has risen.

The cost-of-living crisis and the long-term impact of Covid-19 mean that the council's income is much lower as people have less disposable income to pay for services that the council provides.

Many of these discretionary services are provided at a cost to the council. This means that the income produced by people using the services does not cover the cost of delivering them.

Under this theme, the council would like to look at opportunities to ensure that wherever possible the costs of service delivery are recovered, and that there is no cross-subsidy from other service areas.

Examples could include reviewing the charges for services such as car parking and leisure centre services, looking at the way we operate our cultural spaces and reviewing the charges and how some of our community buildings are used e.g. Hasland Village Hall, Assembly Rooms and Revolution House. We also plan to review the level of funding currently provided to a range of external organisations, including Community and Voluntary Groups and the subsidies applied to the running of outdoor sports and leisure activities, such as bowling greens and football pitches.

How strongly do you agree or disagree that the council should increase income and behave more commercially to help reduce the council’s budget gap? This might mean customers paying more in order to keep a service.

How strongly do you agree or disagree that the council should increase income and behave more commercially to help reduce the council’s budget gap?					
Base (142)	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Total respondents	21	43	25	27	26
Percentage	14.8%	30.3%	17.6%	19.0%	18.3%
Chart (total positive/total negative)					

Are there any specific services that you think the council could provide more commercially or charge more for?

91 responses were received, covering a wide range of subject areas. Some covered one subject area, others covered multiple. The most common themes for this question were:

1. Reducing subsidies or concessions for service users, applying the true cost of services or introducing donations (17)
2. Reducing service fees and charges to increase user numbers (15)
3. Increasing the waste and recycling service offer or charging for some existing provisions (10)
4. Asset management, rationalisation or maximisation (mainly buildings) (9)
5. Suggestions around Parking provisions (9)

Do you anticipate any issues with the council taking this approach (increasing income and behaving more commercially)? Please briefly explain what they are.

91 responses were received, covering a wide range of subject areas. Some covered one subject area, others covered multiple. The most common themes for this question were:

1. Concerns about a reduction in usage (32)
2. Concerns about health and wellbeing of residents and equalities issues (22)
3. Complaints from residents and organisations (10)

4. Governance or oversight concerns (10)
5. Impact on CBC staff (6)

Budget theme 3 – Transforming service delivery.


Guidance notes within the survey:

This theme is all about the way the council works and delivers its services. Delivering our services in a modern way will include taking advantage of digital ways of working and taking forward the learning and opportunities that have arisen through the period of the covid pandemic and over the past 18 months.

This will involve considering the way we engage with customers, helping people find the services they need as efficiently as possible, and ensuring services are designed in a way that improves outcomes and minimises costs. This also might include looking to deliver services together with partners.

Examples could include encouraging customers to engage with the council digitally, rather than face to face, and moving away from payments by cash and cheques. One of the areas we would like to explore under this theme is the way tourist information services are delivered.

We are already taking steps under this theme as part of our continuous improvement, but please indicate how strongly you agree or disagree that we should move more quickly in order to modernise the council's services?

How strongly do you agree or disagree that we should move more quickly in order to modernise the council's services?					
Base (139)	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Total respondents	24	49	23	20	23
Percentage	17.3%	35.3%	16.5%	14.4%	16.5%
Chart (total positive/total negative)					

Are there any specific services that you think the council could transform and deliver differently?

82 responses were received, covering a wide range of subject areas. Some covered one subject area, others covered multiple. The most common themes for this question were:

1. Suggestions around enabling the digitalisation and transformation of services (32)
2. Concerns about digital exclusion (17)
3. Comments and suggestions regarding the visitor information centre and visitor services (14)
4. Comments and suggestions regarding housing issues (8)
5. Suggestions relating to alternative delivery models for services including trusts and shared services (6)

Do you anticipate any issues with the council taking this approach (transforming service delivery)? Please briefly explain what they are.

94 responses were received, covering a wide range of subject areas. Some covered one subject area, others covered multiple. The most common themes for this question were:

1. Concerns about digital exclusion (45)
2. Concerns about health and wellbeing of residents and equalities issues (13)
3. Concerns about a reduction in usage (10)
4. Impact on CBC staff (9)
5. Complaints from residents or organisations (5)

Budget theme 4 – Reducing services offer / stop doing.

Guidance notes within the survey:

This will be the theme where the hardest decisions will have to be made, as it may mean that the council cannot continue to meet its existing priorities, objectives and commitments. It will involve considering the levels at which we deliver discretionary council services, and whether there are alternative ways of delivering our statutory services.

This will include considering the level of service provided, the costs of running the service, and alternative options, including looking at examples from other councils.

Examples could include reviewing the council’s events programme to make sure events are effectively supporting the town centre and parks while providing value for money. We also plan to look at the way we run and maintain our parks and open spaces, the provision of public toilets, and the grant support that we provide to voluntary sector advice agencies.

How strongly do you agree or disagree that we should reduce or stop providing some services in order to reduce the council’s budget gap?

How strongly do you agree or disagree that we should reduce or stop providing some services in order to reduce the council’s budget gap?					
Base (138)	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Total respondents	13	32	31	30	32
Percentage	9.4%	23.2%	22.5%	21.7%	23.2%
Chart (total positive/total negative)					

Are there any specific services that you think the council could reduce or stop doing?

81 responses were received, covering a wide range of subject areas. Some covered one subject area, others covered multiple. These have been themed. The most common themes for this question were:

1. Events programme overall / specific events (19)
2. Environmental services including street scene, grass cutting, planting schemes (8)
3. Suggestions relating to alternative delivery models for services including trusts and shared services (7)
4. Outdoor leisure including parks and open spaces, play areas (7)
5. Reducing subsidies or concessions for service users, applying the true cost of services or introducing donations (6)

Do you anticipate any issues with the council taking this approach (reducing services offer / stop doing)? Please briefly explain what they are.

79 responses were received, covering a wide range of subject areas. Some covered one subject area, others covered multiple. The most common themes for this question were:

1. Concerns about health and wellbeing of residents and equalities issues (23)
2. Concerns about a reduction in usage (13)
3. Complaints from residents and organisations (13)
4. Concerns about impact on community and voluntary sector organisations (10)
5. Concerns that proposals could increase spend in longer term (9)

Budget theme 5 – Rightsizing the organisation.

Guidance notes within the survey:

Employee pay is one of the biggest costs to the council. The process of identifying efficiencies in the way we deliver services through all of the above themes will have an impact on how many staff the council needs, and the way we work. As an employer we value our staff greatly and, working with our trade unions, we're committed to protecting jobs and services as far as we can over the coming years. Doing all we can to avoid compulsory redundancies is central to this commitment.

We have already taken steps under this theme, by looking at vacant posts to see if any can be removed and updating our Voluntary Early Retirement and Voluntary Redundancy procedures. We have also launched a new scheme that has been offered to all employees so what we can understand who may be interested in leaving the Council on voluntary terms. This also provides the opportunity to consider whether savings proposals relating to other budget themes e.g., stopping a service, might be more readily achieved by releasing employees through the Voluntary Early Retirement and Voluntary Redundancy scheme.

If we are not able to make enough savings through activities under the other four themes, then the council may need to look at changing staff terms and conditions, and then potentially compulsory redundancies in order to protect customer services.

How strongly do you agree or disagree with the council rightsizing the organisation to reduce our budget gap?

How strongly do you agree or disagree with the council rightsizing the organisation to reduce our budget gap?					
Base (142)	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Total respondents	28	44	29	25	16

Percentage	19.7%	31.0%	20.4%	17.6%	11.3%
Chart (total positive/total negative)					

Do you anticipate any issues with the council taking this approach (rightsizing the organisation)? Please briefly explain what they are.

92 responses were received, covering a wide range of subject areas. Some covered one subject area, others covered multiple. The most common themes for this question were:

1. Concerns about impact on quality of services (29)
2. Supportive of rightsizing the organisation (12)
3. Concerns about wellbeing of CBC staff (12)
4. Suggestions around reducing/ changing CBC management roles (10)
5. Suggestions around enabling the digitalisation and transformation of services (9)

Budget theme 6 – Asset Rationalisation and Effective Asset Management

Guidance notes within the survey:

The council owns and operates a number of buildings and land. Under this theme, we will need to consider rationalising (reviewing and reducing where appropriate) the assets we own and operate in order to raise capital funds and reduce the costs of running our buildings. This would involve selling off some property, to ensure that we can effectively maintain those which we keep.

How strongly do you agree or disagree with the council rationalising our assets to reduce the budget gap?

How strongly do you agree or disagree with the council rationalising our assets to reduce the budget gap?					
Base (144)	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Total respondents	35	51	27	16	15
Percentage	24.3%	35.4%	18.8%	11.1%	10.4%
Chart (total positive/total negative)					

Do you anticipate any issues with the council taking this approach? Please briefly explain what they are.

75 responses were received, covering a wide range of subject areas. Some covered one subject area, others covered multiple. The most common themes for this question were:

1. Generally supportive of asset management and rationalisation (21)
2. Concerns about short term gains V loss of future opportunities (20)
3. Suggestions around advice needed and concerns about legal issues (13)
4. Governance issues (7)
5. Complaints from residents and organisations (5)

Summary and overview

Overall, are there any services that you feel should be protected from reductions in budget? Please tell us what services these are.

113 responses were received, covering a wide range of subject areas. Some covered one subject area, others covered multiple. The most common themes for this question were:

1. Comments relating to Derbyshire County Council or other public service providers (28)
2. Visitor information centre (23)
3. Waste and recycling services (17)
4. Housing (14)
5. Leisure Centres (12)

Where would you choose to target spend reductions?

98 responses were received, covering a wide range of subject areas. Some covered one subject area, others covered multiple. The most common themes for this question were:

1. Suggestions around reducing / changing CBC staffing arrangements (29)
2. Asset management, rationalisation maximisation (mainly buildings) (15)
3. Suggestions around enabling the digitalisation and transformation of services (12)
4. Suggestions around reducing elected member, civic or mayoral costs (9)
5. Suggestions and comments around regeneration schemes (8)

Do you think we have missed out any important themes? If so, please tell us what they are:

56 responses were received, covering a wide range of subject areas. Some covered one subject area, others covered multiple. The most common themes for this question were:

1. General comment regarding the Council or budget - no specific suggestions (17)
2. Concerns about impact on Town Centre (10)
3. Issues that are outside of local authority control such business rates level (7)
4. Suggestions and comments around parking issues (5)
5. Suggestions and comments around regeneration schemes regeneration schemes (4)

4. Equality monitoring

What is your sex?

	Male	Female	Prefer not to say
Number	59	50	2
Percentage	53.2%	45.0%	1.8%

How old are you?

	Under 16	16-18	18-24	25-34	35-44	45-54	55-64	65-74	Over 75	Prefer not to say
Number	0	0	1	10	11	20	22	31	15	3
Percentage	0.0%	0.0%	0.9%	8.8%	9.7%	17.7%	19.5%	27.4%	13.3%	2.7%

Is the gender you identify with the same as your sex registered at birth?

	No	Yes	Prefer not to say
Number	0	77	5
Percentage	0.0%	93.9%	6.1%

Do you consider yourself to have a disability?

	No	Yes - mobility	Yes - hearing	Yes - vision	Yes - learning	Yes - mental health	Other disability	Prefer not to say
Number	78	16	8	2	3	11	6	4
Percentage	70.3%	14.4%	7.2%	1.8%	2.7%	9.9%	5.4%	3.6%

What is your ethnicity?

	White British	Other White background	Black or Black British	Asian or Asian British	Mixed ethnic group	Other ethnic group	Prefer not to say
Number	105	1	0	0	1	0	6
Percentage	92.9%	0.9%	0.0%	0.0%	0.9%	0.0%	5.3%

Which of the following best describes your religion?

	Buddhist	Christian	Hindu	Jewish	Muslim	Sikh	None	Other	Prefer not to say
Number	0	51	0	0	0	0	51	2	9
Percentage	0.0%	45.1%	0.0%	0.0%	0.0%	0.0%	45.1%	1.8%	8.0%

Which of the following best describes your sexual orientation?

	Heterosexual / straight	Bisexual	Lesbian	Gay Man	Prefer not to say / blank
Number	9	5	1	4	10
Percentage	82.0%	4.5%	0.9%	3.6%	9.0%

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Appendix F

Reserves Policy

Policy statement

Chesterfield Borough Council holds reserves to provide cover for risks and unforeseen events, to meet known or predicted requirements and to manage timing differences in Funding. Reserves are a key part of the Council's financial resilience and maintaining financial sustainability.

1. Policy Context and Purpose

- 1.1 The Council's Budget Strategy sets out the financial objectives to support the delivery of the Corporate Plan. These objectives remain challenging in the context of an uncertain economic future, cost of living pressures and significantly reduced funding from the Government.
- 1.2 Reserves are an important part of the Council's financial strategy and are held to create long-term financial stability. They enable the Council to manage change and are a key element of its financial standing and resilience. The Council's key sources of funding face an uncertain future and the Council therefore holds earmarked and unearmarked reserves and a working balance to mitigate future financial risks.
- 1.3 As part of the 2023/24 budget setting process an assessment of the adequacy of reserves was undertaken. The assessment of reserves is important in the context of the sustained cuts in Government funding affecting local authorities, the significant risks and uncertainties that the Council faces in this post-pandemic era and recent decisions to apply some of the Council's reserves. It is important to acknowledge that reserves are 'one off' funds and are therefore suitable for funding 'one off' or unexpected costs. The use of reserves to fund ongoing expenditure or to cover failures to achieve budgeted savings is never advised, except in emergencies and/or to enable transition to new ways of working. Whilst the use of reserves to date has been deemed to be affordable, they are now at a level whereby any significant further use would leave the Council exposed and potentially unable to manage both known and unknown risks.
- 1.4 The process used to determine and approve the level of reserves and balances provides an indication of the council's approach to financial management including financial planning, the annual budget process, budget monitoring and forecasting and both month end and final accounts process.
- 1.5 The purpose of this policy is to:
 - Provide a framework that the Council should measure itself against when setting the budget to satisfy itself that the retention and holding of reserves and balances is appropriate to the operating environment and risks the Council faces.

- Set out the Council’s approach for compliance with the statutory regime and relevant non-statutory guidance.

2. Policy Scope and Exclusions

- 2.1 This policy applies to the setting and reviewing of all General Fund and Housing Revenue Account revenue reserves.
- 2.2 This policy excludes:
- Capital accounting and other accounting reserves.
 - Provisions
 - Items such as S106, CIL and Biodiversity net gains account.

3.0. The Constitution. Part 4 - Rules of Procedure - Financial Procedure Rules – Section 7 Reserves and Provisions

- 3.1 The constitution sets out how the Council operate, how decisions are made and the procedures that are followed to ensure these are transparent and accountable. Some of these processes are required by law, whilst others are a matter for the Council to choose.
- 3.2 In addition, the Constitution sets out the basic rules and procedures to be followed. The Constitution is divided into 8 parts, the rules relating to Reserves are set out in part 4 Section 7 and these are set out below:

The Chief Finance Officer shall establish reserves and provisions to meet known or estimated future liabilities.

There is a duty on the Chief Finance Officer to report on the robustness of the estimates and the adequacy of reserves when the Authority is considering its budget requirement and Members are required to have regard to this advice.

Service Directors/Service Managers must inform the Chief Finance Officer about potential future liabilities which they become aware of.

The relevant budget holder can incur expenditure covered by the planned use of Reserves included in the budget approved by the full Council.

All other uses or Reserves should be approved as follows:

- *The Senior Leadership Team/Cabinet can approve the use of earmarked reserves, for their originally intended purpose, within the delegated limits set by the full Council each financial year.*

- *Any use of the Council's earmarked reserves beyond the delegated limits, or for an unrelated purpose, must be approved by the full Council.*

The Chief Finance Officer can approve the use of Provisions where they are being used for their intended purpose, otherwise full Council approval is required.

The details of these delegated decisions will be included in the next quarterly budget monitoring report to the full Council.

The delegated limits are to be approved by the full Council each financial year in the Budget Setting report.

3.3 The current delegation limits are set out in the Financial Rule 7.

4.0 Responsibilities and Policy Review

4.1 The policy will be reviewed and reported to Cabinet at least annually as part of the Council's budget setting process.

4.2 Responsibility for reviewing this Policy will be that of the Service Director Finance in consultation with the responsible Cabinet Member(s). In light of constantly changing financial pressures and other circumstances this policy will be reviewed on an ongoing basis, as necessary.

5.0 Legislation

5.1 The Local Government Act 2003 Section 25 includes the following statutory duty in respect of the budget report to the Council's Chief Financial Officer and Section 151 Officer to report on the robustness of the budget estimates and the adequacy of the reserves when the council tax decision is being made by the Council.

5.2 Section 26 of the same Act places an onus on the Section 151 Officer to ensure the Council has established a minimum level of reserves (General Fund Balances) to be retained to cover any unforeseen demands that could not be reasonably defined within finalising the proposed budget.

5.3 Section 114 of the Local Government Finance Act 1988 requires the S151 officer to report to all the authority's councillors if there is or is likely to be unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted and it is forecast that the authority will not have the resources to meet its expenditure in a particular financial year.

5.4 The Chief Financial Officer and Section 151 Officer statutory responsibility resides with the Service Director - Finance.

6.0 Accounting Requirements

- 6.1 The accounting treatment of reserves is set out in the Code of Practice on Local Authority Accounting.
- 6.2 In March 2023 Chartered Institute of Public Finance (CIPFA) published 'Local Authority Reserves and Balances' Bulletin 13 which has been updated by the CIPFA Accounting and Financial Reporting Forum.

7.0 Types of Reserves

- 7.1 The Council holds two different types of reserves, general and earmarked, which are held for different purposes and are managed depending upon their type.
- General Reserves operate as a working balance to manage the impact of uneven cashflows and to provide a contingency against emerging events or emergencies.
 - Earmarked Reserves are sums specifically held to enable funds to be built up to meet known or predicted expenditure.

8.0 General Fund Balance

- 8.1 The General Fund balance on 1 April 2023 is **£1.5m**. The level of the General Fund Balance reserve is determined having had regard to the advice and recommendations of the Section 151 Officer as part of the annual budget approval. The level of the reserve will be a matter of judgement which will take account of the specific risks identified through the various corporate processes. This is considered on an annual basis as part of the Robustness of Reserves assessment which forms part of the annual budget setting process and MTFP report. It will also take account of the extent to which specific risks are supported through earmarked reserves.
- 8.2 The Council has also previously established a Budget Risk Reserve, as a supplement to the General Fund Balance, to provide a further contingency for unforeseen items. Given the size and scale of the financial challenges the Council is facing, the Council resolved in February 2023 to utilise £1.000m of the Budget Risk Reserve to support the General Fund revenue budget for 2023/24. This was to afford the Council time to take a more strategic approach to reviewing its priorities and agreeing a new Council Plan, and to developing a new Budget Strategy to deliver a balanced budget for 2024/25 and over the medium-term. The forecast balance on the Budget Risk Reserve on 1 April 2024 is **£1.3m**.

9.0 General Fund Earmarked Reserves

9.1 When considering the level of reserves, it is appropriate to consider the different types of earmarked reserves to be held. The table below sets out the existing reserve types held by the Council and the rationale for holding them. All earmarked reserves will be reviewed at least annually to ensure that they are still appropriate, relevant and adequate for the intended purpose and in light of the Council's approach to risk management.

Reserve	Purpose
Insurance	Sums held to meet potential liability claims against the Council.
Reserves held to mitigate risk	Risk reserves set aside to mitigate risks not otherwise provided for e.g. Business Rates review and Treasury management risk reserve
Corporate priorities	To manage specific cross departmental priorities including transformation, service improvement and other policy issues
Service specific	Specific departmental issues including Local Plan, the Theatre Restoration Levy and Business Rates generated from the Markham Vale Enterprise Zone to fund economic development activities
Asset Maintenance and Vehicle Replacement	Sums set aside for the repair and maintenance of operational buildings and vehicles and replacement of equipment and vehicles. This also includes sums in relation to our non-operational buildings.
Other	There are a number of small balances on earmarked reserves which will be reviewed with a view to releasing to the General Fund Balance

10.0 Housing Revenue Account (HRA)

- 10.1 HRA Reserves are amounts specifically required by statute to be set aside and ring-fenced for future investment in HRA. The Council must ensure that there are adequate reserves in the HRA.
- 10.2 The Council is required to maintain a balanced HRA, and this includes the retention of an adequate level of reserves to act as a contingency against risks. The Council's Reserves

Policy requires that, at the beginning of each financial year, this working balance be maintained at a minimum level of **£3.5m**, which is approximately 8% of the rental income.

- 10.3 In addition to these revenue reserves, councils with HRAs are required to maintain a Major Repairs Reserve (MRR), for the purpose of financing long term capital works to the housing stock. The Council’s MRR balance at 31 March 2024 is estimated to be fully utilised.

11.0 Principles for Assessing the Adequacy of Reserves

- 11.1 In order to assess the adequacy of unallocated general reserves when setting the budget, the S151 Officer will take account of the strategic, operational and financial risks facing the Council. This risk assessment will be in the context of the Council’s overall approach to risk management and have regard to the Council’s risk register and medium-term plans. The appropriate level of reserves to be ‘adequate’ is therefore not absolute but will vary depending upon the degree of financial risks faced.
- 11.2 In assessing the adequacy of reserves, the S151 Officer will consider the key financial assumptions underpinning the budget. The following table sets out the significant budget assumptions that are relevant when considering the adequacy of reserves.

Budget Assumptions	Financial position and management assessment of impact
The treatment of inflation and interest rates	The overall financial position of the authority (level of borrowing, debt outstanding, council tax collection rates etc). Rises in the prices of some commodities, e.g. fuel and energy, highlight the relevance of using a number of inflation rates in the budget and financial strategy, and considering whether general reserves are adequate to deal with unexpected increases. Volatility in the financial markets also points to the need to consider investment and borrowing risks and their impact on income.
Estimates of the level and timing of capital receipts	The Council’s track record in budget and financial management including the robustness of the medium-term plans. Authorities will also need to consider changes in the property market and adjust estimates and assumptions for reserves accordingly.

Treatment of demand led pressures	The capacity to manage in-year budget pressures, and the strategy for managing both demand and service delivery in the longer term.
The treatment of planned efficiency savings / productivity gains	The strength of the financial information and reporting arrangements. The authority should also be able to activate contingency plans should the reporting arrangements identify that planned savings or gains will either not be achieved or be delayed.
The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital developments	The authority's virement and end of year procedures in relation to budget under/overspends at authority and department/directorate level. Risk management measures in relation to partnerships, including consideration of risk allocation. Contract provisions designed to safeguard the authority's position in the event of problems arising from outsourcing arrangements. Reserves may also need to be established to manage commercial risks where authorities have
The availability of reserves, government grants and other funds to deal with major contingencies and the adequacy of provisions	The adequacy of the authority's insurance arrangements to cover major unforeseen risks. When considering insurance cover, the structure of the cover as well as the overall level of risk should be taken into account. Risk assessments should be used when balancing the levels of insurance premiums and reserves.
The general financial climate to which the authority is subject	External factors, such as future funding levels expected to be included in Spending Reviews and expected referenda principles and limits, will influence an authority's ability to replenish reserves once they have been used. Any plans for using reserves will need to consider the need and ability of the authority to replenish the reserves, and the risks to which the authority will be exposed whilst replenishing the reserves

Detail of Estimated Earmarked Reserve Balance at 31 March 2024

Type	Estimated Balance @ 31 March 2024 £000
Insurance reserve	620
MMI insurance reserve	86
Total insurance reserves	706
Budget Risk Reserve	1,307
Business rates risk reserve	1,465
Housing reserve	560
Total reserves held to mitigate risk	3,331
Service improvement and redesign	202
ICT - Improvement	38
Total corporate initiatives	240
Enterprise Zone business rates	2,602
Planning local plan	111
Repaid Improvement Grants	244
Theatre restoration	328
Total service specific	3,285
Vehicle and plant	0
Asset maintenance	291
Tapton Innovation Centre	176
Tenant' property	1,176
Total asset maintenance and vehicle replacement	1,643
Revenue reserves held for capital	149
Barrow Hill Bridge	45
Flood Restoration	51
Internal Audit Consortium	11
Museum Exhibits	25
other	5
Total other minor balances	137
Total Reserves	9,491

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For publication

General Fund Capital Programme 2024/25

Meeting:	Cabinet Council
Date:	27 th February 2024 28 th February 2024
Cabinet portfolio:	Deputy Leader
Directorate:	Finance

1.0 Purpose of report

- 1.1 To approve the General Fund Capital Programme for the financial year 2024/25.

2.0 Recommendation

That Cabinet recommends to full Council that:

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

3.0 Reasons for recommendation

- 3.1 To ensure the Council is able to make capital investments to support delivery of its stated vision and priorities, as set out within the Council Plan 2023 – 2027, and to evidence that such expenditure is appropriately funded.

4.0 Report Details

Background

- 4.1 This report sets out the draft General Fund Capital Programme, incorporating capital expenditure and financing arrangements for the financial years 2023/24 through 2027/28. The Capital Programme is aligned to the Capital Strategy and presents, in financial terms, the Council's plans for investment related purchasing, building and improvement of capital assets.
- 4.2 The Capital Programme is an ambitious one evidencing investment of £12.9m in 2023/24 and plans for a further £39.4m of investment from 2024/25 through 2027/28, enabling substantial regeneration to take place in

and around the Borough and allowing the council to meet all necessary capital expenditure requirements to support delivery of its vision and priorities.

- 4.3 The Capital Programme for 2023/24 was approved as part of the budget setting process for that financial year, in February 2023. An update to the Programme was included in the budget monitoring report to Cabinet on 19th September 2023.
- 4.4 The Capital Programme is dependent in part on financing from borrowing. The revenue implications of any such borrowing are considered before schemes are included in the Capital Programme.

Updated Expenditure Forecasts

- 4.5 **Updated Programme** - An updated Capital Programme forecast (expenditure and financing) is included at Appendix A. The Programme covers the current financial year and the following four financial years. A commentary on the most significant schemes in the Programme is provided below.
- 4.6 **New Schemes** - the updated programme includes the following schemes that have already been approved by Cabinet and added to the Capital Programme during the financial year:
- Relocation of Customer Service Centre (£157k), approved by Cabinet on 20th June 2023. Relocation of the Customer Service Centre to Chesterfield Town Hall will enable the Council to maximise the use of its operational assets whilst also reducing liability for ongoing maintenance and operational running costs. It will also enable the council to continue to modernise service delivery, providing access for the borough's residents and businesses to a greater number of public services from Chesterfield Town Hall.
 - Various Play Area schemes (£271k), approved by Cabinet on 14th March 2023. The schemes involve a range of improvements and enhancements to the Borough's play areas and open spaces, and are funded from a mixture of UK Shared Prosperity Fund (UKSPF) grant funding, Viridor grant funding and Community Infrastructure Levy contributions.

Progress on Current Major Schemes

- 4.7 Hollis Lane Link Road – the new Jewson depot on Sheffield Road was officially opened in May 2022. Construction work on Phase 1 of the Hollis Lane Link Road is expected to commence later this financial year.
- 4.8 Revitalising the Heart of Chesterfield – the public realm works to Packers Row were completed in December 2022. Scheme designs have now been

completed and invitations to tender for the main contract packages have recently been released to the market.

- 4.9 Stephenson Memorial Hall – the main contractor started works on site in November 2023. Works are progressing well, and completion is scheduled for 2025.
- 4.10 Staveley Town Deal –Derbyshire Rail Industry Innovation Vehicle (DRIIVE) – the council has recently granted planning consent for the scheme. The scheme will now be progressed to the next RIBA stage ahead of the release of invitations to tender for the main contract packages.

Recurring Schemes

- 4.11 Disabled Facilities Grants (DFGs) – Derbyshire County Council (DCC), who hold the Better Care Fund, confirmed an initial allocation of £1.4m for the 2023/24 financial year, of which £250k will be used to fund Home Repairs Assistance Grants plus an additional in-year allocation of £0.12m. The Capital Programme in future financial years includes DFG expenditure of £3.1m from allocations carried forward from previous financial years. This carry forward has arisen due to delays in DFG processing systems which are outside of the council's control and mirrored across all other Derbyshire districts. The council is currently working closely with DCC and the other Derbyshire districts on a transformation programme aimed at speeding up the processing of DFG applications and the delivery of adaptations in people's homes.
- 4.12 Green Homes Grants – it has been confirmed that the council has been allocated additional Green Homes Grant of £550k in 2023/24 and £848k in 2024/25. The council is currently working with its partner EON to deliver these grants within the specified timeframes.

Capital Financing

- 4.13 Financing Resources – The main sources of capital finance and how they are being used to fund the current Capital Programme are shown in Appendix A and summarised below:
- Borrowing – capital expenditure can be financed from borrowing provided the borrowing is deemed value for money and meets the criteria set out in the Prudential Code i.e., affordable, prudent, and sustainable. The current Capital Programme includes borrowing that the Council has previously approved of £8.1m. As the new additions to the capital programme are to be funded from grant or reserves no further borrowing will be required.
 - Grants and contributions – these are external funds that are either provided by the Government and ring-fenced for specific activities or secured from other sources to deliver specific projects. Grant funding, of

£38.7m, is a significant element of how the General Fund Capital Programme is currently resourced. Further details are set out below:

- 2023/24 - £8.5m in total including £4.7m Levelling Up Fund grant, £1.4m Staveley Town Deal grant and £1.7m Better Care Fund grant (for DFGs).
- 2024/25 - £23.9m in total including £13.0m Levelling Up Fund grant, £6.8m Staveley Town Deal grant and £2.2m Better Care Fund grant (for DFGs).
- 2025/26 - £3.3m in total including £2.1m Better Care Fund grant (for DFGs).
- 2026/27 - £2.1m of Better Care Fund grant (for DFGs).
- 2027/28 - £0.8m of Better Care Fund grant (for DFGs).
- Reserves – these are contributions from earmarked reserves towards vehicle and plant replacements and match funding contributions towards other grant funded schemes, including £3.1m in respect of Stephenson Memorial Hall and £0.8m in respect of DRIIVE.

4.14 Capital Receipts Flexibility – the general rule is that capital receipts can only be used either to repay debt or to finance new capital expenditure. However, the Government allows the use of capital receipts to fund revenue expenditure, provided that the expenditure is on transformation projects which are designed to deliver on-going savings. This is known as capital receipts flexibility and the Government has confirmed that this flexibility will remain in place until 31st March 2030. Consultation on options for extending this flexibility to allow capital receipts to be used for other purposes has recently taken place and further details on the outcome of this consultation are expected shortly.

4.15 To take advantage of the current rules relating to the use of capital receipts flexibility, full Council must first approve a strategy setting out details of any projects to be funded in this manner, the level of revenue savings expected and the impact of the use of such receipts on our prudential indicators. All spend would have to be incurred by 31st March 2030.

4.16 The council is using capital receipts flexibility to part fund its current ICT Transformation programme and also plans to use the flexibility to fund the redundancy costs associated with implementation of the corporate VR/VER scheme.

4.17 Further information on the council's use of capital receipts flexibility, including the Flexible Use of Capital Receipts Strategy Revised 2023/24 & 2024/25, can be found in the 2024/25 General Fund Revenue Budget report.

- 4.18 Capital receipts – these are only included once potential land and property assets have been identified for disposal and the assets concerned are being actively marketed. When identifying potential assets for disposal, priority is given to disposing of land and property that are surplus to requirements and/or from which the council is unable to achieve a reliable and sustainable revenue stream. The following capital receipts are identified in the Programme at Appendix A:
- 2023/24 – this mainly comprises the receipt achieved in respect of council land sold at Linacre Road. Total forecast receipts for 2023/24 are £1.8m.
 - 2024/25 – receipts of £3.8m have been assumed.
 - 2025/26 – receipts of £1.5m have been assumed.
 - 2026/27 – no capital receipts have yet been identified for 2026/27 or 2027/28.
- 4.19 Capital receipts forecasts are continually changing as delays are encountered in relation to some disposals whilst opportunities arise to accelerate others.
- 4.20 Any capital receipts received in excess of the levels required to fund the current capital programme will either be earmarked for re-investment in the council’s operational and non-operational assets over the next four years or utilised to fund transformational activities in line with the terms of the Capital Receipts Flexibility permissions detailed in paragraph 4.14.

Revenue Implications

- 4.21 All capital expenditure which is not financed through grants, capital receipts or reserves will need to be financed over time by making a Minimum Revenue Provision (MRP). A MRP is a revenue cost to the General Fund Revenue Budget.
- 4.22 MRP contributions generally commence from the financial year after the asset becomes operational, for example, the additional MRP required in respect of the Stephenson Memorial Hall project will commence in the financial year 2026/27.
- 4.23 The revenue implications for the General Fund Revenue Budget of any additional MRP contributions are considered before schemes are included in the Capital Programme, and no starts on any scheme will be permitted until the council’s Cabinet has approved the detailed business case.
- 4.24 Further information on matters relating to the MRP can be found in the Treasury Management Strategy Report 2024/25.

5.0 Alternative options

5.1 The option exists to decommission one or more of the schemes included within the proposed Capital Programme. However, this is not recommended on the basis that all of the current schemes align with Council Plan priorities for the period 2023 through 2027, and appropriate sources of funding have been identified to support delivery.

6.0 Implications for consideration – Financial and value for money

6.1 The financial and value for money implications of the council's Capital Programme are considered in section 4 of the report.

7.0 Implications for consideration – Legal

7.1 There is a legal requirement for the Council to set a balanced budget before the start of each financial year. The recommended Capital Programme does not fetter the council's ability to comply with this legal obligation.

8.0 Implications for consideration – Human resources

8.1 There are no human resource implications arising from this report.

9.0 Implications for consideration – Council Plan

9.1 The ability for the council to appropriately manage and fund its Capital Programme is critical to the continued delivery of the full range of council facilities and services, and also the council's vision and priorities, as set out in the Council Plan. The relationship of individual schemes to the Council Plan are considered in detail when the schemes come forward to the council's Cabinet for appraisal and approval.

10.0 Implications for consideration – Climate Change

10.1 A climate change impact assessment is not required for the overall Capital Programme. These assessments are included within the reports prepared for the council's Cabinet in relation to each scheme prior to their inclusion in the Capital Programme and will differ from scheme to scheme.

11.0 Implications for consideration – Equality and diversity

11.1 An equality and diversity impact assessment is not required for the overall Capital Programme. These assessments are included within the reports prepared for the council's Cabinet in relation to each scheme prior to their inclusion in the Capital Programme and will differ from scheme to scheme.

12.0 Implications for consideration – Risk management

12.1 The perceived risks relating to the overall Capital Programme are set out in the table below. For each individual capital scheme the risks are considered in detail when the schemes come forward to the council's Cabinet for appraisal and approval.

Description of the Risk	Current Risk		Mitigating Action(s)	Target Risk	
	Impact	Likelihood		Impact	Likelihood
Overspends on schemes	H	M	Effective scheme planning, delivery oversight and monitoring	M	L
Slippage on schemes	M	M	Effective scheme planning, delivery oversight and monitoring	M	L
Capital receipts – disposals delayed or unable to complete	H	M	Control starts on schemes until finance in place. Include only planned disposals in receipts forecasts. Borrow internally from reserves or take out short- term prudential borrowing.	H	L
Reductions in Government Grants to support future projects	H	H	Pursue other external funding options. Look to generate capital receipts.	H	M
Lack of capacity to deliver several major schemes / projects at the same time	H	H	Carefully manage the number of schemes and hence risks in play at any one time.	M	L

<p>Ongoing Covid-19 Implications – increased materials costs, increased interest rates and the risk that pre-pandemic business case assumptions may not be realised.</p>	<p>H</p>	<p>H</p>	<p>Ensure adequate contingency sums are included within scheme business cases. Effective delivery oversight and monitoring.</p>	<p>M</p>	<p>M</p>
<p>Negative effects on exempt VAT recovery – a number of current schemes / projects have exempt VAT implications.</p>	<p>H</p>	<p>M</p>	<p>Starts on schemes delayed until VAT issues resolved. Effective monitoring. VAT planning for several years ahead. Obtain expert external advice.</p>	<p>H</p>	<p>L</p>

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	Capital Programme 2024/25

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GENERAL FUND CAPITAL PROGRAMME 2024/25

Code	CAPITAL SCHEME	Original 23/24 £'000	Revised Jan 23/24 £'000	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000
8295	Home Repairs Assistance	775	250	250	250	250	250
8292	Disabled Facilities Grants	2,225	1,490	2,000	1,875	1,875	500
8296	Green Homes Grants	0	550	848	0	0	0
8968	Waterside Office Space	0	1,399	0	0	0	0
8973	Northern Gateway - Public Realm	0	54	0	0	0	0
8974	Northern Gateway - Enterprise Centre	0	230	0	0	0	0
8991	IT Project	1,028	1,028	180	75	0	0
8969	Hollis Lane Link Road Phase 1	0	1,318	0	0	0	0
8530	LUF - Stephenson Memorial Hall	8,934	4,057	7,326	6,846	0	0
8531	Staveley Town Deal - DRIVe	2,500	800	3,504	0	0	0
8532	Staveley Town Deal - Construction Skills Hub	67	155	52	0	0	0
8533	Staveley Town Deal - Staveley 21 (Town Centre)	2,557	400	4,068	256	0	0
8534	LUF - Revitalising the Heart of Chesterfield	2,815	604	7,015	1,300	0	0
8547	UK Shared Prosperity Fund (unallocated)	85	18	343	0	0	0
8995	Calow Lane Industrial Units	357	0	349	0	0	0
8925	Tennis Courts King George V	0	123	0	0	0	0
8943	Relocation of Customer Service Centre	0	157	0	0	0	0
8978	Cottage Close Play Area	0	120	0	0	0	0
8989	Devonshire Avenue North Play Area	0	42	0	0	0	0
8989	Thirlmere Road Play Area	0	42	0	0	0	0
8989	Tapton Park Play Area	0	67	0	0	0	0
	Total Expenditure	21,343	12,904	25,935	10,602	2,125	750
	CAPITAL FINANCING	Original 23/24 £'000	Revised Jan 23/24 £'000	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000
	Borrowing	1,385	3,745	529	3,833	0	0
	Capital Receipts	0	284	689	365	0	0
	Contributions from Revenue/Reserves	1,000	347	790	3,077	0	0
	Grants and Contributions	18,958	8,528	23,927	3,327	2,125	750
	TOTAL FINANCING	21,343	12,904	25,935	10,602	2,125	750
	CAPITAL GRANTS	Original 23/24 £'000	Revised Jan 23/24 £'000	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000
	Disabled Facilities Grants (BCF / Derbys PCT)	3,000	1,740	2,250	2,125	2,125	750
	Green Homes Grants	0	550	848	0	0	0
	Business Rate Growth Grant - Revitalising the Heart of Chesterfield	0	0	0	946	0	0
	Level Up Funding (Stephenson Memorial Hall)	7,859	4,057	5,968	0	0	0
	Level Up Funding (RHOC)	2,815	604	7,015	0	0	0
	Arts Council Grant (Stephenson Memorial Hall)	75	0	669	0	0	0
	UK Shared Prosperity Fund - Unallocated	85	18	343	0	0	0
	UK Shared Prosperity Fund - Play Area Schemes	0	67	0	0	0	0
	Viridor Grant - Play Area Schemes	0	68	0	0	0	0
	Lawn Tennis Association - Tennis Courts King George V	0	69	0	0	0	0
	Staveley Town Deal Funding	5,124	1,355	6,834	256	0	0
	Grants Total	18,958	8,528	23,927	3,327	2,125	750

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For publication

Housing Revenue Account (HRA) – Budget 2024/25 to 2028/29

Meeting:	Cabinet Council
Date:	27 th February 2024 28 th February 2024
Cabinet portfolio:	Housing
Directorate:	Finance Housing

1.0 Purpose of report

- 1.1 To consider the forecast outturn for the Housing Revenue Account (HRA) for the current financial year, 2023/24.
- 1.2 To consider the draft HRA budget for 2024/25 and the Medium-Term Financial Plan (MTFP) for the years 2024/25 to 2028/29.

2.0 Recommendations

- 2.1 That the forecast outturn for the Housing Revenue Account for the current financial year, 2024/24 be noted.

That Cabinet recommends to full Council that:
- 2.2 The draft estimates for the Housing Revenue Account for 2024/25 and future financial years be approved.
- 2.3 That delegated authority is given to the Service Director – Housing, in consultation with the Cabinet Member for Housing and the Service Director – Finance, within the total funding provision of £700k to identify and progress service transformation projects and spend to save initiatives, and to respond to possible in-year changes in legislation or national housing policy to ensure that the authority continues to meet its statutory obligations and has a social housing offer which is fit for purpose.
- 2.4 That delegated authority is given to the Service Director – Housing, in consultation with the Cabinet Member for Housing, within the total funding provision of £1m (£750k revenue and £250k capital), to progress the immediate procurement of contractors to undertake the work on void properties as set out in **paragraph 4.18** of the report.

3.0 Reasons for recommendations

- 3.1 To provide an updated assessment of the Council's Housing Revenue Account forecast outturn for the financial year 2023/24 and report on the progress made in addressing a number of financial challenges facing the council's Housing Service.
- 3.2 To provide the necessary authority for the council's Housing Service to take forward a number of transformation projects and other response measures to address the ongoing financial challenges facing the social housing sector.
- 3.3 To present a balanced Housing Revenue Account for the financial year 2024/25 for recommendation to full Council.

4.0 Report Details

Background and Context

- 4.1 The Council is required to keep a separate account for its activities as a housing landlord. This is called the Housing Revenue Account (HRA). The HRA is closely governed by the Local Government and Housing Act 1989 and by Determinations made under this Act by the Department of Levelling up, Housing and Communities (DLUHC). The account is ring-fenced and does not receive any subsidy from the Government or from Council Tax, and nor is it allowed to subsidise the General Fund.
- 4.2 As a result of the introduction of self-financing in April 2012 the Council is required to produce a 30-year HRA Business Plan that is financially viable, delivers a reasonable standard of housing for tenants and maintains homes to at least the minimum Decent Homes Standard.
- 4.3 Self-financing has, in the main, improved the financial position of the HRA. The Council can determine its own financial future and can also borrow to finance improvements. Initially the level of borrowing was limited by the Government (the £156m debt ceiling for Chesterfield). However, the borrowing cap was removed by the Government in October 2018 to encourage councils to build new homes. Any extra borrowing must be affordable within the HRA 30-year Business Plan. The debt ceiling provides a useful guide to the extent of borrowing that is affordable within the HRA.
- 4.4 Social rents are usually set according to the Government's National Social Rent Policy and the Welfare Reform and Work Act 2016. In accordance with that policy, rents are allowed to increase by CPI plus 1% until April 2024. The basis for annual rent increases is the September Consumer Price Inflation (CPI) i.e., 6.7% in September 2023. The maximum rent increase for 2024/25 is therefore 7.7%.
- 4.5 On 16th January 2024, Cabinet considered the rent and service charge levels for 2024/25 and agreed a rent increase of 7.7% (based on the latest

Government policy highlighted above) and various service charge increases. These changes have been built into the 2024/25 budget forecast.

- 4.6 Government rent policy has resulted in significant reductions in the resources available to the Council's Housing Service in recent years. The mandated rent cap of 7% in 2023/24 (which was 4.1% less than inflation), had the cumulative impact of removing **£1.5m** of annual income (after voids) in perpetuity, with an estimated loss over the business plan period in terms of income of **£61m**. This is in addition to the impact of the four-year rent reductions imposed by Government between 2016 and 2020, which further reduced the amount of income available to the 30-year Business Plan.
- 4.7 Whilst increasing rent by 7.7% in 2024/25 will provide additional income to the HRA, it falls short of covering off a range of additional cost pressures impacting the Council's Housing Service. Like the General Fund, the HRA has been significantly impacted by the rapid increase in inflation. This has resulted in additional costs relating to pay awards, utilities and contracts, due to material, fuel, and labour cost increases, both in the current financial year, as well as across the MTFP.
- 4.8 The position across the timeframe of the MTFP remains challenging and the Council will have to make difficult decisions to ensure the long-term viability and robustness of the HRA, including reviewing the efficiency of services but also how investment is prioritised. Given the uncertainty of Government policy direction as well as the wider economic climate, this is going to make future investment decisions very challenging.
- 4.9 Given the size and scale of the challenges it is advised that a fundamental review of the HRA Medium Term Financial Plan and 30-year Business Plan be undertaken during 2024, to review the assumptions informing their construct, the finances needed to maintain the Council's housing stock at least to the minimum Decent Homes Standard and achieve compliance with new regulatory standards, and identify the savings and efficiencies that will need to be made over the medium term to maintain a balanced, risk-adjusted and financially resilient Housing Revenue Account.

Financial Position at Year End 2023/24

- 4.10 The deficit for 2023/24 is forecast to be **£858k** (as at period 8), which is an improved position of **£2.223m** against the original budget, primarily due to a number of funding and financing adjustments such as removing the planned **£3.389m** revenue contribution to fund the capital programme and pausing the voluntary repayment of debt (**£1.841m**). Table 1 summarises the forecast outturn for 2023/24 against the original budget:

Table 1: Original Budget 23/24 - Forecast/ Revised Estimate (P8) 2023/24 Movement
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Description	Original Budget 2023/24 £'000	Forecast Estimate 2023/24 £'000	Variance £'000
Net rents	(39,536)	(39,007)	529
Non-Dwelling Rents	(960)	(960)	0
Service Charges and other income	(1,163)	(1,163)	0
Total Income	(41,659)	(41,130)	529
<u>Expenditure</u>			
Supervision and Management -General	9,274	9,402	128
Supervision and Management -Special	2,858	2,879	21
Rent, taxes and other charges	245	548	303
Repairs and Maintenance	10,196	10,716	520
Depreciation and contribution to Major Repairs Reserve	12,132	13,656	1,524
Interest and Debt Management Expenses	4,215	4,186	(29)
Provision for the repayment of debt	1,841	0	(1,841)
Bad Debt Provision	589	600	11
Direct Revenue Financing	3,389	0	(3,389)
Total Expenditure	44,740	41,988	(2,752)
Deficit / (Surplus)	3,081	858	(2,223)
HRA working balance B/F	(6,937)	(6,657)	280
HRA working balance C/F	(3,856)	(5,799)	(1,943)

4.11 The main variances are set out below:

- **Rents** are forecast to reduce by **£529k** due to an increase in the level of void properties. The percentage of void properties currently stands at 3.57%.
- **Supervision and Management** costs are forecast to overspend by **£149k**. This is after allowing for the pay award for 2023/24 of £1,925 on all staff salaries and the impact of an-year pension increase (£210k). The Housing Service has also been faced with increased costs for dealing with disrepair legal claims (£157k), higher costs for dealing with antisocial behaviour (£78k) and higher than budgeted IT software and hardware costs (£187k). There have however been underspends on utility bills and other costs. The 2023/24 budget also included £300k for transformation activities, which has not been fully spent and will be carried forwards into 2024/25.
- **Rent, tax and other charges** are forecasting an overspend of **£303k** mainly due to council tax charged on void properties.
- **Repairs and Maintenance** budgets have been reviewed and the forecast outturn is **£520k** above the original budget. This is due to increased employee costs from the above budgeted pay award

(averaging 5.6% against a budgeted 4%) and an increase in the costs of dealing with housing disrepair claims. This has been partially offset by an underspend on materials within Housing Property Services. The full cost of providing these services is retained within the Housing Revenue Account.

- **Depreciation charges** have increased by **£1.524m** to reflect the increase in valuation of the housing stock. This has been transferred to the Major Repairs Reserve and used to fund the Capital Programme.
- **Provision for the Repayment of Debt.** As agreed by Council on 18th October 2023, the voluntary provision for debt repayment (**£1.841m**) has been paused for 2023/24 and 2024/25 to provide funds to enable the council's Housing Service to take forward a number of transformation projects and other response measures to address the ongoing financial challenges facing the Service and the social housing sector more widely.
- **Direct Revenue Financing.** Direct Revenue Financing relates to the funding of the Council's capital programme. The planned direct revenue financing contribution of **£3.389m** towards the Capital Programme in 2023/24 is not currently deemed affordable due to the scale and nature of the in-year pressures on the Housing Revenue Account.

Financial Strategy 2024/25

- 4.12 The financial strategy for the HRA is to deliver a balanced and sustainable budget which is self-financing in the longer term, and which reflects both the requirements of tenants and the strategic vision and priorities of the Council.
- 4.13 The HRA is not permitted to run at an overall deficit and risks must continue to be identified and managed effectively. A minimum working balance of **£3.5m** (increased annually by inflation) is maintained to avoid the risk of the HRA moving into a position of negative balance in the event of an exceptional cost(s) arising.
- 4.14 It is important to note that the budget projections shown in this report assume that the loss of rental income through bad debt (rent arrears written off) and void (empty) properties continues to be minimised through robust management and control procedures. Should these losses increase above the assumptions contained in the budget there is the real risk that HRA balances will move towards and potentially below the afore mentioned minimum working balance, which is not a sustainable position.
- 4.15 The Medium-Term Financial Plan at **Appendix 1** show that the HRA balance is anticipated to fall to **£5.071m** in 2024/25, primarily due to the increased pressures set out later in the report. The impact of these additional costs has been partially mitigated by the removal of any direct revenue financing contribution to fund the Capital Programme and pausing the voluntary repayment of debt (£1.841m) for a further financial year. Without these measures to reduce costs, the working balance would be below the minimum required level for 2024/25.

Core Planning Assumptions

4.16 The following budget assumptions have been used to produce the draft Housing Revenue Account Budgets.

- Rent levels for 2024/25 have been increased by 7.7% (CPI +1%)
- Rent levels for 2025/26 have been increased by 2.8%
- Rent levels for 2025/26 onwards have been increased by 2%
- The pay award for 2024/25 has been estimated at 3%
- Pay awards for 2025/26 onwards have been estimated at 2%
- General expenditure for 2025/26 has been increased by 2.8%
- General expenditure for 2026/27 onwards has been increased by 2%
- The Void rate to be reduced to 2% by 2025/26
- Debt Repayment (1.5% of balance) at £1.8m per annum to resume from 2025/26

4.17 Details of service pressures and savings proposals are set out in the following paragraphs:

Service Pressures

4.18 New pressures of **£3.673m** have been included within the budget for 2024/25, some of which are one off, whilst **£1.625m** are ongoing and have been built into budgets from 2025/26. These pressures are essential activities but in the short-term represent costs over and above the base budget. However, many of the activities will deliver savings in future financial years. A fuller breakdown of the service pressures is set out in **Appendix 2** but summarised below:

- **New Social Regulator £65k** (one off) – All social landlords are required to pay an annual fee to the new Social Housing Regulator, relative to their stock holding and while we are still awaiting determination of the final figure this represents a prudent estimate of the cost for 2024/25 and future financial years. Whilst the introduction of new standards and requirements are greatly welcomed by the social housing sector, they are placing additional financial burdens on the HRA, which were not contemplated when the self-financing regime was introduced in 2012.
- **Derbyshire Law Centre £22k** (ongoing) - The Derbyshire Law Centre project has proved to be successful in securing better outcomes for tenants who have submitted disrepair claims, and the Council's continuing financial support for the project will help to mitigate the rising costs of dealing with disrepair claims, specifically the fees paid to external solicitors.

- **Local Plan Contribution £15k** (one off) - The strategic housing assessment is a key element of the Local Plan, requiring an annual HRA contribution of £15k towards the costs of refreshing the Local Plan.
- **Void Properties £750k** (one off) – A range of activity is underway to improve the Council’s performance in dealing with voids (empty council homes) – reducing the number and speeding up the relet process. It is recommended that £1m of additional funding be allocated in 2024/25 (£750m from revenue and £250k has been included with the capital programme) for the procurement of external contractors to undertake this work and reduce the backlog of void properties.

The current rate of void properties is 3.57% and it is estimated that this commission will bring 200 empty homes back into use within 2024/25, reducing the void rate to 2.5%. These assumptions have been built into our medium-term financial plan and will deliver substantial savings in lost rent and reduced council tax payments from 2024/25.

Pending the procurement of the external contractors, there will however be additional costs associated with the current levels of void properties in 2024/25; an additional **£427k** in lost rental income and **£267k** in additional council tax payments. The approval of the activity set out above to reduce the level of voids will however mitigate this pressure from 2025/26.

- **Disrepair Claims £250k** (ongoing) - Disrepair claims continue to be a major challenge with case numbers continuing to increase. Whilst the Derbyshire Law Centre project has proven to be successful in terms of improved outcomes for the tenant and reduced expenditure on external solicitors’ legal fees, a budget provision of **£250k** is viewed as needed for the foreseeable future.
- **Corporate Health and Safety Reshape (HRA contribution) £82k** (ongoing). Additional resources are required to support the council’s Housing Service to be fully health and safety compliant, undertake a fundamental review of health and safety policies and procedures, and deliver health and safety improvements.
- **Creation of key posts to deal with compliance, decarbonisation, and other key priorities £427k** (ongoing) – Permanent additional staff are now needed within the Housing Assets and Compliance team , to ensure we can continue to maintain our performance in relation to multiple areas of landlord compliance and keep our tenants safe, as well as attracting inward investment for and coordinating the Council’s stock decarbonisation programme. Funding has been included within the budget for 2024/25 but its allocation will be subject to a separate report to the Council’s Joint Cabinet and Employment and General Committee.

- **Temporary staff to improve customer care and address repairs delays, pending reshape £290k** (one off) – Provision has also been made for the funding of some additional temporary staff, pending a re-structure of the Housing Property Services team. These staff will concentrate on improving customer care, handling complaints more effectively and swiftly, and increasing capacity within the trades' workforce to deal with repairs delays.
- **Legal costs to tackle Antisocial Behaviour £50k** (ongoing). This pressure is based on experience from the current financial year where the Housing Service has had to incur additional legal support costs to enable it to take a robust approach to enforcement action in relation to the anti-social behaviour of a minority of tenants.
- **Lone Worker Devices £25k** (one off) – The purchase of additional lone worker devices is required to keep our officers safe when working alone in tenants' properties.
- **New Fleet Costs £722k** (ongoing) - As set out in the July 2023 report to Cabinet on replacing the Council's vehicle fleet, there is an additional cost to the HRA for the purchase of new vehicles, which will allow the Council to progress plans to decarbonise the fleet, in line with the Council's climate change strategy.
- **Apprentices £80k** (ongoing) – Additional salary costs associated with five new trades apprentices until they have secured permanent posts within the service following completion of required training.
- **Transformation Activities £200k** (one off) – a range of transformation activity is underway to develop a more efficient and effective model of delivering repairs and maintenance services, implement better ICT systems, and undertake a review of red-book staff payment arrangements / terms and conditions.

An additional provision of £500k (£300k in 2023/24 and £200k in 2024/25) was included within the budget as part of the MTFP which was approved in February 2023. This was to allow for investment in service transformation projects, spend to save initiatives and better enable the Council to respond to changes in legislation, or major changes in national housing policy.

The provision for 2023/24 remains unspent and will be carried forward into 2024/25. The total funding for transformation activity in 2024/25 will therefore be £700k.

It is recommended that responsibility for identification of suitable projects and approval of funding for them, is delegated to the Service Director - Housing, in consultation with the Cabinet member for Housing and the Service Director - Finance, who are responsible for ensuring that

the Council continues to meet its statutory obligations and has a housing offer which is fit for purpose.

This programme of activity will lead to HRA savings and efficiencies moving forwards. No corresponding savings arising from the transformation programme have been built into the budget at this time as it is not possible to accurately quantify the level of savings that will be delivered from these activities until the reviews have been undertaken and the details have been confirmed. However, there is an expectation that significant savings will be achieved and built into future budgets as part of the 2025/26 MTFP process.

Savings Proposals

4.19 Savings in 2024/25 include:

- **Savings from Vacant Post (£34k)** – This saving arises as a result of a reduction in General Fund staffing, where the Housing Revenue Account has paid for a proportion of the costs of the vacant post that has been removed.
- **Phasing out Voluntary Sector Advice Agency Grants (£35k in 2024/25 rising to £81k in 2027/28)**. The Council currently provides four community and voluntary sector organisations with core grant funding of £217.7k (64% (£139k) from the General Fund and 36% from the Housing Revenue Account). This proposal is subject to a 12-week consultation period. A further report will be presented for Cabinet consideration and decision on 19 March.
- **Changes to Careline (£260k)** – Cabinet approved the changes to the delivery of the Council's Careline service on 5 February 2024. The reduction in budget reflects the reduced proportion of Careline customers who are also council tenants. This a net saving as there remains an annual HRA contribution to the costs of running the Careline service of £145k.

Budget 2024/25 and Medium-Term Financial Plan

4.20 Table 2 summarises the budget estimates for 2024/25 and compares the movements to the original budget estimates for 2023/24. The MTFP is attached at **Appendix 1** and evidences a working balance, over and above the minimum of £3.5m (updated by inflation), in all years through 2028/29. However, the 2024/25 budget has a gap of **£729k** which has been covered by an allocation from the working balance and, whilst the deficits over the MTFP reduce year on year, it is not until 2028/29 that the MTFP does not rely on the use of the working balance to achieve a balanced budget position.

Table 2: Original Estimate 23/24 - 24/25 Movement			
Description	Original Estimate 2023/24	Original Estimate 2024/25	Variance
	£'000	£'000	£'000
Net rents	(39,536)	(43,247)	(3,711)
Non-Dwelling Rents	(960)	(1,009)	(49)
Service Charges and other income	(1,163)	(1,010)	153
Total Income	(41,659)	(45,266)	(3,607)
<u>Expenditure</u>			
Supervision and Management -General	9,274	11,000	1,726
Supervision and Management -Special	2,858	2,819	(39)
Rent, rates, taxes and other charges	245	513	268
Repairs and Maintenance	10,196	12,660	2,464
Depreciation and contribution to Major Repairs Reserve	12,132	13,656	1,524
Bad Debt Provision	589	656	67
Interest and Debt Management Expenses	4,215	4,692	476
Provision for the repayment of debt	1,841	0	(1,841)
Direct Revenue Financing	3,389	0	(3,389)
Total Expenditure	44,739	45,995	1,256
Deficit / (Surplus)	3,081	729	(2,351)
HRA working balance B/F	(6,937)	(5,799)	1,138
HRA working balance C/F	(3,856)	(5071)	(1,213)

4.21 The original 2023/24 budget estimates were approved on the basis of there being a forecast in-year deficit of **£3.081m**. The original 2024/25 budget shows a decrease in the deficit to **£729k** and an overall HRA working balance of **£5.071m**, which is in line with the financial strategy. The main variances are set out below:

- Rental Income has increased by **£3.711m**, this is the net effect of the agreed 7.7% rent increase and the additional work proposed to reduce the percentage of void properties to 2.5% of the current stock holding.
- There is a small uplift in the bad debt provision contribution of **£67k** to £656k. This will be reviewed periodically, as more tenants transition to Universal Credit and the impact of the current cost of living crisis becomes clearer.
- Supervision and management costs have increased overall by **£1.726m**. Included within this figure is an estimated 3% pay award for 2024/25, £427k for the creation of new posts to deal with compliance, decarbonisation and other priorities, £272k to cover the costs of dealing with disrepair claims, and an £82k contribution towards the costs of the corporate Health and Safety reshape.

This expenditure line also includes the additional provision of £700k (£300k carry forward from 2023/24 and £200k in the existing base 2024/25 plus a £200k new pressure) to allow investment in service transformation projects.

- Repairs and maintenance costs have also increased by **£2.464m**. This sum includes the proposed £750k revenue contribution towards the costs of commissioning external contractors to bring 200 void properties back into use in 2024/25. It also includes £1.2m of new pressures, including provision for the estimated 3% pay award for Housing Property Services staff in 2024/25 and inflationary costs in relation to supplies and materials.
- Depreciation is charged on HRA properties, with the sum calculated (**£13,656**) re-invested in the Capital Programme. The level of depreciation has increased in proportion to the increase in valuation of the Council's stock holding.
- Provision for the Repayment of Debt **£1.841m**. As agreed by Council on 18th October 2023 the provision for the voluntary repayment of debt has been paused for 2023/24 and 2024/25 to enable the council's Housing Service to take forward a number of transformation projects and other response measures to address the ongoing financial challenges facing the Service and the social housing sector more widely.
- Direct Revenue Financing is capital expenditure funded from revenue balances. As is the case for 2023/24, it is not deemed affordable for a direct revenue financing contribution to be made towards the Capital Programme in 2024/25 due to the scale and nature of the current pressures on the Housing Revenue Account.

30-year Business Plan and Working Balance

4.22 There is a requirement for the Housing Revenue Account (HRA) Business Plan to forecast over a 30-year period. This provides a financial assessment of the affordability and viability of the Council's vision and priorities for the borough's housing service. The aims of the Business Plan should be to ensure:

- That the HRA working balance does not go into a negative position (there is a legal requirement for the working balance to remain in a surplus position)
- That HRA loans can be repaid as they fall due (or be refinanced)
- That interest on the loans is affordable.
- That there is sufficient funding available to ensure that the stock can be maintained as a minimum to the level of the Decent Homes Standard.
- That the Plan is sufficiently well resourced to ensure that compliance with regulatory standards can be achieved.

4.23 The Business Plan measures the expected cashflows coming into the Housing Service and those going out on an annual basis. The Business Plan combines the HRA, which accounts for revenue cashflows, and the Capital

Programme, which provides for investment in the existing stock and funding to meet the Council's development aspirations. Taking the two together, we are able to estimate whether there are sufficient revenue balances to fund both the Council's revenue and capital plans for its housing stock.

- 4.24 The increase in costs set out in the MTFP, lower than inflationary increases in income and the need for increased spending on the Capital Programme, has and will continue to have a detrimental impact on HRA balances and reduce the HRA's ability to provide a direct revenue contribution towards capital spending. This will necessitate the requirement for additional borrowing (if within the parameters of the Business Plan) or for spending to be scaled back either on service provision or on the Capital Programme.
- 4.25 Given the uncertainty of Government policy direction as well as the wider economic climate, future investment decisions will be very challenging, given these are significant, long-term investments and how critically important it is for the Council to be able to ensure the long-term viability of the HRA.
- 4.26 The Business Plan has been refreshed based on the assumptions set out in this report to take account of the increased cost pressures, the cost-of-living challenges facing tenants, the enhanced focus on compliance and regulation, and the time for planned transformation activities to deliver the required efficiencies. Whilst the working balance is above the minimum requirement the Business Plan is showing signs of distress over the medium-term.
- 4.27 As is evidenced in **paragraph 4.18**, there are a range of service pressures and investment requirements, especially service transformation activities, totalling **£3.672m** in 2024/25 and **£1.625m** ongoing, which have had a detrimental financial impact on the Business Plan. The HRA Business Plan is a long-term forecast based on a multitude of assumptions, where even minor changes in the core assumptions can have a material impact on the viability of the Plan. Whilst there is an expectation that the planned transformation activities will lead to savings and efficiencies, these have not been able to be built into the Business Plan as it is not possible to accurately quantify the level of savings that will be delivered until the necessary work has been undertaken.
- 4.28 Over the 5-year MTFP, there is a requirement to deliver balanced budgets. However, for 2023/24 there is a forecast deficit of **£858k** which will need to be wholly covered by the HRA working balance. The 2024/25 budget currently shows a gap of **£729k** and, whilst the forecast deficits over the MTFP reduce year on year, it is 2028/29 before there is no reliance on the use of the HRA working balance to deliver a balanced budget.
- 4.29 The HRA working balance is a statutory reserve that should hold sufficient revenue funds to meet unexpected, unplanned expenditure and / or shortfalls in income. The level of the working balance has been reviewed based on a thorough assessment of budget risks and uncertainties and whilst it is sufficient for 2024/25, this position has only been achieved by the

removal of Direct Revenue Financing, as this is no longer deemed affordable, and the pausing of voluntary debt repayment for a second year.

5 Alternative options

5.1 There are no alternative options to consider.

6 Implications for consideration – Financial and value for money

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

7 Implications for consideration – Legal

7.1 The HRA is governed by requirements of the Local Government and Housing Act 1989 and by Determinations made by the Department for Levelling-up, Housing and Communities under the terms of the Act.

8 Implications for consideration – Human resources

8.1 There are no human resource implications to consider in this report.

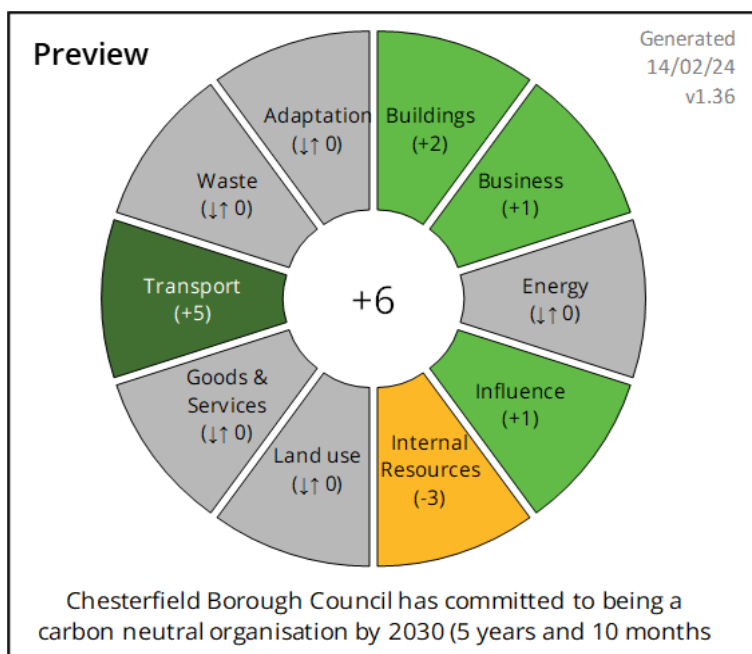
9 Implications for consideration – Council Plan

9.1 In preparing the HRA for 2024/25 and updating the MTFP, detailed consideration has been given to the need for the resourcing levels to be suitable and sufficient for the Council to deliver in full on the priorities and objectives that it has set out within the Council Plan in relation to its statutory responsibilities as a social housing landlord.

9.2 The preparation of sustainable and balanced HRA budgets over the medium term is also a key activity in contributing to delivery of the second Council Plan priority 'improving the quality of life for local people.'

10 Implications for consideration – Climate Change

10.1 Climate Change has been a key consideration during the development of the HRA budget for 2024/25 and the MTFP. Climate Change Impact Assessments are undertaken for specific spending options and activities and form a key part of informed decision making. The MTFP makes appropriate allocations to provide the required staffing resources and project funds needed to support the Climate Change Strategy and the delivery of the Climate Change Action Plan and 2030/2050 targets.



11 Implications for consideration – Equality and diversity

11.1 Equality and diversity has been a key consideration during the development of the HRA for 2024/25 and the MTFP. Individual equality and diversity impact assessments are undertaken as part of the decision-making processes for specific spending options.

12 Implications for consideration – Risk management

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

Description of the Risk	Impact	Likelihood	Mitigating Action	Impact	Likelihood
2023/24 overspending	High	Medium	Enhanced monitoring in place during the latter part of 2023/24. Forecasting tool rolled out to budget managers. Weekly meeting between Housing and Finance.	Medium	High
Future economic changes / accuracy of the budget assumptions / Budget assumptions do not cover	High	High	All budget assumptions reviewed as part of the budget process. Inflation for pay at 3% and materials and contract inflation built into the MTFP. Maintaining a	High	Medium

inflationary impact			minimum working balance of £3.5m. Active monitoring and management of in-year budgets to identify cost pressures and income shortfalls at the earliest opportunity.		
Capital programme slippage relating to in Housing Property Services. Non recovery of costs will impact on revenue account	High	Medium	Monthly review of recharge account. Capital programme on track as at period 9. 2023/24 budgets adjusted to take account of current activity.	Medium	High
The impact of the cost-of-living crisis on bad debts	Medium	High	Active monitoring and management of debt levels and collection rates. Ensuring sufficient provision to cover the writing off of bad debt	Medium	High
The impact of Universal Credit on bad debts	Medium	Medium	Active monitoring and management of debt levels and collection rates. Ensuring sufficient provision to cover the writing off of bad debt	Medium	Medium
Ability to deliver the capital programme and maintain Decent Homes standard	High	High	Regular meetings with both internal & external contractors to identify any slippage at the earliest stage and to put in place mitigating actions to recover slippage and prevent any further slippage.	Medium	Low
Repayment of Right to Buy receipts if the new build programme is not completed as planned	High	Medium	New legislation means that the repayment of right to buy receipts is only triggered if they are not used within 5 years. The Council's new build plans will ensure that the receipts are all used within the extended timescale.	Low	Low
Policy changes including future limits on rent increases	High	High	Increasing rents to the maximum allowance possible	Medium	Medium

			<p>will protect income for future years. Funding built into the MTFP for transformation activity including creation of key posts to deal with compliance, decarbonisation, and other key priorities. In addition, funding for investment in service transformation projects, spend to save initiatives and to better enable the Council to respond to changes in legislation, or major changes in national housing policy.</p>		
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Decision information

Key decision number	
Wards affected	All

Document information

Report authors	Contact number/email
Theresa Channell Cynthia. Shumba	Theresa.channell@chesterfield.gov.uk 01246 936275 Cynthia.shumba@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>	
Annexes to the report	
Appendix 1	Statutory HRA Operating Account
Appendix 2	Pressures

Appendix 1

HRA Medium Term Financial Plan 2024/25 to 2028/29

Detail	2024/25 Budget £'000	2025/26 Budget £'000	2026/27 Budget £'000	2027/28 Budget £'000	2028/29 Budget £'000
<u>INCOME</u>					
Net Rents	(43,247)	(43,828)	(44,694)	(45,569)	(46,513)
Non-Dwelling Rents	(1,009)	(1,036)	(1,055)	(1,074)	(1,094)
Service Charges and Other Income	(1,010)	(1,033)	(1,069)	(1,069)	(1,078)
Total Income	(45,266)	(45,897)	(46,818)	(47,712)	(48,685)
<u>EXPENDITURE</u>					
Supervision and Management -General	11,000	10,522	10,697	10,911	11,129
Supervision and Management -Special	2,819	2,885	2,943	3,002	3,062
Rent, rates, taxes and other charges	513	253	258	263	268
Repairs and Maintenance	12,660	11,798	12,034	12,274	12,520
Depreciation and contribution to Major Repairs Reserve	13,656	13,620	13,528	13,528	13,528
Interest and Debt Management Expenses	4,692	5,284	5,290	5,408	5,550
Provision for the repayment of debt	0	1,841	1,813	1,786	1,759
Bad Debt Provision	656	536	547	558	569
Direct Revenue Financing	0	0	0	0	0
Total Expenditure	45,995	46,739	47,110	47,730	48,385
Deficit/ (Surplus)	729	842	310	17	(299)
HRA working balance B/F	(5,799)	(5,071)	(4,228)	(3,919)	(3,902)
HRA Balance CF	(5,071)	(4,229)	(3,919)	(3,902)	(4,201)

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Appendix 2

Housing Revenue Account Pressures

Detail	2024/25 £	2025/26 £	2026/27 £	2027/28 £
New Social Housing Regulator	65,500	67,334	68,681	70,054
Derbyshire Law Centre project	22,000	22,616	23,068	23,530
Local Plan Contribution	15,000	0	0	0
Void Properties to external contractor	750,000	0	0	0
Lost rent on Voids	427,088	0	0	0
Council Tax on void properties	267,228	0	0	0
Disrepair Claims (£100k within HPS)	250,000	257,000	262,140	267,383
Corporate H&S reshape - HRA Contribution	81,509	83,791	85,467	87,176
Creation of key posts to deal with compliance, decarbonisation and other key priorities	427,000	438,956	447,735	456,690
Temporary staff to improve customer care and address repairs delays, pending reshape (HPS)	290,000	0	0	0
Legal costs to tackle Antisocial behaviour	50,000	51,400	52,428	53,477
Lone Worker Devices	25,000	0	0	0
New Vehicle Fleet	722,639	621,426	633,855	646,532
Apprentices	80,000	82,240	83,885	85,562
Transformation Activities	200,000	0	0	0
Total Pressures and Growth	3,672,964	1,624,763	1,657,259	1,690,404

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For publication

Housing Capital Programme: New Programme for 2024/25 through to 2028/29 (HC000)

Meeting:	Cabinet Council
Date:	27 February 2024 28 February 2024
Cabinet portfolio:	Housing
Directorate:	Housing
For publication	

1.0 Purpose of the report

- 1.1 To seek approval for the Housing Capital Programmes for 2023/24 and 2024/25 and to provide an indicative programme for 2025/26 to 2028/29.

2.0 Recommendations

- 2.1 That Cabinet recommends to Full Council that the Housing revised Capital Programme for 2023/24 be approved.
- 2.2 That Cabinet recommends to Full Council that the Housing Capital Programme for 2024/25 be approved and its procurement, as necessary, be authorised.
- 2.3 That Cabinet recommends to Full Council that the Housing Capital Programme for 2025/26 to 2028/29 be provisionally approved.
- 2.4 That delegated authority is given to the Service Director – Housing, in consultation with the Cabinet Member for Housing and the Service Director – Finance, to vire between programmes and budgets as necessary, to manage and deliver the Capital Programme for 2024/25 as set out in the report.

3.0 Reason for recommendations

- 3.1 The Council as a social landlord has a legal duty to ensure that all its properties are fully compliant and maintained to Decent Homes standards.

4.0 Report details

Capital Programme – 2023/24

- 4.1 The 2023/24 Programme has been revised to recognise changes during the year. The principal change is the delayed start of major new build schemes at Staveley and Middlecroft, due to the Covid pandemic and a main contractor going into liquidation. The delayed works have been incorporated into the revised 2023/24 and 2024/25 Programmes (please see Appendix 1).

Capital Programme – 2024/25 to 2028/29

Investment in existing housing stock

- 4.2 The 2022 Stock Condition Survey was carried out by Savills, identifying that the condition of the housing stock had improved since the previous survey in 2017. This demonstrates that the Council has directed expenditures from its previous Programmes into the right areas with significant investment being made in relation to typical decent homes works, such as kitchens, bathrooms, electrical installations, heating renewals and external doors and windows.
- 4.3 The proposed 2024/25 Programme has been designed to ensure stock achieves and maintains 100% decency. Currently, 99.7% of the housing stock meets the Decent Homes Standard (as of December 2023) and we fully anticipate this to reach 100% during 2024/25.
- 4.4 One of the main focusses of the programme remains the modernisation of properties to maintain the Decent Homes Standard, with the balance of activity over the next 12 months concentrating on building elements such as kitchens, heating renewals, roofs and windows, and further improvements to external estate environments.
- 4.5 The work programmes for 2024/25 until 2028/29 continue to be prioritised in line with the level of investment needed according to the 2022 stock condition survey, and the amount of recent expenditure on repairs and maintenance. The areas with the highest level of need and expenditure will receive work in the first year, reducing to year 5, with the work being packaged into four distinct types, with routine decent homes internal work e.g. kitchens, bathrooms, heating, rewires continuing on a year-by-year basis depending on whether that work is required to ensure the property continues to meet the Decent Homes Standard. The other packages include:
- Externals – Works to the exterior of a property for example windows, doors, roofs, pointing and external wall insulation
 - Blocks – Exterior work as described above to blocks and communal areas of flats
 - Environmental – Fencing, gates, footpaths
- 4.6 The fire risk improvement works to blocks (identified in the Compliance Review undertaken by Savills in December 2019) are progressing well and will continue to reflect the recommendations of the planned programme of Fire

Risk Assessments to be undertaken on a 5 yearly cycle; and stratified in accordance with risk priority.

- 4.7 The Stock Condition Survey in 2022 identified that approximately 6% of the housing stock surveyed was experiencing issues with damp and mould, although a recent exercise showed that this has reduced by approximately half to 2.7%. This is due to recent focused activity and prioritisation of repairs to address damp and mould problems. Significant investment has been ringfenced in the Capital Programme to deal with these cases, which are expected to rise again due to fuel poverty and the cost-of-living crisis.
- 4.8 Investment in blocks will continue through the block refurbishment programme, with the next scheme to complete being Newland Dale (expected in February 2024) and Loundsley Green commencing in 2024/25.
- 4.9 The refurbishment of Aston Court, changing the use to general needs housing accommodation is due to complete in February 2024, and the construction of three new traditional build terraced properties will start on completion of the refurbishment project.
- 4.10 Based on the prior approval of the indicative Programmes for future years in 2023/24, some of the programmes of work for 2024/25 have already been procured, to ensure timely delivery.
- The Central Heating Programme, to remove the risk of large-scale heating failures as a result of the age of the boilers and non-availability of the required parts.
 - The kitchen and window replacement programmes, the largest areas of works to ensure that properties maintain the Decent Homes Standard.
 - The roofing programme, in conjunction with the renewal of chimneys, soffits, fascias and rainwater goods, to minimise the need to scaffold, although this will be a much-reduced programme due to the extensive roofing works undertaken over the past few years.
 - The replacement programme for aging UPVC windows and doors.
 - Programmes of external work to blocks of flats, in conjunction with estate environmental improvements, garage site improvements and the renewal of fences, gates, footpaths and drives for general needs properties. The indicative Blocks Refurbishment Programme is attached at Appendix 3.
- 4.11 The investment proposed in the Programme will make a significant contribution to improving the energy efficiency of the Council's housing stock. In delivering programmes of work, for example the block refurbishment programmes, specific consideration will be given to energy efficiency and the

components used in window replacements. Heating replacement systems will also be regularly reviewed to ensure improved SAP ratings (the calculation that is required in order to produce a Predicted Energy Assessment and an Energy Performance Certificate) and make positive reductions to tenants' utility bills whilst also contributing to the Council's decarbonisation targets.

- 4.12 A decarbonisation feasibility study has been undertaken for a pilot scheme at one of the sheltered schemes, Brocklehurst Court to work towards meeting the 2030 Council Climate Change target and a feasibility study is planned for 2024/25 to identify options available to enable Housing Services to meet the 2050 target.
- 4.13 The Programme has been developed in accordance with the funding profile set out in the stock condition survey. By ensuring that work is planned and procured in accordance with this survey, the unit prices identified within the survey should be achievable and not pose any substantial risk of increase due to rising building cost inflation.

Investment in new build

- 4.14 The Council's new build programme will continue with Middlecroft and Westwood Avenue due to complete in 2024/25. An additional new site at Mastin Moor has been identified and the designs submitted to planning. Development is planned to start in 2024/25. All existing and proposed new build schemes are tabulated below:

Project Title	Proposed In-Year Start	Project Duration (Years)	Number of units
Aston Court	2024	1	3
Barrow Hill	2025	2	25
Belmont Drive	2025	1	6
Mastin Moor (2 sites)	2024	2	17
Middlecroft Cluster	2022 (restart 2023)	2	10
Westwood Avenue	2024	1	9
New sites to be identified	2026-2028		24
Total Units in Plan			94

- 4.15 Business cases for the additional projects identified at Barrow Hill, Belmont Drive and any new sites will be submitted for approval at a later date.

- 4.16 All new housing projects are being designed and built to standards that exceed the minimum standards set out in Part L Conservation of Fuel and Power of the current building regulations, through installation of energy efficient boilers and increased levels of insulation in floors, walls, and ceilings. The developments will also include cycle stores, electric car charging points and rainwater recycling through collection points in gardens, to improve sustainability; and water usage will be calculated and features such as perforated taps and low flow baths introduced to reduce consumption.

Investment in acquisitions

- 4.17 It is also proposed that the council's successful programme of strategic housing acquisitions continues, to allow the purchase of properties which meet housing need, thus increasing the Council's housing stock. Seven new units were acquired at Newhall Road in August 2023.
- 4.18 All future proposed acquisitions are tabulated below:

Project Title	Proposed In-Year Start	Project Duration (Years)	Number of units
Linacre	2026/2027	4	28
Total units in Plan			28

5.0 Alternative options

- 5.1 Various options have been considered in terms of the content and scale of the Programme, but in order to ensure the Council's housing stock remains in a decent condition, and to achieve the necessary balance between affordability and ambition, the Programme attached as Appendix 1 is recommended as the best option.

6.0 Implications for consideration – Financial and value for money

- 6.1 The table below shows the level of planned investment in the council's housing stock, over the 5-year Programme to 2028/29. This has been informed by the stock condition survey carried out in 2022 by Savills.

Public Sector Housing Capital Programme							
Programme	Revised 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£	£	£	£	£	£	£
Works to existing stock	17,678,810	18,341,430	15,426,371	15,057,534	15,222,248	15,246,872	96,973,265
Other programmed works & compliance	2,011,301	2,419,057	2,244,153	2,222,023	2,205,406	2,281,083	13,383,023

New build and acquisition	2,637,750	9,362,061	6,750,000	2,050,000	4,050,000	4,050,000	28,899,811
Total	22,327,861	30,122,548	24,420,524	19,329,557	21,477,654	21,577,955	139,256,097
Financed by							
Direct Revenue Financing	0	0	0	0	0	0	0
Borrowing	6,200,927	11,615,506	8,662,442	3,758,857	4,783,492	5,097,109	40,118,331
Capital Receipts	2,470,826	4,850,934	2,138,244	2,042,452	3,165,914	2,952,598	17,620,968
Major Repairs Reserve	13,656,108	13,656,108	13,619,838	13,528,248	13,528,248	13,528,248	81,516,798
Total Financing	22,237,861	30,122,548	24,420,524	19,329,555	21,477,654	21,577,955	139,256,097

6.2 The overall financial strategy continues to focus on the maintenance of the Decent Homes Standard, delivering improvements to estate environments, our climate change ambitions and increasing the development programme of new council housing.

6.3 The proposed financing arrangements are shown in the above table. The Programme will be financed from the Major Repairs Reserve, capital receipts and borrowing. Given the challenging financial position of the Housing Revenue Account (HRA) a direct revenue financing contribution towards the Programme is not currently feasible.

6.4 The Council is able to borrow to fund the Programme. Until October 2018 the amount of borrowing was limited to the HRA debt cap, which was a specific maximum amount of borrowing that a council was permitted. For Chesterfield, the notional debt cap is £155m. The debt cap was abolished by the government to allow councils to increase house building. However, although there is no longer a limit on borrowing, all programmes of work will need to comply with the principles of the Prudential Code. In simple terms, this means that all debt must be affordable and sustainable within the rental income of the HRA over the 30-year business plan. New build schemes will, therefore, need to be supported by a robust business plan. The balance of debt at the end of the 5-year Programme is estimated to be £159m, which is above the notional debt cap limit.

6.5 The Council is able to utilise receipts from the sale of council houses to support the Programme. The Council has sold 38 houses to date during 2023/24 (down from the 63 homes sold last year). Additional receipts from Right to Buys, exceeding those in the self-financing assumptions, can be retained in Chesterfield for the provision of new affordable housing. This money must be spent within five years and will require a funding contribution of 60% from HRA resources. The receipts accumulated to date have been spent on delivery of the new build council house programme and property acquisitions.

6.6 The HRA Business Plan has been refreshed based on the assumptions set out in this report and those contained within the HRA Medium Term Financial

Plan. In developing the Business Plan, a number of assumptions have been made around future rent increases, inflation, and interest rates, as well as the levels of voids and right-to-buy. The Business Plan is sensitive to the assumptions made and small changes in any of these variables can, particularly over time, have a significant effect on the sustainability of the Plan.

6.7 Further work will need to be undertaken to review the Business Plan and to further review the assumptions, which may require amendments to both the capital and revenue budgets. The Business Plan will be kept under review as part of ongoing revenue and capital budget monitoring processes.

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

- Commissioning work packages from external contractors if they provide overall Value for Money (VFM) to the Council
- Market testing work when and where appropriate through corporately agreed procurement arrangements.

6.9 A value for money exercise was undertaken on the 2023/24 Capital Programme to compare external contractors and internal services, to test commercial competitiveness and ensure the unit values are appropriate. It is recommended that this exercise be repeated in 2024/25 and expanded to include the revenue funded repairs and maintenance work programme.

7.0 Implications for consideration – Legal

7.1 The Council's failure to maintain its homes and comply with legislation could result in risks to tenants' safety and adverse legal implications, including Health and Safety Executive and Regulator of Social Housing investigation and prosecution.

8.0 Implications for consideration – Human resources

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

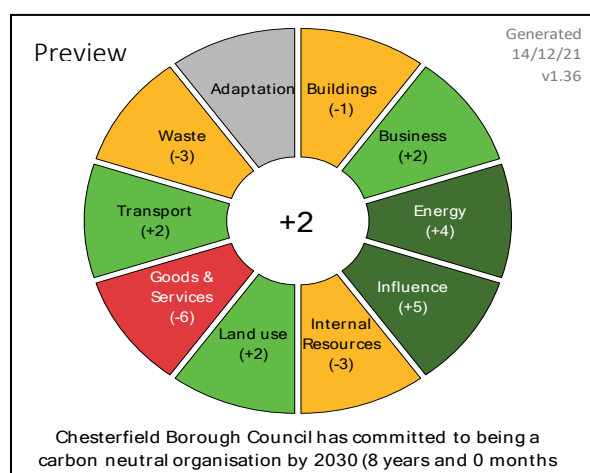
8.2 The Council's in-house Housing Property Services will however continue to deliver a good proportion of the Decent Homes programmes of work.

9.0 Implications for consideration – Council plan

9.1 Delivery of the Housing Capital Programme contributes to the Council Plan priority of *improving the quality of life for local people*.

- 9.2 The Council continues through the Housing Capital Programme to invest in major improvements in our council homes including new kitchens, bathrooms, heating systems, windows and rewiring, contributing towards reduced energy usage and costs.
- 9.3 Housing Services continue to take a key role in the council's corporate arrangements for the procurement of contracts and their management. A clause will be included in all contracts to ensure a proportion of the labour employed by external contractors is from the local area alongside apprentice opportunities.
- 9.4 The Council also continues to improve access to and the quality of public spaces and parking through the completion of estate improvements, e.g. those at Newland Dale.
- 10.1 **Implications for consideration – Climate change**
- 10.1 A climate change impact assessment has been completed. This is attached at Appendix 4.

10.2 The estimated climate impact score of the Capital Programme is +2.



10.3 Whilst there are clear costs associated with the Capital Programme, the benefits outweigh the costs and steps are being taken to minimise the impact on climate change whilst ensuring our buildings are sustainable and fit for purpose in the future.

11.0 Implications for consideration – Equality and diversity

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

12.0 Implications for consideration – Risk management

Description of the Risk	Impact	Likelihood	Mitigating Action	Impact	Likelihood
Failure to maintain Decent Homes Standard targets / invest in stock in a timely manner	Medium	Medium	The Programme has been set based on the outcomes from the most recent 2022 stock condition survey in order to ensure that the Decent Homes Standard is met. Resources will be targeted to areas at risk of Decent Homes Standard failure.	Low	Low
Worsening Tenant Satisfaction due to re-phased Capital Programme	Medium	Medium	Ensure that tenants and elected members are involved in any future reviews of the Capital Programme. Publicise the 5-year programme of works to tenants so they	Low	Low

			can see when homes in their community will benefit from improvement work.		
Declining Stock Condition	Medium	Medium	A new stock condition survey will continue to be carried out on a 3 yearly basis to inform the HRA Business Plan and to ensure future investment needs are met. This will include a further detailed survey of the non-traditional housing stock in 2026/27.	Low	Low
Managing slippage on programmes which may result in an underspend on the overall Capital Programme and work being carried forward into future years.	High	High	A 5-year programme of works will allow sufficient time for growth in the workforce to have the capacity to undertake the programmes of work. The 5-year programme will also allow for sufficient planning time to undertake design work, prepare specifications and seek any permissions, undertake any consultations and necessary procurements prior to works starting as soon as possible in any financial year. Regular contract progress meetings with Housing Property Services and external contractors to identify any slippage at the earliest stage and to	Medium	Low

			put in place mitigating actions to prevent any further slippage.		
Health Impacts on occupants	Medium	Medium	Ensure Capital Programme continues to prioritise investment in the non-traditional housing stock, which exhibit the most issues linked with poor health e.g., cold and damp conditions.	Low	Low
Loss of council homes through Right To Buy	High	High	RTB assumptions are made within the HRA Business Plan to reflect this loss of stock.	Medium	High
Additional investment in Fire Risk Works	High	High	Further investment over the period of the 5-year Capital Programme may be required on the blocks accommodation to meet the new regulations and requirements of fire safety.	Medium	Medium

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	All

Document information

Report author
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Cathy Jones
Interim Asset Management & Programmed Works Manager
Housing Services

Background documents

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

Appendices to the report

Appendix 1	Capital Programme
Appendix 2	Equality Impact Assessment
Appendix 3	Blocks Refurbishment Programme
Appendix 4	Climate Change Impact Assessment

HOUSING CAPITAL PROGRAMME - 2024/25 + 4 Year plan	Assumed at revised prices										
PROPOSED INVESTMENT PLAN:	HPS unit rate (from 30yr plan)	2024/25 Provisional	Required Units for Decent Homes	2025/26 Provisional	Required Units for Decent Homes	2026/27 Provisional	Required Units for Decent Homes	2027/28 Provisional	Required Units for Decent Homes	2028/29 Provisional	Required Units for Decent Homes
Compliance:											
Smoke detectors	98	84,240	860	84,240	860	65,000	663	34,020	347	36,600	373
CO detectors	98	64,380	657	76,500	781	38,700	395	16,260	166	40,680	415
Communal Lighting Replacement to blocks	5,530	50,000	9	50,000	9	50,000	9	50,000	9	50,000	9
Asbestos Removal Works	N/a	50,000	N/a	50,000	N/a	50,000	N/a	50,000	N/a	50,000	N/a
Asbestos Management / R&D Surveys	N/a	120,000	N/a	120,000	N/a	120,000	N/a	120,000	N/a	120,000	N/a
Fire Risk Works	N/a	3,000,000	N/a	3,000,000	N/a	2,000,000	N/a	1,500,000	N/a	1,500,000	N/a
Fire Risk Assessments	N/a	100,000	N/a	100,000	N/a	100,000	N/a	100,000	N/a	100,000	N/a
Decent Homes works											
Kitchens	8,180	2,895,720	354	3,202,527	392	3,525,104	431	4,918,256	601	5,041,212	616
Bathrooms + WC	3,689	405,790	110	419,181	114	429,661	116	440,402	119	451,412	122
Decarbonisation / heating solutions	4,000	1,576,000	394	2,256,072	564	2,888,475	722	4,315,135	1,079	4,111,534	1,028
Rewiring	3,500	700,000	200	578,480	165	604,060	173	486,212	139	471,113	135
Property Improvements (External contractor)	N/a	2,000,000	N/a	0	N/a	0	N/a	0	N/a	0	N/a
Roof renewals inc loft insulation, S&F's, hanging tiles and metal roofs plus chimneys	6,900	1,271,500	184	1,033,517	150	1,059,354	154	1,085,838	157	1,154,255	167
DPC/Damp Works and Pointing General plus render	3,000	249,000	83	309,900	103	317,648	106	260,471	87	100,119	33
Windows	8,000	2,584,000	323	2,010,218	251	1,728,532	216	1,758,722	220	1,989,578	249
Doors	900	190,800	212	135,736	151	81,000	90	86,932	97	30,369	34
Major Refurbishment works											
Blocks Refurbishments inc. environmental works	N/a	3,000,000	N/a	2,000,000	N/a	2,000,000	N/a	0	N/a	0	N/a
Other programmed works											
Internal Soil Stacks	N/a	25,000	N/a	25,000	N/a	25,000	N/a	0	N/a	0	N/a
Structural Works	N/a	300,000	N/a	300,000	N/a	300,000	N/a	300,000	N/a	300,000	N/a
Fences + gates, footpaths + drives inc. new off street parking	1,400	95,350	68	95,350	68	95,350	68	95,350	68	165,350	118
Footpath Proactive Maintenance	N/a	50,000	N/a	50,000	N/a	50,000	N/a	50,000	N/a	50,000	N/a
Disabled Adaptations	N/a	750,000	N/a	750,000	N/a	750,000	N/a	750,000	N/a	750,000	N/a
Capital Administration Fees											
Fees @ 6%	N/a	1,173,707	N/a	998,803	N/a	976,673	N/a	985,056	N/a	990,733	N/a
Acquisitions & New build											
New Build - site to be identified	N/a	0	N/a	0	N/a	0	N/a	3,000,000	N/a	3,000,000	N/a
New Build Construction - Barrow Hill	N/a	500,000	N/a	3,700,000	N/a	1,000,000	N/a	0	N/a	0	N/a
New Build Construction - Belmont Drive	N/a	0	N/a	2,000,000	N/a	0	N/a	0	N/a	0	N/a
New Build construction - Fortem Solutions Limited Infill Site Contract	N/a	4,611,280	22	0	N/a	0	N/a	0	N/a	0	N/a
New Build construction - Henry Boot Mastin Moor Site	N/a	4,200,781	18	0	N/a	0	N/a	0	N/a	0	N/a
New Build feasibility (fees)	N/a	50,000	N/a	50,000	N/a	50,000	N/a	50,000	N/a	50,000	N/a
Property Acquisitions	N/a	0	N/a	1,000,000	N/a	1,000,000	N/a	1,000,000	N/a	1,000,000	N/a
Management and ICT											
Stock condition survey	N/a	25,000	N/a	25,000	N/a	25,000	N/a	25,000	N/a	25,000	N/a
TOTAL		30,122,548		24,420,524		19,329,557		21,477,654		21,577,955	
FINANCED BY											
Revenue Financing		0		0		0		0		0	
Borrowing		11,615,506		8,662,442		3,758,855		4,783,492		5,097,109	
1-4-1 RTB Receipts		3,724,824		1,171,507		76,124		0		0	
Useable Capital Receipts		1,126,109		966,737		1,966,328		1,965,915		1,752,599	
Grants and Contributions		0		0		0		1,200,000		1,200,000	
Major Repairs Reserve		13,656,108		13,619,838		13,528,248		13,528,248		13,528,248	
TOTAL RESOURCES AVAILABLE		30,122,548		24,420,524		19,329,555		21,477,655		21,577,956	

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Chesterfield Borough Council Equality Impact Assessment - Full Assessment Form

<i>Title of the policy, project, service, function or strategy:</i>		Housing Capital Programme for 2024/25 through to 2028/29
<i>Service Area:</i>	Housing	
<i>Section:</i>	Business, Planning & Strategy	
<i>Lead Officer:</i>	Jane Davies	
<i>Date of assessment:</i>	11/23	
<i>Is the policy, project, service, function or strategy:</i>		
<i>Existing</i>	<input type="checkbox"/>	
<i>Changed</i>	<input type="checkbox"/>	
<i>New / Proposed</i>	<input checked="" type="checkbox"/>	

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Section 1 – Clear aims and objectives

1. What is the aim of the policy, project, service, function or strategy?
<i>A brief description of the aims of the policy – use a bullet point list if appropriate</i>
The Housing Capital Programme finances the major repair and improvements to the Council housing stock. Capital Improvement works include kitchen and bathroom replacements, central heating upgrades, roof/chimney replacements, rewiring, window/door replacements, disabled adaptations, health and safety related works.

2. Who is intended to benefit from the policy and how?
<i>Eg. specific sections of the community, employees</i>
The Capital Programme is for the benefit of all Council tenants and in certain instances leaseholders of ex council flats.

3. What outcomes do you want to achieve?

A brief summary of the anticipated outcomes as explained in the accompanying Cabinet/Council report.– use a bullet point list if appropriate

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

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

Eg. conflicting interests, budget limitations etc.

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

5. Any other relevant background information

Eg. related and/or pre-existing projects and EIAs, cumulative impact, scope etc.

Section 2 – Collecting your information

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

Eg. information about the workforce affected by the profile, report from prior engagement activity, for example, Are You Being Served.

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

Section 3 – Additional engagement activities

7. Please list any additional engagement activities undertaken when developing the proposal and completing this EIA. Have those who are anticipated to be affected by the policy been consulted with?

Date	Activity	Main findings
------	----------	---------------

		<i>Brief description of key themes and outcomes of related engagement activity eg. concerns raised and/or how the activity helped to develop the proposal.</i>
Ongoing	Tenant Participation Programme	Range of individual requirements identified with tenants.

Section 4 – What is the impact?

8. Summary of anticipated impacts. *Please tick at least one option per protected characteristic. Think about barriers people may experience in accessing services, how the policy is likely to affect the promotion of equality, knowledge of customer experiences to date. You may need to think about sub-groups within categories eg. older people, younger people, people with hearing impairment etc.*

	Positive impact	Negative impact	No disproportionate impact
Age	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Disability and long term conditions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gender and gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marriage and civil partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pregnant women and people on parental leave	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sexual orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ethnicity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Religion and belief	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9. Details of anticipated positive impacts.

a)	<i>Please provide details of any positive impacts identified in the summary table above and tick the group/s the impact applies to. Delete or add rows below as required.</i>							
	Capital improvements work can include adaptations related to age and disability.							
	<input checked="" type="checkbox"/> Age	<input checked="" type="checkbox"/> Disability	<input type="checkbox"/> Gender	<input type="checkbox"/> Marriage	<input type="checkbox"/> Pregnancy	<input type="checkbox"/> Sexual orientation	<input type="checkbox"/> Ethnicity	<input type="checkbox"/> Religion
b)								
	<input type="checkbox"/> Age	<input type="checkbox"/> Disability	<input type="checkbox"/> Gender	<input type="checkbox"/> Marriage	<input type="checkbox"/> Pregnancy	<input type="checkbox"/> Sexual orientation	<input type="checkbox"/> Ethnicity	<input type="checkbox"/> Religion
c)								
	<input type="checkbox"/> Age	<input type="checkbox"/> Disability	<input type="checkbox"/> Gender	<input type="checkbox"/> Marriage	<input type="checkbox"/> Pregnancy	<input type="checkbox"/> Sexual orientation	<input type="checkbox"/> Ethnicity	<input type="checkbox"/> Religion

10. Details of anticipated <u>negative</u> impacts.							
a)	Negative impact:	<p><i>Please provide details of any negative impacts identified in the summary table above and tick the group/s the impact applies to below. Delete or add rows below as required.</i></p> <p>A negative impact could arise where tenants have specific cultural requirements e.g. Male workers where only a female Muslim is present, carrying out improvements during specific religious festivals (Ramadan).</p>					
	Mitigating action:	<p><i>If action has been identified to mitigate against the negative impact, please provide details</i></p> <p>Actions are already in place to mitigate these negative impacts, our Customer Liaison Officers work with the tenants to support them through the improvement work and as the work is planned it can be scheduled in to meet the requirements of the tenant.</p>					
	<input type="checkbox"/> Age <input type="checkbox"/> Disability <input type="checkbox"/> Gender <input type="checkbox"/> Marriage <input type="checkbox"/> Pregnancy <input type="checkbox"/> Sexual orientation <input type="checkbox"/> X Ethnicity <input type="checkbox"/> Religion						
b)	Negative impact:	As above in Ethnic Groups.					
	Mitigating action:	As above in Ethnic Groups.					
	<input type="checkbox"/> Age <input type="checkbox"/> Disability <input type="checkbox"/> Gender <input type="checkbox"/> Marriage <input type="checkbox"/> Pregnancy <input type="checkbox"/> Sexual orientation <input type="checkbox"/> Ethnicity <input type="checkbox"/> X Religion						
c)	Negative impact:						
	Mitigating action:						
	<input type="checkbox"/> Age <input type="checkbox"/> Disability <input type="checkbox"/> Gender <input type="checkbox"/> Marriage <input type="checkbox"/> Pregnancy <input type="checkbox"/> Sexual orientation <input type="checkbox"/> Ethnicity <input type="checkbox"/> Religion						

11. Have all negative impacts identified in the table above been mitigated against with appropriate action?			
<input type="checkbox"/> xYes	<input type="checkbox"/> No	<input type="checkbox"/> N/A	<i>If no, please explain why:</i>

Section 5 – Recommendations and monitoring

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

A brief description of how the proposal has been developed to take into consideration protected groups, outcomes of consultation etc.

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

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

Include review date etc if applicable

The Housing Capital Improvement Programme is monitored annually.

Section 6 – Knowledge management and publication

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

Reviewed by Head of Service/Service Manager	Name:	Vanessa Watson
	Date:	05/02/24
Reviewed by Policy Service	Name:	
	Date:	DD/MM/YY
Final version of the EIA sent to Policy Service	<input type="checkbox"/>	
Decision information sent to Policy Service	<input type="checkbox"/>	

Appendix 3 Blocks Refurbishment Programme

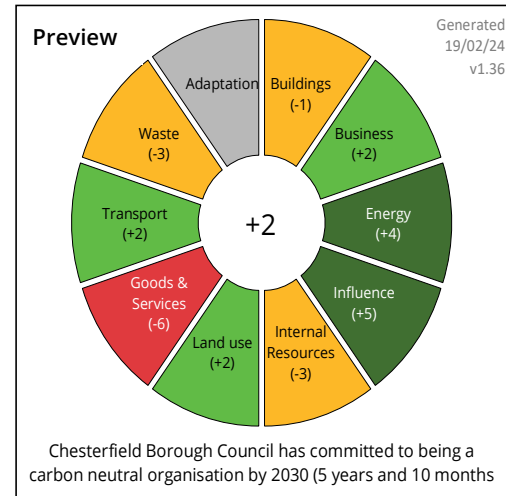
	Block	Ward	Commencement / completion date
	Ashcroft Court 1 block	Old Whittington	Completed 2021/22
	Seaton Court 1 block	Dunston	Completed 2021/23
	Dixon /Brearley Court 2 blocks	Old Whittington	Completed 2022/23
	Willow Garth Road Newbold 5 blocks	Dunston	Completed 2022/23
	Newland Dale 11 blocks	St.Helens	Project expected to complete January 2024
	Aston Court	Staveley	Project expected to complete March 2024
	White Edge Close & Masson Close 7 blocks	Loundlsey Green	Project started November 2023, due to complete November 2024
	Loundsley Green Flats Phase 2 6 blocks	Newbold	Work to be scoped and planned from 2025 onwards

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Climate Change Impact Assessment Tool (v1.36)

Developed by Chesterfield Borough Council 2022

Report Name	Housing Capital Programme 2024/25
Report date	14/11/23
Report author	Vanessa Watson
Project Notes	Housing Capital Programme including new build, refurbishments, adaptations and programmed works.
Export filename	<i>Housing Capital Programme 2024/25</i> <i>CCIA 14.11.2023</i> .png



- [Copy to clipboard](#)
- [Save to desktop](#)
- [Copy alt-text](#)

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Category	Impact	Notes / justification for score / existing work (see guidance sheet or attached notes for more information)	Score (-5 to +5)
Buildings	Building construction	Large building programme	-5
Buildings	Building use	Adding ev points, insulation etc.	+2
Buildings	Green / blue infrastructure	Small amount of landscaping / suds / habitat creation, net biodiveristy gain	+2
Business	Developing green businesses	Local contactors - will include new green technologies	+2
Business	Marketable skills & training		
Business	Sustainability in business		
Energy	Local renewable generation capacity	solar panels where appropriate	+1
Energy	Reducing energy demand	good insulation, low ebnergy light fittings heat reclamation	+2
Energy	Switching away from fossil fuels	no GCH or gas cookers	+1
Influence	Communication & engagement	PR and storytelling re energy efficiency etc	+2
Influence	Wider influence		
Influence	Working with communities	consultations and contractors community events	+2
Influence	Working with partners	improve ability to work with partners on issues like fuel poverty	+1
Internal Resources	Material / infrastructure requirement	Major internal resource use	-3
Internal	Staff time requirement		
Internal	Staff travel requirement		

Internal	External funding		
Internal			
Land use	Carbon storage	small amount of tree planting	+1
Land use	Improving biodiversity adaptation	small amount of meadow planting	+1
Land use	Natural flood management	SUDS - no net change	
Land use			
Goods & Services	Food & Drink		
Goods & Services	Products	building supplies	-5
Goods & Services	Single-use plastic	packaging	-1
Goods & Services	Services		
Goods & Services			
Transport	Decarbonising vehicles		
Transport	Improving infrastructure	EV points, active travel included in design	+2
Transport	Supporting people to use active travel		
Transport			
Waste	End of life disposal / recycling	Steps to recycle materials where possible	+1
Waste	Waste volume	short term waste from building projects	-4
Waste			
Adaptation	Drought vulnerability		
Adaptation	Flooding vulnerability		
Adaptation	Heatwave vulnerability		
Adaptation			
Other	Other 1		
Other	Other 2		
Other	Other 3		
Other	Other 4		

For publication

Cultural Service Review – Winding Wheel Theatre **([Delegation Reference – click here to view Part 3 Constitution](#))**

Meeting:	Cabinet
Date:	27 th February 2024
Cabinet portfolio:	Town Centres and Visitor Economy
Directorate:	Leisure, Culture and Community Wellbeing
For publication	

1.0 Purpose of the report

- 1.1 The purpose of this report is to set out detailed proposals to reduce the financial subsidy provided to the Winding Wheel Theatre, to support the Councils budget position for 2024/25.
- 1.2 This includes a review of the scale of fees and charges for lettings at the Winding Wheel Theatre for 2024/25.
- 1.3 The report will not deal with any proposed changes to theatre ticket prices, as these are negotiated with the visiting production companies throughout the year when productions are booked. The report will not deal with any proposed increase in bar and catering prices. These prices are normally reviewed twice a year, and are set by the cost of the purchases, bar performance, VAT, and what increases, if any, it is felt that the market can sustain.

2.0 Recommendations

- 2.1 To approve that a more commercial approach is taken to both the programming and the hiring of the Winding Wheel Theatre to reduce the financial subsidy provided to the venue.
- 2.2 To note that alternative operational arrangements will be put in place to support the commercial approach, including focussing opening hours around planned commercial events, and changes to the availability of the venue for hire.

- 2.3 To approve changes to fees and charges for room hire , equipment hire and staffing cost at the Winding Wheel Theatre as from 1 April 2024 as detailed in Appendix B.
- 2.4 To delegate authority to the Service Director for Leisure, Culture and Community Wellbeing, in consultation with the Cabinet Member for Town Centre and Visitor Economy, to apply appropriate negotiated fees for new activities and opportunities that are introduced during the period covered by this report.

3.0 Reason for recommendations

- 3.1 The proposals have been brought forward to respond to the savings targets identified in the Budget Implementation Plan, which was approved in November 2023. This will enable the Council to work towards developing a balanced 2024/25 budget and MTFP, which will support the Council to continue to deliver against the visions and priorities set out in the Council Plan.

4.0 Report details

Background

- 4.1 Following Council approval of the budget strategy in July 2023, Cabinet resolved on 14th November 2023 to approve in principle proposals in the Budget Strategy Implementation Plan, and authorise officers to develop the proposals through to appropriate decision making.
- 4.2 This report responds to the specific proposal "Fundamental review of the Winding Wheel operations focussed on achieving a cost neutral budget position". The proposal had a target annual saving target of over £200,000, as part of the thematic intervention of "Increase income / behave commercially".
- 4.3 The Winding Wheel Theatre is located in Holywell Street in Chesterfield. It was originally built as a cinema in 1923 and is a Grade 2 listed building. It has been operated by the Council since 1987. It has a main auditorium which has a capacity for 856 seated theatre style (this increases to 1,000 people standing) . It also has the Ballroom (200 capacity) and the Function Room (100 capacity). It also has 4 bars, and 3 kitchens.
- 4.4 The Council promotes a wide range of professional performances at the Theatre, including comedy, concerts, family shows, screenings, and the annual pantomime. The venue is also currently available to hire Monday to Sunday and the facility is well used by a wide range of users.

- 4.5 During the calendar year 2023, the hall was hired by approximately 66 different hirers – this comprised 57 community hirers, who were charged the discounted community tariff whilst 9 hirers were on the commercial tariff.
- 4.6 The venue was used on average approximately 6 hours per day, and during 2022/23 there were 262 events with a total attendance of 83,000 people.
- 4.7 As can be seen In Table 1 below in the financial year 2023/4 the Winding Wheel Theatre is budgeted to have a net operational cost of approximately £378,000. The net operational cost is defined as the total costs of operating the venue less internal council recharges and capital depreciation costs.

Table 1 – Winding Wheel Theatre Income and Expenditure

	Budget 2023/4
Expenditure	£
<i>Employees</i>	<i>872,200</i>
<i>Premises</i>	<i>198,150</i>
<i>Supplies & Services</i>	<i>887,810</i>
Sub-total	<i>1,958,160</i>
<i>Less Income</i>	
<i>Box office</i>	<i>(989,500)</i>
<i>Bar and catering</i>	<i>(281,050)</i>
<i>Lettings</i>	<i>(80,640)</i>
<i>Other</i>	<i>(227,600)</i>
Sub-total	<i>(1,578,790)</i>
Net Controllable Budget	<i>379,370</i>

- 4.8 Officers have reviewed in detail the operation of the theatre in 2023, in order to see how a cost neutral position could be achieved.
- 4.9** The current theatre programming policy is to present a wide range of productions to appeal to a broad cross -section of the community. The level of attendances varies depending on the genre, performers and ticket prices.
- 4.10** The main conclusion of the review was that many of the Council promoted professional shows did not generate sufficient income for the Council to cover all the costs of running the theatre.
- 4.11 Also, the income from hiring the venue to many of the hirers did not cover the costs of providing the theatre for the period of hire.

Proposals

- 4.12 In order to reduce the financial deficit of the operation, officers are proposing two approaches: increasing income and reducing expenditure. This does

mean that there will be an overall reduction in the breadth of shows and events at the theatre, but this has been balanced against the challenging budget position for the Council.

- 4.13 First, it is proposed that an increased commercial approach is adopted for the programming of productions at the theatre. It is proposed that as from 1st April 2024 (for all new bookings), we will only proceed with a production, where we estimate that the anticipated income is sufficient to cover the costs of providing the theatre.
- 4.14 As a more commercial approach is taken, it is anticipated that the number of productions programmed at the theatre will be reduced, as we have fewer but more profitable productions. As a consequence, the future programme will feature less productions which in the past have attracted smaller audiences.
- 4.15 There is a comprehensive programme already booked and contracted in place to the end of July 2024. A planned closure of the venue during August 2024 has also been arranged to allow for maintenance activities to take place. In taking this more commercial approach, it is expected that there will be fewer shows during September to November. The pantomime Cinderella (subject to confirmation and contract) is scheduled to run throughout December and the attendance target is 25,000 people. We anticipate that there will be a further reduction in shows from January 2025 onwards, with most events being presented during the weekends.
- 4.16 Secondly, in line with the more commercial approach, it is proposed that fees and charges are increased to a level which will enable the council to cover the costs of providing the venue to any hirer. The proposed level of charges is set out in Appendix B. It is recognised that the increases are more significant than in previous years, but they represent the true cost associated with provision of the service.
- 4.17 In reviewing the fees and charges for the Winding Wheel consideration has been given to the costs of operating the venue, particularly recent increases in staffing and utility costs. In addition, we have considered local market conditions, customer feedback and the demand for the venue.
- 4.18 The Winding Wheel Theatre has two main categories of hire fees. Community charges, which apply to social gatherings and non-profit making organisations and commercial charges, which are levied on profit making events and organisations. There is no proposal to change the classification of hirers.
- 4.19 It is anticipated that significantly increasing hire charges may reduce the number of hours /days that the venue is hired. It is also anticipated that unfortunately there may be some community hirers who may not be able to hire the venue in future due to its increased cost. The Council will seek to support these hirers to secure alternative arrangements, where possible.

- 4.20 In moving to a more commercial approach, for productions and venue hire, It is envisaged that there will be overall a reduction in the opening hours of the Winding Wheel Theatre, which will reduce operating costs, with lower staffing levels and savings in premises costs.

Stakeholder engagement

- 4.21 As part of the development process of these proposals, officers have contacted the regular hirers of Winding Wheel Theatre and invited them to complete a short engagement survey regarding their views on how they think any significant price changes would affect them and their group. A summary of responses is contained in Appendix A.
- 4.22 We received a total of eighteen responses to the survey from regular hirers. Eight of the respondents were community or charitable organisations, eight were businesses, and two described themselves as "other".
- 4.23 The responses to the question on how "significantly increased" charges for the venue might impact the hirer were very consistent. Nearly all hirers indicated that they may not or would not be able to continue to hire the facilities if the charges went up significantly.
- 4.24 However, it should be noted that only three of the eighteen respondents disagreed with the principle that that venue hire fees and charges should be set at a level, for any groups or individuals using the service, which covers the cost of providing the service to help reduce the council's budget gap.
- 4.25 In addition to the survey, officers met with three regular hirers who requested a meeting to discuss the survey in more detail. It was clear from these meetings that these hirers understood the financial challenges which the Council faces and demonstrated a flexible attitude to any significant increase in charges. For example, all three hirers wanted to continue to hire the venue, but were prepared to alter their arrangements for their events to meet the increase in charges. Hirers said that they might hire the venue for a reduced duration, for example two days rather than three days, whilst others discussed increasing the ticket price to their events to cover the increase.

Conclusions

- 4.26 Having considered all of the operational and financial analysis, taken on board the stakeholder engagement, and set these in the context of the significant budget challenges the Council must meet, it is proposed to operate Winding Wheel Theatre in a more commercial way, focussing on commercial productions and increasing hire charges from 1st April 2024.
- 4.27 As a result of this approach, and the anticipated reduction in opening times of the building, there will be operational savings in staffing and premise management costs. It is anticipated that these two measures will improve the

financial performance of the venue which will be reviewed as part of the service's existing budget review process.

4.28 The financial implications of these proposals are set out in Section 6 below.

5.0 Alternative options

5.1 One alternative option is not to take a more commercial approach or make any changes to the operational arrangements of the venue, but this would not deliver the required savings to the agreed timescale.

5.2 Another alternative option is to not increase the fees and charges for 2024-25, however this would not assist the Council in delivering a balanced budget and place a significant pressure on the Councils medium term financial plan.

5.3 A larger increase than proposed could be applied to the current fees and charges. It is felt that the proposed fees are significant already, and any increase above the level recommended is viewed as potentially having a negative impact on business.

6.0 Implications for consideration – Financial and value for money

6.1 This report is primarily concerned with reducing the operational deficits of the Winding Wheel theatre. The current net controllable budget for the service is £379,370 in 2023/24.

6.2 The proposals set out in this report will generate ongoing savings of circa £172,000 per annum. This will reduce the net controllable budget to circa £207,000 in 2024/25, as set out in Table 2 below.

Table 2 – Winding Wheel Theatre Controllable Budgets

	Budget 2023/24 (£)	Savings (£)	Budget 2024/25 (£)
Expenditure			
<i>Employees</i>	872,200	(184,750)	687,450
<i>Premises</i>	198,150	(7,810)	190,340
<i>Supplies & Services</i>	887,810	5,160	892,970
Sub-total	1,958,160	(187,400)	1,770,760
Income			£
<i>Box office</i>	(989,500)	(36,500)	(1,026,000)
<i>Bar and catering</i>	(281,050)	28,700	(252,350)
<i>Lettings</i>	(80,640)	(9,360)	(90,000)
<i>Other</i>	(227,600)	32,420	(195,180)
Sub-total	(1,578,790)	15,260	(1,563,530)
Net Controllable Budget	379,370	(172,140)	207,230

7.0 Implications for consideration – Legal

7.1 There are no legal implications from these proposals.

8.0 Implications for consideration – Human resources

8.1 There are implications for Human Resources from these proposals, as less staff hours will be required due to the anticipated reduction in the operational hours of the theatre.

8.2 However, this reduction in staff hours will be realised partially by a number of staff who have already chosen to take voluntary redundancy or early retirement under the current council scheme in March 2024.
This is 2.70 FTE.

8.3 In addition, there will be a reduction in staff hours from a number of fixed term contracts for part time staff, coming to an end during 2024.
This is 3.31 FTE.

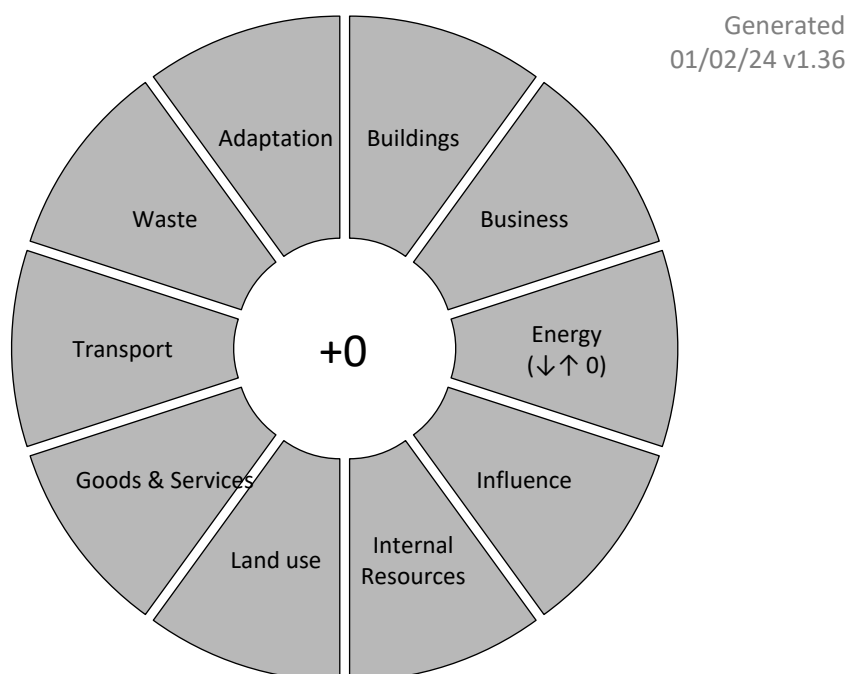
8.2 It is expected that this reduction in staff hours can be achieved without any implication for staff on permanent contracts.

9.0 Implications for consideration – Council plan

9.1 This contributes to two of our key priority areas - to improve quality of life for local people and to provide value for money services.

10.0 Implications for consideration – Climate change

10.1 There are no implications for Climate Change from these proposals.



Chesterfield Borough Council has committed to being a carbon neutral organisation by 2030 (5 years and 11 months away).

11.0 Implications for consideration – Equality and diversity

11.1 A full equality impact assessment has been completed and is available at Appendix C. This assessment helped to inform the final recommended proposals.

12.0 Implications for consideration – Risk management

12.1 Due to the current economic climate, entertainment, leisure and business markets are under pressure. It is, therefore, inevitable that there are risks in attaining income targets.

Description of the Risk	Impact	Likelihood	Mitigating Action	Impact	Likelihood
Decreased number of	High	High	Offer alternative venues to these	Medium	Medium

community group hirers			hirers where possible		
Increased competition	High	Medium	Improved marketing. Use of packages.	Medium	Low
Hirers are not prepared to pay increased charges for hiring the venue	High	High	Work closely with hirers to find solutions to budget issues	Medium	Medium

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	

Document information

Report author	
<i>Anthony Radford – Cultural Services Manager .</i>	
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	Venue Hire Survey Report January 2024
Appendix B	Winding Wheel Theatre Fees and Charges
Appendix C	Equality Impact Assessment

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Venue Hire Survey Report January 2024

Contents

1. Summary	1
2. Introduction	1
3. Questionnaire results	2
4. Further comments regarding the Winding Wheel Theatre	4

1. Summary

Questionnaire format: *Web*
Responses: *Winding Wheel; 18*

Date range: *19th December 2023 to 5th January 2024*

2. Introduction

Respondents were asked to complete a short survey regarding their views on how individuals / groups currently use the Winding Wheel Theatre and how they think any price or operational changes would affect them / their group.

An invitation to participate was requested via email to 32 Winding Wheel venue users.

The Budget Conversation

Before taking part in the survey, respondents were asked to read through the background information included in the Budget Conversation brochure.

The Budget Conversation survey asked a broad set of questions about where and how people think we could make budget savings and should focus where we spend our budgets. Within the survey there were 10 opportunities for respondents to make comment. Around 900 comments were made in total (multiple responses from the same respondents). Around 10 of the comments specifically mention the three venues and 9 comments specifically mention use of community venues. Please see the full Budget Conversation Survey report [here](#). (link to be added)

Further comments and feedback

Some further responses were received separately via email and in-person. These are included at the end of the report.

3. Questionnaire results

How strongly do you agree or disagree that the council should ensure that fees and charges for discretionary services, which are services it does not have to legally provide, and which some residents may not need, should cover the cost to the Council of providing the service?

How strongly do you agree or disagree that the council should ensure that fees and charges for discretionary services, which are services it does not have to legally provide, and which some residents may not need, should cover the cost to the Council of providing the service?					
	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
No.	1	9	7	1	0
%	5.6%	50.0%	38.9%	5.6%	0.0%

How strongly do you agree or disagree that venue hire fees and charges should be set at a level, for any groups or individuals using the service, that covers the cost of providing the service to help reduce the council's budget gap?

How strongly do you agree or disagree that venue hire fees and charges should be set at a level, for any groups or individuals using the service, that covers the cost of providing the service to help reduce the council's budget gap?					
	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
No.	3	7	5	2	1
%	16.7%	38.9%	27.8%	11.1%	5.6%

Do you / your group currently pay for the hire of facilities at the Winding Wheel Theatre?

Do you / your group currently pay for the hire of facilities at the Winding Wheel Theatre?		
	Number	Percentage
Yes	16	88.9%
No	2	11.1%

If yes, if the rates for hiring the Winding Wheel Theatre were significantly increased, what would be the impact on your group and / or those people who access the service you provide?

16 responses were received, as follows:

We would no longer be able to use the venue and we would have to look elsewhere
If they were to significantly increase we would either have try and find a new venue or increase the cost for tickets to the audience
We have to consider the commercial viability of any event we organise and would consider alternative venues if more cost-effective options were available to meet our needs.
If they were significantly increased we would no longer be able to attend
Had to take a harder edge to ensure that costs incurred from the WW would be met, and that audience members knew that fixed costs incurred by the promoters such as ourselves had to explicitly set out to the audience members.
Unable to attract an audience with higher ticket prices
The likely impact will be that we will be unable to continue using the venue for our concerts. This could ultimately impact on the survival of the group. As far as I am aware. We do pay the full charges for using the venue.
We would likely look elsewhere

We do over 100 disco events a year all over the UK - 3 of which are at the WWheel. The WW hire prices are already comparatively high compared to the other council run venues we take our shows to, so we would look for another venue in the area if the prices rose any further as it wouldn't be cost effective for us to bring the event to you. Our events provide a larger than normal bar revenue for the WW, so please bear that in mind
we cannot use the Winding wheel due to the increase in the charges
The impact would be that we would maybe not be able to use the venue because we are a charity
We would have to consider our viability
If the increase is big, we would look at alternative local venues.....
If too high would possibly seek an alternate venue.
I am unsure we will be able to afford to hire the venue depending on how much they will be increasing with our school being small.
We are a small, local children's dance school. We aim to keep our costs low so that dance classes can be affordable for all families and believe no child should miss out on such experiences. There is a limit to how much our parents would be willing to pay for a ticket to see their child on stage for just a few minutes in a dance show yet we know how invaluable this experience is for a child. Performing in front of an audience builds so much confidence and getting to do this in such a grand venue like the Winding Wheel is an unforgettable experience for any child. If the hire fees are increased we simply would not be able to make use of the venue and would have to look at holding our show elsewhere. This would be a massive shame that children from Chesterfield would not be able to make use of a beautiful local venue. We are not a big company who can afford to fund the expenses or charge a high-ticket fee and I imagine many dance schools in the area will be in same position. It would be nice for you/the council to consider how it can work with and help support all the local dance schools/theatre groups and small businesses of Chesterfield when setting the new hire fees so that no child has to miss out on the joy of performing on stage.

If you have any other comments, please provide them below:

7 responses were received as follows:

I value the WW as a venue for our particular booking. The audience capacity and the management staff reflect a caring and willing attitude which is worth a lot out of monetary totals.
The concessionary car parking passes are used extensively by our audiences
Always been happy with services when using the Winding Wheel
It will be a great loss to Chesterfield if the hire charges of the Winding Wheel drive out the remaining armature groups who use the venue. It is hard enough keeping these groups running without being denied performance spaces. I suspect if we were talking about a sports facility the conversation would be different.
see previous
We feel that smaller businesses such as local dance schools will struggle to afford much bigger fees/charges. I also think the first 2 questions could be simplified which is why we did not strongly agree or disagree. It seems fair to suggest setting the fees but in the creative sector, there are many other deciding factors.... larger theatre companies are more likely able to afford higher fees/ticket prices, e.g. local dance schools not so.
I chose the middle answer for 1 and 2 as i didn't fully understand the question.

Which of the following describes you best?

Which of the following describes you best?		
	Number	Percentage
I represent a business	8	44.4%
I represent a community organisation	3	16.7%
I represent a charity	5	27.8%
Other	2	11.1%

4. Further comments regarding the Winding Wheel Theatre

Response 1:

From our point of view if prices were significantly increased we would no longer be able to attend. Your prices are similar to many other places we book if not slightly higher.

Response 2:

I think we would have to look elsewhere which would be a shame as we have been there once a week for 30 years...The hire of the hall is already very high. When we meet on Sundays we only need a caretaker we mainly sort ourselves out so that should save money. Just some thoughts.
Thanks

Response 3:

I appreciate your request for information regarding hire costs, but my personal opinion is that some services which are not legally required merit a discretionary allowance. I also understand that the cost of keeping venues such as the Winding Wheel theatre, Pomegranate Theatre, and Museum must cost £500,000.00 or more to be there, even if not used, due to their importance to Chesterfield and the outlying district, tourism, and active community/entertainment venues. As a staunch community volunteer, who is involved with a number of not-for-profit organisations, I feel that some activities that take place in the venues mentioned could merit more financial discretion if those activities support Chesterfield and District activities and visitor attractions. This in no way a negative approach to the need to Chesterfield Borough Councils budget requirements.

Response 4:

If the price goes up, we would have to increase the price of the tickets, and possibly reduce the period of hire down from 3 days to 2 days.

Winding Wheel Fees & Charges

All bookings are subject to a minimum of three hours booking (excluding kitchens)

Staffing charges are in addition for room only bookings

All rates include VAT at the prevailing rate unless stated

Charges from 1 April 2024	Current Charge 2023/4 incl VAT if applies	Proposed Charge 2024/5 incl VAT	Increase %
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WINDING WHEEL - AUDITORIUM

COMMUNITY CHARGE

New Rate applies all week - room only per hour £ 232 NA

AUDITORIUM COMMERCIAL CHARGE

New Rate applies all week - room only per hour £ 258 NA

BALLROOM COMMUNITY CHARGE

New Rate applies all week - room only per hour £ 138 NA

BALLROOM COMMERCIAL

New Rate applies all week - room only per hour £ 153 NA

FUNCTION ROOM COMMUNITY CHARGE

New Rate applies all week - room only per hour £ 111 NA

FUNCTION ROOM COMMERCIAL

New Rate applies all week - room only per hour £ 123 NA

Kitchen per hour - new rate standard for all kitchens and hirers £ 20 NA

Servery per function - new rate standard for all kitchens and hirers £ 28 NA

Ballroom Wedding Package £2,350 £2,865 22%

The wedding package includes use of Ballroom and kitchen, staffing and associated equipment with a maximum hire period on the Saturday of 14 hours, with a finish time of no later than 12pm

Auditorium Wedding Package £4,345.00 £4,563 5%

The wedding package includes use of Auditorium and kitchen, staffing and associated equipment with a maximum hire period on the Saturday of 14 hours, with a finish time of no later than 12pm

Ballroom Party Package £999.00 £ 1,482 48%

The party package includes use of Ballroom and kitchen, staffing and associated equipment with a maximum hire period on the Saturday of 6 hours, with a finish time of no later than 12pm

Auditorium Party Package £1,499.00 £ 2,400 60%

The party package includes use of Auditorium and kitchen, staffing and associated equipment with a maximum hire period on the Saturday of 6 hours, with a finish time of no later than 12pm

Conference and Meeting Packages

The hire includes a full service package for the period of the hire covering set up and breakdown of the event, technical equipment and staffing support, FOH staffing and hire of the space. NB: Teas, Coffees buffet not included but available on request. Additional hours charged at £280/hr

Half Day rate (4hrs)	Auditorium	£ 1,641.00	NA
	Ballroom	£ 1,266.00	NA
	Function Room	£ 1,155.00	NA
Full day Rate (8hrs)	Auditorium	£ 2,856.00	NA

Ballroom	£ 2,112.00	NA
Function Room	£ 1,890.00	NA

Dance School Package

All packages are for full service and include Auditorium, Circle & Ballroom plus all technical and Front of House support, staff, equipment and services. Maximum 5hrs hire per day. Additional hrs charged at £380/hr

NB: Box Office fees & Levies and PRS recharges will be charged in addition to the above package fees

2 Day Package	£ 3,816	NA
3 Day Package	£ 5,688	NA
4 Day Package	£ 7,605	NA

Theatre Hire - One night show (Community/Amateur)

£ 2,916 NA

The hire includes a full service package for the period of the hire covering set up and breakdown of the event, technical equipment and staffing support, FOH staffing and hire of the space

NB: Box Office fees & Levies and PRS recharges will be charged in addition to the above package fees

Theatre Hire - One Night Show (Commercial / Professional)

£ 3,420 NA

The hire includes a full service package for the period of the hire covering set up and breakdown of the event, technical equipment and staffing support, FOH staffing and hire of the space

NB: Box Office fees & Levies and PRS recharges will be charged in addition to the above package fees

Disco Package

Package includes all staff, space hire & associated equipment. Max hire of 8hrs

Auditorium	£ 2,388	NA
Auditorium & Ballroom	£ 2,544	NA
Full Building	£ 2,706	NA

Dinner Package

The hire includes a full service package for the period of the hire covering set up and breakdown of the event, technical equipment and staffing support, FOH staffing and hire of the space plus associated kitchens. **NB: Catering not included but available on request.**

Auditorium	£ 4,500	NA
Ballroom	£ 2,700	NA
Full Building	£ 5,121	NA

Graduation Package

The hire includes a full service package for the period of the hire covering set up and breakdown of the event, technical equipment and staffing support, FOH staffing and hire of the space. Drinks and catering packages not included but available on request

£ 3,858 NA

Awards Package

The hire includes a full service package for the period of the hire covering set up and breakdown of the event, technical equipment and staffing support, FOH staffing and hire of the space. Drinks and catering packages not included but available on request

£ 3,303 NA

All Bookings - any hours between 1am and 6am by negotiation and will be charged at double rates

Bank Holidays, Easter Weekend, by negotiation and at double rates

EQUIPMENT

Staging 8' x 4' (per unit)	£10	£	11	10%
Tiered Staging (per unit)	£68	£	70	3%
Tiered Staging (all units)	£218	£	225	3%
PA system in-house or portable	£31	£	32	3%
PA system in-house with radio mike	£44	£	46	5%
Additional microphone	£15	£	16	7%
Multimedia Projector and Screen	£74	£	76	3%
Multimedia Projector, Screen and Laptop	£90	£	93	3%
Slide Projector	£24	£	25	4%
Screens - 6ft	£23	£	25	9%
Screens - 10ft	£68	£	70	3%
Laser Projector and Audit Screen per day	£218	£	225	3%
Laser Projector and Audit Screen per week	£1,090	£	1,100	1%
Lectern	£10	£	11	10%
Flip Chart and Pad	£10	£	11	10%
Stage Lighting (set up and leave in one state)	£44	£	46	5%
Stage Lighting Focus (up to 4 hours)	£125	£	130	4%
Technician - per hour	£31	£	32	3%
Sound Operator - per hour	£24	£	26	8%
Ligting Operator - per hour	£24	£	26	8%
Duty Manager - per hour	£24	£	27	13%
Caretaker - per hour	£24	£	26	8%
Security Staff - per hour	£24	£	26	10%
Front of House Staff - per hour	£18	£	20	10%
Piano - Upright			POA	
Piano Tuning			POA	
Seating over 200	£47	£	49	4%
Seating over 300	£66	£	68	3%
Seating over 400	£131	£	135	3%
Tiered Seating	£218	£	225	3%
Carpet for Staging/Catwalk	£23	£	24	4%
Ticket Printing	£65	£	67	3%
Round Tables	£59	£	61	3%
Cup and Saucers - 1-50	£16	£	17	6%
Cup and Saucers - 51-100	£23	£	24	4%
Cup and Saucers - 101-150	£34	£	35	3%
Cup and Saucers - 151-300	£43	£	45	5%
Tea/Coffee and Biscuits (per mug)	£2.85	£	3	5%
CORKAGE (including use of glasses)	£10.25	£	11	7%
Soft Drink Surcharge	£218	£	225	3%

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Chesterfield Borough Council Equality Impact Assessment - Full Assessment Form

<i>Title of the policy, project, service, function or strategy:</i>	Cultural Service Review - Winding Wheel Theatre
<i>Service Area:</i>	Leisure Culture and Community Wellbeing
<i>Section:</i>	Cultural Services
<i>Lead Officer:</i>	Anthony Radford
<i>Date of assessment:</i>	02/24
<i>Is the policy, project, service, function or strategy:</i>	
<i>Existing</i>	<input type="checkbox"/>
<i>Changed</i>	<input checked="" type="checkbox"/>
<i>New / Proposed</i>	<input type="checkbox"/>

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Section 1 – Clear aims and objectives

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

To set out detailed proposals to achieve financial savings from the operation of the Winding Wheel Theatre, including the charges for lettings, and focussed opening times at the Winding Wheel Theatre during 2024-2025.

1. Who is intended to benefit from the policy project, service, function or strategy and how?

This will benefit the local community by ensuring the Council is able to continue to deliver statutory services in the most efficient way, in line with the approach set out in the Council's Budget Strategy. The Council is required to set a balanced budget each year, in order to continue to function.

This particular proposal has a target annual saving in the range of £200,000.

2. What outcomes do you want to achieve?

In the financial year 2023/4 the Winding Wheel Theatre is budgeted to have a net operational cost of approximately £378,000. The net operational cost is defined as the total costs of operating the venue less internal council recharges and capital depreciation costs. The Council's budget strategy is to recover the costs of providing discretionary services as much as possible, and the specific outcomes for this report are:

- To implement alternative operational arrangements to support the commercial approach, including focussing opening hours around planned commercial events, and changes to the availability of the venue for hire.
- It is proposed that fees and charges are increased to a level which will enable the council to cover the costs of providing the venue to any hirer from April 2024 onwards. It is recognised that the increases are more significant than in previous years, but they represent the true cost associated with provision of the service.
- To continue to provide a discounted concessionary rate for community group hire of the venue.
- To implement a more commercial approach for the programming of productions at the theatre - It is proposed that as from 1st April 2024 (for all new bookings), we will only proceed with a production, where we estimate that the anticipated income is sufficient to cover the costs of providing the theatre.
- It is anticipated that the number of productions programmed at the theatre will be reduced, as we have fewer but more profitable productions. As a consequence, the future programme will feature less productions which in the past have attracted smaller audiences.
-

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

Some groups who hire the Winding Wheel that may be adversely affected work with some people with protected characteristics: age; disability; pregnancy and maternity; religion or belief.

Support for these groups with identifying alternative venues will be provided if required. Support is also available from both the Health and Wellbeing Officer and Community Development Worker who can provide advice regarding community grants funding opportunities.

The concessionary hire rate is also being continued to reduce the charges for community groups.

The following venues offer similar facilities for hire within the borough:

Facility available for hire
Chesterfield Town Hall
West Street Studios
Chester Street Club
St. Andrews Church Hall
Boythorpe Community Centre
Derby Road Methodist Church
Loundsley Green Community Centre
St. Thomas Centre
Technique Stadium, Whittington Moor
Peter Webster Centre
The Eagle Club, Littlemoor
Newbold Working Men's Club
Birdholme Working Men's Club
Brimington Community Centre
Speedwell Rooms
Staveley Hall

4. Any other relevant background information

The proposals have been brought forward to respond to the savings targets identified in the Budget Strategy Implementation Plan, which was approved in November 2023. This will enable the Council to work towards developing a balanced 2024/25 budget and MTFP, which will support the Council to continue to deliver against the visions and priorities set out in the Council Plan.

Section 2 – Collecting your information

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

- The Council promotes a wide range of professional performances at the Theatre, including comedy, concerts, family shows, screenings, and the annual pantomime. The venue is also currently available to hire Monday to Sunday and the facility is well used by a wide range of users.
- During the calendar year 2023, the hall was hired by approximately 66 different hirers – this comprised 57 community hirers, who were charged the discounted community tariff whilst 9 hirers were on the commercial tariff.
- The venue was used on average approximately 6 hours per day, and during 2022/23 there were 262 events with a total attendance of 83,000 people.
- In the financial year 2023/4 the Winding Wheel Theatre is budgeted to have a net operational cost of approximately £378,000. The net operational cost is defined as the total costs of operating the venue less internal council recharges and capital depreciation costs.

Table 1 – Winding Wheel Theatre Income and Expenditure

	<i>Budget 2023/4</i>
<i>Income</i>	<i>£</i>
<i>Box office</i>	<i>989,500</i>
<i>Bar and catering</i>	<i>281,050</i>
<i>Lettings</i>	<i>80,640</i>
<i>Other</i>	<i>227,600</i>
<i>Total</i>	<i>1,578,790</i>
<i>Less Expenditure</i>	
<i>Employees</i>	<i>872,200</i>

<i>Premises</i>	<i>198,150</i>
<i>Supplies & Services</i>	<i>887,810</i>
<i>Total</i>	<i>1,958,160</i>
<i>Net Operational cost for the year</i>	<i>(379,370)</i>

- o Local market conditions, customer feedback and the demand for the venue have also been considered and the main conclusion of the review of Winding Wheel operations was that many of the Council promoted professional shows did not generate sufficient income for the Council to cover all the costs of running the theatre. Also the income from hiring the venue to many of the hirers did not cover the costs of providing the theatre for the period of hire.

<p>6. Have you identified any gaps in the information/evidence that you have regarding the policy, project, service, function or strategy, which may be needed in order to give proper consideration? <i>It is not sufficient to say "we do not have the evidence", you should identify gaps in the evidence and fill them in a proportionate and balanced manner.</i></p>	
<input type="checkbox"/> Yes, gaps have been identified	
<input checked="" type="checkbox"/> No, there are no gaps	<p>Detailed analysis of current usage and income has been conducted. In addition, feedback has been received via the Venues survey and the Budget Conversation enabling full consideration to be given to the proposal.</p>

Section 3 – Additional engagement activities

<p>7. Please list any additional engagement activities undertaken when developing the proposal and completing this EIA. Have those who are anticipated to be affected by the policy been consulted with?</p>		
Date	Activity	Main findings
17th Nov – 15th	Budget Conversation	Respondents were asked to take part in a short survey and answer a series of broad questions about where and how they

Dec 2023		think CBC budgets should be spent. Information gathered during the budget conversation including comments and individual submissions are being used to inform proposals and key decision considerations.
19th December 2023 to 5th January 2024	Venue Hire Survey Report	<p>As part of the development process of these proposals, officers have contacted the regular hirers of the Winding Wheel, and invited them to complete a short survey regarding their views on how they think any price or operational changes would affect them and their group.</p> <p>A total of eighteen responses to the survey were received from regular hirers. Eight of the respondents were community or charitable organisations, eight were businesses, and two described themselves as “other”.</p> <p>The responses to the question on how “significantly increased” charges for the venue might impact the hirer were very consistent. Nearly all hirers indicated that they may not or would not be able to continue to hire the facilities if the charges went up significantly.</p> <p>However, it should be noted that only three of the eighteen respondents disagreed with the principle that that venue hire fees and charges should be set at a level, for any groups or individuals using the service, which covers the cost of providing the service to help reduce the council’s budget gap.</p> <p>In addition to the survey, officers met with three regular hirers who requested a meeting to discuss the survey in more detail.</p>

Section 4 – What is the impact?

8. Summary of anticipated impacts. *Please tick at least one option per protected characteristic. Think about barriers people may experience in accessing services, how the policy is likely to affect the promotion of equality, knowledge of customer experiences to date. You may need to think about sub-groups within categories eg. older people, younger people, people with hearing impairment etc.*

	Positive impact	Negative impact	No disproportionate impact
Age	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disability and long term conditions	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gender and gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Marriage and civil partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pregnant women and people on parental leave	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sexual orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Ethnicity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Religion and belief	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

9. Details of anticipated positive impacts.

a) *Please provide details of any positive impacts identified in the summary table above and tick the group/s the impact applies to. Delete or add rows below as required.*

Age Disability Gender Marriage Pregnancy Sexual orientation Ethnicity Religion

b)

Age Disability Gender Marriage Pregnancy Sexual orientation Ethnicity Religion

c)

Age Disability Gender Marriage Pregnancy Sexual orientation Ethnicity Religion

10. Details of anticipated negative impacts.

a)	<i>Negative impact:</i>	Some groups who hire the Winding Wheel and therefore may be adversely affected, work with some people with protected characteristics: age; disability; pregnancy and maternity; religion or belief.							
	<i>Mitigating action:</i>	Support will be provided to groups to identify new venues if required. Support is also available from the Council’s Health and Wellbeing Officer and Community Development Worker who can provide advice regarding community grants funding and other external funding opportunities, community development, and support capacity building. A concessionary rate for hiring the venue is to be continued to reduce the cost of hire for community groups.							
		<input type="checkbox"/> Age	<input type="checkbox"/> Disability	<input type="checkbox"/> Gender	<input type="checkbox"/> Marriage	<input type="checkbox"/> Pregnancy	<input type="checkbox"/> Sexual orientation	<input type="checkbox"/> Ethnicity	<input type="checkbox"/> Religion

11. Have all negative impacts identified in the table above been mitigated against with appropriate action?

X Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A	<i>If no, please explain why:</i>
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12. Have you assessed the equality impact on the people who may have to implement your decision, such as staff or suppliers?

Staff	X Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A	<i>If no, please explain why – There are no proposals concerning restructuring the workforce within the report. However, a new Voluntary Redundancy / Voluntary Early Retirement scheme was launched and offered to all employees during the summer of 2023. This has helped us to understand who may be interested in leaving the Council on voluntary terms, and some employees have been</i>
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				<i>accepted to this scheme.</i>
Specific users	X Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A	<i>If no, please explain why</i>
Wider community	X Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A	<i>If no, please explain why</i>

Section 5 – Recommendations and monitoring

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

Regular reviews will be carried out once the proposed changes in are in operation and the EIA will be updated as necessary at that time.

14. Summary of the Equality Impact Assessment

Please provide a summary of the assessment, with key findings and a brief description of how the proposal has been developed to take into consideration protected groups, outcomes of consultation etc.

The EIA process has given due regard to any potential negative impacts of the Cultural Services Review – Winding Wheel. Some groups who hire the Winding Wheel, and therefore may be adversely affected, work with some people with protected characteristics. Support will be given to those groups who currently hire the venues with finding alternative locations for hire and advice regarding community grants funding opportunities will be provided, and a concessionary hire rate is being continued for community groups.

Has due regard been given to the Public Sector Equality Duty statutory guidance or was there a good reason why the duty, or particular parts of it, did not apply to that decision?

The general duty requires public authorities, to have due regard to the need to:

- *Eliminate unlawful discrimination, harassment, victimisation and any other unlawful conduct prohibited by the act*
- *Advance equality of opportunity between people who share and people who do not share a relevant protected characteristic*
- *Foster good relations between people who share and people who do not share a relevant protected characteristic*

X Yes No N/A

Please provide further details if necessary

Section 6
– Knowledge management and publication

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

Reviewed by Head of Service/Service Manager	Name:	Anthony Radford
	Date:	09/02/2024
Reviewed by Policy Service	Name:	Katy Marshall
	Date:	08/02/2024
Final version of the EIA sent to Policy Service	<input type="checkbox"/>	
Decision information sent to Policy Service	<input type="checkbox"/>	