



Please ask for Martin Elliott
Direct Line: 01246 345236
Email committee.services@chesterfield.gov.uk

The Chair and Members of Cabinet

18 January 2016

Dear Councillor,

Please attend a meeting of the CABINET to be held on TUESDAY, 26 JANUARY 2016 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 - 12)

To approve as a correct record the Minutes of the Cabinet meeting held on 12 January, 2016.

4. Forward Plan (Pages 13 - 26)

Items Recommended to Cabinet via Cabinet Members

Leader and Cabinet Member for Regeneration

5. General Fund Revenue Budget Summary (Pages 27 - 42)

Deputy Leader and Cabinet Member for Planning

6. Collection Fund Revised Estimates 2015/16 (Pages 43 - 48)

Cabinet Member for Business Transformation

7. Senior Pay Policy (Pages 49 - 78)

Cabinet Member for Housing

8. Annual Housing Revenue Account - Rent And Service Charge Increase (Pages 79 - 90)

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Randy', written in a cursive style.

Local Government and Regulatory Law Manager and Monitoring Officer

CABINET

Tuesday, 12th January, 2016

Present:-

Councillor Burrows (Chair)

Councillors T Gilby
T Murphy
Blank
Huckle

Councillors Ludlow
Serjeant
A Diouf

Non Voting Members Bagley
J Innes

Brown
Hollingworth

*Matters dealt with under the Delegation Scheme

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

No declarations of interest were received.

130 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Wall.

131 **MINUTES**

RESOLVED –

That the minutes of the meeting of Cabinet held on 15 December, 2015 be approved as a correct record and signed by the Chair.

132 **FORWARD PLAN**

The Forward Plan for the four month period 1 February – 31 May, 2016 was reported for information.

***RESOLVED –**

That the Forward Plan be noted.

133 **DELEGATION REPORT**

Decisions taken by Cabinet Members during December were reported.

***RESOLVED –**

That the Delegation Report be noted.

134 **CONSIDERATION OF THE SCRUTINY REPORT ON CONCESSIONS ON FEES AND CHARGES**

Councillor Jeannie Barr, Scrutiny Project Group Leader presented the report and recommendations of the Overview and Performance Scrutiny Forum on how Chesterfield Borough Council offered concessions on fees and charges made on chargeable services. The review had examined the consistency, fairness and objectives in the provision and application of concessions across council services.

The recommendations of the Scrutiny Project Group had been considered and approved by the Overview and Performance Scrutiny Forum at its meeting on 8 December, 2015. The Overview and Performance Scrutiny Forum's recommendations were now required to be considered by Cabinet in accordance with the Council's Scrutiny Procedure rules. A copy of the Scrutiny Project's Group report was attached as an appendix to the Cabinet report.

The issue of how the Council offered concessions on fees and charges had originally been raised by Environmental Health Management as an area for Scrutiny to look at in 2012. The issue had again been raised as an area for Scrutiny work in 2015 by the Deputy Leader of the Council, Councillor Terry Gilby and Executive Director, James Drury. It was noted that there was currently no corporate policy on the application of reduced rates (concessions) for chargeable services with regard to the rate of discount applied or eligibility criteria, as well as there being no guidance available to managers on when it was appropriate to apply concessions.

Councillor Barr gave details of the how the project group had conducted the review and noted that there had been direct input from local residents via a consultation with Community Assembly members. The information gathered from the consultation had then informed the project group's focus, as well as the group's subsequent recommendations.

Councillor Barr outlined the report's recommendations and noted how they had been formulated in order to address numerous issues in the current way in which concessions on fees and charges were offered by the council. The report stated that the way concessions were currently offered did not meet the council's commitment to equalities, as well as not meeting the council plan objectives of Chesterfield Borough Council becoming financially self-sufficient by 2020 and being able to provide sustainable services to residents of the borough. The report also stated that services needed to have a thorough and detailed understanding of all costs involved in service provision so that decisions taken on pricing and concessions of individual services were well informed and were made as part of an overall charging and concessions policy that aimed to cover the cost of a service being provided and reduced the level of subsidy.

Members discussed the recommendations, and considered how they would affect resident's access to services and equality considerations, as well as how they may impact on the council's finances.

Cabinet members expressed their appreciation to Councillor Barr and the members of the project group for their hard work on this issue, and noted the thoroughness and professionalism of the project group's report and the accompanying Equalities Impact Assessment; members also thanked Councillor Barr for attending and presenting the report to Cabinet.

***RESOLVED**

That Cabinet approves in principle all of the recommendations of the Overview and Performance Scrutiny Forum report on Concessions on Fees and Charges as set out below, but that before the implementation of any resolution that could have a financial implication to the Council, further investigation on the impact is carried out by officers and brought to Cabinet for consideration.

- I. That any concessions made on fees and charges are used as part of a dynamic and agile pricing approach for services, where the overall objective is that total costs are covered.
- II. That the concessionary rates of reduction made on bulky waste and pest control services is reduced from 50% to 20%.

- III. That the cost of providing concessions, along with the provision of less popular or costly services is supported by revenue from higher demand services and services paid for at the full rate.
- IV. That Leisure Services and Theatres continue to have the freedom to vary the rate of concessions offered in order to manage demand.
- V. That services establish the unit cost of providing a service before setting a price for a service. The costing of services should include all possible applicable costs, both fixed and variable involved in delivering a service such as buildings, staff, materials and IT.
- VI. That where appropriate, services should only advertise that concessions are available, rather than listing all concessionary categories at the point of a service being enquired about.
- VII. That concessionary discounts for services should only be granted after entitlement of eligibility for the concessionary rate has been confirmed.
- VIII. That the concessionary categories for all services are updated to include the categories of:
 - i. Universal credit, with no earned income.
 - ii. Universal Credit with a housing element included.
- IX. That the Sports and Leisure Manager reviews the published list of categories giving entitlement to concessionary rates so that the list is shorter, clearer and easier to understand by service users.
- X. That concessionary reductions on fees and charges for services are not offered solely on the basis of age.
- XI. That a member and officer working group is established to develop a corporate policy on concessions and that:

- i. the corporate policy on concessions on fees and charges includes all the recommendations made by the project group.
- ii. that the members of the scrutiny project group on concessions on fees and charges are included in the working group.

REASONS FOR DECISIONS

To provide a more coherent approach to offering concessions made on fees and charges.

That the approach to offering concessions on fees and charges should be informed by equalities considerations as well with consideration to the costs involved in providing the service and any subsequent concessions.

135 2016/17 OPEN MARKET FEES AND CHARGES

The Cultural and Visitor Services Manager attended to present a report detailing the proposed fees and charges for Chesterfield's open markets and Sunday car boot sale for 2016/17.

The report outlined the current fees and charges and how they relate to the size of stall, day of the week and location. The car boot sale, now held at the Proact Football Stadium and managed by Chesterfield Football Club, has a fixed fee charged to all vehicles according to the number of spaces they occupy.

Though busy market days contribute positively to the success of the town centre, there had been a decline in occupancy on all days due to traders retiring or ceasing trading, a reduction in casual traders and traders deciding not to trade on all three market days. It was noted however that despite the decline in occupancy Chesterfield still had a good market with between 100 and 150 stalls trading on a market day.

It was proposed that in order to retain existing market traders and attract new traders and shoppers, the issues of footfall, sightlines and weather protection needed to be addressed. The Council appointed consultants to carry out a feasibility study on the potential remodelling of the open

market which resulted in the development of a number of options for the reconfiguration of the market layout, with various levels of intervention. Alongside this officers had been tasked with developing a business case to be completed in early 2016 to support the necessary investment that would be required to deliver the various options.

At the Markets Consultative Committee in October 2015 traders expressed their concerns that any rise in stall fees would be difficult to sustain considering the current issues facing town centre traders. Attracting and retaining new traders had also proved difficult. It was therefore proposed that there should not be any increase in stall fees from 1 April 2016 on either the general or the flea market.

The electricity charges for stall holders had been increased in 2014/15 from £1.40 to £1.50 and it had been calculated that these charges would cover the costs of providing the services in 2016/17. It was also proposed that there would be no increase to the publicity levy or the storage charges in 2016/17.

As part of the management arrangements the fees for the car boot sale are reviewed annually by both the football club and the council. The current fee of £10 per car space was benchmarked against rival car boot operators and it was believed that it was the maximum fee that could be charged without having a negative impact on occupancy levels.

It was estimated that the nil increases to the 2016/17 charges would result in a target income from the general and flea markets of £572,900 and that council would make a net surplus of £64,560 in 2015/16 and £56,650 in 2016/17. The Cultural and Visitor Services Manager advised efficiencies were being looked at in order to reduce the cost of operating the marketing so to increase the amount of surplus generated.

An option to increase market rents by 3% was ruled out as it would not be sustainable and could have had a detrimental impact on stall occupancy and income, as well as the vitality of the town centre. In addition an option of a 5% increase on the car boot fees was ruled out as it could have had a negative effect on attendance and lead to traders leaving in favour of cheaper competitors.

***RESOLVED**

That from 1 April 2016:

1. there will be no increase in stall fees on all stall rents for the general, flea and farmers' markets.
2. there will be no increase on the car boot sale fee at the Proact Football Stadium.
3. there will no increase on electricity, storage charges, and the publicity levy for stall holders on the open market.

REASONS FOR DECISIONS

To continue to secure a viable open air market in Chesterfield.

To ensure that the council continues to receive an acceptable return on a valuable town centre asset through supporting traders during this continued economic downturn.

136 REVIEW OF CAR PARKING CHARGES

The Cultural and Visitor Services Manager attended to present a report detailing the proposed charges for Chesterfield's Town Centre Off-Street Parking for 2016/17.

The report outlined the current parking charge structure and the complications and inconsistencies with the structure. A new pricing structure was proposed that enabled the charges to be more consistent, encourage shoppers and visitors to stay longer and spend more money in the local economy and encourage the correct use of long and short stay car parks. It was proposed to incentivise shoppers to stay longer by reducing the tariff for 3 and 4 hours in short stay car parks.

It was reported that the Residents Parking Permit scheme was being well used, and the officer's report proposed that the north and south Queen's Park car parks should be included in the scheme.

It was proposed that advance purchase day saver tickets should only be available in long stay/commuter car parks and should be withdrawn from

Holywell Cross and Albion Road car parks from 1 April 2016 in order to encourage the use of these two car parks as shopper's car parks. In addition, it was proposed that all advance purchase tickets will cost £3.50 per day in all long stay/commuter car parks from 1 April 2016, regardless of location.

The monthly parking permits currently range in price from £20 per month to £70 per month and prices had not been increased for several years. Therefore it was proposed that all monthly parking tickets would cost £60.00 in all long stay/commuter car parks no regardless of the location.

The Cultural and Visitor Services Manager noted that car parks needed to be both competitively priced, and also have easy to understand tariffs in order to be attractive to customers. It was acknowledged that previously the council's long stay car parks had been too expensive compared to those of competitors and that special offer discounts had been offered in car parks where discounts had not been needed to attract customers.

It was also proposed that car park ticket sales would monitored monthly and, if the income target is achieved, it was proposed that there would be no increase in tariffs in 2017/18 but the prices would be reviewed for 2018/19.

The proposed changes to the tariffs would be advertised in all relevant car parks and roads giving access to them for a clear 21 days. After the 21 days' notice of the proposed changes the signage in the car parks would be amended before the new changes could be introduced on 1 April 2016.

*** RESOLVED**

1. That from 1 April 2016:

- I. the cost of parking for up to 4 hours will be charged at the same rate in all town centre car parks.
- II. the parking charges in all town centre car parks will be:

£0.70 for up to 30 minutes, £1.30 for up to 1 hour, £2.60 for up to 2 hours, £3.00 for up to 3 hours and £4.30 for up to 4 hours parking.

- III. in the short stay/shoppers car parks, as listed at paragraph 5.1 of the officers report, it will cost £1.30 for each subsequent hour over 4 hours to park.
 - IV. in all long stay/commuter car parks, as listed at paragraph 5.5 of the officers report, it will cost £5.00 to park for over 4 hours.
 - V. all residents of the borough will continue to benefit from free parking before 10am and after 3pm Monday to Saturday, and all day on Sundays, in the car parks at Albion Road, Derbyshire Times, Devonshire Street, Durrant Road, Hollis Lane, Holywell Cross, Queen's Park (North and South), Spa Lane, Station Road, St Mary's Gate, Theatre Lane, West Street.
 - VI. all advance purchase tickets will cost £3.50 per day and shall be available for use only in all long stay/commuter car parks.
 - VII. all monthly parking tickets will cost £60 and will be available for use only in all long stay/commuter car parks.
 - VIII. yearly parking tickets for all long stay/commuter car parks will cost £600 per annum.
2. That, if the income target for car parks is achieved in 2016/17, there will be no increase in car parking charges in 2017/18, but the prices will be reviewed for 2018/19.

REASON FOR DECISIONS

To ensure that council operated car parks are competitively priced with simple charging structures so that they encourage an uplift in the number of trips and an increase in dwell time, all of which will contribute to the economic performance of the town.

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CHESTERFIELD BOROUGH COUNCIL FORWARD PLAN
FOR THE FOUR MONTH PERIOD 1 FEBRUARY 2016 TO 31 MAY 2016

What is the Forward Plan?

This is formal notice under The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 of key decisions to be made on behalf of the Council. This Forward Plan sets out the details of the 'key' and other major decisions which the Council expects to take during the next four month period. The Plan is available to the public 28 days before the beginning of each month.

What is a Key Decision?

Any executive decision which is likely to result in the Council incurring significant expenditure or the making of savings where there is:

- a decision to spend £50,000 or more from an approved budget, or
- a decision to vire more than £10,000 from one budget to another, or
- a decision which would result in a saving of £10,000 or more to any budget head, or
- a decision to dispose or acquire any interest in land or buildings with a value of £50,000 or more, or
- a decision to propose the closure of, or reduction by more than ten (10) percent in the level of service (for example in terms of funding, staffing or hours of operation) provided from any facility from which Council services are supplied.

Any executive decision which will have a significant impact in environmental, physical, social or economic terms on communities living or working in one or more electoral wards. This includes any plans or strategies which are not within the Council's Policy Framework set out in Article 4 of the Council's Constitution.

Are any other decisions included on the plan?

The Forward Plan also includes details of any significant issues to be considered by the Executive Cabinet, full Council and Overview and Scrutiny Committee. They are called "non-key decisions". Non-key decisions that will be made in private are also listed.

How much notice is given of forthcoming decisions?

As far as possible and in the interests of transparency, the Council will seek to provide at least 28 clear days' notice of new key decisions (and many new non-key decisions) that are listed on this document. Where this is not practicable, such key decisions will be taken under urgency procedures (in accordance with Rule 15 (General Exception) and Rule 16 (Special Urgency) of the Access to information Procedure Rules). This will be indicated in the final column and a separate notice is also published with additional details.

What information is included in the plan?

The plan will provide a description of the decision to be taken, who will make the decision and when the decision is to be made. The relevant Cabinet Member for each decision is listed. If you wish to make representations about the decision to be made, the contact details of the appropriate officer are also provided. Decisions which are expected to be taken in private (at a meeting of the Cabinet or by an individual Cabinet Member) are marked "private" and the reasons privacy is required will also be stated. Each issue is also listed separately on the website which will show more details including any Urgency Notices if issued.

How is consultation and Community Engagement carried out?

We want all our communities to be given the opportunity to be involved in the decisions that affect them so before a decision is taken, where appropriate, community engagement activities are carried out. The Council's Community Engagement Strategy sets out a framework for how the Council engages with its customers and communities. Details of engagement activities may be found in reports when published. Alternatively you can contact the officer to whom representations may be made.

Notice of Intention to Conduct Business in Private

Whilst the majority of the business at Cabinet meetings will be open to the public and media to attend, there will inevitably be some business to be considered that contains, for example, confidential, commercially sensitive or personal information. This is formal notice under The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 that the Cabinet meetings shown on this Forward Plan will be held partly in private because some of the reports for the meeting will contain either confidential information or exempt information under Part 1 of Schedule 12A to the Local Government (Access to Information) Act 1985 (as amended) and that the public interest in withholding the information outweighs the public interest in disclosing it.

A list of the reports which are expected to be considered at this meeting in private are set out in a list on this Forward Plan. They are marked "private", including a number indicating the reason why the decision will be taken in private under the categories set out below:

- (1) information relating to any individual
- (2) information which is likely to reveal the identity of an individual
- (3) information relating the financial or business affairs of any particular person (including the authority holding that information)
- (4) information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
- (5) Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
- (6) Information which reveals that the authority proposes (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) to make an order or direction under any enactment.
- (7) Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

If you would like to make representations about any particular decision to be conducted in private at this meeting then please email: democratic.services@chesterfield.gov.uk. Such representations must be received in advance of 5 clear working days before the date Cabinet meeting itself, normally by the preceding Monday. The Council is required to consider any representations received as to why an item should not be taken in private and to publish its decision.

It is possible that other private reports may be added at shorter notice to the agenda for the Cabinet meeting or for a Cabinet Member decision.

Huw Bowen
Chief Executive

Copies of the Council's Constitution and agenda and minutes for all meetings of the Council may be accessed on the Council's website: www.chesterfield.gov.uk



CHESTERFIELD
BOROUGH COUNCIL

Meeting Dates 2015/16

<u>Cabinet</u>	<u>Council</u>
2 June 2015* 16 June 2015 30 June 2015	
14 July 2015* 21 July 2015	22 July 2015
8 September 2015* 22 September 2015	
6 October 2015* 20 October 2015	14 October 2015
3 November 2015* 17 November 2015	
1 December 2015* 15 December 2015	16 December 2015
12 January 2016* 26 January 2016	
9 February 2016* 23 February 2016	25 February 2016
8 March 2016* 22 March 2016	
5 April 2016* 19 April 2016	27 April 2016 (ABM)
3 May 2016* 17 May 2016 31 May 2016	11 May 2016 (ACM)

Cabinet members and their portfolios are as follows:

Leader and Cabinet Member for Regeneration	Councillor John Burrows	
Deputy Leader and Cabinet Member for Planning	Councillor Terry Gilby	
Cabinet Member for Business Transformation	Councillor Ken Huckle	Assistant Member Councillor Keith Brown
Cabinet Member for Governance	Councillor Sharon Blank	Assistant Member Councillor Mick Wall
Cabinet Member for Health and Wellbeing	Councillor Chris Ludlow	Assistant Member Councillor Helen Bagley
Cabinet Member for Housing	Councillor Tom Murphy	Assistant Member Councillor Sarah Hollingworth
Cabinet Member for Town Centre and Visitor Economy	Councillor Amanda Serjeant	Assistant Member Councillor Jean Innes

In addition to the Cabinet Members above, the following Councillors are voting Members for Joint Cabinet and Employment and General Committee

Councillor Helen Elliott
Councillor Gordon Simmons
Councillor John Dickinson
Councillor Jean Innes
Councillor Maureen Davenport

*From 2015/16, Joint Cabinet and Employment and General Committee meet immediately prior to the first meeting of Cabinet each month

(To view the dates for other meetings please click [here.](#))

Decision No	Details of the Decision to be Taken	Decision to be taken by	Relevant Portfolio Holder	Earliest Date Decision can be Taken	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated	Public or Private	Decision Under Urgency Provisions
Key Decisions								
Key Decision 337	THI Scheme Project Evaluation - to receive a final evaluation of the THI project for Chesterfield Town Centre.	Cabinet	Deputy Leader & Cabinet Member for Planning	22 Mar 2016	Report of Development Management and Conservation Manager	Paul Staniforth Tel: 01246 345781 paul.staniforth@chesterfield.gov.uk	Public	
Key Decision 398	Sale of CBC Land/Property	Deputy Leader & Cabinet Member for Planning	Deputy Leader & Cabinet Member for Planning	Not before 30th Jan 2016	Report of Head of Kier	Matthew Sorby Tel: 01246 345800 matthew.sorby@chesterfield.gov.uk	Exempt 3 Contains financial information	
Key Decision 495	Local Government Pension Scheme To approve the revised Discretions in accordance with the changes to the Local Government Pension Scheme Regulations	Cabinet Council	Cabinet Member - Business Transformation	28 Jun 2016 27 Jul 2016	Report of HR and Payroll Lead	Jane Dackiewicz Tel: 01246 345257 jane.dackiewicz@chesterfield.gov.uk	Public	
Key Decision 513	Approval to Dispose of Miscellaneous Housing Stock	Cabinet	Cabinet Member - Housing	23 Feb 2016	Report of Housing Service Manager – Business Planning & Strategy	Alison Craig Housing Tel: 01246 345156 alison.craig@chesterfield.gov.uk	Exempt 3	

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Decision No	Details of the Decision to be Taken	Decision to be taken by	Relevant Portfolio Holder	Earliest Date Decision can be Taken	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated	Public or Private	Decision Under Urgency Provisions
Key Decision 549	Environmental Health Fees and Charges 2016-17 To approve the fees and charges for environmental health services for 2016-17.	Cabinet	Cabinet Member - Health and Wellbeing	9 Feb 2016	Report of the Senior Environmental Health Officer	Esther Thelwell Senior Environmental Health Officer esther.thelwell@modern.gov.co.uk	Public	
Key Decision 557	Review of Fees and Charges for Outdoor Recreation 2016/17	Cabinet	Cabinet Member - Health and Wellbeing	9 Feb 2016	Report of the Leisure and Amenities Manager	Andy Pashley Tel: 01246 345099 andy.pashley@chesterfield.gov.uk	Public	
Key Decision 558	Review of Cemeteries Fees and Charges for 2016/17	Cabinet	Cabinet Member - Health and Wellbeing	9 Feb 2016	Report of the Bereavement Services Manager	Angela Dunn Bereavement Services Manager Tel: 01246 345881 angela.dunn@chesterfield.gov.uk	Public	
Key Decision 559	Review of Fees and Charges for Waste and Recycling 2016/17	Cabinet	Cabinet Member - Health and Wellbeing	26 Jan 2016	Report of the Operations Manager	Dave Bennett Tel: 01246 345122 dave.bennett@chesterfield.gov.uk	Public	

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Key Decision 563	Review of Car Parking Charges To review car parking prices and agree prices for 2016	Cabinet	Cabinet Member - Town Centre and Visitor Economy	12 Jan 2016	Report of Town Centre Operations Manager and Parking and CCTV Manager	Andy Bond Tel: 01246 345991 andy.bond@chesterfield.gov.uk	Public	
Key Decision 574	General Fund Revenue Budget Summary	Cabinet	Leader & Cabinet Member for Regeneration	26 Jan 2016	Report of Chief Finance Officer	Barry Dawson Tel: 01246 345451 barry.dawson@chesterfield.gov.uk	Public	
Key Decision 576	Collection Fund revised Estimates 2016/17	Cabinet	Deputy Leader & Cabinet Member for Planning	26 Jan 2016	Report of Chief Finance Officer	Barry Dawson Tel: 01246 345451 barry.dawson@chesterfield.gov.uk	Public	
Key Decision 577	Risk Management Strategy and in year review	Cabinet Council	Cabinet Member - Governance	9 Feb 2016 25 Feb 2016	Report of Chief Finance Officer	Barry Dawson Tel: 01246 345451 barry.dawson@chesterfield.gov.uk	Public	

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Key Decision 578	General Fund Capital Programme	Cabinet Council		23 Feb 2016 25 Feb 2016	Report of Chief Finance Officer		Public	
Key Decision 579	Housing Repairs Budget 2016/17	Cabinet	Cabinet Member - Housing	9 Feb 2016	REPORT OF HOUSING SERVICE MANAGER - BUSINESS PLANNING & STRATEGY	Alison Craig Housing Tel: 01246 345156 alison.craig@chesterfield.gov.uk	Public	
Key Decision 580	Housing Revenue Account Budget 2016/17 - 2021/22	Cabinet	Cabinet Member - Housing	9 Feb 2016	REPORT OF HOUSING SERVICE MANAGER - BUSINESS PLANNING & STRATEGY	Alison Craig Housing Tel: 01246 345156 alison.craig@chesterfield.gov.uk	Public	
Key Decision 581	Housing Capital Programme New Programme for 16/17, 17/18 and 18/19	Cabinet Council	Cabinet Member - Housing Cabinet Member - Housing	9 Feb 2016 25 Feb 2016		Alison Craig Housing Tel: 01246 345156 alison.craig@chesterfield.gov.uk	Public	

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Key Decision 582	Annual Housing Revenue Account - Rent and Service Charge Increase TO SET RENT AND SERVICE CHARGE LEVELS	Cabinet	Cabinet Member - Housing	26 Jan 2016	REPORT OF HOUSING SERVICE MANAGER - BUSINESS PLANNING AND STRATEGY	Alison Craig Housing Tel: 01246 345156 alison.craig@chesterfield.gov.uk	Public	
Key Decision 583	Housing Revenue Account Business Plan	Cabinet	Cabinet Member - Housing	9 Feb 2016		Alison Craig Housing Tel: 01246 345156 alison.craig@chesterfield.gov.uk	Public	
Key Decision 584	Purchase of Property under Strategic Acquisitions Policy	Housing Services Manager - Business Planning and Strategy	Cabinet Member - Housing	Not before 2nd Dec 2015			Exempt 3	
Key Decision 585	A Review of the Careline and Support Service	Cabinet	Cabinet Member - Housing	9 Feb 2016	Report of Housing Service Manager - Customer Division	Julie McGrogan Tel: 01246 345135 julie.mcgrogan@chesterfield.gov.uk	Exempt 3	

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Key Decision 586	2016/17 Open Market Fees and Charges	Cabinet	Cabinet Member - Town Centre and Visitor Economy	12 Jan 2016	Report of the Town Centre Operations Manager	Andy Bond Tel: 01246 345991 andy.bond@chesterfield.gov.uk	Public	
Key Decision 589	Review of CCTV Service To review the operation of the service, including levels of staff monitoring, investment required and relocation of the control room	Joint Cabinet and Employment & General Committee	Cabinet Member - Town Centre and Visitor Economy	9 Feb 2016	Report of the Town Centee Operations Manager	Andy Bond Tel: 01246 345991 andy.bond@chesterfield.gov.uk	Exempt 1, 4	
Key Decision 590	Senior Pay Policy	Cabinet Council	Cabinet Member - Business Transformation	26 Jan 2016 25 Feb 2016	Report of the HR and Payroll Lead	Jane Dackiewicz Tel: 01246 345257 jane.dackiewicz@chesterfield.gov.uk	Public	
Key Decision 593	Ratification of the October 2015 Sheffield City Region devolution agreement	Cabinet Council	Leader & Cabinet Member for Regeneration	23 Feb 2016 25 Feb 2016	Report of the Chief Executive	Huw Bowen Chief Executive Tel: 01246 345308 huw.bowen@chesterfield.gov.uk	Public	

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Key Decision 594	Decision to become a member of the East Midlands Mayoral Combined Authority	Cabinet Council	Leader & Cabinet Member for Regeneration	23 Feb 2016 25 Feb 2016	Report of the Chief Executive	Huw Bowen Chief Executive Tel: 01246 345308 huw.bowen@ch esterfield.gov.uk	Public	
Key Decision 595	Decision regarding outstanding debt on 821 Sheffield Road, Chesterfield	Deputy Leader and Cabinet Member for Planning	Deputy Leader & Cabinet Member for Planning	15 Jan 2016		Stephen Oliver Tel: 01246 345313 stephen.oliver@ chesterfield.gov. uk	Exempt 3	
Key Decision 596	Transforming Building Control in Derbyshire	Joint Cabinet and Employment & General Committee Cabinet	Leader & Cabinet Member for Regeneration	9 Feb 2016 9 Feb 2016		Neil Johnson Tel: 01246 345241 neil.johnson@c hesterfield.gov.u k	Exempt 3	
Key Decision Key Decision 598	Workforce Strategy	Joint Cabinet and Employment & General Committee	Cabinet Member - Business Transformation	9 Feb 2016		Kate Harley Kate.Harley@C hesterfield.gov.u k	Public	

Decision No	Details of the Decision to be Taken	Decision to be taken by	Relevant Portfolio Holder	Earliest Date Decision can be Taken	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated	Public or Private	Decision Under Urgency Provisions
Key Decision 599	Outstanding Debts for Write Off	Cabinet Member for Business Transformation	Cabinet Member - Business Transformation	8 Feb 2016	Report of Head of Finance	Maureen Madin Tel: 01246-345487 maureen.madin@chesterfield.gov.uk	Exempt 3	
Key Decision 600	Proposed Changes to Support Services at Sheltered Housing Schemes The report details proposed changes to the support and services delivered in the Sheltered Scheme.	Cabinet	Cabinet Member - Housing	9 Feb 2016	Report of Housing Service Manager - Customer Division	Julie McGrogan Tel: 01246 345135 julie.mcgrogan@chesterfield.gov.uk	Public	
Key Decision 601	2016/2017 Budget and Medium Term Financial Plan	Cabinet Council	Leader & Cabinet Member for Regeneration	23 Feb 2016 25 Feb 2016	Report of the Chief Finance Officer	Barry Dawson Tel: 01246 345451 barry.dawson@chesterfield.gov.uk	Public	
Key Decision 602	Tenants Satisfaction Survey Results	Cabinet	Cabinet Member - Housing	8 Mar 2016	Report of Housing Service Manager - Business Planning and Strategy	Alison Craig Housing Tel: 01246 345156 alison.craig@chesterfield.gov.uk	Public	

Decision No	Details of the Decision to be Taken	Decision to be taken by	Relevant Portfolio Holder	Earliest Date Decision can be Taken	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated	Public or Private	Decision Under Urgency Provisions
Key Decision 603	Treasury Management and Annual Investment Strategies	Cabinet Council	Deputy Leader & Cabinet Member for Planning	23 Feb 2016 25 Feb 2016	Report of the Chief Finance Officer	Barry Dawson Tel: 01246 345451 barry.dawson@chesterfield.gov.uk	Public	
Key Decision 604	Council Tax for 2016/17	Council	Leader & Cabinet Member for Regeneration	25 Feb 2016	Report of the Chief Finance Officer	Barry Dawson Tel: 01246 345451 barry.dawson@chesterfield.gov.uk	Public	
Private Items (Non Key Decisions)								
Non-Key Page 24 63	Application for Home Repairs Assistance	Cabinet Member - Housing	Cabinet Member - Housing	Not before 30th Jan 2016	Report of Business Planning and Strategy Manager - Housing Services	Jane Thomas jane.thomas@chesterfield.gov.uk	Exempt 1, 3 Information relating to an individual Information relating to financial affairs	

Decision No	Details of the Decision to be Taken	Decision to be taken by	Relevant Portfolio Holder	Earliest Date Decision can be Taken	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated	Public or Private	Decision Under Urgency Provisions
Non-Key 367	Lease of Commercial and Industrial Properties	Deputy Leader & Cabinet Member for Planning	Deputy Leader & Cabinet Member for Planning	30 Jan 2016	Report of Kier Asset Management	Christopher Oakes Tel: 01246 345346 christopher.oakes@chesterfield.gov.uk	Exempt 3 Information relating to financial or business affairs	
Non-Key 376	Building Cleaning Staffing	Joint Cabinet and Employment & General Committee	Cabinet Member - Health and Wellbeing	9 Feb 2016	Report of Waste & Street Cleaning Manager	Dave Bennett Tel: 01246 345122 dave.bennett@chesterfield.gov.uk	Exempt 1 Information relating to Individuals	
Non Key Decisions								
Non-Key 46	Calculation of Tax Base 2016/17	Employment and General Committee		25 Jan 2016	Report of Chief Finance Officer	Barry Dawson Tel: 01246 345451 barry.dawson@chesterfield.gov.uk	Public	
Key Decision 47	Approval of Business Rates Estimates 2015/16	Employment and General Committee		25 Jan 2016	Report of Chief Finance Officer	Barry Dawson Tel: 01246 345451 barry.dawson@chesterfield.gov.uk	Public	

Decision No	Details of the Decision to be Taken	Decision to be taken by	Relevant Portfolio Holder	Earliest Date Decision can be Taken	Documents to be considered by Decision taker	Representations may be made to the following officer by the date stated	Public or Private	Decision Under Urgency Provisions
Key Decision Non-Key 49	Chesterfield Borough Council's Application to become an Affiliate Member of the Healthy Communities Network	Cabinet Member for Health and Wellbeing	Cabinet Member - Health and Wellbeing	15 Dec 2015		Donna Reddish Tel: 01246 345307 donna.reddish@chesterfield.gov.uk	Public	
Key Decision Non Key 50	Consideration of the scrutiny report on Concessions on Fees and Charges	Cabinet		12 Jan 2016		Anita Cunningham Tel: 01246 345273 anita.cunningham@chesterfield.gov.uk	Public	
Non-Key Non Key Page 26	Application for Discretionary Rate Relief	Cabinet Member for Business Transformation	Cabinet Member - Business Transformation	18 Jan 2016			Exempt 3	
Key Decision No-Key 52	Derbyshire Fire and Rescue Service Integrated Risk Management Consultation	Cabinet Member for Health and Wellbeing	Cabinet Member - Health and Wellbeing	27 Jan 2016	Report of the Policy Manager	Donna Reddish Tel: 01246 345307 donna.reddish@chesterfield.gov.uk	Public	

FOR PUBLICATION

GENERAL FUND REVENUE BUDGET SUMMARY(R000)

MEETING: 1. CABINET
2. LEADER

DATE: 1. 26 JANUARY 2016
2. 19 JANUARY 2016

REPORT BY: CHIEF EXECUTIVE AND
CHIEF FINANCE OFFICER

WARD: ALL

COMMUNITY FORUM: ALL

KEY DECISION REF: 457

FOR PUBLICATION

Background papers - Working papers in Accountancy Services

1.0 PURPOSE OF REPORT

1.1 To provide the Cabinet with an update on the development of the General Fund Revenue Budget for 2016/17 and future years, and to provide an update on the actions currently being taken to address the forecast budget deficits.

2.0 RECOMMENDATIONS

2.1 To note the updated budget projections for 2015/16 and future years (**Appendix A**).

2.2 That work continues to refine the draft estimates and to develop budget saving proposals.

3.0 BACKGROUND

- 3.1 The Council's Budget Strategy is to set a sustainable and affordable budget over the medium term. The budget forecasts included in this report cover the current and five future financial years.
- 3.2 The first draft of the portfolio budget reports were considered by the Cabinet on 15 December. The reports included details of any significant budget variances between years.
- 3.3 It was not possible to produce a reliable overall budget summary report for the December meeting as some of the key financing information (Government grant, Business Rates income and Council Tax income) was not available at that stage. It was, however, apparent at that stage, based on estimates of the financing elements of the budget, that an overall budget deficit in 2015/16 and in all future financial years was likely. A number of actions have been put in place to help reduce the deficit forecasts including a freeze on non-essential expenditure, strict vacancy control and the setting up of a series of a budget challenge sessions to review in detail the first draft of the portfolio budgets.
- 3.4 Estimates of the financing sources have now been produced. This report provides details of the overall budget situation covering the period 2015/16 to 2020/21 (**Appendix A**).

4.0 PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT

- 4.1 Once again this year the Provisional Settlement, which provides details of the Government funding allocations, was announced in mid-December, some weeks later than had been the norm previously. The Provisional Settlement is dependent on the outcome of the Government's Spending Review and this was not announced until late November. The Provisional Settlement was announced on 17th December, but much of the detail was released over the ensuing days. The late announcement is a major concern as it only leaves a few weeks in which to address the issues that arise from it.
- 4.2 The Settlement is "provisional" in that it is subject to a period of consultation before the final settlement is announced, probably at the end of January. The Provisional Settlement provides some clarity over the funding available to the Council potentially for the next four financial years. Key elements of the Settlement are explained below.

4.3 **Settlement Funding Assessment (SFA)** – this is the funding that the Government proposes to make available to the Council and includes elements for Revenue Support Grant and other rolled-in grants such as previous Council Tax Freeze grants and Efficiency Support Grant. The table below show the provisional SFAs for each financial year and compares them to what we assumed in the medium term financial forecast at this stage last year:

	2015/16	2016/17	2017/18	2018/19	2019/20
Provisional - SFA	£5,634k	£4,923k	£4,388k	£4,100k	£3,779k
Change between years: £		-£711k	-£535k	-£288k	-£321k
%		-12.6%	-10.9%	-6.6%	-7.8%
SFA assumed in MTFP		£4,658k	£4,038k	£3,792k	£3,563k
Change in SFA		+£265k	+£350k	+£308k	+216k

The table above shows that:

- The reduction in each year is not as great as that assumed in the previous medium term financial plan.
- There is significant reduction in the SFA in 2016/17 but the scale of the reduction decreases in future years; and
- The cumulative reduction from 2015/16 to 2019/20 is £1.8m or 33%.

4.4 **Council tax** – there will be no tax freeze grant scheme in 2016/17. For district councils a referendum will be required for increases of 2% or more. However, there is a special concession for district councils in the lower quartile of the Council Tax league table which will allow them to increase the Council Tax by £5 per annum. CBC is one place outside of lower quartile, missing out by 31 pence; a £5 increase would be equivalent to a 3.45% increase which would generate an extra £60k above the 1.99% referendum limit. There is also an additional 2% concession for adult care authorities, which applies only to the upper-tier councils in two-tier areas.

4.5 **New Homes Bonus** – the Council achieved by far its best growth in new homes in the last year. The allocation for Year 6 of the scheme (for growth recorded to October 2015) is £296k, almost double the allocation received for the previous year and well above the £121k average in the first five years of the scheme. The cumulative allocation for Years 1 to 6 which will be paid in 2016/17 is £902k which is in line with what we had included in recent updates to the medium term financial plan. Whilst this is good news for 2016/17, the Provisional Settlement also included details of proposed changes to the scheme after 2016/17. The proposed changes, which will be subject to a consultation process, are designed to reduce the cost of the scheme and to free up resources for adult social care. The proposals include reducing the period for which each year's allocation is paid from 6 to 4 years and reducing the allocations in any year:

- (a) If a Local Plan is not in place;
- (b) Where planning permission is granted on appeal; and
- (c) To allow for an element of natural growth (possibly 0.25%).

It is not yet clear if the reduction to a four-year allocation will be introduced in 2017/18 and whether there will be a stepped reduction e.g. to 5 years in 2017/18 and then to 4 years from 2018/19.

4.6 **Flexible use of capital receipts** – the general rule is that capital receipts can only be used to finance new capital expenditure or to repay debt. The Government is proposing introducing a relaxation to this rule, for three financial years commencing April 2016, which will allow capital receipts to be used for revenue expenditure on transformation projects which are designed to save money. There will be a requirement to produce and approve an Efficiency Strategy before the start of the year as part of the budget setting process which will include;

- For each project that will make use of the flexibility, a cost benefit analysis, showing the planned expenditure and the forecast savings.
- From 2017/18 and in future years, a report on the performance achieved compared to that planned on projects approved in previous years.

4.7 **4-year settlement offer** – Indicative Settlement Funding figures for future years were included in the Provisional Settlement but the Government has said that it will offer any council that wishes to take it up a four-year funding settlement. The ‘offer’ is likely to include a requirement to produce an Efficiency Plan. The benefits and risks of accepting or rejecting the offer have not yet been made clear and further details are awaited.

5.0 **2015/16 REVISED BUDGET**

- 5.1 At the start of the year, there was a budget savings target of £586k which if achieved would have left a deficit of £94k which was to be met either from reserves or further savings. The quarterly budget reports during the year highlighted the fact that the savings targets were not being met but increasing income and reduced expenditure in other areas helped to mitigate this issue. At the end of Quarter 2 the deficit forecast stood at £393k.
- 5.2 The latest revised budget for 2015/16 (**Appendix A**) shows a deficit of £102k. The Portfolio budget figures are those that were reported to the Cabinet in December. Since then a lot of work has been done, and is still in progress, to identify budget savings. There is a line in the budget summary in Appendix A, described as “Savings Identified”, which shows a figure of £445k in the 2015/16 Revised Budget column. The ‘savings identified’ total includes numerous budget adjustments, the most significant of which are an increase in planning fee income (£119k), a one-off income from commuting sub-station leases (£105k), car parking income (£35k) and the business rates saving on the old Queen’s Park Sport Centre following its closure (£27k).
- 5.3 The “financing section” of the budget, showing income from Council Tax, Government grants and retained Business Rates, generally remains fixed at the original budget estimates. There are, however, elements of the retained business rates income which are subject to in-year changes, namely the Business Rates Pooling gain and the Levy payable to the Government. 2015/16 has been another bad year in terms of the impact of back-dated business rate appeals. One issue in particular, purpose-built doctors surgeries, has had a significant impact on the amount of money that has had to be set-aside as a provision for refunds (£1.4m), thereby reducing the income available for distribution. This is an issue that was only confirmed after the start of the financial year and is, therefore, likely to impact on

the income of the other Derbyshire authorities and thereby reduce the amount available for distribution under the local Pooling arrangement. At this stage it has been assumed that the Council's pooling gain will reduce to £200k (from £404k per the original budget) but this revised estimate is subject to confirmation once all authorities have completed their business rates forecasts which they must do by the end of January. The other element of the business rate account that will be adjusted in the year is the Levy due to the Government. The Levy will reduce as the income on which it is based has reduced dramatically due to the provision for appeals issue. The £383k saving on the Levy will be transferred into the Business Rates Risk Reserve so that it can then be used in 2016/17 to help offset the Council's share of the estimated deficit on the Business Rate Account at the end of March 2016.

- 5.4 In the remaining few months of the financial year every effort will be made to eliminate the £102k revised forecast deficit. Also, in order to avoid any 'surprises' at the end of the year, budget holders will continually monitor their budgets and report any changes so that they can be included in the final budget report which will go to the Cabinet in February.

6.0 BUDGET FORECAST 2016/17

- 6.1 The forecast for 2016/17 in **Appendix A** shows a deficit of **£1.5m** but this is before savings targets are included. The budget assumes that full amount of the estimated New Homes Bonus allocation (£902k) will be used to support the budget and that the Derbyshire Pooling gain is restored to the £400k level. The Business Rates income forecast has been reduced to reflect the on-going loss of income due to successful appeals.
- 6.2 The budget saving proposals are still being developed and will have to be subjected to a rigorous risk assessment before they are included in the final budget report.
- 6.3 The Government Funding Settlement has not yet been confirmed but the expectation is that it will not change significantly from that announced in the Provisional Settlement. The Business Rates Pooling Gain figure (£412k) is also provisional at this stage and could be subject to considerable variance depending on the final business rate income forecasts for each of the Derbyshire districts.
- 6.4 Once again, the challenges for 2016/17 will be:

- (a) Setting a balanced budget; and
- (b) Delivering the savings proposals in time and at the required level.

7.0 MEDIUM TERM FORECASTS

- 7.1 The draft estimates in **Appendix A** assume cuts in the Funding Settlement of 10.9% in 2017/18, 6.6% in 2018/19, 7.8% in 2019/20 and 5.0% in subsequent years. Retained business rate income is forecast to grow steadily in future years and remain £1.2m above the target in all years. The assumption on council tax increases in future years is for 1.99% in each year.
- 7.2 Business Rates Pooling - From 2017/18 it has been assumed that the £412k Derbyshire Pooling gain will cease. Whilst there has been no formal announcement of this change, at a recent CIPFA training event a well-informed source indicated the change was likely and, therefore, it would be prudent to assume this loss. It is however possible that the loss could be offset by a new revenue stream from another pooling arrangement, this time a 'virtual pool' within the Sheffield City Region (SCR) which is designed to retain the Government's share of business rates growth (which is quite distinct from the Levy saving in the Derbyshire pool). It would not however be prudent to budget for any income from this source at this stage as:
- (a) No scheme has yet been agreed with DCLG and
 - (b) It is not possible to estimate what the amount would be.
- 7.3 New Homes Bonus – beyond 2016/17 it is difficult to know how the grant will be affected by the proposed changes referred to in paragraph 4.5. For now the medium term forecast assumes that the grant will be stepped down to £750k in 2017/18 and then to £600k in 2018/19 and all future years.
- 7.4 The latest forecast deficits are £2.2m in 2017/18 and increasing to £3.5m by 2020/21, this is after allowing for the estimated savings from the GPGS programme but before the recurring impact of any other savings plans which are yet to be agreed.
- 7.5 The forecasts will be updated when the grant settlement figures are finalised and as other variances are identified. The scale of the forecast deficits is such that further significant savings will have to be found in future years.

8.0 RESERVES

- 8.1 The **General Working Balance** was reduced from £1.75m to £1.5m at the start of this financial year, with the £250k being used to support this year's budget. The on-going financial risks associated with the business rates retention scheme and other funding sources would suggest that it would be imprudent to consider reducing the level any further until a more stable financial footing is established. In addition to the General Working Balance the Council maintains a number of other reserves. Many of the reserves are earmarked and committed for specific purposes, such as property repairs and vehicle & plant replacements.
- 8.2 Over recent years the Council has operated three major reserves where it has wider discretion on how they are used – the Budget Risk Reserve, the Invest to Save Reserve and the Service Improvement Reserve. The Budget Risk Reserve and the Invest to Save Reserve are both virtually fully committed leaving only the Service Improvement Reserve with a sizeable uncommitted balance (£611k).
- 8.3 Given the size of the current budget deficit forecast for 2016/17 and the significant lead-in time inherent in many savings initiatives it is likely that the Council will need to use reserves to balance the budget. The options for doing this are limited due to the current forecast level of reserves and the fact that there are other competing demands for their use. The Capital Receipts Flexibility Scheme could provide some relief, allowing the previously planned use of reserves to fund transformation projects to be replaced by capital receipts, but this clearly is dependent on:
- (a) Generating the required capital receipts; and
 - (b) Using them for transformation projects being preferable to using them for capital projects or repaying debt.
- 8.4 The opportunities and implications of using reserves to support the budget will be explored further and proposals included in the final budget report in February.

9.0 CONCLUSIONS & NEXT STEPS

- 9.1 This report presents the first draft of the budget for 2016/17 but there are some elements of the budget that are still to be confirmed and other budget variances could be identified during the coming weeks.

The latest forecast shows deficits in each financial year which are increasing as the cuts in funding continue.

- 9.2 The full Council will approve the final budget and the Council Tax for 2016/17 at its meeting on 25 February. The Cabinet will have to agree its final budget proposals ahead of the Council meeting. In the meantime, the budget forecasts will continue to be updated as the Provisional Local Government Finance Settlement proposals and other budget savings/variances are confirmed. The Budget Workshop sessions for Cabinet Members and the Corporate Management Team will continue to meet in the run-up to setting the budget in order to consider the updated forecasts and agree further savings proposals for inclusion in the final budget.

10.0 RISK MANAGEMENT

- 10.1 There are a number of significant risks inherent in any budget forecasting exercise and the risks increase as the period covered increases. The most significant budget risks at the moment include:

- Business rate pooling opportunities (SCR) and threats (Derbyshire Pool).
- Business Rate appeals, valuation changes, etc. - particularly the full revaluation due in 2017. An increase in the 80% Mandatory Relief costs as schools convert to academies.
- New Homes Bonus allocations – the implications of the changes to the scheme which are currently being consulted on, particularly the reduction in the period of entitlement from 6 to 4 years.
- Achieving income targets for rents, fees, charges and interest.
- Delivering the required budget savings on time and to the value required. It is important that a rigorous risk assessment is undertaken for each saving proposals before they are included in the final budget report.
- The introduction of Universal Credit – the full implementation at a future date. There are unknowns in terms of the extent, timing and funding of these changes.
- Retender of the Waste Collection contract in 2018, a provisional sum has been built into the forecasts.

These and other financial risks will be evaluated more fully in the Budget Risk & Sensitivity Analysis, which will be included in the final budget report in February.

11.0 LEGAL CONSIDERATIONS

- 11.1 It would be unlawful for the Council to set a deficit budget. Section 33 of the Local Government Finance Act 1992 requires the Council to set a balanced budget.

12.0 EQUALITIES IMPACT ASSESSMENT (EIA)

- 12.1 The budget process and forecasts produced do not require an EIA but any decisions to vary budgets and service provision later in the process might well require EIA's specific to those options.

13.0 RESOURCE IMPLICATIONS

- 13.1 This report provides details of the revised budget for 2015/16, the first draft budget for 2016/17 and updated forecasts for future years.

14.0 RECOMMENDATIONS

- 14.1 To note the updated budget projections for 2015/16 and later years (**Appendix A**).
- 14.2 That work continues to refine the draft estimates and to develop budget saving proposals.

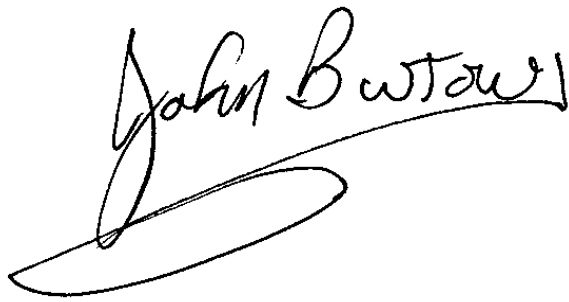
15.0 REASONS FOR RECOMMENDATIONS

- 15.1 To keep Members informed on the development of the budget proposals for 2016/17 and to provide an update on the medium term financial forecasts.

H. BOWEN
CHIEF EXECUTIVE

B. DAWSON
CHIEF FINANCE OFFICER

Officer recommendation supported.

A handwritten signature in black ink that reads "John Burtow". The signature is written in a cursive style and is underlined with a long, horizontal stroke that extends to the left and loops back under the first letter.

Signed:

Cabinet Member

Date: 19 January, 2016

Further information on this report can be obtained from
Barry Dawson, Chief Finance Officer (Tel: 01246 345451).

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GENERAL FUND REVENUE ESTIMATES SUMMARY

	2015/16		2016/17	2017/18	2018/19	2019/20	2020/21
	Original	Revised	Estimate	Estimate	Estimate	Estimate	Estimate
	£	£	£	£	£	£	£
Per Lead Member reports:							
Leader - Regeneration	496,000	484,460	602,740	609,050	616,620	622,640	628,240
Dep Leader - Planning	765,390	434,930	634,520	615,570	645,000	664,500	697,620
Town Centre & Visitor Economy	(346,950)	(261,830)	(95,140)	(88,750)	(43,800)	14,110	169,500
Housing General Fund	1,396,450	1,461,980	1,234,550	1,248,120	1,260,430	1,269,650	1,279,040
Health & Wellbeing	8,221,700	8,911,640	7,979,820	8,150,290	8,524,220	8,894,730	9,041,660
Governance	2,546,560	2,598,530	2,600,580	2,642,560	2,695,750	2,821,980	2,765,500
Business Transformation	1,124,460	1,484,630	1,517,860	1,565,270	1,614,170	1,662,370	1,705,270
Portfolios Total	14,203,610	15,114,340	14,474,930	14,742,110	15,312,390	15,949,980	16,286,830
Spirepride surplus	(36,000)	(25,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Apprentice Levy				40,000	40,000	40,000	40,000
Living Wage			73,000	73,730	74,470	75,220	75,970
Crematorium surplus	(110,000)	(110,000)	(268,290)	(110,000)	(110,000)	(110,000)	(110,000)
Audit consortium surplus		(17,500)	0				
GP:GS		75,190	(156,470)	(427,810)	(464,810)	(464,810)	(464,810)
Savings Identified		(444,660)	(170,500)	(112,910)	(125,750)	(125,120)	(203,780)
Savings - 15/16 deferred spend		(31,210)					
Savings - budget challenge		(23,230)	(24,110)	(24,330)	(24,550)	(24,770)	(25,000)
Savings Proposals	(911,300)	0					
Less allowance for delay etc	325,400						
Pay award 2014/15 above 1%	38,600	0					
Pension - increase in employers contribution	0	0	0	0	0	0	0
Pension Costs - 2017 Revaluation				140,000	140,000	140,000	140,000
Saving from Cap on business rates to 2%	(8,850)	0					
Staff vacancies allowance	(150,000)	0	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
Total Service Expenditure	13,351,460	14,537,930	13,758,560	14,150,790	14,671,750	15,310,500	15,569,210
Interest & capital charges	(2,159,350)	(3,304,180)	(2,058,360)	(2,129,060)	(2,572,480)	(2,572,480)	(2,572,480)
Contrib to/(from) Invest to Save	0	0	0	0	0	0	0
Contrib to/(from) Service Improve't Reserve	(36,320)	(171,850)	25,320	25,320	25,320	25,300	0
Contrib to/(from) Revenue Risk Reserve		(66,290)	0	0	0	0	0
Contribution to R&R Fund	146,000	146,000	146,000	146,000	146,000	146,000	146,000
Contribution to/(from) reserves re BR deficit	(250,000)	(250,000)					
Bad debt provision	50,000	50,000	50,000	50,000	50,000	50,000	50,000
New burden grants/other income		(27,228)					
Surplus/(deficit) - savings target	(94,161)	(102,427)	(1,505,572)	(2,166,762)	(2,587,314)	(3,460,777)	(3,510,494)
NET EXPENDITURE	11,007,629	10,811,955	10,415,948	10,076,288	9,733,276	9,498,543	9,682,236

GENERAL FUND REVENUE ESTIMATES SUMMARY

	2015/16		2016/17	2017/18	2018/19	2019/20	2020/21
	Original	Revised	Estimate	Estimate	Estimate	Estimate	Estimate
	£	£	£	£	£	£	£

Financed By:							
RSG	2,362,741	2,362,741	1,836,074	1,239,465	859,193	445,168	422,910
Business Rates Baseline	3,061,874	3,061,874	3,087,390	3,148,114	3,240,985	3,333,856	3,433,872
Settlement Funding	5,424,615	5,424,615	4,923,464	4,387,579	4,100,178	3,779,024	3,856,782
Gov't Grant re tax freeze in 2015/16	48,044	48,044					
Retained Business Rates Growth	741,231	1,132,047	644,665	696,281	676,980	647,024	633,864
Business rate pooling	404,000	200,000	412,000				
NNDR Fund Surplus/(Deficit)	(749,172)	(749,172)	(1,851,506)				
Contrib (to)/from Business Rate Reserve	319,889	(63,111)	1,185,568				
Council tax support grants to parishes	(52,916)	(52,916)	(46,301)	(39,686)	(33,071)	(26,456)	(19,841)
Council Tax Fund Surplus/(Deficit)	69,958	69,958	68,221				
Efficiency Support Grant	160,490	161,000					
New Homes Bonus	616,218	616,218	902,146	750,000	600,000	600,000	600,000
Council Tax (taxbase x tax below)	4,025,272	4,025,272	4,177,691	4,282,114	4,389,189	4,498,951	4,611,431
TOTAL FINANCING	11,007,629	10,811,955	10,415,948	10,076,288	9,733,276	9,498,543	9,682,236

Council Tax Income:							
Taxbase Growth				0.5%	0.5%	0.5%	0.5%
Taxbase Estimate	27,781.57	27,781.57	28,271.58	28,412.94	28,555.00	28,697.78	28,841.27
Tax increase			1.99%	1.99%	1.99%	1.99%	1.99%
Band 'D' Tax	144.89	144.89	147.77	150.71	153.71	156.77	159.89
Yield =- taxbase x Band 'D'	4,025,272	4,025,272	4,177,691	4,282,114	4,389,189	4,498,951	4,611,431

GENERAL FUND REVENUE ESTIMATES SUMMARY

	2015/16		2016/17	2017/18	2018/19	2019/20	2020/21
	Original	Revised	Estimate	Estimate	Estimate	Estimate	Estimate
	£	£	£	£	£	£	£
Settlement Funding Assessment (SFA):							
<u>Via RSG:</u>							
Lower tier funding	2,162,607	2,162,607	1,836,074	1,239,465	859,193	445,168	422,910
Council Tax Support Grant							
2011/12 tax freeze grant	65,423	65,423					
Homelessness Grant	48,119	48,119					
2014/15 Council Tax freeze grant	47,903	47,903					
Efficiency support funding	38,689	38,689					
Returned funding							
	2,362,741	2,362,741	1,836,074	1,239,465	859,193	445,168	422,910
<u>Via BR Baseline Funding:</u>							
Lower tier funding	2,979,511	2,979,511	3,087,390	3,148,114	3,240,985	3,333,856	3,433,872
Council Tax Support Grant							
2011/12 tax freeze grant	47,088	47,088					
Homelessness Grant	35,275	35,275					
Returned funding			0				
	3,061,874	3,061,874	3,087,390	3,148,114	3,240,985	3,333,856	3,433,872
Total SFA:							
Lower tier funding	5,142,118	5,142,118	4,923,464	4,387,579	4,100,178	3,779,024	3,856,782
Council Tax Support Grant	0	0	0	0	0	0	0
2011/12 tax freeze grant	112,511	112,511	0	0	0	0	0
Homelessness Grant	83,394	83,394	0	0	0	0	0
2014/15 Council Tax freeze grant			0				
Efficiency support funding			0				
Returned funding	0	0	0	0	0	0	0
Total SFA:	5,424,615	5,424,615	4,923,464	4,387,579	4,100,178	3,779,024	3,856,782
% Change			9%	11%	7%	8%	-2%
BR Growth Retention:							
Growth rate							
CBC 40% share of income	14,652,604	14,652,604	14,816,238	15,186,644	15,566,310	15,955,468	16,354,354
Less tariff	(11,049,252)	(11,049,252)	(11,138,000)	(11,360,000)	(11,700,000)	(12,070,000)	(12,400,000)
Add s31 grant re SBRR	549,656	576,256	580,483	594,995	609,870	625,117	640,745
Add s31 grant re other reliefs	301,241	296,282	19,739	20,232	20,738	21,257	21,788
Gross income before levy	4,454,249	4,475,890	4,278,460	4,441,872	4,496,918	4,531,841	4,616,887
Less Baseline Funding	(3,061,874)	(3,061,874)	(3,087,390)	(3,148,114)	(3,240,985)	(3,333,856)	(3,443,872)
Growth	1,392,375	1,414,016	1,191,070	1,293,758	1,255,933	1,197,985	1,173,015
Levy (NB 50% on nndr3 not nndr 1)	(696,000)	(324,000)	(595,535)	(646,879)	(627,966)	(598,992)	(586,507)
Adjs to Levy & Tariff	(176,000)	(176,135)	(177,429)	(183,000)	(189,000)	(196,000)	(203,000)
Retained BR re renewable energy	3,856	3,872	12,100	12,403	12,713	13,030	13,356
Grant re Multiplier Cap	217,000	214,294	214,459	220,000	225,300	231,000	237,000
BR Growth Retained above Baseline	741,231	1,132,047	644,665	696,281	676,980	647,024	633,864
Add Baseline Funding	3,061,874	3,061,874	3,087,390	3,148,114	3,240,985	3,333,856	3,433,872
Total BR Income Retained	3,803,105	4,193,921	3,732,055	3,844,395	3,917,965	3,980,880	4,067,736

390,816

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FOR PUBLICATION

COLLECTION FUND REVISED ESTIMATES 2015/16

MEETING: (1) CABINET
(2) DEPUTY LEADER

DATE: (1) 26 JANUARY 2016
(2) 14 JANUARY 2016

REPORT BY: CHIEF FINANCE OFFICER

WARD: ALL

COMMUNITY ASSEMBLY: ALL

KEY DECISION REF: 576

FOR PUBLICATION

BACKGROUND PAPERS:
Budget working papers, Accountancy Section.

1.0 PURPOSE OF REPORT

- 1.1 To agree the revised estimate of the surplus or deficit on the Collection Fund for 2015/16 so that it can be shared amongst the major precepting authorities in 2016/17.

2.0 RECOMMENDATIONS

- 2.1 That the estimated surplus on the Collection Fund of £658,115 be agreed and allocated to the major precepting authorities as detailed in **Appendix A**.

3.0 BACKGROUND

- 3.1 The Local Government Finance Act 1992 requires Billing Authorities to calculate the estimated surplus or deficit on the Council Tax elements of the Collection Fund each year.

3.2 The Act prescribes that the estimated surplus or deficit should be allocated to the major precepting authorities in proportion to their precepts and that the major preceptors should then take it into account when calculating their Council Taxes for the following financial year.

4.0 CONSIDERATIONS

4.1 Council Tax Transactions

4.1.1 The estimate of Council Tax income for the year is £43.3m.

4.1.2 The bad debt provision has been estimated at £2,443,410.

4.1.3 In setting the Council Tax for 2015/16 it was originally estimated that there would be a surplus from the previous year of £664,798 to allocate. However, at the end of 2014/15 the surplus was £721,173. The increase in surplus of £56,375 will be allocated in 2016/17.

4.1.4 The precepts on the fund in 2015/16 total £42.9m.

4.1.5 The net result of all of the above items is to produce an estimated surplus of £658,115 on the Fund at 31st March 2016. **Appendix A** shows how the surplus is to be shared between the major precepting authorities in 2016/17. The majority (73.6%) goes to the County Council. The Borough Council receives **10.37% of the surplus i.e. £68,221.**

5.0 RECOMMENDATIONS

5.1 That the estimated surplus on the Council Tax of £658,115 be agreed and allocated to the major precepting authorities as detailed in **Appendix A.**

6.0 ALTERNATIVE OPTIONS TO BE CONSIDERED

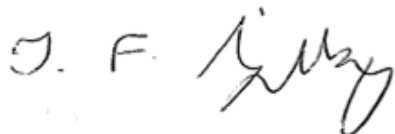
6.1 None.

7.0 REASON FOR RECOMMENDATION

7.1 To fulfill a statutory requirement and to feed into the budget setting process for 2016/17.

B DAWSON
CHIEF FINANCE OFFICER

Officer recommendation supported.



Signed:

Cabinet Member

Date: 14 January, 2016

Further information on this report can be obtained from
Barry Dawson, Chief Finance Officer (Tel: 01246 345451)

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REVISED COLLECTION FUND ESTIMATES 2015/16

	Council Tax £	
Surplus/(deficit) b/fwd		721,173
<u>Income:</u>		
Gross Debit	43,300,000	
Reduction/(increase) in bad debt provision	(425,658)	42,874,342
		43,595,515
<u>Expenditure:</u>		
Parishes	(356,773)	
Chesterfield BC	(4,095,230)	
Derbyshire CC	(31,616,931)	
Derbyshire Fire & Rescue	(1,969,597)	
Police & Crime Commissioner for Derbyshire	(4,898,869)	(42,937,400)
Estimated Surplus / (Deficit)		658,115
<u>Share of Surplus / (Deficit):</u>	%	£
Chesterfield BC	10.37	68,221
Derbyshire CC	73.63	484,616
Derbyshire Fire & Rescue	4.59	30,189
Police & Crime Commissioner for Derbyshire	11.41	75,089
Total Surplus	100%	658,115

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FOR PUBLICATION

APPROVAL OF SENIOR PAY POLICY STATEMENT 2016-17

MEETING:	1. COUNCIL 2. CABINET 3. CABINET MEMBER FOR BUSINESS TRANSFORMATION
DATE:	1. 25 FEBRUARY 2016 2. 26 JANUARY 2016 3. 14 JANUARY 2016
REPORT BY:	HR & PAYROLL SERVICE SOLUTION LEAD ARVATO PUBLIC SECTOR SERVICES
WARD:	ALL
COMMUNITY FORUM:	ALL
KEY DECISION REFERENCE :	590

FOR PUBLICATION

1.0 **PURPOSE OF REPORT**

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

2.0 **RECOMMENDATIONS**

- 2.1 That Cabinet consider the revised Senior Pay Policy Statement and refer it for approval by Full Council.

3.0 **BACKGROUND**

A first version of this Policy was developed in March 2012 following the implementation of the Localism Act 2011. Section 38 (1) of the

Act requires that English and Welsh local authorities produce a Senior Pay Policy Statement for 2012/13 and each financial year after that. In 2014, the Department for Communities and Local Government published a revised Local Government Transparency Code on 3 October 2014 which sets out the requirement to publish data relating to Senior Pay.

- 3.1 The objective for publishing this information is to increase public transparency and local democratic accountability in how senior pay is set in local authorities. The intention is for Councils to be able to demonstrate value for money in the remuneration package of the senior managers and also show the role that local councillors play in determining senior reward.
- 3.2 The Policy has to be approved by Full Council each year and published on the Council's website. A copy of the Senior Pay Policy Statement 2016-17 is attached at Appendix 1.

4.0 KEY ISSUES

- 4.1 There has been no additional guidance been issued for this years Pay Policy Statement but changes have been made to the policy to reflect the agreement of the new Corporate Management Structure:

- Para 1.4 and 2.2 - details and reasons for the new posts
- Para 3.3 – salary details and evaluation of new posts

Other changes made to the Policy include:

- Para 2.2 – reference to the Living Wage
- Para 10 – reference to Public Sector Exit Payments

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

5.0 CONSULTATION

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

6.0 **FINANCIAL IMPLICATIONS**

6.1 There are no financial implications directly relating to the publication of this Policy Statement.

7.0 **EQUALITIES**

7.1 A preliminary Equalities Impact Assessment is attached at Appendix 2.

8.0 **RISK MANAGEMENT**

Risk	Likelihood (H/M/L)	Impact (H/M/L)	Mitigating action
Failure to publish Senior Pay Policy Statement	L	H	The current Policy is available on the intranet. Approval at Full Council in February will ensure we meet the statutory deadlines for publication. Any further guidance provided will be incorporated into the policy to ensure it meets the legislative requirements
Failure to update and publish Statement on an annual basis	L	H	The policy is to be added to the Forward Plan to ensure that it is reviewed annually. Personnel & Financial Services Manager to keep up to date with guidance and advice on these issues to ensure changes are incorporated as appropriate

9.0 **RECOMMENDATIONS**

9.1 That Cabinet consider the revised Senior Pay Policy Statement and refer it for approval by Full Council.

10 **REASON FOR RECOMMENDATIONS**

10.1 To meet the requirements of the Localism Act 2011 by publishing this policy by 31 March 2016.

JANE DACKIEWICZ
HR & PAYROLL SERVICE SOLUTION LEAD

Further information on this matter can be obtained from Jane Dackiewicz (Extension 01246 345257).

Officer recommendation supported.

Signed:

A handwritten signature in black ink, appearing to be 'M. H. S.', written in a cursive style.

Cabinet Member

Date: 14 January, 2016

Senior Pay Policy Statement

Policy Guiding Principles 2016/17

Prepared by: Human Resources

Date: February 2016

For Review: February 2017

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Senior Pay Policy Statement

1. Introduction

1.1 Legislation

Section 38 (1) of the Localism Act 2011, requires all local authorities in England and Wales to produce a Senior Pay Policy Statement which is updated on an annual basis.

The Act and supporting statutory guidance provide details of matters that should be included in this statutory pay policy, which must be complied with when setting the terms and conditions of Chief Officers. The policy must be formally approved by full Council each year and published on the Council's website.

In addition, the Department for Communities and Local Government published a revised Local Government Transparency Code on 3 October 2014. The Local Government (Transparency Requirements) (England) Regulations 2014 regulates the Code which sets out the information local authorities are required to publish.

1.2 Scope

This Senior Pay Policy Statement will cover the following areas:

- The principles underpinning the Council's pay policy for the whole of the workforce
- The Council's policy on the level and elements of remuneration for each Chief Officer
- The Council's policy on the remuneration of its lowest-paid employees, along with a definition of 'lowest-paid employees'
- The Council's policy on the relationship between the remuneration of its Chief Officers and other officers
- The Council's policy on other specific aspects of Chief Officers' remuneration
- Information about terms and conditions of service for Chief Officers, particularly those that represent a cost to the Council
- The Council's policy on making discretionary payments on early termination of employment
- The Council's approach to remuneration at all levels to balance the need to secure and retain high-quality employees and avoiding excessive cost to the taxpayer
- The factors that are taken into account in deciding on what point of a scale a recruit is appointed, and by whom any decision is made
- An indication of the percentage rate at which the employer's pension contributions is set
- Information about re-employment of employees in receipt of a local government pension

1.3 Context

Chesterfield Borough Council recognises that, in the context of managing scarce public resources, remuneration at all levels needs to be adequate to secure and retain high quality employees dedicated to delivering public services, whilst at the same time not being unnecessarily generous and excessive.

It is essential that local authorities are able to determine their own pay structures in order to address local priorities and to compete in the local labour market. It is recognised that senior management roles in local government are complex and diverse with managers working in a highly politicised environment where often national and local pressures conflict.

If the Council is to maintain its high performance, then it must be able to retain and attract high calibre leaders to deliver the complex agenda.

1.4 Definitions

The term Chief Officer covers the following Senior Leadership roles at Chesterfield Borough Council

- **Chief Executive**
- **Executive Director x 2**
- **Chief Finance Officer**

At a meeting of the Joint Employment & General and Cabinet Committee on 15 December 2015, a new Corporate Management structure was approved creating the following new roles:

- Director of Resources
- Commercial Services Manager
- Customers, Commissioning and Change Manager
- Economic Growth Manager
- Health & Wellbeing Manager
- Housing Manager
- Policy & Communications Manager

With the exception of the new Director of Resources, these new posts will be at the third tier level but will be employed on Chief Officer terms.

Implementation of this new structure will commence from January 2016.

The new corporate management structure is attached at Appendix 1.

The statutory duties of Head of Paid Service and Section 151 Officer are incorporated into the posts of Chief Executive and the current Chief Finance Officer respectively. Once appointed, the new Director of Resources will carry out the responsibilities of the Section 151 officer. The duties of the Monitoring

Officers are incorporated into the post of Regulatory and Local Government Law Manager.

2. Background to Pay and Grading

2.1 Whole Workforce

In order to secure equal pay within the organisation, the NJC job evaluation scheme was applied to all posts covered by the NJC for Local Government Employees (excluding Chief Officers).

A new grading structure was implemented in 2003 for the whole workforce (excluding Chief Officers and Craft Workers) with negotiations then continuing with the relevant Trade Unions to complete the Single Status exercise.

An equal pay audit was undertaken on all evaluated posts to:

- Analyse the pay arrangements for all the Council employees
- Identify any differences in levels of pay between men and women
- Review the reasons for, and possible causes of, difference in pay, in particular whether these can be attributed to direct or indirect sex discrimination, and
- Identify how to close gaps in pay that cannot be attributed to reasons/causes other than sex discrimination.

The final Pay and Conditions were later agreed in the form of a Local Collective Agreement in November 2007. The local pay scales are attached at Appendix 2. The actual salary at each point is determined by the National Joint Council (NJC) Pay Award, the last one being awarded as at 1 January 2015.

The pay award for 2016-17 is currently pending but will be designed to meet the immediate obligations under the National Living Wage and to start the process of moving towards the expected level of the National Living Wage by 2020.

2.2 Living Wage

The new legislative requirement to pay the National Living Wage of £7.20 comes into force from 1 April 2016. However the Council is committed to paying the Living Wage determined by the Living Wage Foundation. This increased to £8.25 in November 2015 and is expected to be applied to the lowest paid Council employees from 1 April 2016.

2.3 Corporate Management Team

In 2014, a review of the Corporate Management Team (CMT) was carried out and a revised structure agreed in June 2014.

This restructure resulted in the deletion of the Deputy Chief Executive and Head of Service posts and the creation of two new Executive Directors and Chief Finance Officer.

With the challenges facing the Council both now and over the next 3 to 5 years, it was essential for the new Senior Leadership Team to have the skills and capabilities to deliver the changes required.

Following the implementation of the above new structure, a review commenced of the roles at the next tier of management. In December 2015, agreement was reached for seven new roles to be created to ensure that the Corporate Management and Senior Leadership Teams, could effectively deliver the objectives in the Council Plan in the context of the challenges facing the council.

3. Senior Management Salaries

3.1 Senior Leadership Team - Benchmarking

In deciding on appropriate salaries for the new senior leadership positions in 2014, a benchmarking exercise was carried out into emerging management structures across district/borough councils in England. The research found that there was a move away from annual incremental progression through an agreed salary scale, to senior officers now being appointed on spot salaries.

The salaries for the current Senior Leadership posts are shown in the table below. The salary for the post of Chief Finance Officer includes a £5,000 responsibility allowance in addition to the basic salary to reflect the post's Section 151 responsibilities and their position on the Senior Leadership Team.

Incremental points	Chief Executive	Executive Director	Chief Officer
1	£94254.00	£86700	£61320
2	£96815.25		
3	£99376.50		
4	£101937.75		
5	£104499.00		

There was no cost of living rise awarded to Chief Executives or Chief Officers from 2009 – 2014. In January 2015, a 2% rise was awarded but was only to

be applied where the basic salary was less than £100,000. This increase was not applied to the Chief Executive position.

3.2 Package over £100,000

Where the salary package of any post exceeds £100,000, full council will be given the opportunity to approve the level of remuneration. The salary package is defined as base salary, any routinely paid allowances, bonus fees and other benefits in kind which are due under the contract.

3.3 New Corporate Management Team

The new Corporate Management Team to be implemented from January 2016, will comprise of 6 manager posts with new job roles. These all include an identical set of corporate responsibilities, together with a set of service specific responsibilities.

There will also be a change to the Senior Leadership Team which will see the current Chief Finance Officer role being deleted and a new Director of Resources post established.

The new CMT roles and the new Director of Resources role have been evaluated by a senior adviser to the Local Government Association, using the LGA Chief Officer method of job evaluation. The recommended salary bands take account of comparable roles in other local authority organisations.

To provide consistency with the approach taken to other roles within the Senior Leadership Team, the Director of Resources will be appointed on a spot salary of £75,000.

Post	Incremental Range			
	1	2	3	4
Director of Resources	£75,000			
Commercial Services Manager	£57,500	£60,000	£62,500	£65,000
Customers, Commissioning and Change Manager	£57,500	£60,000	£62,500	£65,000
Economic Growth Manager	£57,500	£60,000	£62,500	£65,000
Health & Wellbeing Manager	£57,500	£60,000	£62,500	£65,000
Housing Manager	£57,500	£60,000	£62,500	£65,000
Policy & Communications Manager	£50,000	£52,500	£55,000	£57,500

These pay scales will be uplifted in line with the national pay award on an annual basis.

4. Terms and Conditions of Service

The Chief Executive is employed under the terms and conditions of service of the Joint Negotiating Committee for Chief Executives of Local Authorities, and the Executive Directors and Chief Finance Officer under the terms and conditions of service of the Joint Negotiating Committee for Chief Officers of Local Authorities.

The new Corporate Management roles, including that of Director of Resources, will be employed under the terms and conditions of service for the Joint Negotiating Committee for Chief Officers of Local Authorities

There are currently no additional local agreements relating to the employment of chief officers that represent a charge on the public purse, with the exception of election duties (see following paragraph).

5. Additional Payments

5.1 Election Duties

The Chief Executive receives fee payments pursuant to his appointment as Returning Officer at elections. The fees paid in respect of parish, district and county council elections vary according to the size of the electorate and number of postal voters and are calculated in accordance with a fee structure determined by Derbyshire County Council. Fee payments for national and European elections are set by central government and are, in effect, not paid by the Council, as the fees are reclaimed.

5.2 Acting Up Payments

Acting up payments are made where an employee may undertake the full duties and responsibilities of a higher graded post. For employees at Scale 8 and above (which includes Chief Officers) a continuous qualifying period of four weeks will apply before payment can be made. Further details are set out in paragraph 8 of the Local Collective Agreement.

5.3 Honoraria

An honorarium is payable in circumstances where an employee carries out additional duties which are at a higher level than those in their substantive post, but there is no entitlement to a higher salary. Further details are set out in Paragraph 9 of the Local Pay Agreement.

5.4 Telephone Rental

A line rental may be paid to any Chief Officer who is expected to be contactable at home. The same payment is made to all eligible employees, regardless of grade.

A mobile telephone is provided to employees at the discretion of the Service Manager where it is considered appropriate for the delivery of the service. The cost of the monthly rental is paid as well as business related calls.

5.5 Car Mileage and Expenses

All employees, including Chief Officers, are able to claim for mileage and expenses occurred for business reasons only. A review of car mileage payments was carried out in 2012/13 and a decision made by Cabinet in July 2013 to implement the HMRC rates for mileage claims. These revised payments have been applied to all employees claiming mileage since March 2014. Essential user allowance is no longer paid. Expenses are paid in accordance with the Council's Subsistence Policy.

5.6 Other financial benefits

Post holders employed under the terms and conditions relating to Chief Executives and Chief Officers are not in receipt of any financial benefits that are not also available to other employees.

They are exempt from receiving the following benefits which other employees receive:

- Unsocial hours payments
- Overtime Payments

The Chief Executive and Chief Officers do not receive any additional payments relating to performance related pay, bonuses or ex-gratia benefits.

6. Incremental Progression

The policy of the Council in respect of incremental progression is the same regardless of the level of the post and is set out at paragraph 1 of the Local Collective Agreement. On taking up employment, individuals will normally start at the bottom spinal column point of the appropriate grade, however, there is discretion to appoint at a higher point depending on skills, experience and any market factors which could impact on the ability to otherwise recruit to the post.

In the case of a Chief Officer appointment, this decision would be made by the Chief Executive. The Appointments Panel would make this decision for Chief Executive appointments (in accordance with the Council's constitution).

7. Lowest Paid Employees

Following the implementation of Single Status and the NJC Job Evaluation Scheme, local grades were implemented as set out at Appendix 1. The lowest paid employees are determined by those whose job evaluation score was between 250-279, which placed them on Scale 1 at SCP 4-6. From 1 October 2015, the NJC for Local government Employees agreed that the bottom Spinal Column Point would be removed as this would be lower than the National Minimum Wage. The lowest grade now starts at SCP 6

8. Relationship between salaries

The ratio of the Council's top earner to that of its median paid employee is 6.53

This ratio has been based on year to date taxable earnings for the financial year 2015 to 31 December 2015.

9. Pensions

9.1 Contributions

Employees of the Council (including Chief Officers) pay a contribution to the Local Government Pension Scheme relative to their annual full-time equivalent pensionable pay (including pensionable allowances):

Band	Range (£)	Contribution Rate
1	£0 to £13,500	5.5%
2	£13,501 to £21,000	5.8%
3	£21,001 to £34,000	6.5%
4	£34,001 to £43,000	6.8%
5	£43,001 to £60,000	8.5%
6	£60,001 to £85,000	9.9%
7	£85,001 to £100,000	10.5%
8	£100,001 to £150,000	11.4%
9	More than £150,001	12.5%

An assessment is undertaken on an annual basis to determine the contribution rate.

Following changes under the LGPS regulations in 2014, all employees now have an option to pay half contributions and build up half of the normal pension. This is known as the 50/50 section of the scheme and is designed to be a short-term option for when times are financially difficult.

The Employer's contribution at Chesterfield is currently 13.2% of pensionable pay.

9.2 Discretions

There are a number of discretions available under the Local Government Pension Scheme applicable to all employees. The aim of the Chesterfield Borough Council Policy on discretions is to ensure:

- fairness and equity in funding and contribution levels are adequate to meet future demands
- elected members are made aware of the financial consequences of decisions
- the age, skills and experience profile of the organisation is balanced

The discretions agreed for all employees are set out at Appendix 3.

9.3 Re-employment of employees in receipt of a pension

The Council has a statutory duty to appoint on merit and will always seek to appoint the best candidate for a position based on skills, knowledge, experience and abilities.

Under the terms of the Local Government Pension scheme, an employee who has retired from local government service and is in receipt of a pension may reapply for local government employment. However, where this happens the pension maybe subject to abatement, i.e. if the pension added to the new salary is higher than the original salary then the amount of pension will be reduced accordingly.

There are currently no re-employed pensioners in senior management positions and no previously employed Chief Officer has returned under a contract for services.

Where a former employee has left on the grounds of redundancy, the Council will apply the provisions of the Redundancy Modifications Order regarding recovery of the redundancy payment, if relevant.

10. Payments on Termination of Employment

Payments on termination of employment will be made under the LGPS or in accordance with the discretions set out above. Other payments may be made where the Council has specific legal advice to the effect that a payment may be necessary to eliminate risk of claims against the Council.

Any severance payment currently over £100,000 must be agreed by Full Council.

A decision is expected in early 2016 following the consultation relating to Public Sector Exit Payments. If agreed, this legislation will place a cap of £95,000 on the total package for employees leaving public sector employment.

11. Publication of Information

Information relating to the salaries of senior management is already published on the Council's website. This policy statement, which has been approved by Full Council, will also be made available and placed on the website from March 2016.

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Chesterfield Borough Council

Equality Impact Assessment - Preliminary Assessment Form

The preliminary impact assessment is a quick and easy screening process. It should identify those policies, projects, services, functions or strategies which require a full EIA by looking at negative, positive or no impact on any of the equality groups.

Service Area: HR & Payroll Service Solution Lead

Section: HR

Lead Officer: Jane Dackiewicz

Title of the policy, project, service, function or strategy the preliminary EIA is being produced for: **Senior Pay Policy Statement**

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

Existing

Changed

Q1 - What is the aim of your policy or new service?

To set out the Council's policy in relation to the pay and remuneration for Chief Officers in accordance with Section 38 (1) of the Localism Act 2011 and the Local Government Transparency Code. The aim of developing and publishing this policy is to provide transparency to the remuneration packages for Chief Officers and explain the rationale for the pay and grading of Chief Officers. The term Chief Officers refers to the Chief Executive, Executive Directors and Chief Finance Officer.

Q2 - Who is the policy or service going to benefit?

The policy is not going to benefit any specific group, however, ensuring transparency to the remuneration packages for Chief Officers should benefit employees and the wider public.

Q3 - Thinking about each group below, does, or could the policy, project, service, function or strategy have an impact on protected characteristics below? You may also need to think about sub groups within each characteristic e.g. older women, younger men, disabled women etc.

Please tick the appropriate columns for each group.

Group or Protected Characteristics	Potentially positive impact	Potentially negative impact	No impact
Age – including older people and younger people.			X
Disabled people – physical, mental and sensory including learning disabled people and people living with HIV/Aids and cancer.			X
Gender – men, women and transgender.			X
Marital status including civil partnership.			X
Pregnant women and people on maternity/paternity. Also consider breastfeeding mothers.			X
Sexual Orientation – Heterosexual, Lesbian, gay men and bi-sexual people.			X
Ethnic Groups			X
Religions and Beliefs including those with no religion and/or beliefs.			X
Other groups e.g. those experiencing deprivation and/or health inequalities.			X

If you have answered that the policy, project, service, function or strategy could potentially have a negative impact on any of the above characteristics then a full EIA will be required.

Q4 - Should a full EIA be completed for this policy, project, service, function or strategy?

Yes

No

Q5 - Reasons for this decision:

Whilst this policy sets out the principles which underpin the Council's pay policy for the whole of the workforce, the key purpose is to publicise how the Council reaches its decision on the pay of Chief Officers and any other benefits. It is a requirement of the Localism Act 2011 that the pay policy statement is approved by Full Council and published by 31 March 2016

Please e-mail this form to the Policy Service before moving this work forward so that we can confirm that either a full EIA is not needed or offer you further advice and support should a full EIA be necessary.

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New Corporate Management Structure - 2016

(New roles in bold)

Senior Leadership Team

Chief Executive

Executive Director	Executive Director	Director of Resources
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Corporate Management Team

Economic Growth Manager	Housing Manager
Commercial Services Manager	Health and Wellbeing Manager
Customers, commissioning and Change Manager	Policy and Communications Manager
<i>All CMT roles to report to CEx or an ED (to be allocated)</i>	

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Full time = 1924 hrs
 Annual x 52.14 weeks
 Hrly = salary/365 x 7 / 37
 Hrly = salary / 365 x 7 / 37
 Hrs pa = hrs x 37 / 7 x 365

Scales For All Employees (Except Craft)
JANUARY 2015

£ per hr	Bands	scp	po	salary	old grades	Pension Band	Contribution %
6.9974		5		13,500		Band 1	5.5%
7.0565		6		13,614	Scale 1	Band 2	5.8%
7.1088	2	7		13,715	scp 1-11		
7.1897		8		13,871			
7.2954		9		14,075			
7.4318		10		14,338			
7.8822	3	11		15,207	Scale 2 scp 11-13		
8.0460		12		15,523			
8.2626		13		15,941			
8.4130	4	14		16,231	Scale 3		
8.5897		15		16,572			
8.7955		16		16,969			
9.0044		17		17,372			
9.1816	5	18		17,714	Scale 4 scp 18-21		
9.5248		19		18,376			
9.8731		20		19,048			
10.2328		21		19,742			
10.4977	6	22		20,253	Scale 5 scp 22-25		
10.8066		23		20,849			
11.1596		24		21,530			
11.5131		25		22,212			
11.8889	7	26		22,937	Scale 6 scp 26-28		
12.2833		27		23,698			
12.6845		28		24,472			
13.1862		29		25,440			
13.6284	8	30		26,293	SO1 scp 29-31		
14.0586		31		27,123			
14.4738		32		27,924	SO2 scp 32-34		
14.8998		33	PO1	28,746			
15.3207	9	34	PO2	29,558	POA scp 32-36		
15.6421		35	PO3	30,178			
16.0567		36	PO4	30,978			
16.5066		37	PO5	31,846			
16.9897	10	38	PO6	32,778	POB scp 37-40		
17.5490		39	PO7	33,857			
18.0098		40	PO8	34,746			
18.4845		41	PO9	35,662			
18.9557	11	42	PO10	36,571	POC scp 41-44		
19.4284		43	PO11	37,483			
19.9063		44	PO12	38,405			
20.3531		45	PO13	39,267			
20.8455	12	46	PO14	40,217	POE scp 46-49		
21.3240		47	PO15	41,140			
21.7972		48	PO16	42,053	POF scp 48-		
22.2658		49	PO17	42,957			
22.7136	13	50	PO18	43,821	POG scp 50-53		
23.1806		51	PO19	44,722			
23.6352		52	PO20	45,599			
24.1001	14	53	PO21	46,496	POH scp 52-55		
24.5562		54	PO22	47,376			
25.0155		55	PO23	48,262			

Further pension bandings:-
 £43,001 - £60,000 8.5%
 £60,001 - £85,000 9.9%
 £85,001 - £100,000 10.5%
 £100,001 - £150,000 11.4%
 more than £150,001 12.5%

Notice Periods: Old 1-2 = 1 month = to Band 7
 SO1-SO2 = 2 months = Band 8
 POA+ = 3 months = Band 9+

£ per hr	Bands	scp	salary	Pension Band	Contribution %
6.2951	1	4	12,145	Band 1	5.5%
6.3816		5	12,312		
6.4734		6	12,489		
6.6278	2	7	12,787	Band 2	5.8%
6.8362		8	13,189		
7.0435		9	13,589		
7.1913	3	10	13,874	Band 3	5.9%
7.6365		11	14,733		
7.7951		12	15,039		
8.0050		13	15,444		
8.1507	4	14	15,725	Band 3	5.9%
8.3212		15	16,054		
8.5213		16	16,440		
8.7234		17	16,830		
8.8950	5	18	17,161	Band 3	5.9%
9.2272		19	17,802		
9.5647		20	18,453		
9.9135		21	19,126		
10.1701	6	22	19,621	Band 4	6.5%
10.4692		23	20,198		
10.8113		24	20,858		
11.1539		25	21,519		
11.5177	7	26	22,221	Band 4	6.5%
11.8997		27	22,958		
12.2885		28	23,708		
12.7747		29	24,646		
13.2028	8	30	25,472	Band 4	6.5%
13.6195		31	26,276		
14.0218		32	27,052		
14.4349		33	27,849		
14.8428	9	34	28,636	Band 4	6.5%
15.1538		35	29,236		
15.5555		36	30,011		
15.9909	10	37	30,851	Band 5	6.8%
16.4589		38	31,754		
17.0011		39	32,800		
17.4474		40	33,661		
17.9077	11	41	34,549	Band 5	6.8%
18.3643		42	35,430		
18.8220		43	36,313		
19.2849		44	37,206		
19.7182	12	45	38,042	Band 5	6.8%
20.1945		46	38,961		
20.6579		47	39,855		
21.1171		48	40,741		
21.5707	13	49	41,616	Band 6	7.2%
22.0045		50	42,453		
22.4570		51	43,326		
22.8971	14	52	44,175	Band 6	7.2%
23.3480		53	45,045		
23.7896		54	45,897		
24.2344		55	46,755		

**LOCAL GOVERNMENT PENSION SCHEME 2014
DISCRETIONS POLICY FOR CHESTERFIELD BOROUGH COUNCIL**

DERBYSHIRE COUNTY COUNCIL PENSION FUND

A - Mandatory Requirements of Policy Statement

DISCRETION & REGULATION	POLICY ON INDIVIDUAL DISCRETIONS
<p>Whether, how much, and in what circumstances to contribute to a shared cost Additional Pension Contributions scheme</p> <p>Reg 16(2)e & Reg 16(4)d</p> <p>An APC is payment of pension contributions to cover a break in pensionable service. If the break in service is an authorised break, for example, the 'no pay' period of maternity leave and the person opts to pay for the break within 30 days from the end of the break, the shared cost APC automatically applies. The shared cost is split two thirds employer, one third scheme member.</p> <p>If the person opts to pay an APC to buy extra pension the shared cost option does not apply.</p>	<p>This discretion will be agreed in exceptional circumstances and after consideration of the costs that would apply</p>
<p>Whether all or some pension benefits can be paid if a member aged 55 or over reduces their hours/grade and continues to work ("flexible retirement")</p> <p>Reg 30(6) & TPR 11(2)</p> <p>Flexible retirement means that the member can begin drawing their pension whilst continuing to work but on reduced hours or pay. There will not normally be direct and immediate costs to the employer if the employer agrees to do this, as the member's pension will be reduced accordingly to allow for any early withdrawal, as is the case for any early retirement.</p>	<p>The Council will consider employee requests to take flexible retirement on a case by case basis after taking into factors such as service delivery and any costs that may apply.</p>
<p>Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement</p> <p>Reg 30(8)</p> <p>Employers can choose to 'waive' the reduction that would normally apply because the member would be taking their pension early. As the full pension would be being paid for longer, this means that we would</p>	<p>The general policy is not to waive the actuarial reduction on flexible retirement however the Council retains the discretion to approve in</p>

<p>expect to pay out more pension in the member's lifetime.</p>	<p>exceptional circumstances and after consideration of costs</p>
<p>Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age</p> <p>Reg 30(8)</p> <p>As above but for early retirement</p>	<p>The general policy is not to waive the actuarial reduction on flexible retirement however the Council retains the discretion to approve in exceptional circumstances and after consideration of costs</p>
<p>Whether to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £6,500 p.a.)</p> <p>Reg 31:</p> <p>Employers are allowed to purchase additional pension on a member's behalf up to a limit which provides additional pension of £6500 per annum. In our experience, we tend to find that this discretion is rarely used but when it is used it is cases of redundancies or compromise agreements etc.</p>	<p>The general policy is not to agree additional pension however the Council retains the discretion to approve in exceptional circumstances and following approval by the appropriate committee</p>
<p>Whether to "switch on" the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.</p> <p>TP Schedule 2 para 2 (2)</p> <p>The rule of 85 applies to some members who originally joined the LGPS before 2006. It allows members who meet the rule to retire earlier than the normal pension age, taking their pension benefits in full. However, under the LGPS2014 Regulations certain members would lose some of the rule of 85 protections if they wished to draw their pension benefits before 55 and 59. Hence this discretion allows the protections to be re-instated by the employer but this will have cost implications</p>	<p>The general policy is not to agree to this 'switch on' however the Council retains the discretion to approve in exceptional circumstances and after consideration of costs</p>

<p>Whether to waive any actuarial reduction on pre and/or post April 2014 benefits paid early on compassionate grounds</p> <p>TP3(1), TPSch 2, paras 2(1) and 2(2), B30(5) and B30A(5)</p> <p>Employers can choose to ‘waive’ the reduction that would normally apply because the member would be taking their pension early on compassionate grounds. As the full pension would be being paid for longer, this means that we would expect to pay out more pension in the member’s lifetime.</p>	<p>The general policy is not to waive the actuarial reduction on early payment of benefits on compassionate grounds. However the Council retains the discretion to approve in exceptional circumstances and after consideration of costs</p>
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FOR PUBLICATION

**ANNUAL HOUSING REVENUE ACCOUNT RENT AND SERVICE CHARGE
SETTING (H000)**

MEETING: 1. CABINET
 2. CABINET MEMBER FOR HOUSING

DATE: 1. 26 JANUARY 2016
 2. 18 JANUARY 2016

REPORT BY: HOUSING SERVICE MANAGER – BUSINESS
 PLANNING AND STRATEGY
 CHIEF FINANCE OFFICER

WARD: ALL

COMMUNITY
ASSEMBLIES: ALL

KEY DECISION 582
REFERENCE
(IF APPLICABLE):

FOR PUBLICATION

1.0 PURPOSE OF REPORT

1.1 To set rent and service charge levels for 2016/17.

2.0 RECOMMENDATIONS

2.1 It is recommended that;

2.1.1 For 2016/17 individual social rents be set based on the current National Social Rent Policy, giving a real rent decrease of 1.0% with effect from 4 April 2016.

- 2.1.2 For 2016/17 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.
- 2.1.3 For 2016/17 individual affordable rents be set based on the current National Social Rent Policy, giving a real rent decrease of 1.0% with effect from 4 April 2016.
- 2.1.4 For 2016/17 and onwards, where an affordable rent property is re-let to a new or transferring tenant the rent level be set by reference to 80% of the market rent for a similar property prevailing at the time of re-letting.
- 2.1.5 Charges be reviewed and the following recommended revised levels be agreed for;
- a) Heating service charges (Sheltered Schemes) – no increase recommended
 - b) Garage rents – recommend an increase from £5.72 to £6.22 per week
 - c) Garage Sites – recommend an increase from £39.00 to £42.50 per annum (Shale); from £49.00 to £53.50 per annum (Asphalt); from £54.00 to £58.50 per annum (Other)
 - d) Tenants Metered Water Charges – recommend an increase of 2% giving an average charge increase from £3.63 to £3.70 per week
 - e) Garden Assistance Scheme – recommend an increase to the following weekly charges of; grass cutting and hedges from £3.95 to £4.45; grass only from £2.80 to £3.15; hedges only from £1.15 to £1.30
 - f) Sheltered Scheme Support Charge – recommend a charge of £8.00 per week
 - g) Careline – recommend charges of £4.50 per week (Monitor only including equipment rental), £5.50 per week (Monitor and Response including equipment rental) and £8.00 per week (Monitor, Response and weekly visit including equipment rental)
 - h) Charges in respect of Community Rooms – no increase recommended
 - i) Communal Staircase Cleaning – recommend an increase from £1.66 to £1.74 per week
 - j) Tenant Home Contents Insurance Premium Tax – recommend an increase of 3.5% from 6% to 9.5%

3.0 BACKGROUND

- 3.1 The Council is required to keep a separate Account for its activities as a housing landlord. This is called the Housing Revenue Account (HRA). The HRA is closely governed by the Local Government and Housing Act 1989 and by Determinations made under this Act by DCLG.
- 3.2 As a consequence of the HRA self-financing regime, we are required to ensure that our HRA Business Plan is financially viable, delivers reasonable standards for tenants and maintains at least the minimum Decent Homes Standard.
- 3.3 Future investment in the Housing Service and the housing stock is largely funded through income from the properties and is therefore directly influenced by decisions on rent levels, additional borrowing or the use of cash reserves.
- 3.4 Under HRA self-financing the Council is no longer obliged to follow the National Social Policy, however any rent increases below those assumed in the HRA self-financing settlement at April 2012 (which assumed rents would rise in line with National Social Rent Policy) may put at risk the Council's ability to finance the future capital investment to the required or desired standard and the servicing of, or repayment of debt.
- 3.5 Despite this self-financing settlement agreement, in the Government's Summer Budget on the 8 July 2015, the Chancellor of the Exchequer announced that as part of the Welfare Reform and Work Bill, social housing rents would reduce by 1% per annum in each of the following four years. The Government stated that the legislative requirement to reduce social housing rents is intended to ensure that Local Authorities and Housing Associations deliver efficiency savings, in order to make better use of the £13 billion annual subsidy (Housing Benefit) they receive and play their part in reducing the welfare bill.
- 3.6 This report builds on that announcement and provides the actual rent decrease and service charge increase figures for 2016/17.

4.0 2016/17 AND FUTURE RENT SETTING

- 4.1 Social housing rents are set according the Government's National Social Rent Policy, which has always included a limit on annual rent increases.
- 4.2 In June 2014, DCLG set out its future National Social Rent Policy from April 2015 onwards. At the time, this guidance retained the principle of formula (target) rents for each social rent property with annual increases of CPI (Consumer Price Index) plus 1%, removed any flexibility to increase rents by more than this uplift (except for re-lets where increases

to target rent are expected) and committed to this Policy for the next 10 years to 2024/25.

- 4.3 Whilst this existing rent policy put greater restrictions on rent increases in social housing, the introduction of the Welfare Reform and Work Bill, goes even further by setting out this rent policy in legislation for the first time. It states that;

'Registered providers of social housing must secure that the amount of rent payable in a relevant year by a tenant of their social housing in England is 1% less than the amount that was payable by the tenant in the preceding 12 months.'

It also states that;

'The amount of rent payable in the 12 months preceding the first relevant year is to be treated as being the amount that would have been payable in those 12 months if the rate applicable at the beginning of 8 July 2015 had applied during those 12 months.'

- 4.4 This means that from the 4th April 2016, Chesterfield Borough Council housing rents (social and affordable), must decrease from the chargeable rent for each individual property at the 8 July 2015 by 1%.
- 4.5 It also means that where a property is re-let during the financial year (and where it is not already at target rent), the rent level can be continue to be increased to the target rent for that property, decreased by 1%, as the target rent is the relevant rent at the 8 July 2015.

This was confirmed in the latest version of the Welfare Reform and Work Bill (October 2015) which has been re-worded to include this specific reference following lobbying from Councils, including Chesterfield by its financial advisors. At the time of writing only 2,827 Council tenancies in Chesterfield have reached target rent.

- 4.6 Therefore in line with the aforementioned, it is recommended that for 2016/17 (and in each of the following three years) all local authority social rents will decrease at a rate of 1%.
- 4.7 The impact of this decrease across all properties is an average actual decrease for 2016/17 of £0.84 per week on a 48 week basis (£0.76 on a 52 week basis).
- 4.8 This is only an average actual monetary decrease and because rents will be calculated for each individual address, some rents will reduce by more than the average but conversely some rents will reduce by a lower amount. The lowest change is a decrease of £0.64 per week and the

highest a decrease of £1.38 per week, both based on a 48 week basis (£0.59 and £1.27 respectively on a 52 week basis).

- 4.9 During 2015/16, a further 3 properties have been converted using grant funding from the Homes and Communities Agency (HCA) and as a result have rents that are an 'affordable' rent rather than a 'social' rent. These properties do not have a target rent but instead at the date of first letting a rent is set which is 80% of the market rent for a similar property in the area. This brings the total number of affordable rented properties within the housing stock to 6.
- 4.10 It is recommended that, in accordance with the legislation set out at paragraph 4.3, the annual rent for these properties in 2016/17 (and in each of the following three years) decreases in line with social rented properties, by 1%. On a change of tenancy, the rent must be re-calculated by reference to 80% of the market rent at that date. This may mean that the rent falls further rather than rising, depending on market conditions prevailing at the time.

5.0 SERVICE CHARGES

- 5.1 A detailed consideration of possible increases to heating charges, garage rents, garage site rents, the garden assistance scheme, tenants water charges, community room charges and Wardens Services is set out in **Appendix A**.

6.0 RENT, FEE AND CHARGES SUMMARY

- 6.1 The table below shows the annual impact of the recommended rent decrease and fee and charge increases (set out in Appendix A), on the 2016/17 year-end balance available:

Description	Additional Income in 2016/17 (£)
Heating Service Charge	0
Garage Rents	27,600
Garage Sites	1,240
Water Charges	300
Garden Assistance Scheme	2,900
Community Room Hire	0
Communal Staircase Cleaning	7,700
Sheltered Scheme Support Charge	44,400
Careline	61,820

Total of Proposed Increases	145,960
Rent Reduction	(505,800)
Total of Proposed Decreases	(505,800)
Net Total of Proposals (Decrease)	(359,840)

7.0 EQUALITIES

- 7.1 In setting the National Social Rent Policy within the Welfare Reform and Work Bill, an Equalities Impact Assessment has been carried out nationally. This is attached at **Appendix B**.
- 7.2 Overall this policy has no impact on the majority of social housing tenants as they have their rent paid by housing benefit. The remaining proportion of social tenants who do not have a high income will benefit from lower rent payments over the duration of the policy.
- 7.3 The impact on tenants with protected characteristics has been considered when setting fees and charges and where possible these have been minimised to mitigate any negative impact.

8.0 RISK MANAGEMENT

Description of the Risk	Risk Rating	Likelihood	Impact	Mitigating Action	Residual Likelihood	Residual Impact
Divergence from National Social Rent Policy	Medium	Low	High	National Social Rent Policy is enshrined in legislation, any divergence from this policy would result in a penalty in accordance with Part 2 of the Housing and Regeneration Act 2008	Low	Low

9.0 RECOMMENDATIONS

9.1 It is recommended that;

- 9.1.1 For 2016/17 individual social rents be set based on the current National Social Rent Policy, giving a real rent decrease of 1.0% with effect from 4 April 2016.
- 9.1.2 For 2016/17 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.
- 9.1.3 For 2016/17 individual affordable rents be set based on the current National Social Rent Policy, giving a real rent decrease of 1.0% with effect from 4 April 2016.
- 9.1.4 For 2016/17 and onwards, where an affordable rent property is re-let to a new or transferring tenant the rent level be set by reference to 80% of the market rent for a similar property prevailing at the time of re-letting.
- 9.1.5 Charges be reviewed and the following recommended revised levels be agreed for;
 - a) Heating service charges (Sheltered Schemes) – no increase recommended
 - b) Garage rents – recommend an increase from £5.72 to £6.22 per week
 - c) Garage Sites – recommend an increase from £39.00 to £42.50 per annum (Shale); from £49.00 to £53.50 per annum (Asphalt); from £54.00 to £58.50 per annum (Other)
 - d) Tenants Metered Water Charges – recommended an increase of 2% giving an average charge increase from £3.63 to £3.70 per week
 - e) Garden Assistance Scheme – recommend an increase to the following weekly charges of; grass cutting and hedges from £3.95 to £4.45; grass only from £2.80 to £3.15; hedges only from £1.15 to £1.30
 - f) Sheltered Scheme Support Charge – recommend a charge of £8.00 per week
 - g) Careline – recommend charges of £4.50 per week (Monitor only including equipment rental), £5.50 per week (Monitor and Response including equipment rental) and £8.00 per week (Monitor, Response and weekly visit including equipment rental)
 - h) Charges in respect of Community Rooms – no increase recommended

- i) Communal Staircase Cleaning – recommend an increase of 5% from £1.66 to £1.74 per week
- j) Tenant Home Contents Insurance Premium Tax – recommend an increase of 3.5% from 6% to 9.5%

10.0 REASONS FOR RECOMMENDATION

- 10.1 To enable the Council to set the level of Council house rents in accordance with Government guidelines and to set service charges for 2016/17.
- 10.2 To contribute to the Council’s Corporate Priority ‘To improve the quality of life for local people’.

ALISON CRAIG

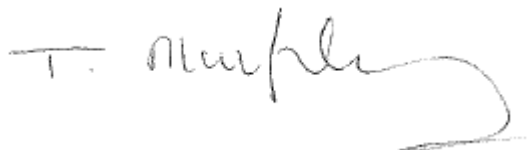
HOUSING SERVICE MANAGER – BUSINESS PLANNING AND STRATEGY

BARRY DAWSON

CHIEF FINANCE OFFICER

You can get more information about this report from Alison Craig on Tel: 345156

Officer recommendation supported.



Signed:

Cabinet Member

Date: 18 January, 2016

HOUSING REVENUE ACCOUNT SERVICE CHARGES 2016/17

1.0 DISTRICT AND GROUP HEATING

1.1 General

1.1.1 Tenants linked to group heating schemes (sheltered housing schemes) pay for heat through a Service Charge. Service charges, paid with the rent, apply to all tenants linked to group heating schemes. The average charge for this service is £18.13 per week. V.A.T. is not currently payable on service charges.

1.1.2 Heating charges are not eligible for Housing Benefit.

1.1.3 It is estimated that the group heating schemes will breakeven in 2016/17 and therefore it is proposed that charges remain at current levels.

2.0 GARAGE RENTS & GARAGE SITES

2.1 Income streams from both garage rents and garage site rents currently cover expenditure. However, significant capital improvements to sites are planned in 2016/17 and future years. Therefore, it is proposed to increase the charges as detailed in the table below.

Service	Current Charge	Revised Charge	Actual Increase in 2015/16
Garage Rents	£5.72 per week	£6.22 per week	50 pence per week
Garage Site – Shale Surface	£39.00 per annum	£42.50 per annum	£3.50 per annum
Garage Site - Asphalt Surface	£49.00 per annum	£53.50 per annum	£4.50 per annum
Garage Site - Other	£54.00 per annum	£58.50 per annum	£4.50 per annum

2.2 Garage Rents are not eligible for Housing Benefit.

3.0 WATER CHARGES

- 3.1 Members previously agreed to review charges to tenants with a metered water supply annually as part of the review of service charges.
- 3.2 In order to maintain a breakeven position it is proposed to increase charges by 2% (the estimated inflationary increase on water rates for 2016/17). This gives an average increase from £3.63 per week to £3.70 per week.
- 3.3 Water charges are not eligible for Housing Benefit.

4.0 GARDEN ASSISTANCE SCHEME

- 4.1 The current scheme is subsidised by approximately 24% and in order to move to a breakeven position, it is proposed to increase charges by the following:

Service	Current Charge	New Charge	Actual Increase in 2015/16
Grass Cutting and Hedges	£3.95	£4.45	50 pence per cut
Grass Only	£2.80	£3.15	35 pence per cut
Hedges Only	£1.15	£1.30	15 pence per cut

- 4.2 Garden Assistance charges are not eligible for Housing Benefit.

5.0 COMMUNITY ROOMS

- 5.1 It is not proposed to increase charges for community hire at the present time. Usage remains limited and any increase may result in even fewer hirings. However the rooms are due to be refurbished during 2016/17 and will be marketed accordingly.

6.0 COMMUNAL STAIRCASE CLEANING

- 6.1 The contract for cleaning communal staircases was awarded to the in-house Building Cleaning ISP in July 2014. In order that this service continues to recover its costs it is proposed to increase the weekly charge to tenants from £1.66 to £1.74 (5%).
- 6.2 Communal Staircase Cleaning charges **are** eligible for Housing Benefit.

TENANT HOME CONTENT INSURANCE PREMIUM TAX

- 7.1 In November 2015, the Government increased Insurance Premium Tax from 6% to 9.5%. In order that this service continues to recover its costs it is proposed to increase this weekly charge to tenants accordingly.
- 7.2 The tax is recovered weekly from tenants as part of their Home Contents Insurance Premium, the amount charged will depend on their individual level of home contents cover and is not eligible for Housing Benefit.

SHELTERED SCHEME SERVICE CHARGE

- 8.1 An increase to £12.57 per week has been approved by Cabinet on 15th December 2015 as part of the Parkside report on rent and service charge levels. The approved charge applies to all sheltered housing schemes from April 2016, which will then be reviewed annually.

SHELTERED SCHEME SUPPORT CHARGE

- 9.1 The Support Service for Older People is currently provided under three separate contracts to DCC, these are support at Sheltered Schemes, Floating Support (visiting wardens) and Careline. In addition tenants and residents who cannot access funding from DCC can pay for the service.
- 9.2 From April 2016 major cuts are to be made to DCC funding. The contract to provide funded support at Sheltered Schemes is to be cut totally, with a loss of around £95,000, per year, and the funding for the floating support contract will reduce by around £40,000 per year.
- 9.3 In addition, it is likely that the Careline Partnership will not now proceed as envisaged, which means that during 2016/17 it is highly likely that there will a further cut to funding of around £100,000 per year as DCC procure the service currently provided by CBC by other means.
- 9.4 A range of measures have been compiled to manage and mitigate these losses, one of which is an increase in charges which is set out in this report, the rest of which will be dealt with in separate Cabinet reports.
- 9.5 **Sheltered Schemes** –subject to approvals covered in a separate report to Cabinet on the 9 February 2016, the service delivered at sheltered schemes will change from April 2016 and the support will be delivered by a Support Officer in accordance with the Floating Support contract. Some of the duties currently carried out by the Sheltered Scheme Manager, for example cleaning, will be carried out by other means. The charges therefore have changed to reflect the changes to the service and how it is delivered, and it is proposed that the support charge is reduced from

£21.32 to £8.00 per week, which together with the Sheltered Scheme Service Charge referred to at para 8.1 above makes a reduction to the total charge of £1.25 per week.

- 9.6 **Floating Support for Older People** – this funding will reduce in April by around £40,000 per year. It is proposed to advertise and market the floating support service as a package along with Careline - monitor, response and the rental of equipment at £8.00 per week.
- 9.7 **Careline** – Currently one service is provided for £3.40 per week which includes a monitor and response service with no separate charge for the provision of the equipment. This service is considerably low in comparison to neighbouring local authorities and other providers in this market and doesn't provide the same options for customers provided by others. Over the last couple of years we have increased the charges by around 50p each year to try to align our charges more closely with neighbours and competitors and to reflect the true cost of providing the service. With this in mind and given the funding gap faced it is proposed to offer the following services at the following charges;

Careline – Monitor only including equipment rental £4.50
Careline – Monitor and Response including equipment rental £5.50