



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

The Chair and Members of Cabinet

15 February 2016

Dear Councillor,

Please attend a meeting of the CABINET to be held on TUESDAY, 23 FEBRUARY 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 5 - 10)

To approve as a correct record the Minutes of the Cabinet meeting held on 9 February, 2016.

4. Forward Plan (Pages 11 - 24)

Items Recommended to Cabinet via Cabinet Members

Leader and Cabinet Member for Regeneration

5. 2016/2017 Budget and Medium Term Financial Plan (Pages 25 - 96)

6. General Fund Capital Programme (Pages 97 - 116)

Deputy Leader and Cabinet Member for Planning

7. Chesterfield Borough Council's Council Plan (Pages 117 - 146)

Cabinet Member for Health and Wellbeing

8. Review of Fees and Charges for Outdoor Recreation 2016/17 (Pages 147 - 162)

Cabinet Member for Housing

9. Housing Revenue Account Budget 2016/17 - 2021/22 (Pages 163 - 182)

10. Housing Capital Programme - New Programme for 2016/17, 2017/18 and 2018/19 (Pages 183 - 198)

11. Housing Repairs Budget 2016/17 (Pages 199 - 210)

12. Local Government Act 1972 - Exclusion of the Public

To move "That under Regulation 21(1)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972."

Part 2 (Non Public Information)

Leader and Cabinet Member for Regeneration

13. Sheffield City Region Investment Fund – Funding Agreements (Pages 211 - 252)

Yours sincerely,

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

Local Government and Regulatory Law Manager and Monitoring Officer

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CABINET

Tuesday, 9th February, 2016

Present:-

Councillor Burrows (Chair)

Councillors T Gilby
T Murphy
Blank

Councillors Huckle
Ludlow
A Diouf

Non Voting Members Bagley
J Innes
Brown

Hollingworth
Wall

*Matters dealt with under the Delegation Scheme

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

No declarations of interest were received.

146 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Serjeant.

147 **MINUTES**

RESOLVED –

That the minutes of the meeting of Cabinet held on 26 January, 2016 be approved as a correct record and signed by the Chair.

148 **FORWARD PLAN**

The Forward Plan for the four month period 1 March – 30 June, 2016 was reported for information.

***RESOLVED –**

That the Forward Plan be noted.

149 DELEGATION REPORT

Decisions taken by Cabinet Members during January were reported.

*** RESOLVED –**

That the Delegation Report be noted.

150 CIVIC ARRANGEMENTS 2016 - 17

The Democratic Services Manager submitted a report to confirm arrangements for the civic year 2016/17 in respect of the election of the Deputy Mayor for 2016/17, the Annual Council Meeting and Civic Dinner, and Civic Service for 2016.

Each year the Council is asked to confirm its civic arrangements for the forthcoming municipal year, namely the appointment of Deputy Mayor, the date of the Annual Council meeting to elect the Mayor and Deputy Mayor and the associated civic events. The appointment of Deputy Mayor as Vice Chairman of the Council is a statutory appointment under Part 1 of the Local Government Act 1972. In the case of a Borough Council the Vice Chairman is entitled to use the title of Deputy Mayor.

The report also proposed increasing the charge made to guests attending the civic dinner, (subject to the exceptions agreed by Cabinet at minute no. 203, 2012/13), from £25 to £30 per head, and that in future years the council should move to recharging the full costs of the annual council dinner.

RESOLVED -

1. That it be recommended to Council that Councillor Maureen Davenport be invited to become Deputy Mayor of the Borough for 2016/17.
- *2. That it be noted that the Annual Council meeting will be held on Wednesday 11 May 2016, followed by a civic reception at the Winding Wheel.
- *3. That the proposed charging arrangements for the annual council dinner at paragraph 5.4 of the officer's report be approved.

- *4. That it be noted that the Annual Civic Service and Procession will be held on Saturday 14 May 2016.

REASON FOR DECISIONS

To enable the Council to confirm civic arrangements for 2016/17.

151 ENVIRONMENTAL HEALTH FEES AND CHARGES 2016 -17

The Senior Environmental Health Officer submitted a report recommending for approval proposed fees and charges for various environmental health functions, including Pest Control, Dog Control and Fixed Penalty Levels, for 2016/17. The proposed fees and charges were outlined in Appendix A of the report.

The fees and charges proposals had taken into account:

- the general principles that govern the Council's approach to charging;
- the demand for, and income received from these services, especially since the introduction of a charge in April 2014 for treatment of pests posing a significant public health risk;
- a comparison of fees and charges made by other authorities in Derbyshire;
- the recommendation from the Overview and Performance Scrutiny Forum's review on how the council offers concessions on fees and charges, and approved by Cabinet, that concessions for pest control services should be reduced from 50% to 20%.

***RESOLVED –**

1. That the proposed fees and charges for Environmental Health Services, as set out in Appendix A of the officer's report, be approved and implemented from 1 April, 2016.
2. That a full cost accounting/cost analysis is carried out of the Pest Control and Dog Services.

3. That the Senior Environmental Health Officer is delegated the authority to offer reduced charges for the micro-chipping of dogs at promotional events and campaigns from 1 April, 2016.

REASON FOR DECISIONS

To set the environmental health fees and charges for 2016/17.

152 PROPOSED CHANGES TO SUPPORT SERVICES AT SHELTERED HOUSING SCHEMES

The Housing Service Manager, Customer Division submitted a report to advise members on proposed changes to how support services were provided at the council's Sheltered Housing schemes in response to the loss of funding currently received from Derbyshire County Council to operate the schemes.

Due to severe budget cuts to Derbyshire County Council's funding, they had decided that after a consultation process with stakeholders, to withdraw the funding for support for residents in sheltered accommodation from April 2016. This change had consequently resulted in a significant loss of income for the Council as a provider of sheltered accommodation, and had created a situation that if support was going to continue being offered to residents in sheltered schemes it would need to be provided using the funding the council received for providing floating support services.

The Housing Service Manager advised that a number of measures had been identified in order to manage and mitigate the effect of the cut to funding received by the council. It was proposed that the role of Sheltered Scheme Manager is deleted and the tasks they currently undertook were provided either in a different way, or by other means.

It was proposed that support for residents in sheltered schemes would be provided by the Support Officers who currently provide support to tenants in non-sheltered accommodation. Support packages would then be established on the basis each individual resident's needs, rather than support being offered, as it was currently, using a 'one size fits all' approach to residents in sheltered schemes. A named Support Officer would in future be assigned to each sheltered housing scheme so as to ensure consistency in that all of the tenants in the scheme would see the same Officer.

A new post of Social Inclusion Officer was proposed, to organise, facilitate and coordinate activities across the schemes, as well as in the outlying community rooms managed by the Housing Service. The Housing Service Manager advised that the opportunity was being taken to re-energise and modernise this area of service provision, and that by providing activities in this way it would enable the provision of activities which would not have been viable to provide for an individual scheme, for example guest speakers and book clubs. The Housing Service Manager also provided details of how the cleaning of communal areas and general building checks would be carried out in the absence of a scheme manager.

The report contained details of the consultation process that had taken place with residents and their families regarding the challenges presented to the service provision as a result of the loss of funding from Derbyshire County Council. A summary of responses received was also included in the report.

The Housing Service Manager noted that while the proposed changes aimed to mitigate the impact of the cuts in funding, and had addressed all the concerns raised by residents and their families during the consultation process, it needed to be recognised that the proposed new service would not be the same as the current one, and therefore would not in respect of some aspects be able deliver the same levels of support to residents.

***RESOLVED -**

That the changes to Support Services at the Council's Sheltered Housing Schemes, as detailed in section 5 of the officer's report, be implemented from 1 April , 2016.

REASON FOR DECISION

To manage and mitigate the impact of the reductions in funding to this service area and to still continue to provide a good, financially viable service.

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CHESTERFIELD BOROUGH COUNCIL FORWARD PLAN
FOR THE FOUR MONTH PERIOD 1 MARCH 2016 TO 30 JUNE 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 29th Feb 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 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@moderngov.co.uk	Public	

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Key Decision 557	Review of Fees and Charges for Outdoor Recreation 2016/17	Cabinet	Cabinet Member - Health and Wellbeing	23 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	8 Mar 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	8 Mar 2016	Report of the Operations Manager	Dave Bennett Tel: 01246 345122 dave.bennett@chesterfield.gov.uk	Public	
Key Decision 577	Risk Management Strategy and in year review	Council		27 Apr 2016	Report of Chief Finance Officer		Public	
Key Decision 578	General Fund Capital Programme	Cabinet Council		23 Feb 2016 25 Feb 2016	Report of Chief Finance Officer		Public	

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Key Decision 579	Housing Repairs Budget 2016/17	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	Public	
Key Decision 580	Housing Revenue Account Budget 2016/17 - 2021/22	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	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	23 Feb 2016 25 Feb 2016		Alison Craig Housing Tel: 01246 345156 alison.craig@chesterfield.gov.uk	Public	
Key Decision 583	HOUSING REVENUE ACCOUNT BUSINESS PLAN	Cabinet	Cabinet Member - Housing	5 Apr 2016		Alison Craig Housing Tel: 01246 345156 alison.craig@chesterfield.gov.uk	Public	

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Key Decision 584	Purchase of Property under Strategic Acquisitions Policy	Housing Services Manager - Business Planning and Strategy	Cabinet Member - Housing	Not before 29th Feb 2016			Exempt 3	
Key Decision 585	A Review of the Careline and Support Service	Joint Cabinet and Employment & General Committee	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	
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	

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Key Decision 593	Ratification of the October 2015 Sheffield City Region devolution agreement	Cabinet Council	Leader & Cabinet Member for Regeneration	23 Feb 2016 3 Mar 2016	Report of the Chief Executive	Huw Bowen Chief Executive Tel: 01246 345308 huw.bowen@chesterfield.gov.uk	Public	
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 3 Mar 2016	Report of the Chief Executive	Huw Bowen Chief Executive Tel: 01246 345308 huw.bowen@chesterfield.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	19 Feb 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		9 Feb 2016			Exempt 3	
Key Decision 598	Workforce Strategy	Joint Cabinet and Employment & General Committee	Cabinet Member - Business Transformation	8 Mar 2016		Kate Harley Kate.Harley@chesterfield.gov.uk	Public	

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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	

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Key Decision 603	Treasury Management and Annual Investment Strategies	Council		25 Feb 2016	Report of the Chief Finance Officer		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	
Key Decision 605	A Joint Homelessness Strategy for North Derbyshire	Cabinet	Cabinet Member - Housing	22 Mar 2016		Julie McGrogan Tel: 01246 345135 julie.mcrogan@chesterfield.gov.uk	Public	
Key Decision 606	Approval of Chesterfield BC Council Plan	Cabinet Council	Deputy Leader & Cabinet Member for Planning	23 Feb 2016 25 Feb 2016	Report of Policy Manager	Donna Reddish Tel: 01246 345307 donna.reddish@chesterfield.gov.uk	Public	
Key Decision 607	Statutory Review of Chesterfield Borough Council's Gambling Policy	Council	Cabinet Member - Health and Wellbeing	27 Apr 2016	Report of the Licensing Manager	Trevor Durham Tel: 01246 345203 trevor.durham@chesterfield.gov.uk	Public	

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Key Decision 608	Solar PV Monitoring and Maintenance Arrangements To seek an exemption to the Council's contract procedure rules	Cabinet	Cabinet Member - Housing	8 Mar 2016	Report of Housing Service Manager - Business Planning & Strategy	Alison Craig Housing Tel: 01246 345156 alison.craig@chesterfield.gov.uk	Exempt 3 Information relating to financial affairs	
Key Decision 609	Smoke and Carbon Monoxide Alarm (England) Regulations 2015 Approval to exercise enforcement powers and determine a penalty charge	Cabinet	Cabinet Member - Housing	8 Mar 2016	Report of Housing Service Manager - Business Planning & Strategy	Alison Craig Housing Tel: 01246 345156 alison.craig@chesterfield.gov.uk	Public	
Key Decision 610	Right To Buy Social Mobility Fund Update To update Cabinet Members on progress	Cabinet	Cabinet Member - Housing	5 Apr 2016	Report of Housing Service Manager - Business Planning & Strategy	Alison Craig Housing Tel: 01246 345156 alison.craig@chesterfield.gov.uk	Public	
Key Decision 611	Report on the Council's Private Drain Cleaning Service	Cabinet	Cabinet Member - Health and Wellbeing	8 Mar 2016		Angela Dunn Bereavement Services Manager Tel: 01246 345881 angela.dunn@chesterfield.gov.uk	Exempt 3	

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Key Decision 612	Changes to staffing in the Chesterfield Community Safety Partnership	Joint Cabinet and Employment & General Committee	Cabinet Member - Health and Wellbeing	5 Apr 2016	Report of the Policy Manager	Donna Reddish Tel: 01246 345307 donna.reddish@chesterfield.gov.uk	Exempt 1	
Key Decision 613	Sheffield City Region Investment Fund – Funding Agreements	Cabinet Council	Leader & Cabinet Member for Regeneration	23 Feb 2016 25 Feb 2016	Report of the Economic Development Manager	Laurie Thomas Tel: 01246 345256 laurie.thomas@chesterfield.gov.uk	Exempt 3	Special Urgency Exception Notice Completed
Key Decision Page 22	Presentation of a pantomime at the Pomegranate Theatre	Arts and Venues Manager		22 Feb 2016		Anthony Radford Tel: 01246 345339 anthony.radford@chesterfield.gov.uk	Exempt 3	
Key Decision 614	Review of Sports and Leisure Fees and Charges 2016/17	Cabinet	Cabinet Member - Health and Wellbeing	22 Mar 2016	Report of Sports and Leisure Manager	Mick Blythe Tel: 01246 345101 mick.blythe@chesterfield.gov.uk	Exempt 3	Special Urgency Exception Notice Completed

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Key Decision 615	Funding to Voluntary and Community Organisations 2016/17 - Service Level Agreements	Cabinet	Cabinet Member - Health and Wellbeing	5 Apr 2016	Report of the Development and Growth Manager	Neil Johnson Tel: 01246 345241 neil.johnson@c hesterfield.gov.u k	Public	
Private Items (Non Key Decisions)								
Non-Key 363	Application for Home Repairs Assistance	Cabinet Member - Housing	Cabinet Member - Housing	Not before 29th Feb 2016	Report of Business Planning and Strategy Manager - Housing Services	Jane Thomas jane.thomas@c hesterfield.gov.u k	Exempt 1, 3 Information relating to an individual I nformation relating to financial affairs	
Non-Key 367	Lease of Commercial and Industrial Properties	Deputy Leader & Cabinet Member for Planning	Deputy Leader & Cabinet Member for Planning	Not before 29th Jan 2016	Report of Kier Asset Management	Christopher Oakes Tel: 01246 345346 christopher.oak es@chesterfield .gov.uk	Exempt 3 Information relating to financial or business affairs	

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Non-Key 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								

FOR PUBLICATION

2016/17 BUDGET AND MEDIUM TERM FINANCIAL PLAN

MEETING:	1. COUNCIL 2. CABINET 3. LEADER IN CONSULTATION WITH THE DEPUTY LEADER
DATE:	1. 25 FEBRUARY 2016 2. 23 FEBRUARY 2015 3. 16 FEBRUARY 2016
REPORT BY:	CHIEF EXECUTIVE & CHIEF FINANCE OFFICER
WARD:	ALL
COMMUNITY ASSEMBLY:	ALL
KEY DECISION REF:	601

FOR PUBLICATION

1.0 PURPOSE OF REPORT

- 1.1 To consider the draft General Fund budget report and to make recommendations to the full Council on the budget allocations and council tax level for 2016/17.

2.0 RECOMMENDATIONS

- 2.1 Cabinet recommends to Council that it:
- 2.1.1 Approves the revised budget for 2015/16 (Section 5).
 - 2.1.2 Notes the Local Government Finance Settlement (Section 7).
 - 2.1.3 Supports in principle the offer of a four-year settlement subject to receiving a full report on the implications of the offer once they are known (paragraph 7.2).
 - 2.1.4 Notes the Collection Fund and the Tax Base forecasts (Section 11).

- 2.1.5 Approves the Portfolio budgets and the overall revenue budget summary for 2016/17 (Section 13 and Appendix A).
- 2.1.6 Delegates authority to the Chief Finance Officer in consultation with the Leader, Deputy Leader and Chief Executive to review what is required to submit an Efficient Strategy for the Council to ensure that maximum opportunity is taken from the flexibility in relation to capital receipts (paragraphs 13.8).
- 2.1.7 Notes the budget forecasts for 2016/17 and the medium term (Sections 13 & 14) and the strategy for addressing the projected deficits (Section 15).
- 2.1.8 Approves the estimates of reserves including:
- a) Maintaining the General Working Balance at £1.5m (Section 16 and Appendix H).
 - b) Allocating £40k from the Invest to Save Reserve and £110k from the Service Improvement Reserve to finance the £150k budget growth request for support to deliver the Council's savings targets (para's 16.5 and 16.6) ;
 - c) Allocating £245k from the Property Repairs Fund to fund capital programme schemes (para. 16.7).
- 2.1.9 Notes the budget risks and sensitivity analysis (Section 19).
- 2.1.10 Agrees to cease the Local Business Rate Retail schemes for which the Government will no longer be providing funding. (para. 20.2).
- 2.1.11 Approves the Cabinet's recommended £5 Council Tax increase for 2016/17.
- 2.1.12 Approves the 2016/17 Council Tax Requirement and financing (Appendix J).
- 2.1.13 Notes the Chief Financial Officer's assurances (Section 24).

3.0 BACKGROUND

- 3.1 This report covers the General Fund revenue budget and is one part of a suite of budget reports which together make up the Medium Term Financial Plan. The other budget related reports include the HRA Budget, HRA Rent Setting, HRA Capital Programme, General Fund Capital Programme and Treasury Management reports.
- 3.2 The Council's Budget Strategy (**Appendix C**) is to set a sustainable and affordable budget over the medium term. This report looks ahead over the coming five financial years to determine the resources available, what are the spending pressures/priorities and how a balanced budget can be achieved.
- 3.3 The major funding sources for the General Fund are Government grant, business rates growth, fees & charges (particularly car parking income), rental income from the Council's extensive industrial & commercial property portfolio and the council tax. The Government is, therefore, able to regulate a large proportion of the resources available to the Council through the grants it provides and by placing restrictions on Council Tax increases.
- 3.4 At a national level the Government is committed to balancing the public finances and the cuts in the funding for local government will continue over the next few years. The Chancellor's Autumn Statement in November 2015 indicated that the cuts in public expenditure are likely to continue through to 2019/20 when a budget surplus is forecast.
- 3.5 The Autumn Statement/Spending Review in November 2015 also included a number of other changes that will impact on local government, including:
- The introduction of an apprenticeship levy from April 2017. It will be set at 0.5% of an employer's pay bill less an allowance of £15k. For the council the cost could be around £70k, to be shared between the General Fund and Housing Revenue Account.
 - Flexibility for local authorities to use capital receipts to fund revenue costs on transformation projects which produce on-going savings.
- 3.6 The Local Government Association and others have issued warnings about councils' ability to continue to deliver services, both discretionary and statutory, in the future and about the increasing likelihood that some councils could be reaching a tipping point.

- 3.7 The Local Government Finance Review introduced major changes to the funding arrangements for Local Government from April 2013. The continuing late announcement of funding settlements and the complexities of the Business Rate Retention scheme have made the budget setting process very difficult again this year.
- 3.8 **This report does not allow for the impact of the possible award of 80% business rates mandatory relief to the local NHS Trust.**
An agent acting on behalf of a number of NHS Trusts has written to their local councils claiming that the Trusts are entitled to 80% mandatory relief. The Council did not receive one of the claimed 100 letters that went to billing authorities requesting the relief at the end of January. Nationally, this is a very significant issue given the size of the premises concerned, the potential on-going loss of Business Rate income is significant and the cost of up to six years back-dating will be enormous. For the Council the on-going loss of income from its 40% share is approximately £0.3m per annum (80% x £0.8m) and £2m of a back-dated refund (40% x £5m). At the national level the Local Government Association has taken up the issue and is currently seeking legal advice from counsel. If there any developments on this issue by the date of the Council meeting an update will be provided at the meeting.
- 3.9 The Council Tax must be set at the Council meeting on 25th February, which means that the Cabinet must now finalise its proposals for achieving a balanced budget.

4.0 POLICY & FINANCIAL PLANNING FRAMEWORK

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

4.3 The Corporate Plan should guide the Council’s resource allocation and performance management arrangements. The Corporate Plan has been developed in tandem with the preparation of the Medium Term Financial Plan and both plans will be included on the same agendas for the Council and Cabinet meetings.

5.0 REVISED BUDGET 2015/16

5.1 The Council approved the original budget for 2015/16 on 26th February 2015. The original budget allowed for a reduction in General Government Grant (Settlement Funding) of £0.9 million and a reduction in retained Business Rates income of £0.7 million. The Council Tax was frozen at £144.89 for a Band ‘D’ property. After allowing for planned savings of £586k this left a balance of £94k to be met from other savings to be identified in the year or from reserves.

5.2 2015/16 has proved a difficult year in terms of budget management. There have been many significant budget variances, both increases and decreases. Budget monitoring reports were presented to the Cabinet and full Council during the year and the position changed quite significantly at each stage. The table below provides a summary of the net forecast at each reporting stage and a commentary on the key reasons for the changes:

Table – 2015/16 Surplus / (Deficit) Forecasts Through the Year

Date	Net surplus / (deficit)	Change on previous
Feb 15 – approved budget	(94)	
July '15 – to end of month 4	(490)	(396)
Sept – end of quarter 2	(393)	97
Dec'15 – revised budget	(102)	291
Feb'16 – this final budget report	225	327

The revised portfolio budgets for 2015/16 were reported to the Cabinet on the 15th December as part of the first draft budget report. Full details of variances on the portfolio budgets were included in the respective reports.

Since then further work has been undertaken through budget monitoring and challenge sessions to identify other possible variances for inclusion in the final budget report. The updated revised budget forecast for 2015/16 shows a surplus of £225k (**Appendix A**).

5.3 The revised budget assumes a contribution of £366k from the Derbyshire Business Rate Pool. This is based on the figures supplied by each of the Pool members to the end of December 2015.

Since that time the possibility of NHS Trusts being eligible for 80% Mandatory Charity Relief on business rates has arisen as outlined in paragraph 3.8. If the NHS Trusts do become eligible for the relief there will be no pooling gain in 2015/16. This represents a significant risk for the Council.

- 5.4 Every effort will be made through strict budgetary control to achieve and maximise the surplus by the end of the financial year. Any final surplus will be transferred to the Budget Risk Reserve or a deficit met from the reserve.

6.0 2016/17 FUNDING SOURCES

- 6.1 Significant changes to the way in which local government is funded were introduced in April 2013, so 2016/17 will be the fourth year of the new system. Under the previous funding system a large element of the Council's budget requirement was financed by a pre-announced and fixed level of funding but this has been replaced with one which transfers more risk to local authorities. The most significant changes relate to the amount of Business Rates income retained through the retention scheme and the impact on Council Tax income as a result of the Localisation of Council Tax Support. At the same time the Government's austerity measures have resulted in significant cuts in Government funding. The impact of these changes and the other major income sources available to the Council are described in more detail below.

7.0 LOCAL GOVERNMENT FINANCE SETTLEMENT

- 7.1 The Provisional Settlement was announced late again this year, on the 17th December 2015. Details of the Final Settlement were published on the 8rd February and were approved by the House of Commons on the 10th February.
- 7.2 The Settlement provided final figures for 2016/17 but also included indicative figures for the following three years. The Government has stated that it will offer any council that wishes to take it up a **four-year Settlement to 2019/20**. Councils will need to request this and have an Efficiency Plan in place (linked to the Efficiency Strategy mentioned later in this report at para. 13.8). The Government, however, have not stated what such a plan should look like.

It is important to note that the Government has qualified the offer by stating that final grant determinations (of the funding figures produced) in future years will still be subject to change as the

business rate multiplier changes and to reflect transfers of functions and mergers etc. The Government also says that future years could change owing to unforeseen events but does not indicate if this includes unforeseen economic events such as failing to meet its fiscal targets.

In the Final Settlement it was announced that the deadline for submitting the request has been extended to the 14th October 2016. The offer of a four-year settlement is to be welcomed in principle, in that it will provide some certainty and stability, but until the final details of the offer are known it is not possible to make a firm recommendation on whether to accept it.

- 7.3 The **Settlement Funding Assessment (SFA)** is calculated by the Government and sets the starting position in terms of the estimate of the funding available to the Council. The funding is a combination of Formula Funding and other funding streams that were previously paid as specific grants. The Assessment is calculated by using the Formula Funding Methodology that has been used in previous years, subject to some minor changes. The Funding Assessment is made up of two elements, Business Rates Baseline Funding and Revenue Support Grant.

Table – Settlement Funding Assessments					
	2015/16	2016/17	2017/18	2018/19	2019/20
Revenue Support Grant	2,572	1,836	1,240	859	445
Business Rates Baseline	3,062	3,087	3,148	3,241	3,334
Settlement Funding Assess't	£5,634k	£4,923k	£4,388k	£4,100k	£3,779k
Change between years: £		-£711k	-£535k	-£288k	-£321k
%		-13%	-11%	-7%	-8%
Cumulative change fm 15/16 :£		-£711k	-£1,246k	-£1,534	-£1,855k
%		-13%	-22%	27%	-33%

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

- 7.4 **Revenue Support Grant (RSG)** – The RSG system continues to provide a mechanism for the Government to retain control over, and

reduce the level of, local government funding. The actual and forecast levels of RSG in the Settlement Funding Assessment table in para.7.3, shows that RSG is being cut dramatically each financial year. The Secretary of State for Communities and Local Government recently confirmed that RSG will disappear altogether as we move to 100% business rates retention, which is planned for 2020.

8.0 **BUSINESS RATES RETENTION**

8.1 At the start of the scheme (April 2013) the Government estimated a Business Rate income target for each Billing Authority as their share (the proportionate share) of the national target. The table below shows how this estimate was shared between the Government (50% Central Share), the Major Preceptors (9% to the County Council and 1% to the Fire Authority) and the Council (40%). The Council's share was then compared to its BR Baseline Funding level for 2013/14 (£2,947k) and the excess was to be paid to the Government as a 'tariff' (£10,635k).

Calculation of Tariff at the start of the BR system (2013/14)		
	Share of Total %	Amount £'000
Estimated BR Aggregate (EBRA) – national total	100%	21,797,109
CBC Billing Authority proportionate share (0.155777%)		33,955
Government/Central share	50%	16,977
Major preceptors share	10%	3,396
CBC BR Baseline	40%	13,582
Total	100%	33,955
CBC – BR Baseline		13,582
Less BR Baseline Funding Level		(2,947)
Tariff		10,635

8.2 The calculation above was used to set the 'tariff' at the start of the scheme but the tariff is then increased each year by the increase in the Small Business Rate Multiplier (SBRM) which in turn was to be linked to RPI (Retail Price Index). The actual increases, however, have been capped as follows:

- In the 2013 Autumn Statement the Chancellor announced that for 2015/16 the increase in the SBRM is to be capped at 2% rather than the 3.2% RPI rate; &

- In the 2014 Autumn Statement the Chancellor announced that for 2016/17 the increase in the SBRM is to be capped at 2% rather than the 2.3% RPI rate.

In 2016/17 business rates will rise in line with the RPI for September 2015 i.e. 0.8%. The SBRM has, therefore, increased from 48.0p to 48.4p in 2016/17. The Council's tariff payment for 2016/17 has similarly increased to **£11,141,329** (£11,049,252 in 2015/16).

- 8.3 The actual level of income from Business Rates to be included in the budget for 2016/17 will be based on the Council's estimate of income as shown on the NNDR1 Return. The NNDR1 return was approved by the Employment & General Committee on the 25th January 2016. The NNDR1 return shows an estimated Net Yield of £36,631,510 with the Council's 40% share as £14,816,238. The Council's share is then reduced by the **tariff** payment of £11,141,329 leaving £3,674,909. At the same time the Council will qualify for £600,222 of Section 31 grants to make up for the loss of income from the changes to business rates announced in the Autumn Statement (small business rate relief extension, etc). The excess of the combined amount (£4,275,131) over the Baseline Funding Assessment of £3,087,390 i.e. £1,187,741 is then subject to a 50% 'Levy'. In 2016/17, because the Council has joined the Derbyshire Business Rates Pool, the Levy will not be paid to the Government but instead will form part of the Pooling calculation which will return some of the money back to the Council, currently estimated to be £412k (subject to a national decision on NHS trusts' entitlement to 80% Mandatory relief).
- 8.4 There is also a **Safety Net** mechanism in place to protect authorities from excessive decreases in BR income below their BR Funding level. A safety net payment will be triggered if an authority sees its share of BR income in any year decline by more than 7.5% of its BR Funding Baseline. The Council's **Safety Net threshold is £2,855k** (i.e. £3,087,390 x 92.5%). This means that the Council's share of the **BR income could fall by £232k** below its Funding Baseline of £3,087k before it qualifies for a safety net payment. If a Council is a member of a Business Rates Pool it is the Pool that must fund the Safety Net and not the Government. The estimate of BR income per the NNDR1 return is well above the Baseline level so it is highly unlikely that the Safety Net provisions will apply.
- 8.5 The major issue regarding the BR system has again been the impact of back-dated appeals. At the end of the 2013/14 financial year there was a deficit of £1.1m on the BR account due to having to create a £1.7m provision for back dated appeals. In addition, although £1.5m of appeals have been settled during 2015/16 to date it is estimated that the provision for outstanding appeals needs to be increased up

to £5.0m, creating a further deficit on the BR account in 2015/16. The combined effect, of these provisions and other movements on the account, is to create a deficit of £4.6m which must be made good in 2016/17. The Councils share of the deficit, at 40%, equates to £1,851k and this has been included in the budget for 2016/17. The estimated reduced Levy payment in 2015/16 (£372k) will be transferred into the Business Rate Reserve Account which together with sums previously set aside will be used to help finance the £1.85m deficit in 2016/17, but this still leaves a balance of £666k to be funded from the revenue budget.

9.0 OTHER GOVERNMENT GRANTS

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

9.2 **Council Tax Freeze Grant** –The previous grant allocations relating to 2011/12, 2014/15 and 2015/16 have been rolled into an Adjusted Settlement Funding Assessment for 2015/16 which is then used in the calculation of Settlement Funding Assessments (SFA) for the next four years (2016/17 to 2019/20). Each year the SFA's are reduced by a scaling factor which means that the value of the freeze grants is also reduced. There is no tax freeze grant scheme on offer for 2016/17.

9.3 **Efficiency Support Grant (ESG)**. The ESG was first introduced in 2013/14 to replace the Transition Grant Scheme. It is designed to help authorities suffering the greatest reductions in their '**Revenue Spending Power**' (RSP) which is the aggregate of the funds available to the Council from Council Tax, Settlement Funding and other Government grants. The limit was set at 8.8% in 2013/14 and only seven councils qualified for the additional funding; the Council's reduction in its RSP was 8.7% so it narrowly missed out. For 2015/16 the threshold was changed to 6.9% and the Council, with a loss of 7.2%, qualified for a grant of £39k; the £39k grant has also been included in the funding settlement for 2016/17. In addition, because the Council's RSP reduction exceeded the threshold again in 2016/17 (7.9% versus the threshold of 6.4%) it qualifies for a further grant allocation of **£137k** in 2016/17. The Council's situation relative to that of similar authorities is due to its low council tax income base and the low rate of growth in the New Homes Bonus grant. There is no equivalent grant scheme in 2016/17 but the previous years' allocations have been merged into the SFA calculation (as described in para.9.2 in relation to Council Tax Freeze Grants).

9.4 Housing & Council Tax Benefits Administration Grant – the main admin grant generally reduces each year due to assumed efficiency savings. From 2009/10 to 2013/14 the Council also received a supplementary grant which was designed to compensate authorities for the additional workload caused by the recession. **Appendix G** and the table below provide a comparison of the allocations over recent years:

Benefits Admin Subsidy				
Year	Status	Grant allocation	Change on previous year	
			£'000	%
2012/13	Actual	876,040		
2013/14	Actual	838,812	-37,228	-4%
2014/15	Actual	764,879	-73,933	-9%
2015/16	Actual	725,600	-39,279	-5%
*2016/17	Estimate	619,480	-100,120	-15%
**2017/18	Estimate	587,910	-31,570	-5%
**2018/19	Estimate	558,430	-29,480	-5%

*For 2016/17 it is estimated that £133,035 (£152,815 in 2015/16) relates to Council Tax Support which is funded by the Department for Communities and Local Government (DCLG). The £486,445 (£572,785 in 2015/16) allocation relating to Housing Benefit which is funded by the Department for Work and Pensions (DWP) has been confirmed.

The large reduction in 2016/17 (£100k or 15%) is due to the transfer of Benefit Fraud work on Housing Benefits to DWP in October 2015. The Benefit Fraud staff were employed by Arvato and some resource has been retained to deal with Council Tax and other fraud work. A change control request has been submitted to Arvato to get a reduction in the charge to the Council for fraud work. No specific reduction has been built into the Benefits Service budget but instead it will contribute to the PPP savings target.

** It is difficult to forecast the likely level of grant after 2016/17 as the Government could use the localisation of Council Tax support from April 2013 and the introduction of Universal Credit as a reason to reduce the level of funding. If funding is reduced the Council will need to negotiate corresponding reductions in the cost of the service which is provided by Arvato.

9.5 New Homes Bonus (NHB) – The grant is paid as a reward/incentive for increasing the housing supply and is intended to help councils finance the costs which new housing and an increased population create. The allocation for each year is paid for a period of six years

and is “un-ringfenced”, which means that there are no restrictions on its use.

When the grant was first announced in the Spending Review 2010, it was recognised that the new funds made available for the scheme would not be sufficient to fund the scheme in future years as the payments accumulated, and that money would have to be transferred from the Formula Grant allocation to make up any shortfall. In 2016/17 £1.3bn has been top-sliced from the Local Government Finance allocation to fund NHB. There is, therefore, a strong argument for using some, if not all, of the allocations to support the revenue budget. This view is supported by the Minister of State for Housing and Planning’s comment in the 2016/17 Provisional Allocations letter that “*Councils are free to spend the Bonus as they choose, including on front-line services and keeping council tax low*”.

The allocations form part of the Government’s calculation of the Core Spending Power for each authority. This reinforces the argument that the grant is available to support the revenue budget.

The table below shows the receipts and uses of the grant based on performance and allocations to date. 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.

Table – New Homes Bonus Grant

Delivered in \ Paid in	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Year 1 - actual	127	127	127	127	127	127
Year 2 - actual		101	101	101	101	101
Year 3 – actual			123	123	123	123
Year 4 - actual				101	101	101
Year 5 – actual					154	154
Year 6 - actual						296
One off adjs- returned funding			25	10	10	-
Cumulative	127	228	376	462	616	902
Commitments:						
Waterside	-127	-81				
Emp Homes Officer		-10	-29			
New schemes				-	-	-
Revenue Budget		-137	-347	-462	-616	-902
Balance in year	0	0	0	0	0	0

Estimating future years’ allocations is difficult as the Provisional Local Government Finance 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:

- (a) Reducing the period for which payments are made from 6 to 4 years.
- (b) To withhold NHB in areas with no published Local Plan.
- (c) Reducing payments for when planning permission for a development was only given on appeal.
- (d) Only making payments for delivery above a baseline 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 or if there will be a stepped reduction e.g. to 5 years in 2017/18 and then to 4 years from 2018/19. The budget forecast in Appendix A assumes that there will be a stepped reduction, to £750k in 2017/18 and then down to £600k per annum from 2018/19.

10.0 FEES AND CHARGES

- 10.1 The Council's policy for Fees and Charges (**Appendix E**) requires charges to be set at a level to at least recover costs but reduced concessionary rates are permissible to ensure equal access to services. Following a review of concessions by the Overview and Performance Scrutiny Forum in 2015, a standard concession rate of 20% is to be introduced across all services. Charges are reviewed annually taking into account comparisons with other similar authorities, the case for continuing concessions, the cost recovery position, etc. Fees & Charges represent a significant income to the Council and total more than the income raised through the council tax. For 2016/17 the budget includes £8.9 million (£8.4m in 2015/16) from fees and charges compared to only £4.2 million from the council tax. The main income sources and the assumed increases for 2016/17 are summarised in **Appendix F**.

11.0 COUNCIL TAX

- 11.1 Income raised locally through the council tax represents the other major financing source for the General Fund revenue budget.
- 11.2 **Collection Fund Balance** – before calculating the council tax for the coming year the estimated balance on the current year’s Council Tax elements of the Collection Fund must be established and taken into account. The balance on the Collection Fund was reported to the Cabinet on 26th January 2016. There is an estimated surplus balance of £658,115 at the end of March 2016. The surplus is shared amongst the major precepting authorities; the Borough’s share is £68,221 (10.4%).
- 11.3 **Tax Base** - the Tax Base provides an estimate of how much each £1 of Council Tax would raise. The Tax Base is expressed as the equivalent number of Band ‘D’ dwellings in the borough. The Employment and General Committee approved the Tax Base on 25th January 2016 as:

Tax Base – Band ‘D’ Properties

Area	2015/16	2016/17	Increase / (Decrease)	
			No.	%
Brimington Parish	2,231.39	2,243.44	12.05	0.8
Staveley Town	3,964.47	4,019.61	55.14	1.4
Unparished areas	21,585.71	22,008.53	422.82	2.0
Total	27,781.57	28,271.58	490.01	1.8

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

- 11.4 **Referendum Limit** – the capping regime was replaced some years ago with a requirement to hold a referendum if the proposed council tax increase exceeds a limit set by the Secretary of State. The limit for 2016/17 has been set at 2% or more but with a concession for district councils which allows them to increase their council tax by a maximum of £5 or 2%. The £5 increase is equivalent to an increase of 3.45%. The Local Government Finance Settlement only included the referendum principles for 2016/17 but other documents within it

(relating to the Core Spending Power estimates) suggest that the £5 option will be available in each of the four years through to 2019/20.

11.5 Evaluation of the Options – the table below compares the options of either increasing the council tax by 1.99% or £5:

Table - 2016/17 Council Tax Options

	Yield from increase £	Band 'D' tax £	Band 'A' tax £
2015/16 Council Tax	0	144.89	96.59
1.99% increase	81,422	147.77	98.51
£5 pa on Band 'D'	141,358	149.89	99.92
Difference £5 v 1.99%	£59,936	£2.12 pa or 4.1p per week	£1.41 pa or 2.7p per week

For local tax payers the impact of a £5 per annum increase on the Band 'D' tax, compared to the current council tax, is 3.45% in percentage terms, but low in monetary terms, for a;

- **Band 'A'** property (more than half the properties in the Borough) equivalent to £3.33 per annum or 6.4 pence per week;
- **Band 'D'** equivalent to £5.00 per annum or 9.6 pence per week.

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

The MTFP in **Appendix A** assumes that the £5 option will be available and taken-up in each of the four years from 2016/17 to 2019/20. The cumulative gain over the four years, compared to the 1.99% alternative, is therefore £240k.

11.6 Council tax support is treated as a 'discount' which means that the Council's Tax Base is reduced. The Tax Base is used to calculate how much income the Council can raise through the Council Tax, a reduction in the base reduces the potential income. To help compensate for this loss the Government pays a grant to Billing Authorities and Major Precepting Authorities. In 2013/14 the grant was separately identified, and for the Council was £856k. From 2015/16 the grant has been 'rolled-in' to the overall funding settlement and is no longer separately identifiable. The original grant funding included £66k relating to the parished areas and the Government said that there was an expectation that this element of

the grant would be passed on to parished areas. The Cabinet agreed at its meeting on 22nd October 2013 to reduce the grant passed over to the parishes by 10%, i.e. £6,600, in 2015/16 and to apply the same reduction (£6,600) in future years.

11.7 The initial grant allocation was less than the amount received in previous years under the national Council Tax Benefit Scheme. In setting up the first Local Support Scheme for 2013/14 the Council agreed a number of measures to help address the funding gap. The Local Scheme has to be approved before the start of each financial year. On the 16th December 2015 the Council agreed to continue with the 2015/16 Council Tax Support Scheme in 2016/17. The measures designed to recover some of the cost of the scheme were grouped into two packages as follows:

The first package of measures relate to reductions in the benefit/support entitlement for those of working age only, as pensioners are protected, and included the requirement to pay 8.5% of the liability and the removal of the Second Adult Rebate.

The second package of measures relate to maintaining the changes to other Council Tax discounts, including:

- Reducing the period of 100% empty and unfurnished property relief to just 3 months (from 6 months);
- Removing the remaining 10% of Second Homes discount; &
- Introducing a 50% surcharge for properties that have been empty for more than 2 years.

11.8 In previous years the Council received a reducing amount of 'New Burdens' grant to help with the set-up and operation of the new system. The allocation in 2015/16 was only £31k and no announcement has been made about allocations for 2016/17.

11.9 The financial risks associated with providing council tax support have now effectively transferred from central to local government. If, for example, a number of local people were made redundant and they then qualified for Council Tax Support, the discount given will remove a proportion of their properties from the Tax Base. It also presents an opportunity because when people move off support the tax base will increase. The risks are shared by all of the precepting authorities through the workings of the Collection Fund.

12.1 The following assumptions have been made in preparing the draft budgets:

Table – Budget Assumptions					
	15/16 Orig	2016/17	2017/18	2018/19	18/19 >
Pay inflation	1.2%	1%	1%	1%	1%
Energy inflation	10%	3%	5%	5%	5%
Business rates increase	2%	3.0%	3.0%	3.0%	3.0%
Vacant posts allowance	£150k	£150k	£150k	£150k	£150k
Council tax increase / freeze grant	Freeze/ 1% grant	£5	£5	£5	£5
Settlement Funding	-13.8%	-16.2%	-14.5%	-13.7%	-6.5%
Fees & Charges Increase	+3%	+3%	+3%	+3%	+3%
Future service pension contribution rate	13.2%	13.2%	13.2% + £140k	13.2% + £140k	13.2% + £140k
National Insurance		+3.4% = 33% increase			
Investment returns (gross)	0.84% (revised to 0.57%)	0.82%	1.29%	1.69%	1.69%

The risks and uncertainties related to the assumptions are considered in the Risk Management section later in this report.

12.2 Since the draft Portfolio budgets were considered by the Cabinet on 15th December 2015, a number of actions have been implemented in order to produce savings, the actions included:

- **Budget Challenge sessions** with SLT members and the relevant service Manager;
- **Tighter control** on expenditure and filling vacant posts;
- **Budget Action Plan** – which includes some of the big ticket items such as Voluntary Redundancies/Retirements, review of terms and conditions, etc (Appendix B);
- **”Stop or reduce”** programme of reviews - To date the Corporate Cabinet and SLT has identified savings of £201k for 2016/17, increasing to £325k in later years, through this process. This programme has so far targeted a limited number of service areas but in time all services should be reviewed through this process;
- Budget monitoring by Service Managers and Accountancy.

A summary of the overall budget including the latest changes is shown in **Appendix A**. The Budget Book for 2016/17 with the updated portfolio budgets will be included with the report to the full Council.

13.0 2016/17 NET EXPENDITURE ESTIMATES

13.1 The Medium Term forecast approved a year ago, by the Full Council on 26th February, showed a deficit, before savings targets, of £1.4m in 2016/17.

13.2 The table below provides a summary of the budget deficit forecasts which have been reported to the Cabinet during the current financial year:

(Deficit) / Surplus Forecasts			
Stage	Cabinet	2015/16 £'000	2016/17 £'000
Start of the year	17 th Feb	(680)	(1,379)
After 4 months	22 nd Sept	(490)	(1,793)
Revised budget report after 6 months	1 st Dec	(393)	(1,560)
1 st draft budget report	26 th Jan	(102)	(1,506)
Latest Forecast	23 rd Feb	225	(236)

13.3 The budget forecast for 2016/17 in **Appendix A** assumes a £5 Council Tax increase. The forecast shows a deficit of £209k but this is after a net savings target of £1.04m from the GP:GS programme and other savings initiatives. The deficit before allowing for the savings target is, therefore, **£1.25m** which represents a slight improvement on the deficit forecast 12 months ago of £1.4m, but still a very challenging figure.

13.4 Investment interest provides an important source of income to support the revenue budget. It is very difficult to predict how and when interest rates will move in the current economic climate. Gross returns of 0.82% in 2016/17 are currently forecast. Each ¼% movement is equivalent to +/- £80,000, of which only approximately 44% or £35k impacts on the General Fund. Further details are included in the Annual Treasury Management and Annual Investment Strategy report.

13.5 Budget Saving Proposals – a number of savings proposals were identified at a series of budget workshops. The savings that were agreed have been included in the budget at **Appendix A**. A summary of the savings is included in **Appendix B**. A risk assessed provision for non-achievement for each proposal has been built into the budget forecasts in **Appendix A**.

13.6 Budget Growth Requests – the draft budgets are based on current service levels and do not include any provision for growth. The future budget deficit forecasts make it difficult to earmark resources to fund growth requests at this stage. Any growth funding will have to be restricted to:

- a) Priority activities where corresponding savings can be found from another budget (i.e. virement);
- b) True invest-to-save projects where the initial funding can be met from the Invest-to-Save Reserve; or
- c) Funding one-off corporate priority projects from the Service Improvement Reserve.

Given the pressure on the Council's budget there is only one growth request to consider, and that relates to delivering savings targets. A budget allocation of £150k is requested to enable additional support to be brought in to help with the delivery of the extensive range of service reviews and budget saving initiatives which are required to achieve a sustainable financial future for the Council. The funding can be met from the Invest-to-Save Reserve (£40k) and the Service Improvement Reserve (£110k).

13.7 Living Wage - The budget for 2016/17 and future years includes a provision of £73k to cover the cost of implementing an allowance scheme to bring lower pay scales up to the Living Wage.

- All staff currently on NJC Green Book terms and conditions who receive a basic hourly rate of pay of less than £8.25 will receive an additional allowance for the living wage to bring their basic pay to that level.
- This will not apply to craft workers as they receive bonuses which take their hourly pay above this level.
- This allowance will be awarded from April to April each year and will be reviewed annually taking into account any increases in the voluntary Living Wage set in November and annual increases negotiated through the pay settlement agreement.
- This allowance will only be awarded on basic pay and overtime payments will continue to be paid at the current rate of pay without the additional allowance.
- This allowance may be withdrawn at any point in the future if budget dictates.

13.8 Capital Receipts Flexibility - 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.

To date no more detail has been issued on the required format of the Efficiency Strategy or if, like opting for a four-year Settlement (which also requires the Efficiency Strategy), whether it will be deferred until October 2016. In the absence of any clear guidance is recommended that delegated authority be given to the Chief Finance Officer in consultation with the Leader, Deputy Leader and Chief Executive to review what is required and take the required action to ensure the maximum flexibility for the council in relation to capital receipts.

13.9 Council Tax Options – the draft budget assumes that the £5 Council Tax increase option is taken in 2016/17.

13.10 Strategy for funding the deficit –The Council’s key response to tackling future budget deficits is its transformation programme called “Great Place: Great Service” (GPGS), the “Cease or Reduce” reviews and the Budget saving Action Plan. The planned savings of £1.0m in 2016/17 will, provided they are delivered in full and in good time, still leave a deficit of £236k to be covered by other new savings proposals yet to be identified. It is important to remember that the planned savings proposals include some big figures against options that will be difficult to implement e.g. voluntary redundancies, changes to terms and conditions and changes to the PPP contract. To recognise these risks a significant provision for non-achievement has been built into the budget. Every effort will be made to avoid having to use reserves to support the budget as the reserves would be better spent on things that will produce on-going revenue budget savings.

14.0 MEDIUM TERM FORECAST - 2016/17 through to 2020/21

14.1 It is good financial practice for authorities to consider their budgets over the medium term and not just for the year ahead. The publication of indicative grant figures for three further years in the 2016/17 Settlement has helped to make future forecasts more robust. However, to obtain the certainty and stability of a **four-year funding settlement**, Councils will have to apply to the Department for Communities and Local Government to take up the Government's offer by the 14th October 2016; the other condition is that Councils have published an **Efficiency Plan**. As described in para. 7.2, the offer of a longer term settlement is to be welcomed in principle but the more information is required before a final decision on the offer can be made.

14.2 The MTFP assumes that the £5 Council Tax increase option will be applied in all years. The medium term forecast has been prepared based on the best available information in order to help with the longer term planning of priorities and transformation change.

14.3 The assumptions made in drafting the medium term forecast are set out in the table at para.12.1 above. Some of the assumptions built into future years' budgets may also be subject to considerable variation as described in the Risk Management section below. The table below provides a summary of the deficits/savings targets over the medium term:

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Deficit forecast before planned savings	(1,265)	(1,998)	(2,213)	(2,867)	(2,731)
GP:GS savings	156	428	465	465	465
Stop or Reduce proposals	201	325	325	325	325
Net Budget Action Plan savings (Appendix B)	672	1,273	1,446	1,446	1,446
Net Surplus / (Deficit)	(236)	28	23	(631)	(495)
Change on previous year – deficit (increase)/ decrease		264	(5)	(654)	136

Any recurring savings made in the early years will also help to reduce the deficit forecasts in the later years.

The forecasts are based on current levels of service provision with no allowance for future growth.

The scale of the forecast deficits means that work must continue to monitor progress on the planned savings proposals and to identify new savings in order to be able to produce balanced and sustainable budgets for future years.

15.0 BUDGET SAVINGS

- 15.1 The Council has a good track record of delivering balanced budgets. The scale of the savings required in 2016/17 and future years means that delivering savings must continue to be a priority for the Council. This, however, will become progressively more difficult since the easier options have already been implemented. The Council's key response to tackling future budget deficits is its transformation programme called "Great Place: Great Service" (GPGS). The GPGS Programme focuses on the four key strategies of Customer Service, ICT, Workforce and Asset Management to transform and modernise service delivery. The "Stop or Reduce" programme of service reviews must continue until all service areas have been covered.
- 15.2 The budget forecasts highlight the need to deliver significant budget savings year after year. Details of the savings proposals developed by the Corporate Cabinet and the Corporate Management Team are included in **Appendix B**. Delivering these savings quickly and at the same time planning for further savings in future years will be a huge challenge. Individual budget saving proposals will require tight programme management to ensure that they are delivered on time and produce the required level of saving. The Corporate Cabinet and CMT will have to continue to develop other proposals which are needed to address the medium term deficit forecasts. The Financial Planning Group and Overview and Performance Scrutiny Forum must continue to monitor the progress.

16.0 RESERVES AND BALANCES

- 16.1 The Council maintains a General Working Balance plus a number of other earmarked reserves. A review of all the reserves and provisions has been undertaken as part of the budget process.
- 16.2 **General Working Balance** – the working balance provides a cushion for cash flow shortages and a contingency for unforeseen events. The minimum prudent level for the working balance is a matter of professional judgement based on past experience, the level of other earmarked reserves and an assessment of future risks. The balance is being maintained at £1.5m to recognise the range of risks the Council is currently exposed to, particularly those relating to the Business Rates Retention scheme as described in para 19.1 below. The Retained Business Rates risks relate to back-dated appeals and the possible increase in claims for 80% mandatory relief. An updated financial risks assessment is provided in **Appendix I**, which indicates

that a balance of £1.5m should be adequate. A balance of £1.5m is equivalent to 14% of the Council's budget requirement. Over the medium term the Council will need to continually review the minimum balance required as budget risks and the level of other earmarked reserves change.

16.3 **Earmarked reserves** are held to meet known or anticipated liabilities. Details of the earmarked reserves held by the Council, including their purpose and predicted movements over the next five years are included in **Appendix H**. Details of the main reserves are provided below.

16.4 **Budget Risk Reserve** – This reserve provides a supplement to the Working Balance to cover any budget risks and to help finance any severance costs resulting from voluntary staffing reductions through implementing the Transformation Programme. The table below shows the opening balance in the reserve as at 1st April 2015 and the currently approved or anticipated movements on the reserve:

Table – Budget Risk Reserve		
Balance b/fwd 1st Apr 2015		781
<u>Movements/commitments:</u>		
New Burdens grant re Land Charges	63	
Further Land Charges costs	(16)	
15/16 Growth – Public Sector Stock Condition	(26)	
15/16 Growth – Data Custodian	(17)	
Environmental Health system upgrade	(3)	
Transfer to STWA tenants consultation reserve	(30)	
Erin Road Pumping Station	(50)	
Legal opinion	(3)	
Local Plan professional fees	(14)	
Elections	(6)	
Learning & Development - training	(6)	
Group litigation – postal services	(14)	
Digital Content Officer post	(18)	
Alderman celebrations	(4)	
Dilapidation costs – Whitting Valley	(17)	
IDOX buy-out of lease	(99)	
PSN Compliance costs	(246)	
CMT restructure – severance costs	(178)	
VR/VER's	(12)	
Transfers from other reserves & balances	247	
DSO Surpluses	tbc	
Add: estimated budget surplus in 2015/16	tbc	(449)

Uncommitted Balance		332
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The remaining balance should be maintained to help the Council through this difficult period of budget reductions e.g. to finance severance costs arising from voluntary staffing reductions.

- 16.5 **Invest to Save Reserve** – The purpose of this reserve has been clarified to ensure that only true invest-to-save type initiatives will be funded from this source. Ideally, there should be a requirement for all such advances to be repaid into the reserve from efficiency savings made over a reasonable period of time, generally less than seven years. This would replenish the reserve, thereby enabling further investments to be made. However, to require all recent advances to be repaid would require a charge of £200k per annum to be made into the revenue budget, which if imposed would increase the already challenging deficit forecast and require an equivalent amount of savings to be found. It is proposed, therefore, to continue waiving the requirement for repayments. However, the approved uses of the reserve will be monitored to ensure that the anticipated savings are delivered and are contributing to keeping the base budget down.

The table below shows the opening balance in the reserve as at 1st April 2015 and the currently approved or anticipated movements on the reserve:

Table - Invest-to Save Reserve		
Balance b/fwd 1st Apr 2015		286
<u>Movements/commitments:</u>		
Venues refurbishment	(12)	
Customer Service Strategy - capital	(105)	
Local Collective Agreement	(10)	
Car park improvements	(111)	
Property Fund Selection Service	(8)	
Budget Savings Delivery Fund (para 13.6)	(40)	(286)
Uncommitted Balance c/fwd		0

- 16.6 **Service Improvement Reserve** – this is used to finance one-off type investments to support the delivery of the Council's priorities, where the aim is service improvement rather than a financial return. The table below shows the opening balance in the reserve at 1st April 2015 and the currently approved or anticipated movements on the reserve:

Table - Service Improvement Reserve		
Balance b/fwd 1st Apr 2015		1,153

<u>Movements/commitments:</u>		
Open Market re-design	(22)	
Linacre Master Planning	(60)	
Project Academy Phase 2	(52)	
TPIC/DIC telephony system - rev	(31)	
TPIC/DIC telephony system - cap	(173)	
Northern Gateway	(100)	
GP:GS supplies & services	(45)	
GP:GS employees	(78)	
Car parking improvements	(15)	
Budget Savings Delivery Fund (para 13.6)	(110)	
TPIC/DIC - 2016/17 Repayment	34	(652)
Uncommitted Balance		501

- 16.7 **Property Repairs Fund** - established to even-out the peaks and troughs of property maintenance costs - services pay in a predetermined contribution each year which has been calculated to cover their property maintenance costs over a ten year period. The ten-year plan is reviewed annually and contributions adjusted to reflect any significant changes. A balance of £500k in this reserve is considered to be sufficient, therefore, £245k of the £750k estimated balance as at the end of 2015/16 has been earmarked to finance two schemes in the Capital Programme; £75k for replacing the Winding Wheel passenger lift and £170k to bring the Town Hall Alterations budget up to the £750k approved for the GPGS Programme.
- 16.8 **Vehicle, Plant & Equipment Funds** - operate as a replacement reserve for major items of vehicle, plant, wheeled bins or equipment. Services pay in annual contributions spread over the estimated useful life of an asset so that when it falls due for replacement the funding is available. A review of the fund in 2013/14 identified that the contributions into the domestic wheeled bin replacements fund could be suspended for three years to reflect the increase in their expected life. The estimated balance on this fund at March 2016 is £312k. Details of future movements on this reserve are include in the General Fund Capital Programme report.
- 16.9 **Insurance Fund (provision and reserve)** - the Council maintains this fund to cover insurance policy excesses and self-insured risks. A specialist insurance actuary reviewed the Fund in November 2013. The review recommended that the fund could be reduced. At the same time it was recommended that the Municipal Mutual Insurance Claw-back Provision be increased from £300k to £719k, of which £216k has been paid out leaving a balance of £503k. The reserve is

reviewed every three years with the next one due in November of this calendar year.

16.10 **Appendix H** shows that the total of all reserves and provisions are forecast to reduce by £2.2m (£1.8m General Fund and £0.4m DSO's) from £9.1m at the start of 2015/16 to £6.9m by the end of the financial year.

16.11 The reduction in the level of reserves by reducing the amount of cash available for investment has a direct impact on the revenue budget by reducing the amount of investment interest received. It is important that Members appreciate that the earmarked reserves are held for specific purposes. All fund balances will be reviewed again as part of the final accounts process.

17.0 CONSULTATION

17.1 The consultation meeting with the business ratepayers' representatives took place on 28th January 2015. Issues discussed included the changes to the business rates system, the small business rate scheme, the Councils budget forecasts and the council tax increase options.

17.2 Consultation with the Council Taxpayers took place at the Community Assembly meetings during November 2015. At each of the four Assemblies an update on the Borough and its finances were given and those attending were:

- a) Given £100 of fake money, in denominations of £20, and asked to allocate that money to what they considered were their priority services from a list of ten service areas; &
- b) Asked to vote on the option of a Council Tax increase of 1.99%, just below the anticipated referendum limit at that time, or a tax freeze.

Detail of the aggregate amount of money awarded to each of the ten service areas is included in **Appendix L**, the top three were:

1. Economic Development
2. Reducing Crime and Anti-Social Behaviour.
3. Street Scene – street cleaning, etc.

In terms of the Council Tax increase, 76% voted for a 1.99% increase and 24% for a tax freeze.

18.0 SCRUTINY

18.1 The Overview and Performance Scrutiny Forum has received budget updates on the budget setting process at its meetings on the 8th December 2015 and the 12th January 2016.

19.0 RISK AND SENSITIVITY ANALYSIS

19.1 The budget estimates are based on the best available information but inevitably there is a degree of risk and uncertainty in some of the assumptions made. The most significant risks and issues are described below with further information provided in **Appendix I**.

- a) **Cuts in Government Grants** – this is a risk facing most public sector organisations. The Final Settlement for 2016/17 was published on the 8th February and was approved by the House of Commons on the 10th February. Indicative figures were provided as part of the Settlement. The future of the New Homes Bonus grant system presents a major risk. As described in para. Xx the system is about to undergo a major review with some quite radical changes possible (reducing the period from six to four years, changing the shire/county council split, etc). The confirmed allocation for 2016/17 is £902k and in the MTFP it has been assumed that this will be stepped down to £600k by 2018/19.
- b) **Delivering budget savings** at the required level and at the right time continues to be a major challenge for the Council. Although the Council has a good track record of tackling budget deficits, some of the individual savings targets have not been met (e.g. PPP, terms and conditions, etc). The Council must learn from its experience of what has and has not worked well in the past in order to improve the process going forward. Future budget saving proposals are now subject to an individually risk assessed non-achievement factor. Delivering savings is becoming increasingly difficult as the easier options are exhausted, which means that further improvements to the planning and estimating of savings will be required.
- c) **Investment Interest** - The current Base Rate is 0.5% but there is little sign that the Monetary Policy Committee will start to increase base rates in the foreseeable future. The assumed gross rate of return on the Council's investment funds in 2016/17 is 0.82%. For each 0.25% that rates actually deviate from the forecast the investment return will increase or decrease by approximately £80k (44% or £35k to the General Fund). The forecasts for future years

assume a gradual increase in investment returns, to 1.4% in 2017/18 and 1.7% in the subsequent years but this will clearly be dependent on the pace of the economic recovery. Officers will continue to seek alternative investment instruments in an attempt to improve returns but it should always be remembered that the golden rule for local government investing is that security of capital is the overriding consideration. Government regulations and CIPFA guidance make it clear that 'security' of capital is the primary consideration, followed by 'liquidity' and then 'yield'.

- d) **Fees and charges** income – the state of the economy could have a significant impact on the Council's income particularly from areas like car parking, leisure memberships, cultural events, planning fees, land charges, etc. The 2016/17 budget targets for the key income sources are shown in **Appendix F**. Car parking income is the largest single income source. In the medium term car parking income could be at risk if the Saltergate multi-storey and Holywell Cross Car Park close temporarily/permanently to allow the Northern Gateway development scheme to progress.
- e) **Property rents** – the state of the economy also impacts on the Council's ability to generate rental income from its extensive industrial, commercial and retail property holdings.
- f) **HRA cost sharing** - under the self-financing arrangements it is important to be able to demonstrate that any recharges to the HRA are fair and reasonable.
- g) **Staff pay** – Local government **pay awards** are outside of the Treasury's control as they are subject to free collective bargaining between the national employers and trade unions through the National Joint Council (NJC). The National Employers have made a 'final' two-year offer of 1% per annum for scale point 18 and above, with higher increases for lower scale points. Each 1% increases the costs to the General Fund by £141k.
- h) **Energy costs** – the gas and electricity budgets within the General Fund total £760k in 2016/17. The increases in future energy prices are very difficult to forecast. An allowance of 3% per annum has been made in 2016/17 and 5% in future years. Each 1% variance from this provision equates to £7.6k per annum.
- i) **Insurance costs** – The Council was insured with the Municipal Mutual Insurance Company until 1993 when the Company went into administration. The Company is still dealing with claims, mainly employer's liability claims, related to the period of cover. The Scheme of Arrangement, however, allows the Company to

claw back some or all of the claims paid since 1993 if a solvent run-off is not possible. The Company lost an appeal to the Supreme Court about the trigger date for employer liability insurance; the Court ruled that it is the insurer at the date of exposure that is responsible for disease or injury claims. The decision led to the triggering of the Scheme of Arrangement and the claw back provisions. In 2013/14 the Council set aside a provision of £719k (para 16.9 above) to cover future claw back payments as the full extent of the Company's exposure to long-tail occupational disease claims unfolds. The first claw back payment of £204k, based on 15% of past settlements, was paid in February 2014.

- j) **New Homes Bonus Grant (NHB)** – the budget forecast includes prudent assumptions about future allocations of grant and also assumes that all future allocations of grant will be used to support the revenue budget. Using the grant to support the core revenue budget does, however, create a financial risk due to (a) its volatility and (b) its uncertain future.
- k) **Localisation of Business Rates** from April 2013 – the baseline starting point for 2013/14 is intended to ensure that no council is worse off than it would have been if the Formula Grant system continued. For future years the Council will share in any growth in income above its baseline level at a rate of 20% after the Levy payment but will also carry a 40% share of any reduction in income below the baseline up to the Safety Net Threshold (a maximum exposure of £232k in 2016/17 which must be from the Pool if a member of a pooling arrangement). The Council, therefore, now shares the risk of changes to BR income due to new builds, demolition, exemptions and appeals, a risk that previously rested with the Government.

The liability for Levy payments has been avoided in 2016/17 by the continued operation of the Derbyshire Business Rates Pool. The future of 'pooling' beyond 2016/17 is uncertain. Further opportunities to retain a greater share of Business Rate income will be explored as part of the devolution deals before full retention comes into effect in 2020.

The introduction of a deadline of 31st March 2015 for back-dated appeals against the 2010 Valuation List has limited risk of future appeals. However, in the run up to the deadline date there was an influx of appeals many of which are still to be determined by the Valuation Office. This has contributed to the estimated cumulative deficit of £4.6m on the Business Rate account as at the end of March 2016. The Council's 40% share of the deficit, £1.8m, has been charged into the 2016/17 budget.

Over the short and medium term there are further developments that are likely to have a negative impact on Business Rate income, including:

- Schools converting to academies, in line with Government policy, and becoming eligible for 80% mandatory relief;
- **The possibility of NHS Trusts becoming eligible for 80% mandatory relief and the risk of it being back-dated. This has not been factored into the draft budgets at the moment but it has the potential to significantly change budget position in 2015/16 and all future years. An update will be provided to the Council at the earliest opportunity as this issue develops.**
- The new Rating List to be introduced in 2017 which is based on property rental values in 2015 could create significant shifts. It is not clear at this stage how any significant changes will be softened by transitional measures to phase-in the changes over a period of time.

In the longer term, the system is due to be 'reset' in 2020 alongside the move to 100% retention. There is, therefore, a risk that some of the retained growth accumulated up to that point could then be lost if the 'tariff' is increased to reflect the higher tax base.

- l) **Localisation of Council Tax Support** from April 2013 – details of the new arrangements and the measures the Council has put in place to finance the local scheme are detailed in paragraphs 11.7 to 11.10. Previously the national scheme was fully funded by the Government and the Government therefore carried the financial risks. Under the new, localised arrangements, the Council together with the other precepting bodies carries the risk of the tax base reducing if the number of claimants increases and the risk of fund deficits if the collection rate falls below the estimated level.
- m) **Expansion of Universal Credit** – Universal Credit will replace all current means tested working age benefits, including housing benefit which is currently administered by local authorities. It will be introduced on a phased basis in Chesterfield from the 25th March 2015, with the end date currently uncertain. The change could have significant implications for benefits staff and systems. For the General Fund the financial risks relate to the loss of the administration function, possible redundancy and/or contract penalties, residual costs, etc. There is insufficient information available at this time to be able to assess the likely financial implications. The medium term financial plan therefore assumes no net loss or gain from the changes. There is also a risk for the

Housing Revenue Account as rent arrears could increase when housing benefit is paid directly to tenants and monthly in arrears.

- n) **Pension Costs** – The last review of the Pension Fund was undertaken in 2013 and set the revised employer contribution rates to apply for the three years commencing April 2014. The revised rates have been built into the medium term forecast. The next review is due in three years' time i.e. to set the employer contribution rate to apply from April 2017 and a provision of £140k per annum has been included into the medium term forecast for this.
- n) **Major Capital Schemes** - there are currently a number of major developments planned in the Borough where the Council might be called upon to provide financial support or guarantees e.g Waterside, Northern Gateway, etc.
- o) **VAT** – the Council can only recover the VAT incurred on the provision of exempt activities, such as the letting of premises or educational/coaching services, if that VAT does not exceed a prescribed level (currently £300k). If the level is exceeded then none of the exempt VAT, not just the excess amount, can be reclaimed. The construction of the new Queen's Park Sports Centre, with the College a major user of the facility, means the Council's exempt proportion has increased. There is a risk that any further significant capital expenditure in an area that includes exempt activities could cause the limit to be breached. Whilst the long running "Isle of Wight Car Parking Case" is now over without success, the Council is now party to another joint claim, this time in relation to postal services but it is impossible to predict the outcome at this stage.

20.0 BUSINESS RATE

20.1 Although the Council is responsible for the collection of business rates and retains a proportion of the income, the rate multiplier is set by the Government. There are two rate multipliers which have been announced as;

- The 'small business' rate - this is normally based on the previous year's multiplier adjusted for RPI inflation in September of the previous year (0.8%). This gives a multiplier of **48.4p** for 2016/17 (48.0p in 2015/16).
- The non-domestic rating multiplier – is the small business multiplier plus an adjustment to fund the estimated cost of the small business

rate relief scheme. The supplement for 2016/17 is 1.3p giving a multiplier of **49.7p** (49.3p in 2015/16).

20.2 In his Autumn statement in November 2015 the Chancellor announced changes affecting a number of reliefs including:

- Small Business Rate Relief – the doubling of this relief will continue for a further year (i.e. eligible properties with a rateable value (RV) of less than £6,000 receive 100% rate relief ; the relief then reduces by 1% for every additional £60 of RV above £6,000 down to 0% at an RV of £12,000). Local authorities are compensated for this via a Section 31 grant.
- Retail Relief and Reoccupation Relief funding to cease - for technical reasons these schemes were previously set up as Local Schemes but were fully funded by the Government through Section 31 grants. With the removal of the funding the Council cannot afford to continue with the schemes so it needs to formally close them down. The Retail Relief scheme provided a £1,500 discount for all retail premises including, pubs, cafes and restaurants (but excluding banks and betting offices) with a rateable value below £50,000 in 2015/16. Reoccupation Relief provided a 50% discount for up to 18 months where a ratepayer occupies an empty property for retail purposes between April 2014 and March 2016 where that property had been empty for a year or more.

20.3 Transitional Relief - the Chancellor of the Exchequer announced in the 2014 Autumn Statement an extension of Transitional Relief for small and medium properties with a rateable value up to and including £50,000. The relief was originally introduced in 2010 and was due to end on 31st March 2015. The two-year extension to the scheme will protect the small number of ratepayers concerned from seeing an increase to their full rates bill from April 2015. The DCLG guidance states that because the cost of the scheme will be reimbursed through Section 31 grant, the government expects local government to grant the discretionary relief to qualifying ratepayers. In Chesterfield there are only 6 ratepayers affected with an estimated cost of £6,400 in 2016/17. The Council adopted the scheme for the two years 1st April 2015 to 31st March 2017 as part of the budget setting report last year.

21.0 OTHER LOCAL COUNCIL TAXES

21.1 The special items to be added to the tax in **parished areas** are:

- **Staveley Town Council** - Band 'D' tax increased by 13.4% to £88.64 (£78.15 in 2015/16); &
- **Brimington Parish Council** – Band 'D' tax increased by 1.0% to £21.25 (£21.04 in 2015/16).

21.2 **Derbyshire County Council** has agreed on 3rd February 2016 to increase its council tax by 3.99% to £1,165.17 (£1,120.46 in 2015/16).

21.3 **Derbyshire Police & Crime Commissioner** set its precept and council tax on 23rd February - the Band D tax will be £177.07, an increase of 1.99% (£173.61 in 2015/16).

21.4 **The Derbyshire Fire and Rescue Authority** set its precept and council tax on 19th February – the Band D tax will be £xx an increase of xx% (£69.80 in 2015/16).

21.5 Details of the council taxes for each major preceptor and by each tax band will be calculated once all of the precepts are received and the table in **Appendix K** will be completed.

22.0 CALCULATION OF EXPENDITURE

22.1 The calculation of expenditure required under Section 32 of the Local Government Finance Act is shown at **Appendix J**.

23.0 LEGAL IMPLICATIONS

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

24.0 CHIEF FINANCIAL OFFICER'S ASSURANCES

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

24.2 Robustness of estimates – subject to the the risks highlighted elsewhere in this report, the Chief Finance Officer is satisfied that the estimates are based on the best available information and that procedures are in place to ensure the estimates are accurate and reliable. Budget responsibility is devolved to service managers who are best placed to complete the budget working papers. The central Accountancy Team co-ordinate the budget process and check through all budget working papers. The Council's procedures, experienced staff and approach to risk management should minimise the inherent risks and uncertainties in the forecasting process.

The achievement of the planned budget savings targets and the remaining deficits, present a challenge for the Council. The Council has a proven track record for delivering significant savings, for example;

- 2011/12 – from an original forecast deficit of £84k to an outurn surplus of £434k.
- 2012/13 – from an original savings requirement of £870k to a revised deficit of £62k.
- 2013/14 - from an original savings requirement of £868k to a revised surplus of £193k.
- 2015/16 - from an original savings requirement of £581k to a revised surplus of £40k.
- 2016/17 – from an original savings requirement of £680k to a surplus of £225k.

A detailed plan of savings proposals has been developed but the real challenge will be in delivering the savings within the required timescales. Robust management arrangements will have to be put in place for each of the projects within the plan.

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

24.3 Level of reserves - details of the Council's reserves are provided in Section 16 above and in **Appendix H**. The General Fund working

balance is being maintained at £1.5m to recognise the financial risks the Council currently faces particularly in relation to Business Rate income. The updated Budget Risk and Sensitivity Analysis in **Appendix I** supports the minimum working balance of £1.5m.

In addition to the Working Balance the Council could also use the £501k uncommitted balance in the Service Improvement Reserve to support the revenue budget if required. It is important to remember, however, that reserves can only be used once and they, therefore, can only provide a short term solution to any funding shortfall.

The policy on the use of reserves will, therefore, continue to be to use earmarked reserves for their intended purpose with surplus reserves being used for investment in the Council's priorities or for transformation schemes which are designed to produce on-going revenue budget savings. Indeed, the reserves have been used quite extensively over recent years to invest in services in order to deliver longer term efficiency savings.

The reserves are considered adequate for 2016/17 (subject to the decision on the eligibility of NHS Trusts for 80% mandatory business rate relief). Also, the position in future years will depend on the Council's success in delivering the required budget savings.

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

HRA - The Council has set a higher minimum working balance of £3.0m for its Housing Revenue Account to recognise the increased risks it carries under the new self-financing arrangements from April 2012. The HRA budget forecast for next year shows that this can be achieved but falls below the minimum balance in subsequent years. The 30-year Business Plan is currently being reviewed to produce a sustainable strategy for the life of the Plan.

25.0 CONCLUSIONS

- 25.1 2015/16 - at the start of the financial year the budget indicated that the Council would make savings of £680k in the year to produce a balanced budget. In the early part of the year there were positive signs on many income budgets but the planned savings were not being delivered at the intended pace. The latest revised budget forecast shows that despite the failure to deliver on some of the key savings proposals, other budget saving more than compensated, producing an estimated budget surplus of £225k.
- 25.2 2016/17 – The Council faces a reduction in its Settlement Funding Assessment of £0.5m and a £1,851k reduction in Business Rate income due mainly to the impact of back-dated appeals. To help offset these and other pressures there is an ambitious savings plan of £1.27m to deliver.

The budgets have been prepared on the assumption that the Council takes the option to increase the Council Tax by £5 per annum for a Band 'D' property. This has provided an additional £60k above the previously anticipated 1.99% limit. It is important for the long term financial sustainability of the Council that it takes every opportunity available to it to increase its tax base. Even after the £5 increase, the Council will still be required to deliver a significant package of planned savings to avoid a budget deficit in 2016/17.

Although the Council has a good track record of delivering savings, the challenge of implementing savings on this scale and within such a tight timescale should not be underestimated. The Council does have reserves which could be used to bridge a short term deficit but, given that the deficit forecasts are increasing year-on-year and the fact that reserves can only be used once, the aim must be to find the required savings within the financial year. After many years of funding cuts finding savings is becoming increasingly more difficult.

- 25.3 Medium term – The deficit forecasts for future years get progressively worse with further cuts in Government funding anticipated. There is, however, an expectation that Councils will be able to increase their Business Rates tax base to boost their income. Business Rate income, therefore, becomes an increasingly important element of the Council's income so it is important that the tax base grows and that the option of "Pooling" continues to be available in future years. Based on the current forecasts, if the Council is able to implement the planned recurring budget savings for 2016/17 of £1.27m, further savings of £0.7m will still be required in 2017/18. The deficits in later years continue to grow as further funding cuts are anticipated. We are, therefore, still locked into a sustained period of budget reductions. Effective arrangements will have to be put in place to

ensure that not only are the planned savings in the short term delivered but also that work continues to identify and implement further savings in readiness for later years. Over the five-year period of the Medium Term Financial Plan cumulative savings of £2.7m must be delivered.

- 25.4 The medium term forecast shows that the Council continues to face significant financial challenges in the years ahead and all the indications are that this is likely to continue over the longer term, at least through to 2020. The Council's ability to deliver discretionary services will inevitably come under threat over the next few years due to funding reductions. Whilst the Council has a good track record of delivering budget savings, the task is getting increasingly difficult. It is evident that some difficult spending decisions are going to have to be made and that the Council will no longer be able to continue to provide the breadth and quality of services that it currently offers.

26.0 ALTERNATIVE RECOMMENDATIONS

- 26.1 To propose alternative budget allocations and/or council tax level.

27.0 RECOMMENDATIONS

- 27.1 Cabinet recommends to Council that it:

- 27.1.1 Approves the revised budget for 2015/16 (Section 5).
- 27.1.2 Notes the Local Government Finance Settlement (Section 7).
- 27.1.3 Supports in principle the offer of a four-year settlement subject to receiving a full report on the implications of the offer once they are known (paragraph 7.2).
- 27.1.4 Notes the Collection Fund and the Tax Base forecasts (Section 11).
- 27.1.5 Approves the Portfolio budgets and the overall revenue budget summary for 2016/17 (Section 13 and Appendix A).
- 27.1.6 Delegates authority to the Chief Finance Officer in consultation with the Leader, Deputy Leader and Chief Executive to review what is required to submit an Efficient Strategy for the Council to ensure that maximum opportunity is taken from the flexibility in relation to capital receipts (paragraphs 13.8).

- 27.1.7 Notes the budget forecasts for 2016/17 and the medium term (Sections 13 & 14) and the strategy for addressing the projected deficits (Section 15).
- 27.1.8 Approves the estimates of reserves including:
- d) Maintaining the General Working Balance at £1.5m (Section 16 and Appendix H).
 - e) Allocating £40k from the Invest to Save Reserve and £110k from the Service Improvement Reserve to finance the £150k budget growth request for support to deliver the Council's savings targets (para's 16.5 and 16.6) ;
 - f) Allocating £245k from the Property Repairs Fund to fund capital programme schemes (para. 16.7).
- 27.1.9 Notes the budget risks and sensitivity analysis (Section 19).
- 27.1.10 Agrees to cease the Local Business Rate Retail schemes for which the Government will no longer be providing funding. (para. 20.2).
- 27.1.11 Approves the Cabinet's recommended £5 Council Tax increase for 2016/17.
- 27.1.12 Approves the 2016/17 Council Tax Requirement and financing (Appendix J).
- 27.1.13 Notes the Chief Financial Officer's assurances (Section 24).

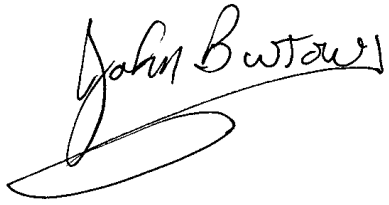
28.0 REASONS FOR RECOMMENDATIONS

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

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 with a large, sweeping underline.

Signed:

Leader

Date: 16 February, 2016

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

APPENDICIES:

Appendix A – General Fund Revenue Budget Summary

Appendix B – Savings Targets

Appendix C – Budget Strategy

Appendix D – Financial Strategy

Appendix E – Fees & Charges Policy

Appendix F – Analysis of Fees & Charges Income

Appendix G – Revenue Grants

Appendix H – Reserves & Balances

Appendix I – Budget Risks & Sensitivity Analysis

Appendix J – Section 32 Statement –

Appendix K – Council Taxes

Appendix L – Community Assemblies Consultation Meetings

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	479,460	602,740	609,050	616,620	622,640	628,240
Dep Leader - Planning	765,390	330,480	629,840	605,040	627,680	639,530	663,890
Town Centre & Visitor Economy	(346,950)	(407,480)	(300,510)	(303,680)	(360,580)	(321,440)	(266,610)
Housing General Fund	1,396,450	1,435,750	1,210,440	1,223,790	1,235,880	1,244,880	1,254,040
Health & Wellbeing	8,221,700	8,764,250	7,734,190	7,826,800	8,078,070	8,320,060	8,332,090
Governance	2,546,560	2,547,370	2,668,080	2,706,510	2,755,550	2,869,310	2,806,440
Business Transformation	1,124,460	1,439,770	1,456,920	1,502,400	1,591,710	1,636,890	1,677,740
Portfolios Total	14,203,610	14,589,600	14,001,700	14,169,910	14,544,930	15,011,870	15,095,830
Spirepride surplus	(36,000)	(150,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
Apprentice Levy				40,000	40,000	40,000	40,000
Living Wage			73,000	73,730	74,470	75,220	75,970
Holiday Pay on overtime etc			12,000	12,120	12,244	12,372	12,493
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 - "Stop or Reduce" Programme			(200,550)	(325,100)	(325,100)	(325,100)	(325,100)
Savings Proposals - Appendix B	(911,300)	0	(1,051,000)	(1,659,000)	(1,905,000)	(1,905,000)	(1,905,000)
Less allowance for delay etc	325,400		378,600	385,500	458,800	458,800	458,800
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	14,387,290	12,563,990	12,074,350	12,240,535	12,708,352	12,793,184
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)	225,213	(236,411)	28,214	22,570	(630,669)	(494,806)
NET EXPENDITURE	11,007,629	10,988,955	10,490,539	10,194,824	9,911,945	9,726,503	9,921,898
Total Savings Target	(680,061)		(1,265,831)	(1,998,196)	(2,213,540)	(2,866,779)	(2,730,916)

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	434,451	0
Business Rates Baseline	3,061,874	3,061,874	3,087,390	3,148,114	3,240,985	3,344,573	3,857,638
Settlement Funding	5,424,615	5,424,615	4,923,464	4,387,579	4,100,178	3,779,024	3,857,638
Gov't Grant re tax freeze in 2015/16	48,044	48,044					
Retained Business Rates Growth	741,231	1,132,047	659,320	696,051	679,179	641,958	633,864
Business rate pooling	404,000	366,000	412,000				
NNDR Fund Surplus/(Deficit)	(749,172)	(749,172)	(1,851,506)				
Contrib (to)/from Business Rate Reserve	319,889	(52,111)	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	4,237,627	4,400,880	4,565,659	4,731,977	4,850,236
TOTAL FINANCING	11,007,629	10,988,955	10,490,539	10,194,824	9,911,945	9,726,503	9,921,898

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			3.45%	3.34%	3.23%	3.13%	1.99%
Band 'D' Tax	144.89	144.89	149.89	154.89	159.89	164.89	168.17
Yield =- taxbase x Band 'D'	4,025,272	4,025,272	4,237,627	4,400,880	4,565,659	4,731,977	4,850,236

GENERAL FUND REVENUE ESTIMATES SUMMARY

	2015/16		2016/17	2017/18	2018/19	2019/20	2020/21
	Original	Revised	Estimate	Estimate	Estimate	Estimate	Estimate
	£	£	£	£	£	£	£
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	434,451	0
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	434,451	0
<u>Via BR Baseline Funding:</u>							
Lower tier funding	2,979,511	2,979,511	3,087,390	3,148,114	3,240,985	3,344,573	3,857,638
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	3,344,573	3,857,638
Total SFA:							
Lower tier funding	5,142,118	5,142,118	4,923,464	4,387,579	4,100,178	3,779,024	3,857,638
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	3,857,638
% 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)	(11,141,329)	(11,360,460)	(11,695,602)	(12,069,415)	(11,986,234)
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	4,275,131	4,441,412	4,501,316	4,532,426	5,030,653
Less Baseline Funding	(3,061,874)	(3,061,874)	(3,087,390)	(3,148,114)	(3,240,985)	(3,344,573)	(3,857,638)
Growth	1,392,375	1,414,016	1,187,741	1,293,298	1,260,331	1,187,853	1,173,015
Levy (NB 50% on nndr3 not nndr 1)	(696,000)	(324,000)	(593,870)	(646,649)	(630,165)	(593,926)	(586,507)
Adjs to Levy & Tariff	(176,000)	(176,135)	(177,478)	(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	230,827	220,000	225,300	231,000	237,000
BR Growth Retained above Baseline	741,231	1,132,047	659,320	696,051	679,179	641,958	633,864
Add Baseline Funding	3,061,874	3,061,874	3,087,390	3,148,114	3,240,985	3,344,573	3,857,638
Total BR Income Retained	3,803,105	4,193,921	3,746,710	3,844,165	3,920,164	3,986,531	4,491,502

390,816

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2016/17 BUDGET ACTION PLAN SAVINGS

What	Who	When	Risk Assess't: Rating / non- achiev %	Included in Savings Proposals line		
				2016/17	2017/18	18/19 >
				£'000	£'000	£'000
Vol. Redundancy/Retirements	CEO					
Gross saving			High	500.0	500.0	500.0
Less prov for non-achiev't			50%	(250.0)		
Net Saving				250.0	500.0	500.0
Review of Terms & Conditions	CEO					
Gross saving			High	0.0	100.0	200.0
Less prov for non-achiev't			50%	0.0	(50.0)	(100.0)
Net Saving				0.0	50.0	100.0
PPP Savings Target	JD					
Gross saving			High	100.0	200.0	200.0
Less prov fort non-achiev't			50%	(50.0)	(100.0)	(100.0)
Net Saving				50.0	100.0	100.0
Increased Vacancy Allowance	MR					
Gross saving			Medium	120.0	120.0	120.0
Less prov fort non-achiev't			25%	(30.0)	(30.0)	(30.0)
Net Saving				90.0	90.0	90.0
CMT restructure - Gen Fund share	CEO					
Gross saving			Low	61.0	49.0	65.0
Less prov for non-achiev't			5%	(3.1)	(2.5)	(3.3)
Net Saving				58.0	46.6	61.8
Trading Surplus	MR					
Gross saving			Medium	50.0	100.0	150.0
Less prov for non-achiev't			25%	(12.5)	(25.0)	(37.5)
Net Saving				37.5	75.0	112.5
CCTV Review	AB					
Gross saving			Low	60.0	60.0	60.0
Less prov for non-achiev't			5%	(3.0)	(3.0)	(3.0)
Net Saving				57.0	57.0	57.0
Card Payment Fees	JD					
Gross saving			Medium	50.0	70.0	100.0
Less prov for non-achiev't			25%	(12.5)	(17.5)	(25.0)
Net Saving				37.5	52.5	75.0
Building Cleaning	JD					
Gross saving			Medium	30.0	60.0	60.0
Less prov for non-achiev't			25%	(7.5)	(15.0)	(15.0)

2016/17 BUDGET ACTION PLAN SAVINGS

What	Who	When	Risk Assess't: Rating / non- achiev %	Included in Savings Proposals line		
				2016/17	2017/18	18/19 >
				£'000	£'000	£'000
Net Saving				22.5	45.0	45.0

Investments	BD					
Gross saving			Medium	30.0	50.0	50.0
Less prov for non-achiev't			25%	(7.5)	(12.5)	(12.5)
Net Saving				22.5	37.5	37.5

Business rate growth/SCR EZ	CEO					
Gross saving			High	0.0	250.0	250.0
Less prov for non-achiev't			50%	0.0	(125.0)	(125.0)
Net Saving				0.0	125.0	125.0

Venues Annual savings target	AR					
Gross saving			Low	50.0	100.0	150.0
Less prov for non-achiev't			5%	(2.5)	(5.0)	(7.5)
Net Saving				47.5	95.0	142.5

Totals - all proposals						
Gross saving				1,051.0	1,659.0	1,905.0
Less prov for non-achiev't				(378.6)	(385.5)	(458.8)
Net Saving				672.5	1,273.6	1,446.3

Provision for non-achievement (high 50%, med 25% low 5%)

BUDGET STRATEGY

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

- ◆ Prepare budgets annually covering a five-year period - the objective will be to produce a balanced budget for each of the five years.
- ◆ Direct or re-allocate resources to priority areas.
- ◆ Target low priority and discretionary areas of spend when looking for savings.
- ◆ Identify and manage budget risks effectively.
- ◆ Estimate annual savings targets and seek to achieve these through business transformation, joint working, internal re-structuring and alternative service delivery methods.
- ◆ Rigorously scrutinise all growth requests, both statutory and discretionary, particularly in relation to how they contribute to the corporate objectives, their affordability and sustainability.
- ◆ Maximise income generation opportunities. Fees and charges to be reviewed at least annually applying the Council's approved 'Charges Policy'.
- ◆ Aim to set increases in the Council Tax at a level to produce a much stronger tax base in view of our very low comparative tax.
- ◆ Consult stakeholders on spending/saving plans and tax increases.
- ◆ Only approve supplementary budgets where a budget cannot be transferred (vired) from elsewhere and only when there is a legal requirement, the event was unforeseen and unavoidable, or any other case of extreme urgency.
- ◆ Adopt sound asset management practices including identifying under-utilised and poor performing assets for disposal.

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FINANCIAL STRATEGY

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

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

3. Every effort will be made to keep revenue spending within a reasonable percentage of the previous year's level. Wherever possible, new service developments should be funded from savings or additional income. The Council's revenue budget shall be prepared in accordance with the Council's budget strategy.

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

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

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

7. At the close of a financial year, unless there are unusual circumstances:
 - ◆ Any under-spending on General Fund will be transferred to the Budget Risk Reserve except to the extent that approval is given to carry forward unspent budgets to the subsequent financial year or are required to meet future revenue spending, in which case they will remain in the General Working Balance;
 - ◆ Any overspending will be met from the Budget Risk Reserve or General Fund balance.
 - ◆ Any D.L.O./D.S.O. surpluses arising in the year which are not required for operational purposes will be allocated as follows:-
 - (i) the Maintenance of Buildings D.L.O. surplus relating to Housing repairs work will be transferred to the Housing Revenue Account.
 - (ii) an amount equivalent to any remaining surpluses will be transferred to the Budget Risk Reserve.

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

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

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

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

CHARGING POLICIES

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

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

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

(fees & charges – charging policies)

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FEES & CHARGES INCLUDED IN THE BUDGET FORECASTS

Description	2015/16		2016/17		2017/18		2018/19		2019/20		2020/21	
	original	revised	estimate		estimate		estimate		estimate		estimate	
	£'000	£'000	£'000	% Rev to Est	£'000	%	£'000	%	£'000	%	£'000	%
Trade Waste	540	578	578	0%	593	3%	609	3%	626	3%	643	3%
Bulky Waste	29	41	41	0%	42	2%	43	2%	44	2%	45	2%
Tidy Streets incl Pest Control	43	43	43	0%	43	0%	43	0%	43	0%	43	0%
Industrial processes	17	17	17	0%	17	0%	17	0%	17	0%	17	0%
Licensing	280	299	288	-4%	288	0%	288	0%	288	0%	288	0%
Land Charges	74	100	74	-26%	74	0%	74	0%	74	0%	74	0%
QPSC	1,053	1,111	1,297	17%	1,336	3%	1,376	3%	1,417	3%	1,460	3%
SHLC	1,071	1,113	1,145	3%	1,180	3%	1,215	3%	1,251	3%	1,289	3%
Parks	82	66	71	8%	73	3%	75	3%	77	3%	79	3%
Cemeteries	223	233	240	3%	247	3%	255	3%	262	3%	270	3%
Winding Wheel - promotions & lettings	400	578	404	-30%	404	0%	404	0%	404	0%	404	0%
Pomegranate - productions	645	658	638	-3%	638	0%	638	0%	638	0%	638	0%
Planning fees	297	542	430	-21%	430	0%	430	0%	430	0%	430	0%
Markets excl Mkt Hall	656	586	601	3%	610	1%	610	0%	618	1%	618	0%
Market Hall	368	350	357	2%	358	0%	337	-6%	337	0%	347	3%
CCTV - external	37	38	36	-5%	37	3%	38	3%	39	3%	40	3%
Car Parking (incl season tickets)	2,535	2,528	2,598	3%	2,602	0%	2,679	3%	2,679	0%	2,758	3%
Total	8,350	8,881	8,858	6%	8,972	1%	9,131	2%	9,244	1%	9,443	2%

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APPENDIX G

GRANTS & CONTRIBUTIONS INCLUDED IN THE BUDGET FORECASTS

Grant Type & Description	2015/16		2016/17	2017/18	2018/19	2019/20	2020/21
	original £	revised £	estimate £	estimate £	estimate £	estimate £	estimate £
Revenue Support Grant	2,362,741	2,362,741	1,836,074	1,239,465	859,193	434,451	412,728
Tax Freeze Incentive Grant - 2015/16	48,044	48,044					
Efficiency Support Grant	160,490	161,000					
New Homes Bonus	616,218	616,218	902,146	750,000	600,000	600,000	600,000
Housing Benefit Admin	725,800	725,600	619,480	587,910	558,430	530,880	505,090
Housing Benefit - Main Subsidy	38,155,210	37,396,840	37,769,240	38,521,160	39,288,130	40,070,430	40,868,380
Business Rates Admin	164,495	164,495	164,110	164,000	164,000	164,000	164,000
GP Referral scheme, Public Health	44,730	44,730	44,730	29,820			
Walking for Health/Five 60, Public Health	9,000	21,780	32,780	6,000			
Tourism DMS, NEDDC/BDC	8,160	8,160	8,160	8,160	8,160	8,160	8,160
W Wheel/Arts, Arts Council/Orchestra Live		22,500					
Children's Play Areas, s.106 monies	30,500	31,480	31,600	17,350	16,780	16,780	16,780
Eastwood Park/Hasland Village Hall, HLF		20,880	20,880	20,880			
Woodlands, Forestry Commission	10,600	9,500	9,500	9,500	9,500	9,500	9,500
Highways Amenity Maintenance, DCC	119,660	111,490	105,980	105,980	105,980	105,980	105,980
Gully Emptying, DCC	0	68,820					
Weed Spraying, DCC	19,550	24,440	24,440	24,440	24,440	24,440	24,440
Supporting People Grant, DCC	300,000	466,000	353,480	353,480	353,480	353,480	353,480
Community Safety	38,090	27,540	22,380	15,590	15,590	15,590	15,590
Total Revenue Grants	42,813,288	42,332,258	41,944,980	41,853,735	42,003,683	42,333,691	43,084,128

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MOVEMENTS ON RESERVES & PROVISIONS

Title	Purpose	B/Fwd 1st Apr 15 £'000	2015/16 In /(out) £'000	B/Fwd 1st Apr 16 £'000	2016/17 In /(out) £'000	B/Fwd 1st Apr 17 £'000	2017/18 In /(out) £'000	B/Fwd 1st Apr 18 £'000	2018/19 In /(out) £'000	B/Fwd 1st Apr 19 £'000	2019/20 In /(out) £'000	B/Fwd 1st Apr 20 £'000	2020/21 In /(out) £'000	B/Fwd 1st Apr 21 £'000
Vehicles & Plant	Replacement fund	1,068	381 (1,137)	312	414 (708)	18	414 (237)	195	414 (292)	317	414 (157)	574	413 (731)	256
Wheeled Bins Replacement Fund	Replacement fund	143	- (50)	93	0 (50)	43	61 (50)	54	61 (50)	65	61 (50)	76	61 (50)	87
Property Repairs	Even-out 10 year repairs programme	717	1,413 (1,380)	750	1,343 (1,470)	623	1,343 (1,205)	761	1,343 (1,215)	889	1,343 (1,215)	1,017	1,343 (1,215)	1,145
ICT Reserve	Replacement fund	0	146 (146)	0	146 (146)	0	146 (146)	0	146 (146)	0	146 (146)	0	146 (146)	0
DLO/DSO Reserve	Provision for improvements	574	- (350)	224	- (97)	127	-	127	-	127	-	127	-	127
Museum Exhibits	Opportunity purchases fund	25	-	25	-	25	-	25	-	25	-	25	-	25
Insurance Reserve - claims not yet reported	Self insurance element claims not yet reported	567	-	567	-	567	-	567	0	567	0	567	0	567
Insurance Provision - current claims	Self insurance element of reported claims	689	226 (305)	610	226 (320)	516	226 (226)	516	226 (226)	516	226 (226)	516	226 (226)	516
MMI - Insurance Provision	To fund liability of claims unpaid due to MMI insolvency	10	- (10)	0	-	0	-	0	-	0	-	0	-	0
MMI - Insurance Reserve	To fund liability of claims unpaid due to MMI insolvency	503	- (10)	493	- (30)	463	- (30)	433	- (30)	403	- (30)	373	- (30)	343
Severn Trent Water	Tenant consultation	0	30 0	30	-	30	-	30	-	30	-	30	-	30
Working Neighbourhoods Fund		118	(118)	0		0		0		0		0		0
Planning LDF Review Provision	Provision for cost of LDF review	260	0	260	- (100)	160	-	160	-	160	-	160	35	195
Transport Co Pensions	Provision for the pension cost of former employees.	932	23 (40)	915	23 (45)	893	23 (50)	866	22 (50)	838	22 (50)	810	22 (50)	782
Risk Management	For risk mgt initiatives.	5	5 (5)	5	5 (5)	5	5 (5)	5	5 (5)	5	5 (5)	5	5 (5)	5
Flood Restoration	Flood defence/prevention	82	- (8)	74	- (45)	29	-	29	-	29	-	29	-	29
New Home Bonus		0	616 (616)	0	902 (902)	0	750 (750)	0	600 (600)	0	600 (600)	0	600 (600)	0
Asset Management		44	- (27)	17	- (17)	0	-	0	-	0	-	0	-	0
Business Rate Reserve		1,122	63	1,185	- (1,185)	0	-	0	-	0	-	0	-	0
Budget Risks Reserve	To cover future budget risks	780	310 (732)	358	30 (26)	362	30	392	30	422	9	431	-	431
Service Improvement		1,153	34 (388)	799	34 (298)	535	34	569	34	603	34	637	9	646
Invest to Save Fund	Pump priming for schemes with a pay-back	286	- (135)	151	- (151)	0	-	0	-	0	-	0	-	0
TOTALS		9,078	(2,210)	6,868	(2,472)	4,396	333	4,729	267	4,996	381	5,377	(193)	5,184

KEY BUDGET RISKS & SENSITIVITY ANALYSIS 2015/16

Description	Budget Risk	Risk Assessment				Containment Actions			Progress
		Probability	Impact	Value £000'S	Comment	What	Who	When	
Achieving income targets - leisure, car parks, etc	Income falls if economy dips or switch to competitors. 5% of total F&C budgets.	Med	High	440		Base budgets adjusted.Monthly budget monitoring + marketing & promotional activities.	Service Managers	Monthly	
Car parking income from the Northern Gateway site	Loss of income when closed.	Low	High	-	Med-term issue	Will negotiate with the selected developer to minimise any loss during construction & secure an on-going revenue stream on completion.			
Investment returns - not achieving budget.	Each 1/4% = £19k gross to Gen Fund.	Low	High	20		Cautious estimate for 2011/12, only 1.3% net. Monitor Monthly	Cap Acct	Monthly	
Energy costs inflation	3% in budget each extra 5% = £50k fy	Low	Med	50		Fixed rate contracts on renewal to provide stability - Gas Sept; Electric Apr & Oct	Facilities Mgr (Kier)	On-going	
Benefits - high spend £37m+ with complicated grant scheme.	Increase in expd with less than 100% subsidy. Failure to Comply with Regulations	Low	High	250		Regular monitoring of claims processed. Staff Training	Benefits Manager (Arvato)	Quarterly	
Ind & Comm. Property portfolio - reduced rent income during economic downturn and due to disposals to generate capital receipts.	Industrial & commercial £100k. Vicar Lane £50k Pavements £50k	Med	High	200		Monitor voids.Flexible Payments for existing. Planned Disposal Programme	Estates Officer (Kier)	Monthly	

KEY BUDGET RISKS & SENSITIVITY ANALYSIS 2015/16

Description	Budget Risk	Risk Assessment				Containment Actions			Progress
		Probability	Impact	Value £000'S	Comment	What	Who	When	
Any other unforeseen significant expenditure		High	High	100		Maintain adequate working balance/ insurance fund + effective risk mgt.	SLT, CMT, budget holders, Accty	On-going	
Exit strategy for expenditure funded by fixed term grants.		Low	High	-		Avoid directly employing staff, if do ensure on short term contracts and redundancy provision included in budget.	Staff submitting grant applications.	On-going	
VAT -5% exempt limit exceeded	Limit exceeded £250k un-recoverable plus excess amount.	Low	High	300		Monitoring	Accty Tech - Vat	Monthly	PPP will increase the threshold.
Further cuts in Government Grants beyond those assumed in the forecast.	Settlement figures for 13/14 and 14/15. Assumed cut in 15/16 = 8%	Low	High	-	Med-term issue	Monitor developments	CFO	On-going	
Pension costs increases under LGPS 2014.	More elements of pay & allowances pensionable	Med	High		Med-term issue	Define pensionable elements and monitor impact.	CFO	Mar-17	
MMI – risk of insolvent run-off following recent ruling on EL claims.	'Clawback' beyond the £700k provision (£1.5m claims settled).	Med	High	250		Awaiting announcement on clawback rate. Provision of £300k established. Insurance Fund review due in 2013.	CFO	On-going	
Tightening of the HRA ring-fence – grounds maintenance costs: Gross £305k -GF Contrib. £168k =HRA 137K	Costs transfer from the HRA to the Gen Fund	Low	High	70		Review the current cost sharing arrangements.	Housing Managers	2014	
Withdrawal of external funding for Community Safety Officer post	Subject to DCC & Police funding	Med	Med	-	Med-term issue	Budget assumes funding withdrawn in 201/15.	Business Transf Manager	2011	
Achieving Budget Saving Targets	Failure to achieve risk reduced target, by a further £500k.	Med	High	500		Monitor progress - develop contingency plans	Business Transf Manager	monthly	
Achieving vacant post saving targets	20% of £150k target	Low	Med	30		Target reduced to £100k to reflect lower staff turnover	CFO	quarterly	

KEY BUDGET RISKS & SENSITIVITY ANALYSIS 2015/16

Description	Budget Risk	Risk Assessment				Containment Actions			Progress
		Probability	Impact	Value £000'S	Comment	What	Who	When	
Collection Fund - Council tax collection rate below target.	Loss of interest. Coll'n Fund deficit to following year CBC Share 10%	Med	Med	25		Monitor the collection rate.	Revs Manager (Arvato)	Monthly	
Localisation of council tax support	Increased take-up by pensioners or working age; and Collection rate on amounts required to pay.	Med	High	10	Med-term issue	Monitoring claims and income so remedial action taken asap.	CFO	monthly	
Localisation of business rates	Income exceeds forecasts - only 20% of	Med	Med	-					
	Income below baseline up to the Safety Net limit; exposure = £232k + £644k above baseline+ £400k pooling	Med	High	1,276		Monitor income	CFO	quarterly	

Gen Fund Rev Budget	Total exposure		2011/12	3,521				
	Allowance %	Prob	Total £000	Allow £000		Impact assessment:		
Risk allowance	90%	High	100	90		High = £50k or more		
	50%	Med	2,701	1,351		Med = £10k-£49k		
	10%	Low	720	72		Low = less than £10k		
Risk allowance			3,521	1,513				

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CALCULATION OF EXPENDITURE – SECTION 32 LGFA '92

	2016/17 £
Gross Expenditure – Chesterfield Borough Council	115,676,690
<u>Special Items</u>	
- Staveley Town Council Precept - (£309,820 in 15/16)	356,293
- Brimington Parish Council Precept - (£46,953 in 15/16)	<u>47,672</u>
Total Special Items	403,965
Gross Expenditure 31A (2)	116,080,655
Gross Income – Chesterfield Borough Council	(107,227,564)
Revenue Support Grant	(1,836,074)
Business Rates Baseline Need	(3,087,390)
Retained Non Domestic Rates Growth	(1,071,320)
Gross Income Including Use of Reserves 31A (3)	(113,222,348)
Collection Fund (Surplus)/Deficit : Council Tax	(68,221)
Non Domestic Rates	1,851,506
Council Tax Requirement 31A (4)	4,641,592
Taxbase (27,781.57 in 2015/16)	28,271.58
Average Band 'D' Tax (incl. Parishes)	£164.18
Percentage Increase - (2015/16 £157.73, +0.28%)	+4.09%
C.B.C.'s Council Tax	£149.89
Percentage Increase - (2015/16 £144.89, +0.00%)	3.45%

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COUNCIL TAXES 2016/17

COUNCIL TAXES								
COUNCIL AREA	VALUATION BAND/PROPORTION OF BAND 'D' TAX							
	A	B	C	D	E	F	G	H
	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
	£	£	£	£	£	£	£	£
CHESTERFIELD BOROUGH:								
Staveley Town	159.02	185.52	212.03	238.53	291.54	344.54	397.55	477.06
Brimington Parish	114.09	133.11	152.12	171.14	209.17	247.20	285.23	342.28
All Other Areas	99.93	116.58	133.24	149.89	183.20	216.51	249.82	299.78
MAJOR PRECEPTING AUTHORITIES:								
Derbyshire CC	776.78	906.24	1,035.71	1,165.17	1,424.10	1,683.02	1,941.95	2,330.34
Derbyshire Fire & Rescue	47.45	55.36	63.27	71.18	87.00	102.82	118.63	142.36
Derbyshire Police	118.05	137.72	157.40	177.07	216.42	255.77	295.12	354.14
	0.6667	0.7778	0.8889	1.0000	1.2222	1.4444	1.6667	2.0000

TOTAL COUNCIL TAX PAYABLE IN EACH AREA								
COUNCIL AREA	VALUATION BAND/PROPORTION OF BAND 'D' TAX							
	A	B	C	D	E	F	G	H
	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
	£	£	£	£	£	£	£	£
Staveley Town	1,101.30	1,284.84	1,468.41	1,651.95	2,019.06	2,386.15	2,753.25	3,303.90
Brimington Parish	1,056.37	1,232.43	1,408.50	1,584.56	1,936.69	2,288.81	2,640.93	3,169.12
All Other Areas	1,042.21	1,215.90	1,389.62	1,563.31	1,910.72	2,258.12	2,605.52	3,126.62

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COUNCIL TAX CONSULTATION 2016/17

West Community Assembly – November 2015

Attendees	
Public	22
Officers (CBC, DCC, Police)	9
Members	15

Council Tax Vote

Freeze 41%

Increase 59%

Results of Priorities for Spend Exercise

Priority	Total	Order of Priority
Reducing crime and anti-social behaviour e.g. CCTV provision	£700	1
Economic Development activities to increase the number of businesses and jobs in our borough	£600	2
Maintaining streetscene activities e.g. street cleaning, public conveniences etc. at the current level	£340	3
Upholding our civic and ceremonial roles and traditions e.g. mayoralty, twinning, remembrance events	£320	4
Maintaining current parks and open spaces provision and quality	£280	5
Subsidising cultural venues and activities	£240	6
Maintaining community and voluntary sector grants at the current level	£220	7
Maintaining the current level of community festivals, events and activities e.g. Christmas lights, fireworks, cricket and markets festivals	£180	8
Subsidising Sport and leisure facilities and activities	£140	9=
Providing the Museum and Revolution House	£140	9=

COUNCIL TAX CONSULTATION 2016/17

North Community Assembly – November 2015

Attendees	
Public	17
Officers (CBC, DCC, Police)	9
Members	10

Council Tax Vote

Freeze 20%

Increase 80%

Results of Priorities for Spend Exercise

Priority	Total	Order of Priority
Economic Development activities to increase the number of businesses and jobs in our borough	£680	1
Reducing crime and anti-social behaviour e.g. CCTV provision	£400	2
Maintaining streetscene activities e.g. street cleaning, public conveniences etc. at the current level	£340	3
Maintaining the current level of community festivals, events and activities e.g. Christmas lights, fireworks, cricket and markets festivals	£260	4
Maintaining current parks and open spaces provision and quality	£240	5
Subsidising Sport and leisure facilities and activities	£180	6=
Subsidising cultural venues and activities	£180	6=
Upholding our civic and ceremonial roles and traditions e.g. mayoralty, twinning, remembrance events	£180	6=
Providing the Museum and Revolution House	£80	9
Maintaining community and voluntary sector grants at the current level	£60	10

COUNCIL TAX CONSULTATION 2016/17

East Community Assembly – November 2015

Attendees	
Public	17
Officers (CBC, DCC, Police)	7
Members	9

Council Tax Vote

Freeze 12.5%

Increase 87.5%

Results of Priorities for Spend Exercise

Priority	Total	Order of Priority
Economic Development activities to increase the number of businesses and jobs in our borough	£360	1
Maintaining community and voluntary sector grants at the current level	£300	2=
Maintaining streetscene activities e.g. street cleaning, public conveniences etc. at the current level	£300	2=
Reducing crime and anti-social behaviour e.g. CCTV provision	£300	2=
Maintaining current parks and open spaces provision and quality	£280	5
Upholding our civic and ceremonial roles and traditions e.g. mayoralty, twinning, remembrance events	£140	6
Subsidising Sport and leisure facilities and activities	£120	7=
Providing the Museum and Revolution House	£120	7=
Maintaining the current level of community festivals, events and activities e.g. Christmas lights, fireworks, cricket and markets festivals	£100	9
Subsidising cultural venues and activities	£80	10

COUNCIL TAX CONSULTATION 2016/17

South Community Assembly – November 2015

Attendees	
Public	11
Officers (CBC, DCC, Police)	10
Members	10

Council Tax Vote

Freeze 22%

Increase 78%

Results of Priorities for Spend Exercise

Priority	Total	Order of Priority
Economic Development activities to increase the number of businesses and jobs in our borough	£400	1
Maintaining streetscene activities e.g. street cleaning, public conveniences etc. at the current level	£280	2=
Reducing crime and anti-social behaviour e.g. CCTV provision	£280	2=
Subsidising Sport and leisure facilities and activities	£260	4
Maintaining current parks and open spaces provision and quality	£240	5
Subsidising cultural venues and activities	£180	6=
Maintaining community and voluntary sector grants at the current level	£180	6=
Providing the Museum and Revolution House	£80	8
Upholding our civic and ceremonial roles and traditions e.g. mayoralty, twinning, remembrance events	£60	9
Maintaining the current level of community festivals, events and activities e.g. Christmas lights, fireworks, cricket and markets festivals	£40	10

COUNCIL TAX CONSULTATION 2016/17

Collective Result of All Four Assemblies

Attendees	
Public	67
Officers (CBC, DCC, Police)	35
Members	44

Council Tax Vote

Freeze 24%

Increase 76%

Results of Priorities for Spend Exercise

Priority	Total	Order of Priority
Economic Development activities to increase the number of businesses and jobs in our borough	£2040	1
Reducing crime and anti-social behaviour e.g. CCTV provision	£1680	2
Maintaining streetscene activities e.g. street cleaning, public conveniences etc. at the current level	£1260	3
Maintaining current parks and open spaces provision and quality	£1040	4
Maintaining community and voluntary sector grants at the current level	£760	5
Subsidising Sport and leisure facilities and activities	£700	6
Upholding our civic and ceremonial roles and traditions e.g. mayoralty, twinning, remembrance events	£700	7
Subsidising cultural venues and activities	£680	8
Maintaining the current level of community festivals, events and activities e.g. Christmas lights, fireworks, cricket and markets festivals	£580	9
Providing the Museum and Revolution House	£420	10

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FOR PUBLICATION

CAPITAL STRATEGY & GENERAL FUND CAPITAL PROGRAMME 2015/16 TO 2018/19

MEETING:	1. COUNCIL 2. CABINET 3. DEPUTY LEADER
DATE:	1. 25 FEBRUARY 2016 2. 23 FEBRUARY 2016 3. 16 FEBRUARY 2016
REPORT BY:	CHIEF FINANCE OFFICER
WARD:	ALL
COMMUNITY FORUM:	ALL
KEY DECISION REFERENCE:	578

FOR PUBLICATION

1.0 PURPOSE OF REPORT

- 1.1 To approve the General Fund Capital Strategy and Programme.

2.0 RECOMMENDATIONS

That the Cabinet recommends to the full Council that:

- 2.1 The Capital Strategy be approved (**Appendix A**).
- 2.2 The updated General Fund Capital Programme expenditure and financing be approved (**Appendix B**).
- 2.3 The new schemes in para. 8.4 are added to the Capital Programme.
- 2.4 The prioritised list of “waiting list” schemes be approved (para 8.5).

3.0 BACKGROUND

- 3.1 The Capital Programme for 2015/16 was approved as part of the budget setting process in February 2015. The Programme included two major capital schemes, the new Queens Park Sports Centre and the Waterside scheme.
- 3.2 Updates to the Programme were included in the budget monitoring reports to the full Council on 14th October and 16th December 2015. The December 2015 report highlighted the fact that despite a significant reduction in forecast capital receipts a balanced budget for 2015/16 should nevertheless be achieved.
- 3.3 The Programme is heavily dependent on financing from capital receipts but in the current economic climate generating the receipts continues to be a challenge. Kier continue to provide an accelerated receipts programme which is incentivised through a commission payment on the receipts generated.

4.0 CAPITAL STRATEGY

- 4.1 The Capital Strategy provides the framework which governs how the Council manages its capital expenditure. A copy of the recommended Capital Strategy is included at **Appendix A**. The aim of the Strategy is to ensure that the capital expenditure is affordable in both revenue and capital terms and is directed at the Council's priority schemes.
- 4.2 The Council's revenue budget is under severe pressure so it is important that the cost of any borrowing for capital purposes is removed from the revenue budget as quickly as possible. The Council is asset rich and has the potential to release significant capital sums from the disposal of surplus or poorly performing assets. The Strategy, therefore, includes, in the "Financing Capital Expenditure" section on the second page:

"To minimise the revenue budget implications of prudential borrowing, it should be repaid as soon as possible from the revenue savings generated, other revenue provision or from future capital receipts".

- 4.3 The planned disposal of land at Linacre, with an estimated receipt of £16 million to the General Fund, together with other significant disposals, will provide an opportunity to very quickly repay the £6 million of prudential borrowing being used to finance the new Queen's Park Sports Centre (as agreed in the 2014/15 Capital Programme report); producing a revenue budget saving of over £150k per annum, this saving has already been assumed in the draft revenue budgets. There will still be a substantial balance of the Linacre receipt available to fund new capital projects or to repay other debt. For example, repaying the £1.1m balance of the Market Hall prudential borrowing will produce an on-going revenue budget saving of £43k (this saving has not been built into the draft revenue budget forecasts).
- 4.4 In the Provisional Local Government Grant Settlement which was announced in December 2015 the Government included a new flexibility to allow the use of capital receipts to fund revenue expenditure provided that the expenditure is on transformation projects which are designed to deliver on-going savings. It is proposed that the flexibility will be available for capital receipts secured between 1st April 2016 and 31st March 2019. To be able to use this flexibility an authority must prepare an Efficiency Strategy that includes separate disclosure of the individual projects that will be funded or part funded through capital receipts flexibility. The strategy must be approved by the full Council before the start of the financial year as part of the annual budget setting process. The strategy can, however, be revised at any time during the year subject to approval by the full Council

5.0 UPDATED EXPENDITURE FORECASTS

- 5.1 **Updated Programme** – An updated capital programme forecast (expenditure and financing) is included at **Appendix B**. The Programme covers the current financial year and three years ahead. A commentary on the most significant schemes in the Programme is provided below.
- 5.2 **New Schemes** - the updated programme includes the schemes that were added to the Programme during the financial year and some new proposals.
- 5.2.1 The schemes what were approved by the full Council and added to the Capital Programme in the year included:

- Erin Road Pumping Station, £50k approved 26th Feb 2015;
- Winding Wheel Boilers, £110k approved 22nd July 2015;
- Home Repairs Assistance, increased by £75k to £275k per annum, approved 16th December 2015.

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

- Building Maintenance IT system, £126k from DLO Reserve;
- Dunston Innovation Centre Solar Panels, £55k from DIC Property Repairs Reserve
- Whitebank Close Sports Ground £13k, Section 106 funding

5.3 Progress on Current Major Schemes

5.3.1 **Queens Park Sports Centre** – the project is now complete and the Centre opened to the public in January 2016. Work is underway to agree the final account and to secure the grant funding from Sport England.

5.3.2 **Waterside Canal Infrastructure Works** –The scheme involves the Council carrying out canal related infrastructure works and financing this work through a £2.4m loan from the Sheffield City Region LEP Growing Places Fund. The Council will recover all the costs it incurs through a separate agreement with the landowner. The loan agreement with Sheffield City Region for the canal infrastructure works has been agreed and signed. No money will be drawn down until an agreement is also signed with Lavers and Bolsterstone. The protracted negotiations with the County Council over the bridge and canal adoption works has delayed the start on site. Although not technically the Council's capital expenditure it has been included in the Programme for monitoring purposes. In the Treasury Management report the £2.4 million borrowing is not included as part of the General Fund Capital Financing Requirement as the Council will be reimbursed by a third party.

5.4 Recurring Schemes

5.4.1 Disabled Facilities Grants – Delays can occur in the DFG process due to technical design issues, acquiring landlord consent, applicant putting work on hold due to illness, etc. In the past this has meant that the grant allocations were not fully used and the unspent balance was carried forward.

In 2014/15 some changes have been implemented to speed up the process in relation to stair lift installation and less complex bathroom installations, by transferring the adaptation design and delivery from DCC to the Chesterfield Home Improvement Service. The Home Improvement Service also took over direct ordering and delivery of stair-lifts previously organised by DCC Occupational Therapists. In 2015/16 this approach was extended to cover other DFG funded adaptations previously managed by the Occupational Therapy team e.g. metals ramps, closomats , changes to doorways, door entry systems and some adapted kitchens. This work also generates fee income (calculated at 5% the cost of work plus VAT) for the Council.

Major and potentially complex adaptations (e.g. extensions) continue to be designed and delivered by DCC architectural service, and the two teams have worked closely together to achieve efficiencies, improve delivery times and quality of work.

The Private Sector Housing Team continues to work closely with both the Occupational Therapy and Architect Services at the County Council to identify where further improvements can be made and the Private Sector Housing Manager is a member of the county wide DFG Transformational Project Working Group.

Over recent years the Council has not been required to make a contribution to DFGs as the costs incurred have been fully covered by unused grants brought forward and in year grant allocations. From April 2015 the Government grant funding has been transferred into the Better Care Fund. Derbyshire County Council will receive the BCF grant and then allocates funds to each of the District Councils for DFG's in accordance with Government guidelines. Currently the amount to be distributed to each local authority is determined and ring-fenced by the Government. The mandatory duty, under the Housing Grants, Construction and Regeneration Act 1996, to provide Disabled Facilities Grants applies to district councils in two-tier areas.

The anticipated, but not yet confirmed, allocation for 2016/17 is £557k. The unused grants from previous years will be used to

supplement the BCF allocations in future years to help maintain the expenditure at £650k per annum.

The average spend on DFG's over the last three completed financial years (2012/13 to 2014/15) was only £514k, with the highest amount in any one year at £706k (2014/15).

Demand for DFGs has remained constant throughout 2015/16 with at least 20 new referrals a month received for provisional assessment, the majority of which are eligible for assistance.

A summary of the budget and commitments as at the 19th January 2016 is as follows;

DFG Applications (at 19/01/16)		
	No. Cases	£'000
Year to date spend	53	439
Commitments - approved but not yet paid	116	509
Provisional commitments – approval not yet issued	15	100
Waiting List – applications referred to OH	69	485
Current year spend & outstanding commitments	253	1,533

The budget allocation in 2015/16 and 2016/17, at £1.3m, is less than the estimated demand. However, a minority of waiting list cases may not go forward due to changes in the applicants' circumstances.

The balance in the unused grant account will allow some flexibility for Housing Services to supplement the budget if demand increases above the budget allocation.

5.4.2 Vehicle and Plant Reserve – services make regular contributions from their revenue budgets into the Reserve to ensure that as and when equipment etc needs replacing the resources are in place. The Vehicle & Plant fund expenditure included in the Capital Programme is, therefore, fully funded by a transfer from the Vehicle and Plant Reserve. Details of the proposed uses of the Fund, which includes both revenue and capital type of expenditure, are included in **Appendix C**.

5.4.3 ICT Reserve – An amount of £146k is set aside from the ICT revenue budget each year into the reserve to provide funding for new and replacement systems or equipment.

6.0 CAPITAL FINANCING

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

- Prudential borrowing – capital expenditure can be financed from borrowing provided the borrowing is affordable, prudent and sustainable. The current Capital Programme includes borrowing that the Council has previously approved of £1.5m as the final instalment of the £6.0m approved for the new Queen's Park Sports Centre. As described in Section 4 above, the aim is to repay borrowing as soon as possible from revenue savings generated by the schemes or by setting aside capital receipts from asset sales.
- Grants and contributions:
2015/16 - £5.6m in total including Chesterfield College's £2.5m contribution and Sport England's £1.94m funding towards the Queen's Park Sports Centre scheme, £0.65m DFG's and £0.25m Section 106 contributions;

2016/17 - £0.96m in total including £0.65m DFG's and £0.24m Flood Relief Grant.

Future years – mainly £0.65m re DFG's.
- Reserves - contributions from earmarked reserves towards ICT, vehicle replacements and match funding contributions re other grant funded schemes.
- Capital Receipts – see below.

6.2 Capital Receipts – the general rule is that capital receipts can only be used either to repay debt or to finance new capital expenditure. As reported in paragraph 4.4 above, the Government has introduced a relaxation to this rule for the period April 2016 to March 2019 which provides the flexibility to use capital receipts for revenue expenditure on transformation schemes that are designed to deliver on-going budget savings. The funding of the capital programme is heavily reliant on the generation of capital receipts so this additional use puts further pressure on what is already a scare resource.

Capital receipts are only included in the programme once potential disposals have been identified and the property concerned is being actively marketed. Kier continue to provide additional resources to help accelerate the sale of assets in return for a commission payment on the sales concluded. Given the experience of recent years where the planned receipts at the start of the year were not achieved a more prudent approach has now been adopted for forecasting future receipts. Officers will continue to review whether additional resources are required to further accelerate disposals.

The capital receipts included in the Programme at Appendix A are:

2015-16 - The forecast of receipts at the start of the year was £5.6m but this has been revised down to just £287k. All of the major disposals have now been moved in 2016/17 or later years.

2016/17 – receipts of £1.8m have been assumed including the sale of land at Newbold School and Ashgate Road.

2017/18 – receipts of £7.3m have been assumed including land at Hollythorpe Close, Whitebank and Gorse Valley plus the first instalment of money from the sale of land at Linacre.

2018/19 – receipts of £8.8m have been assumed including the sale of the former Fire Station site and the second instalment of money from the sale of land at Linacre.

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

7.0 NET FINANCING POSITION

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

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

	2015/16	2016/17	2017/18	2018/19
In year surplus	0	0	1,013	8,568

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

- 2015/16 – despite the significant shortfall in capital receipts a break-even position has been achieved due to reduced expenditure, increased grants and by reducing the amount of debt to be repaid from capital receipts. The deferral of debt repayment, however, does add further pressure to the revenue budget as a minimum revenue provision for debt repayment, based on the estimated life of the asset being financed, has to be charged to the revenue account whilst the debt remains in place.
- 2016/17 – a break-even position is forecast but this is based on prudent level of capital receipts (£1.8m) and also assumes that £1.2m of the receipts will be used to repay previous prudential borrowing.
- 2017/18 – a net surplus of £1.0m is forecast but this is dependent on securing a number of significant capital receipts (Hollythorpe Close, Whitebank and Gorse Valley plus the first instalment of money from the sale of land at Linacre). The forecast also assumes that £5.9m of the receipts will be used to repay borrowing relating to the new Queen’s Park Sports Centre.
- 2018/19 – a surplus of £8.6m is forecast after assuming £8.8m of capital receipts in the year (from Linacre and the former Fire Station).

Clearly the surpluses forecast in future years could be brought forward to an earlier financial year if disposals can be accelerated.

8.0 GROWTH REQUESTS

8.1 The forecast Capital Programme in **Appendix B** shows that based on current forecasts there will be no surplus resources available to fund new schemes until 2017/18. In this climate new schemes can only be added to the Programme where:

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

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

8.2 The options for creating some additional financing resource include:

- Accelerating **capital receipts** into an earlier year or identifying new assets for a quick disposal;
- **Prudential borrowing** where there is a strong invest-to-save case which shows that the borrowing cost are affordable and sustainable.
- Securing external **grant** support.

8.3 The Senior Leadership Team (SLT) has reviewed the capital growth requests submitted by Service Managers and its recommendations are set out below.

8.4 SLT recommendation of schemes to be added to the Capital Programme:

Scheme Description	Capital Implications	Rationale
Staveley Healthy Living Centre – reconfigure the Admin area to create usable space.	Cost £46k Financed from reserves	Invest-to-save - £15k income per annum
GPGS – Town Hall restack (from £580k to £750k)	£170k	To align with the GPGS Business Case. Financed from the Property Repairs Fund
Winding Wheel lift	£75k	Spares are becoming increasingly difficult to source and the lift is in an integral part of the operation of the building. Financed from the Property Repairs Fund
Surface Car Parks – pay-on-foot machines	£100k from the £173k in the Cap Prog funded from reserves	Current machines do not give change, have limited payment options and will not accept the new £1 coin due in 2017. Plus some are proving difficult to maintain

8.5 SLT's prioritised list of schemes to go on a waiting list pending the availability of capital receipts after earmarking sums for the Efficiency Plan:

Priority	Scheme Description	Capital Implications	Rationale
1	Museum Store – relocate to refurbished Bedding Store r/o Winding Wheel	£127k	To facilitate the sale of the Ashgate Road site.
2 =	Car Parks pay on exit machines - Rose Hill	£78k less £73k balance in Cap Prog after surface car park machines.	Currently limited functionality/payment options and equipment not standardised. Potential revenue budget savings of £95k.
2 =	Car Parks pay on exit machines - Soresby St.	£68k	
2 =	Car Parks pay on exit machines - Beetwell St	£74k	
5	ICT development	tbc	A programme of modernisation and replacement of infrastructure, hardware and software, will need to be undertaken to ensure that ICT effectively supports our current services, and enables us to transform to successfully deliver our Council Plan.
6	Pomegranate Roof	£135k	Part roof replacement and increasing the number of rainwater outlets to relieve blockages and the lack of drainage to certain parts of the roof.

8.6 In addition to the above growth requests there were number where the SLT recommended deferring a decision, including:

- Open Market reconfiguration – to allow time for the financing and VAT recovery implications to be fully explored.
- Saltergate multi-storey car park improvements – grant funding is being sought from the Sheffield City Region Local Enterprise Partnership.
- Playground improvements – to be considered as part of the Parks and Open Spaces Strategy Action Plan.

8.7 Starts on schemes that are included in the Capital Programme will not be made until the Cabinet has approved the detailed business case.

9.0 RISK MANAGEMENT

9.1 The risks relating to the capital programme generally are set out in the table below. For individual capital projects the risks are considered in detail at the project appraisal stage.

Description of the Risk	Current Risk		Mitigating Action	Target Risk	
	Impact	Likelihood		Impact	Likelihood
Overspends on schemes	Medium (3)	Possible (3)	Effective planning & monitoring	Medium (3)	Unlikely (2)
Slippage on schemes	Medium (3)	Possible (3)	Regular and effective monitoring	Medium (3)	Unlikely (2)
Capital receipts – disposals delayed or unable to complete	Very High (5)	Likely (4)	Control starts on uncommitted schemes until finance in place. Include only planned disposals in resources forecast. Borrow internally from reserves or short term prudential borrowing.	High (4)	Possible (3)
Reductions in Government Grants	High (4)	Possible (3)	Other external funding opportunities. Asset Management Plan to generate capital receipts.	Medium (3)	Possible (3)
Contractor failure	Medium (3)	Unlikely (2)	Financial tests. Performance bonds.	Low (2)	Unlikely (2)
Lack of capacity to deliver a number of major schemes at the same time	High (4)	Likely (4)	Carefully manage the number of projects and hence risks in play at any one time.	Med (3)	Unlikely (2)
Exempt VAT recovery – a number of current	V. High (5)	Possible (3)	Starts on schemes delayed until	V. High (5)	Unlikely (2)

<p>schemes have exempt VAT implications. The cumulative impact could cause the Council to exceed its exempt VAT recovery threshold and then be unable to recover <u>any</u> exempt VAT in that year.</p>			<p>VAT issues resolved.</p> <p>In-year monitoring.</p> <p>VAT planning for a number of years ahead.</p> <p>Obtaining expert external advice.</p>		
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10.0 EQUALITIES

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

11.0 ALTERNATIVE OPTIONS TO BE CONSIDERED

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

12.0 RECOMMENDATIONS

That the Cabinet recommends to the full Council that:

12.1 The Capital Strategy be approved (**Appendix A**).

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

12.3 The new schemes in para. 8.4 are added to the Capital Programme.

12.4 The prioritised list of “waiting list” schemes be approved (para 8.5).

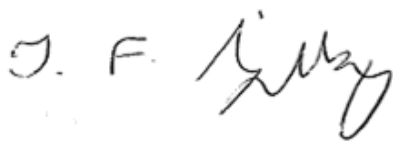
13.0 REASONS FOR RECOMMENDATIONS

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

**BARRY DAWSON
CHIEF FINANCE OFFICER**

You can get more information about this report from Barry Dawson Tel: 345451.

Officer recommendation supported.

A handwritten signature in black ink, appearing to read 'J. F. Dawson', is written over the printed name 'J. F. Dawson'.

Signed:

Cabinet Member

Date: 16 February, 2016

CAPITAL STRATEGY (2016/17)

Introduction

The Capital Strategy provides the framework which governs how the Council manages its capital expenditure programmes. The Council maintains two Capital Programmes one for the General Fund and one for the Housing Revenue Account which, although they are accounted for separately, are both subject to the arrangements outlined in this strategy.

Purpose and Objectives

The purpose of the Strategy is to ensure that capital investment contributes to delivering the Council's strategic priorities.

The objectives of the Strategy are to ensure that:

- Capital expenditure supports a defined priority of the Council;
- The Capital Programme is realistic, affordable and well managed;
- Any on-going revenue cost implications are identified and incorporated into the Medium Term Financial Plan;
- Wherever possible, capital expenditure is focussed on areas that yield on-going revenue savings and efficiencies;
- Strategic procurement is used to achieve value for money.

Policy and Financial Framework

The Capital Strategy is one of a suite of plans and strategies that fit within the financial framework. It is closely linked to the:

- Corporate Plan – which defines the strategic priorities
- Medium Term Financial Plan – affordability in revenue terms
- Asset Management Plan – asset disposal, retention and improvement options.
- Housing Revenue Account Business Plan – the investment in existing stock to meet the required standard and in new builds.

Financing Capital Expenditure

Funding for capital expenditure can be from:

- Capital Receipts – from the sale of surplus or under-performing assets.
- Grants and Contributions – from external bodies.

- Prudential Borrowing – where a business case shows that the borrowing is affordable, sustainable and prudent or as short term financing to cover delays in securing capital receipts. To minimise the revenue budget implications of prudential borrowing, it should be repaid as soon as possible from the revenue savings generated, other revenue provision or from future capital receipts.
- Councils' own resources – contributions from revenue or the use of reserves.

Prioritisation

The financing resources are scarce and face competing demands. Bids for capital expenditure are, therefore, subject to a rigorous evaluation process to ensure that the available resources are focused on the statutory and strategic priorities. Bids are first considered by the Senior Management Team before being put before the Council for final approval. The criteria used in the appraisal process include:

- Links to the corporate and service priorities.
- The affordability in capital terms – the level of funding required and the availability of external grants or contributions.
- The affordability of the scheme in revenue budget terms over the longer term (i.e. whole life costs)
- The opportunity to invest capital in order to produce revenue budget savings (income or cost savings).
- The risks and opportunities associated with the scheme.

Management

Each year the full Council approves the Capital Programmes covering the medium term. Progress is monitored throughout the year by Officers and regular updates provided for Members (Financial Planning Group, Cabinet and full Council). Post-completion reviews are to be undertaken for all major schemes to ensure that the original objectives are met and to ensure that any lessons are learnt are shared.

Conclusion

The Capital Strategy provides a framework for managing capital investment throughout the Council and is designed to ensure that the scarce capital resources are used in the most effective way. The strategy is reviewed annually.

GENERAL FUND CAPITAL PROGRAMME

Code	CAPITAL EXPENDITURE	2015/16			16/17 Budget £'000	17/18 Budget £'000	18/19 Budget £'000
		Original £'000	Revised £'000	Variance £'000			
	General Fund:						
8885	Hollis Lane Flood Resilience Work		23	23			
8907	Brampton Flood Resilience Work	300	80	(220)	240		
2750	IT Strategy (from ICT Reserve)	146	64	(82)	13	0	0
8445	Vehicles & Plant (V&P Reserve)	1,295	710	(585)	183	141	170
8295	Home Repairs Assistance	200	275	75	275	275	275
8292	Disabled Facilities Grants	650	650	0	650	650	650
8857	RSL Financial Assistance: Waterside / Frecheville St	283	283	0			
8925	Staveley King George V Bowls Pavilion		6	6			
8929	Inkerman Park Footpath		3	3			
8868	Market Hall Refurbishment		39	39			
8870	Eastwood Park Restoration Scheme		1	1			
8906	Venues Refurbishment		12	12			
	Erin Road Pumping Station		50	50			
	Car Parks - Replacement of Ticket Machines	270		(270)	173		
	Building Maintenance - Replacement IT System		126	126			
	Net Call	50		(50)			
	Inkersall Green	20		(20)			
	Council House	1,721		(1,721)			
	Waterside	2,400	2,400	0			
8911	Eastwood Park Sports Pavillion		14	14			
8912	Queen's Park Sports Centre - New Build	6,676	6,071	(605)			
8912	Queen's Park Sports Centre - Demolition of Old Centre		92	92	92		
	Town Hall Alterations (GPGS)	530	29	(501)	406	145	
8938	Replacement of Winding Wheel Boilers		110	110			
8941	Dunston Innovation Centre PV Panels		55	55			
8930	Improvements to Whitebank Close Sportsground		13	13			
8928	CBC Innovation Centres ICT Upgrade	137		(137)	192		
		14,678	11,106	(3,572)	2,224	1,211	1,095
8930	Improvements to Whitebank Close Sportsground (Rev)		19	19			
8928	CBC Innovation Centres ICT Upgrade (Rev)				81		
		14,678	11,125	(3,553)	2,305	1,211	1,095

CAPITAL FINANCING							
	Prud Borrowing: QPSC New Build	2,164	1,499	(665)			
	Prud Borrowing: Council House	1,171		(1,171)			
	Loan - Waterside	2,400	2,400	0			
	Repay Cnl Hse borrowing	(1,171)		1,171			
	Cap Rects - Council Hse	550		(550)			
	Grants & Contributions - see below	4,798	5,592	794	960	660	660
	Capital Receipts	5,042	287	(4,755)	1,779	7,283	8,758
	ICT Reserve	146	64	(82)	13	0	0
	Vehicle & Plant Reserve	1,295	710	(585)	183	141	170
	Vehicle & Plant Reserve (Parking Equipment)	144		(144)	47		
	Vehicle & Plant Reserve (QPSC New Build)	150	145	(5)			
	Property Repairs Reserve (Replacement of Winding Boilers)		110	110			
	Property Repairs Reserve (DIC PV Panels)	50	55	5			
	TPIC Property Repairs Reserve (Cap)			0	70		
	TPIC Property Repairs Reserve (Rev)			0	30		
	Home Repairs Reserve		75	75	75	75	75
	Service Imp Res - Innov Ctrs ICT cap	87		(87)	122		
	Service Imp Res - Innov Ctrs ICT rev			0	51		
	Service Imp Res - Car Parks ticket machines	15		(15)	15		
	Invest to Save Res - Venues refurb		12	12			
	Invest to Save Res - Car Parks ticket machines	111		(111)	111		
	Invest to Save Res - Netcall	50		(50)			
	DSO/DLO Reserve (Repl. IT System)		126	126			
	Budget Risk Reserve (Erin Road Pumping Station)		50	50			
	Repay prud borrowing: QPSC New Build			0	(152)	(5,935)	
	Repay temp prud borrowing: Ex-Fire Station Site	(544)		544	(536)		
	Repay temp prud borrowing: Market Hall Refurbishment	(618)		618	(463)		
	Total resources available in year	15,840	11,125	(4,715)	2,305	2,224	9,663
	Less total expenditure in year	14,678	11,125	(3,553)	2,305	1,211	1,095

Net in-year surplus / (deficit)	1,162	0	(1,162)	0	1,013	8,568
Surplus / (deficit) b/f from prev yr				0	0	1,013
Cum surplus / (deficit) c/f	1,162	0	(1,162)	0	1,013	9,581

CAPITAL GRANTS ETC (Accruals Basis)						
S106: Whitebank Close Sportsground (Cap)		13	13			
S106: RSL Financial Assistance		237	237			
S106 Inkersall Green	20		(20)			
New Homes Bonus	63		(63)			
Inkerman Park Footpath - Biffaward		24	24			
Flood Relief Grant - CLG	45	8	(37)	45		
Flood Risk Management Grant - EA	255	87	(168)	195		
C'field College - QPSC New Build	2,500	2,500	0			
Disabled Facilities Grants (CLG / Derbys PCT)	650	650	0	650	650	650
Home Repairs Assistance Grants (FILT / SSE)		10	10	10	10	10
Eastwood Park - HLF		2	2			
Venues Refurbishment - Arts Council		25	25			
QPSC New Build - English Squash	25	25	0			
Staveley King George V Bowls Pavilion - Sport England		52	52			
QPSC New Build - Sport England	1,240	1,940	700	60		
	4,798	5,573	775	960	660	660
S106: Whitebank Close Sportsground (Rev)		19	19			
Grants Total	4,798	5,592	794	960	660	660

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FOR PUBLICATION

APPROVAL OF CHESTERFIELD BOROUGH COUNCIL'S COUNCIL PLAN 2016/17 UPDATE (JO40)

MEETING:	1. COUNCIL 2. CABINET 3. DEPUTY LEADER
DATE:	1. 25 FEBRUARY 2016 2. 23 FEBRUARY 2016 3. 15 FEBRUARY 2016
REPORT BY:	CORPORATE MANAGEMENT TEAM
WARD:	ALL
COMMUNITY ASSEMBLY:	ALL
KEY DECISION NO.	606

FOR PUBLICATION

BACKGROUND PAPERS FOR PUBLIC REPORTS: Council Plan 2015 – 2019

1.0 PURPOSE OF REPORT

1.1 To present for approval the Council Plan 2015-2019, updated for 2016/17.

2.0 RECOMMENDATIONS

That Cabinet recommends to Full Council that;

2.1 The Council Plan is approved as the Council's strategic framework.

2.2 The Deputy Leader is delegated to approve any minor drafting changes that may be required in order to improve the readability of the plan.

3.0 **BACKGROUND**

- 3.1 In 2015/16 the Council moved from the production of a one year plan to a four year strategic Council Plan following a recommendation from the Local Government Association's peer challenge in late 2013. A four year Council Plan is one element of the Council's response to this which, along with a revised medium term financial plan and strengthened transformation programme, is enabling the Council to plan effectively for the financial and policy challenges it faces.
- 3.2 The plan defines the Council's key priorities and aims, based on those identified by Executive Members and officers and taking account of a wide range of evidence. The plan is aimed at providing focus, setting out priorities that will require collected corporate effort during the period. It is not an attempt to describe every service that the Council will provide; this will be covered by service plans on an annual basis.
- 3.3 The Council Plan has been revised to show the progress made during the first year of the plan 2015/16 and to highlight the progress expected by the half way point of the plan – April 2017.

4.0 **COUNCIL PLAN EMPHASIS, STRUCTURE AND PROCESS**

- 4.1 The refreshed plan provides continuity with the 2015/16 version of the plan, maintaining the same vision, three overarching priorities, four year aims and Council values.
- 4.2 Whilst the overall framework of the plan is maintained from the previous version, the annual key objectives and half way point progress have been revised and updated. As noted above, these objectives are not intended to cover all of the activity that will be delivered by the Council during this period. Rather, they provide focus and ambition that will shape how the Council uses its financial and staff resources effectively in priority activity areas.
- 4.3 Wherever possible, the measures and milestones included in the plan are those over which the Council has a significant amount of control, although it is recognised that delivery will remain dependent on working closely with partners as well as the wider economic and policy context.
- 4.4 As well as setting out priorities, the plan also includes the context within which Council services will be delivered and recent key achievements.
- 4.5 The revised plan has been produced through a series of discussions and workshops with Executive Members, Scrutiny Chairs and officers from the Corporate Management Team. Draft priorities were also shared with a

wider group of service managers and made available for discussions at team meetings. A draft version has been shared with representatives from the recognised Trade Unions. Although the plan has been produced within a tight timeframe, there will be further opportunities for engagement with staff and partners as more detailed planning takes place for delivery of the corporate priorities, particularly through service planning. A final check of the plan for consistency and readability will be carried out before it is disseminated.

- 4.6 The plan will be made available on-line through the website, although it may be necessary to produce a small number of print copies. A short summary version of the plan will be produced for dissemination among the public and partners. This will focus on a much briefer outline of the priorities together with the key achievements and values of the Council.
- 4.7 Subject to budget availability, the contents of the plan will also be promoted through other means, including digital, video and graphical. This will increase community engagement with the Council and its priorities.

5.0 **MONITORING AND REVIEW ARRANGEMENTS**

- 5.1 Following approval of the revised Council Plan, service managers will produce service plans for their areas. These will provide more detail on how each service will contribute to the relevant corporate priorities, together with the other activities that form the core functions of each service area. These service plans will provide the framework for setting the objectives for individual teams and members of staff for the coming year (2016/17).
- 5.2 During 2015/16 a Council wide performance management framework was approved for implementation during 2015/16 and 2016/17. The new framework is establishing a simple but effective process for reviewing performance against the Council Plan and service plans on a regular basis. It provides support and challenge to service managers and inform decision making if action is required to keep performance on track. The revised arrangements maintain and strengthen the 'golden thread', with all members of staff being set objectives that contribute to their service plans, which in turn drive delivery of the Council Plan priorities.

6.0 RISK MANAGEMENT

Risks	Impact	Likelihood	Mitigating Action	Residual Impact	Residual Likelihood
Failure to make sufficient progress on plan delivery	H	M	Priorities, aims and projects are challenging but realistic. They provide a focus for the use of resources during the period	M	L
Failure to complete projects on time/budget/to quality standards.	H	M	Performance management approach partially developed and further progress planned to ensure proper attention paid to progress on projects and to drive action where necessary to bring progress back on track	H	L
Core services unable to identify contribution to the corporate priorities	M	M	Service plans will be used to make the link between the contribution of teams and individual members of staff, and the corporate plan	L	L
Failure to resource priorities in the plan	M	M	Specific commitments have been accounted for in 16/17 budgets. Delivery of 4 year targets will be kept under review as part of the medium term financial plan; plan will be used to focus the use of staff resources	M	L

7.0 EQUALITIES

7.1 Equality, diversity and social inclusion have been key considerations during the development of the plan and our values. As programmes and projects are developed to deliver our vision and priorities the appropriate level of equality analysis and community engagement will be undertaken. Overall the plan is considered to have a positive equality impact contributing to reducing health inequalities and financial exclusion which are significant areas of concern within the Borough.

8.0 RECOMMENDATIONS

That Cabinet recommends to Full Council that;

8.1 The Council Plan is approved as the Council's strategic framework.

8.2 The Deputy Leader is delegated to approve any minor drafting changes that may be required in order to improve the readability of the plan.

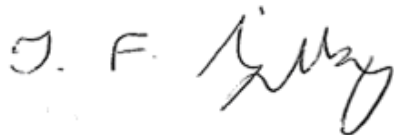
9.0 **REASON FOR RECOMMENDATIONS**

9.1 To provide the Council with a clear statement of its strategic priorities for 2015-2019 and a framework within which decisions can be made about the allocation of resources.

CORPORATE MANAGEMENT TEAM

Further information on this matter can be obtained from Donna Reddish
(Tel: 345307).

Officer recommendation supported.



Signed:

Cabinet Member

Date: 15 February, 2016

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Chesterfield Borough Council Plan (2015-2019)

Summary

Our vision: Putting our communities first

Our priority: to make Chesterfield a thriving borough. To deliver this, we will focus on four objectives:

1. To make sure that local people benefit from growth in Chesterfield Borough
2. To continue delivering regeneration projects that will make Chesterfield Borough a better place
3. To develop our great town centre
4. To improve access to technology that meets the needs of our residents, businesses and visitors

Our priority: to improve the quality of life for local people. To deliver this, we will focus on four objectives:

5. To increase the supply and quality of housing in Chesterfield Borough to meet current and future needs
6. To increase the quality of public space for which the council has responsibility through targeted improvement programmes
7. To improve the health and well-being of people in Chesterfield Borough
8. To reduce inequality and support the more vulnerable members of our communities

Our priority: to provide value for money services. To deliver this, we will focus on a single objective:

9. To become financially self-sufficient by 2020, so we can continue to deliver the services our communities need.

Our values:

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

1. Introduction

This plan describes the priorities for Chesterfield Borough Council over the next four years. We have chosen a four year period as it gives us time to properly plan ahead, without trying to speculate about what our communities will need and expect in the distant future. It does not cover in detail everything that we do as a council (this will be covered by our service plans on an annual basis). Instead it features the activities where we will be focusing our efforts and where we want to see a real shift over those four years.

In putting the plan together, we have been guided by our simple vision:

Putting our communities first

As a council, we are here to serve and support our communities. Those communities include our residents and tenants, our businesses, our visitors, our students and our voluntary groups. It is these communities that make Chesterfield Borough a great place to live, work and visit. And it is these communities that we seek to put first as a council in all that we do.

This vision shows through in the recent work we have done on behalf of our communities, from transforming the historic Market Hall to securing five prestigious Green Flag awards for our parks, from attracting nationally recognised productions to our cultural venues to investing £52 million to achieve the Decent Homes Standard for all council homes. Our commitment to this vision has led to rising levels of resident and tenant satisfaction with our services. It is evident in the many ways in which we regularly engage with our communities about those services.

The plan should be read alongside other key plans for the borough, in particular our Local Plan: Core Strategy (2011-2031) which sets out proposals for the development and use of land in Chesterfield Borough.

2. Context

Our achievements

There is a great deal to be proud of as we look back on the work delivered by the council and its partners in the last few years. We have taken important steps to secure **the future of Chesterfield Borough**, getting the green light from the Planning Inspectorate for our Local Plan: Core Strategy which sets out how land across the borough will be used over the next 20 years. This includes a number of major regeneration schemes, such as Chesterfield Waterside and Peak Resort. We have played an active role in partnership working with other councils in order to bring additional benefits to Chesterfield Borough, for example securing the devolution of powers and funding from Whitehall as a member of the Sheffield City Region Combined Authority and the local enterprise partnership for Derbyshire and Nottinghamshire.

The council has continued to provide services that **improve the environment we live in**. Four of our parks (Queen's Park, Holmebrook Valley Park, Poolsbrook Country Park and the Crematorium Grounds) have been awarded the prestigious Green Flag Award. Standards of cleanliness have improved across the borough and many of our parks have benefitted from refurbishment and improved play facilities, including a £1.3m project at Eastwood Park. Our historic Market Hall received a £4m redevelopment and a conservation area has been established for Chatsworth Road.

By embracing growth and attracting investment to Chesterfield Borough, we have been **improving the economy and employment prospects** for our communities. £2.2m of Regional Growth Fund money has been awarded to local businesses and £100m of support provided to attract new businesses to the Markham Vale Enterprise Zone. The Destination Chesterfield partnership has put the town on the map and its 160 business champions promote Chesterfield Borough as a great place to do business.

The council has taken further steps to **provide great leisure and cultural facilities**. The new £11.25m Queen's Park Sports Centre provides high quality accessible facilities, as well as a base for Chesterfield College students. We have invested in the Pomegranate Theatre and the Winding Wheel, upgrading our cultural venues to bring larger and more varied shows to Chesterfield and attracting £495,000 in Arts Council England funding. We have seen our visitor numbers increase, with over three million a year now bringing £140 million into our economy each year.

As the landlord for almost 9,500 homes, we pride ourselves on **providing a responsive housing service**. We made a £32m investment in our housing stock to bring all our council homes up to the Decent Homes Standard. Our £3m Parkside Housing Scheme provides high quality homes for older people and new affordable housing has recently been completed at Chesterfield Waterside. The council has also invested in the Local Authority Mortgage Scheme to help local people make their first step on the property ladder.

The council has delivered these achievements despite a reduction to the funding it receives from central government. We have therefore worked hard to **become more efficient**, investing in a programme of transformation that is improving how we use our offices and depots, how our staff deliver our services and how our customers are able to access our services.

Chesterfield Borough in 2016

Every year we publish a 'State of the Borough' report, which includes a wide range of facts and figures about the borough that we use to help shape the services we provide. The latest report shows that the population of the borough has increased by 5,000 in the ten years between 2001-2011, with 3,400 more households forming in the same period. The proportion of those households that are privately renting has doubled in this time, from 6.2% to 12.4%, reflecting a national shift away from owner occupation. Our population has become more diverse and there are over 900 households with no residents for whom English is their main language.

Our State of the Borough report shows that there remain some particular **challenges** for the council and the communities it serves. The levels of skills and qualifications of our residents remain below the county and national averages. Whilst unemployment has fallen, it remains above the national average and there remain particular issues for younger people and those who are long-term unemployed. There are significant variations in the health of those in the borough, with life expectancy in the most deprived areas 10 years lower for men and 7.6 years lower for women when compared with the least deprived areas. Almost a fifth of our year 6 children are classed as obese and alcohol related hospital admissions, smoking related deaths and adult obesity remain key concerns. The borough contains a number of areas that rank among the 10% most deprived in the country and about 3,900 children live in poverty.

Looking to the future

In planning for the next four years, the council is preparing for changes that will affect us and many other councils across the country. We know that the amount of funding we receive from central government will continue to reduce, falling to almost nothing by the end of the period covered by the plan. Therefore we will need to continue to find savings, as well as looking at other ways to bring in income to fund the services we provide. We will need to work even more closely with partners, building on sharing services and joining up with others to have a greater presence and take on more powers that currently sit in Whitehall.

We know that reforms underway to the welfare system will continue to have an impact on our communities and that we will need to continue to respond through our housing and support services. We know that the population will continue to change, with an increasing proportion of older people with different expectations and service needs. We know that as technology develops, many of our residents, visitors and businesses will expect to engage with our services in different ways and will look for improved access to technology in our towns, villages and business centres.

Our plan sets out how we will be responding to these challenges and we know that doing so will also require some changes to how we work and development in the skills of our staff. Thankfully we already have a highly skilled and committed workforce and a strong record of developing our teams to ensure they provide the quality services our communities expect and deserve.

3. Our priorities: to make Chesterfield a thriving borough

Chesterfield Borough is already successful in attracting businesses and visitors, bringing income and jobs that benefit our communities. The council has played a lead role in driving growth and regeneration, working closely with the business community and partners in other public sector organisations. We have a diverse and appealing offer for those living and working here and this continues to support a strong visitor economy. However, in an increasingly competitive country and in a global economy, it is vital that Chesterfield Borough continues to thrive. We also need to keep pace with the demands and expectations of those that live, work and visit our Borough and take a long-term view of what needs to be in place to sustain growth in the future.

To deliver this priority, we have set out four key objectives where the council will focus its efforts over the next few years:

1. To make sure that local people benefit from growth in Chesterfield Borough

As we continue to attract businesses and visitors to Chesterfield Borough, it is important that local people are able to benefit from the growth. We will support new and existing businesses, and work with our partners to make sure that local people have the right skills to take the job and training opportunities that are created. As well as supporting our existing businesses to grow, we want to continue attracting new investors and encouraging new businesses to start up.

We made significant progress towards our aims during 2015/16 and have highlighted what we aim to achieve during 2016/17.

Aim	Progress during 2015/16	What we aim to achieve during 2016/17
Agree local labour clauses in 100% of new eligible major developments and fill at least half of the jobs locally where those clauses are in place	<p>Local labour clauses have been agreed in 100% of eligible major developments during 2015/16.</p> <p>We developed a local employment and skills plan to maximise job opportunities at the new Peak Resort.</p>	<p>We will have achieved labour clauses in 100% of eligible major developments during 2016/17.</p> <p>We will continue to work with Peak Resort and other developing businesses to maximise employment opportunities for local people. The development will provide 1,300 jobs when it opens, and hundreds more during the construction phase and hundreds of ongoing opportunities.</p>
Reduce the number of young people not in education, employment or training by 75%	We launched with Chesterfield College and other partners, our plans for Chesterfield to be an Apprentice Town.	We will work with Sheffield City Region to facilitate business access to apprenticeships and workforce training via the Skills Bank programme to further

	At baseline date (January 2015) there were 475 young unemployed people, a rate of 5.6% (national average 3.1%). The latest figures (October 15) put the number of young unemployed people in Chesterfield Borough at 230 or 2.7% (national 2.1%). This represents a decrease of 52%, significantly ahead of the decrease seen nationally (22%).	reduce the number of young people not in education, employment or training.
increase year on year the number of businesses in Chesterfield Borough	<p>We brought dedicated business support advisers into Chesterfield Borough as part of the Sheffield City Region and D2N2 Growth Hubs to help businesses to survive and thrive.</p> <p>In 2015 (October) there were 3190 businesses in Chesterfield. This compares to 2910 businesses in 2014, a year on year increase of 280 or 9.6%. This was ahead of the increase seen nationally which was 8.4%.</p>	We will have Implemented a growth strategy and action plan to achieve planned sustainable growth within the borough and continue to increase business numbers.

2. To continue delivering regeneration projects that will make Chesterfield Borough a better place

The council has been leading work across Chesterfield Borough to bring forward sites to create more jobs, housing and growth in the area. We will continue to drive this activity, maintaining momentum on sites where work is underway and building a pipeline of activity for the future.

We made significant progress towards our aims during 2015/16 and have highlighted what we aim to achieve during 2016/17.

Aim	Progress during 2015/16	What we aim to achieve by during 2016/17
Create 7,500 sq metres of commercial floorspace and 300 homes at Chesterfield Waterside.	<p>We put in place the canal infrastructure at Chesterfield Waterside to unlock further development.</p> <p>Pre-application discussions have been held with developers and scope agreed for 300 rented apartments, a hotel and 7,500</p>	We will have started work on the infrastructure to the first phase of Waterside Basin Square enabling the development of the Basin Square and Station Approach character areas.

	<p>sqm commercial floorspace in the Basin Square character area.</p> <p>Pre-application discussions have also been held with a potential developer for the Station Approach character area.</p>	
<p>Start on site with the regeneration of the Staveley and Rother Valley Corridor and ensure that local benefits are maximised as plans develop for the proposed HS2 maintenance depot.</p>	<p>We developed a funded delivery plan for the regeneration of the Staveley and Rother Valley Corridor.</p> <p>During the year, pre-application meetings have been held with landowners, including detailed design and masterplan reviews.</p> <p>Agreement has been secured with Derbyshire County Council regarding the transport modelling and evidence required.</p> <p>Discussions have also taken place with Derbyshire County Council regarding school provision.</p> <p>The Homes and Community Agency have been approached for support to deliver key infrastructure and engage with HS2 to scope regeneration benefits for the project.</p> <p>Confirmation of the open space/sports requirements has been secured from CBC Leisure Services.</p> <p>A project board, has been established to oversee the progress.</p>	<p>We will be implementing the delivery plan for the regeneration of the Staveley and Rother Valley Corridor. This will enable the site to be regenerated over a 10 – 15 year period. The development will include up to 2000 houses and 30,000 sqm of new employment land, a new Local Centre accessible to existing residents in the surrounding area and improvements to the River and Canal environments.</p>
<p>Increase the occupancy at the Markham Vale Enterprise Zone.</p>	<p>There have been significant achievements in increasing occupancy during 2015/16 including:</p> <ul style="list-style-type: none"> • Construction of a 100,000 sq. ft. manufacturing and distribution building with offices has been completed 	<p>Major works on opening up the northern part of Markham Vale are underway and will facilitate up to 1 million sq. ft. of development land. We will work with partners to attract new, relocating and expanding businesses.</p>

	<p>and is now operational</p> <ul style="list-style-type: none"> • A 50,000 sq. ft. factory unit is also fully operational • A 40,000 sq. ft. unit has been completed and occupied • Construction of a 479,285 sq. ft. distribution centre which includes 13,500 sq.ft of offices and also a security gatehouse, has started. The new development will create 400 new jobs when fully operational. 	
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3. To develop our great town centre

A vibrant town centre is important for the whole of the Chesterfield area, as it will drive and support our plans for growth. It brings economic benefits and rightly remains a source of pride for our residents. Recent years have shown how challenging it can be to maintain a busy and thriving town centre and it is important we continue to shift and adapt our offer, whilst preserving what is best from our proud history and tradition.

We made significant progress towards our aims during 2015/16 and have highlighted what we aim to achieve during 2016/17.

Aim	Progress during 2015/16	What we aim to achieve during 2016/17
Extend the town centre offer for our residents and visitors and increase satisfaction levels with the council's cultural venues.	<p>We adopted the revised masterplan for the town centre, setting the scene for future development.</p> <p>We have continued to develop the cultural programme at our venues including satellite broadcasts. The programming has been extremely successful and well received by repeat and new customers. In the 2015/16 over 95% of our customers were satisfied with the Pomegranate Theatre and Winding Wheel.</p>	<p>We will have developed an implementation plan for the town centre with a strong focus on town centre management.</p> <p>We will also refresh the town centre events programme to maximise footfall and ensure that Chesterfield's parking facilities meet customer expectations.</p> <p>We will be exploring alternative delivery models for cultural services to ensure quality and sustainability.</p>
Sustain town centre occupancy levels at 90% or higher and increase occupancy	We commissioned a feasibility study of Chesterfield's open market, which developed a series of options to make the market a	We will be working with the market traders and other stakeholders to agree a programme of improvement for

<p>levels at the outdoor market, reaching 90% by the end of the period.</p>	<p>more attractive location for both traders and shoppers.</p> <p>Monthly Artisan markets have been established.</p> <p>Our land and property service has been working hard to promote town centre commercial properties. Town Centre occupancy rates are currently at 92%.</p>	<p>the outdoor market to be delivered during the course of this plan.</p> <p>We will continue to promote the town centre as an excellent place for business.</p>
<p>Increase the value of the visitor economy by at least 5%, bringing in an additional £7m per annum.</p>	<p>We have worked with the Peak District Destination Management Organisation to increase visitor numbers to Chesterfield.</p> <p>We enabled a varied programme of events and festivals throughout the year, including negotiation of a new commercial five year deal with Derbyshire County Cricket Club to secure the future of the annual Chesterfield Festival of Cricket.</p>	<p>We will work private and public sector partners to develop the infrastructure to facilitate the delivery of Peak Resort. Once completed the resort will bring thousands of extra visitors to our borough, improving Chesterfield's tourism offer, with the knock-on benefits that this gives to our local shops and facilities.</p>
<p>Begin work on a mixed employment, leisure and residential scheme in the northern part of the town centre, complementing an appropriate re-use of the former Co-op building.</p>	<p>Developers have submitted a planning application for a leisure based development on Elder Way. The development is likely to include a 89 bedroom hotel on the upper floor, six family restaurants, of between 2,929 sq ft and 3,796 sq ft in size, on the ground floor and a 16,000 sq ft health and fitness area in the basement.</p>	<p>We will continue to work with private and public sector partners to secure the redevelopment of the Co-Operative building in the town centre and are assisting with securing tenants.</p>

4. To improve access to technology that meets the needs of our residents, businesses and visitors

Our expectations regarding technology have shifted massively over the last ten years. If we wish to continue attracting businesses to locate here and people to visit, it is important that our business parks and our town and district shopping centres reflect these shifting expectations. By increasing our investment in technology, we will also make sure that our residents have greater opportunities to access modern and responsive council services, and our staff are suitably equipped to provide this.

We made significant progress towards our aims during 2015/16 and have highlighted what we aim to achieve during 2016/17.

Aim	Progress during 2015/16	What we aim to achieve during 2016/17
Significantly enhance internet connectivity at key locations, including business centres and new housing schemes.	We delivered the latest digital connectivity to tenants at our innovation centres and provided wi-fi access in several council buildings.	We will continue to improve digital connectivity within our business and leisure and cultural venues to prepare for future needs and aspirations.
Create a digital hub in Chesterfield, including a wi-fi network across the town centre.	We developed a digital inclusion strategy, to increase skills, access and connectivity among our communities.	We will be developing the delivery mechanism for the priority actions from the Chesterfield Digital Strategy and associated action plans. This will facilitate town centre wifi and hubs across the Borough.
Increase user satisfaction with on-line council services year on year.	Satisfaction with the current council website fell from 51.6% in 2014 to 45.1% in 2015. The most frequent reason given for dissatisfaction was the fact the council website couldn't be viewed on mobile phones and tablets easily.	We are launching our new website which will be accessible on a variety of devices including mobile phones and tablets. The website will focus on improving user experience with significant improvements in navigation and service access.
Make all appropriate council services available on-line	During 2015/16 work has been carried out to create a new website which will enable the public to report more issues online, including providing a much better experience for people wanting to access services via smartphones and tablets. This is going live in spring 2016.	We will be switching to a new website that will provide our customers with improved access to our services. We will complete reviews of all our key transactional services to identify where it is possible, cost effective and customer focused to move services online. This will be ongoing during the remaining years of the council plan.

4. Our priorities: to improve the quality of life for local people

Satisfaction with services provided by the council is rising and many of our residents enjoy a good quality of life. We continue to provide a clean, safe and green environment and increase the range of leisure services available. More housing is being built to meet the needs of our communities and as the landlord for over a fifth of the homes in Chesterfield Borough; we have recently ensured all of those houses are of a decent standard. However, we know that our communities still look to the council to bring further improvements and to provide for people and places that do not currently enjoy the standards they need and expect.

To deliver this priority, we have set out four key objectives where the council will focus its efforts over the next few years:

1. To increase the supply and quality of housing in Chesterfield Borough to meet current and future needs

We know that access to decent housing is vital for the quality of life and well-being of communities. We will continue to work to support our existing residents and plan for future growth by providing the right housing offer across Chesterfield Borough. This needs to be housing that meets the changing pattern of the lives and aspirations of our residents, housing that is affordable and housing that will attract people coming into the new jobs created in the area.

We made significant progress towards our aims during 2015/16 and have highlighted what we aim to achieve during 2016/17.

Aim	Progress during 2015/16	What we aim to achieve during 2016/17
<p>Increase overall housing supply, bringing 1520 new homes into Chesterfield Borough, of which up to 30% on appropriate sites will be affordable.</p>	<p>Planning applications for new housing have increased during 2015/16, although they have not yet returned to pre-recession levels.</p> <p>Affordable housing delivery continues to be problematic due to low sales values impacting on viability and uncertainty arising from proposed measures in the Housing and Planning Bill.</p> <p>The council has worked with Kier Asset Management on masterplans/planning briefs for the disposal of sites at Linacre and Ashgate Road for 300 plus new homes and engaged in pre-application discussions for sites amounting to over 2000 new dwellings.</p>	<p>We will publish a new Local Plan for growth in the Borough.</p> <p>We will launch the Community Infrastructure Levy to help meet the infrastructure needs and priorities necessary for the sustainable development of Chesterfield.</p> <p>Preparation of a new Local Plan which will include a revised housing target is advancing, with a draft plan expected in summer 2016.</p> <p>An Affordable Housing Supplementary Planning Document will be produced in 2016 to simplify the mechanisms for securing new affordable housing.</p>

<p>Begin directly building new housing by making use of surplus council land.</p>	<p>We procured consultancy advice on the setting up of a company to enable the Council to build houses for sale and rent. Discussions have also taken place with the Homes and Communities Agency on different models and approaches.</p>	<p>We will agree a strategic approach to allow the Council to build its own housing for sale and rent and developed a plan for site delivery.</p>
<p>Maintain the quality of homes across all tenures and maximise further investment in home energy improvements to deliver affordable warmth for our residents.</p>	<p>We have invested £32 million in our council housing stock, maintaining the Decent Homes Standard in all properties. This has included over £7 million on home energy improvements including, external wall, loft and cavity wall insulation and new heating systems.</p> <p>We completed and fully let the new supported housing scheme at Parkside.</p> <p>In the private sector we have delivered £200,000 of assistance to vulnerable homeowners to carry out essential repairs to their home by providing them with an interest free loan.</p>	<p>We will be investing a further £29million in our Council Housing Stock to ensure that it continues to meet the Decent Homes Standard and delivers affordable warmth for our tenants.</p> <p>We will have delivered a further £200,000 of assistance to vulnerable homeowners through the provision of an interest free loan</p>
<p>Improve the quality and management of privately owned properties through investigation, assistance and active regulation where necessary.</p>	<p>We have responded to the release of new legislation relating to the licensing of private landlords and private properties with a view to making changes to existing and implementing new policies and procedures in 2016/17. In addition we have carried out an initial assessment of the number of long term empty properties within the Borough and prioritised them for appropriate action.</p>	<p>We will introduce a new affordable warmth strategy reflecting and strengthening partnership working with local authority energy partnership, health and social care and private property owners and voluntary organisations.</p> <p>We will complete an option appraisal and make recommendations to members with regard to the possible implementation of selective licensing.</p> <p>We will introduce a new Empty Homes Strategy – reflecting new legislative opportunities and in view of financial incentives currently available from central</p>

		<p>government.</p> <p>We will review our Private Sector Housing Strategy in light of recent changes in enforcement legislation and changes to benefits regulation and social care legislation.</p>
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2. To increase the quality of public space for which the council has responsibility through targeted improvement programmes

The council is able to make a significant difference to the quality of people's lives through the way it maintains and improves the estates, buildings and open spaces it owns and manages. Working with communities, it will continue to deliver a rolling programme of improvements that make places across the borough cleaner, safer and greener. We will do this by investing our own resources and attracting additional funding, as well as looking for alternative uses and/or owners for those assets and spaces that are no longer serving communities well.

We made significant progress towards our aims during 2015/16 and have highlighted what we aim to achieve during 2016/17.

Aim	Progress during 2015/16	What we aim to achieve during 2016/17
Deliver the estate regeneration programmes at Barrow Hill.	The detailed design work for the Barrow Hill environmental improvements has been completed and a planning application submitted. The works are due to start onsite in spring 2016.	We will have made extensive progress on delivering estate regeneration programme at Barrow Hill and explored options for investment in other areas.
Improve resident satisfaction with our parks and open spaces.	<p>We opened the new £350,000 sports pavilion at Eastwood Park.</p> <p>We refurbished childrens' play areas at Circular Road, Belmont Drive, Spital Lane, Edinburgh Road and Harehill Road.</p> <p>We developed a masterplan for King George V park and supported the King George V Bowls Club with a successful external funding bid to fund floodlighting, green side shelters and a roof for their new pavilion.</p>	<p>We will have developed and submitted a funding bid to the BIG Lottery for King George V Playing Fields.</p> <p>We will be seeking funding to implement the Stand Road Bowls Pavilion project and for a children's play area at Langer Lane.</p> <p>We will have adopted a masterplan for improving Staveley Memorial Gardens.</p>

	<p>We supported Stand Road Bowls Club with a funding bid to Sport England for a new pavilion.</p> <p>Spring bulbs were planted with the community across a range of sites including 14,000 daffodils on the Holme Hall estate.</p>	<p>The parks improvement programme will continue with a refurbished Thirlmere Road Play area and the development of plans for improvements in Hollingwood.</p>
<p>Increase tenant satisfaction with their neighbourhood as a place to live to 85% or above.</p>	<p>The vast majority of our tenants (82%) are extremely satisfied with their neighbourhood as a place to live.</p> <p>Our extensive improvement housing programme has helped us to achieve extremely high satisfaction rates for our services as a landlord (88%).</p>	<p>We will continue with our extensive housing improvement programme, improve tenant engagement and progress the environmental improvement scheme at Barrow Hill.</p>
<p>Increase the number of Green Flag awards for our parks to 6</p>	<p>We currently have five parks and open spaces with Green flag awards – Queen’s Park, Eastwood Park, Holmebrook Valley Park, Poolsbrook Country Park and the Crematorium grounds.</p>	<p>We aim to retain the five Green Flags for Queen’s Park, Eastwood Park, Holmebrook Valley Park, Poolsbrook Country Park and the Crematorium.</p> <p>In the next 12 months we will complete a Management Plan as the first step to enable Stand Road Park to achieve Green Flag status by 2020.</p>
<p>Invest in improvements at a further 5 parks and children’s play areas in a rolling programme, funded by releasing assets that no longer serve communities well.</p>	<p>Improvements have been made to Circular Road play area. Work has been undertaken to prioritise other schemes.</p>	<p>We will continue to identify parks where improvements are required and where there is potential to release assets to fund improvements. We are also working with Friends Groups to develop plans and consider alternative funding sources.</p>

3. To improve the health and well-being of people in Chesterfield Borough

The life expectancy of Chesterfield Borough residents varies significantly between areas, being 10 years lower for men and almost 8 years lower for women in the most deprived areas

compared to the least deprived. We will continue to work with our partners to improve all aspects of health, especially those such as obesity, alcohol abuse and self-harm, where our residents are currently less healthy than the national average. We know that a whole range of factors have an impact on people's health and the objectives we have set to bring additional jobs and better housing will lead to health improvements. As a council, we can also focus on increasing participation in leisure activities through the services we provide and working closely with partners who provide a wider range of services to tackle some of the underlying reasons for poor health.

We made significant progress towards our aims during 2015/16 and have highlighted what we aim to achieve during 2016/17.

Aim	Progress during 2015/16	What we aim to achieve during 2016/17
<p>Increase participation in sport and physical activity at facilities provided by the council and promote healthy lifestyles via the Active Derbyshire partnership.</p>	<p>We opened the new £11.25m Queen's Park Sports Centre and have increased membership rates to over ? across our two leisure centres.</p> <p>We provided a new outdoor gym at Langerfield.</p> <p>We supported a range of high profile sporting events including the Chesterfield Marathon as well as supporting neighbourhood level activities such as walking for health groups and targeted exercise groups.</p>	<p>We will be developing a Health and Well-being strategy and action plan that focuses on community level initiatives and improvements.</p>
<p>Increase the use of our parks and open spaces by delivering a varied programme of events and increasing participation in voluntary activities by 5% each year.</p>	<p>Our varied events programme has been extremely popular during 2015/16. The programme includes a variety of activities for children and families, volunteering opportunities, concerts, walking and jogging groups etc. Over 20,000 people attended events and activities at Queen's Park and over 9,000 at Eastwood Park.</p>	<p>We will have organised and promoted a wide range of events and activities at our parks with opportunities for the whole community.</p> <p>We will have developed plans for an off-road Mountain Bike centre at Pools Brook Country Park to increase park usage for this activity.</p>
<p>Work with our partners to reduce the gap in health outcomes between the most and least deprived parts of the</p>	<p>We have worked in partnership to establish a Chesterfield Health and Wellbeing partnership and developed a locality plan to improve health outcomes for our communities.</p>	<p>We will work with our partners to deliver the Chesterfield Health and Wellbeing Locality Plan and launch the Healthy Workplaces initiative at Chesterfield Borough Council.</p>

borough, as measured through the annual health profile.	In 2015/16 we became a member of the Healthy Communities network and will be working with authorities across the UK to tackle health inequalities.	We will be developing the evidence base and process for designating a Public Space Protection Order for Chesterfield Town Centre to reduce problem drinking and the use of psychoactive substances.
Build capacity in our communities to allow groups to take on the management of facilities currently run by the council.	During 2015/16 with partner agencies we have run a number of training courses to advise and assist groups to develop and strengthen their governance arrangements, to attract new members and volunteers and to attract secure funding.	We will be exploring with our communities the potential for community asset transfer for several Council assets including Hasland Village Hall and a number of community rooms.
Work with partners to develop and expand the support given to tenants and residents to enable them to live independently.	<p>A new structure for the Neighbourhoods Team was approved in July 2015 which increased the number of tenancy sustainment officers from 3 to 6. It expected that the new structure will be fully operational by April 2016.</p> <p>A new structure will be presented to Cabinet in February 2016 for the Careline and Support Service which if it is approved will increase the resources to address social isolation and raise awareness and the take-up of the services delivered for older people in the community.</p>	<p>A reduction in the number of tenancies breaking down.</p> <p>Improved tenant participation activities and events to improve service delivery and encourage further take up of services.</p>

4. To reduce inequality and support the more vulnerable members of our communities

We will build on the support that we have already provided to those members of our communities most in need and work with our partners to make sure our collective resources are used effectively to support vulnerable people across Chesterfield Borough. We will particularly address social exclusion through improving access to financial support, making sure our residents know where to go for additional help and bringing agencies together to target help where it can have most impact.

We made significant progress towards our aims during 2015/16 and have highlighted what we aim to achieve during 2016/17.

Aim	Progress during 2015/16	What we aim to achieve during 2016/17
<p>Maintain our commitment to working in partnership with community and voluntary groups in order to increase awareness, satisfaction and take-up of programmes offering financial advice and support to individuals and families.</p>	<p>We have continued to support key community and voluntary sector organisations to provide financial inclusion services. We have service level agreements in place with key advice agencies including the Citizens Advice Bureau, Derbyshire Unemployed Workers Centre and Derbyshire Law Centre. The £266,160 funding package is aimed at providing a range of community legal services, employment, sickness, debt and benefits advice.</p> <p>With a range of partners we have delivered four intensive support and advice projects in key areas – St. Helens, Grangewood, Holemehall and Middlecroft. Bespoke housing, financial, health, benefits, employment and legal advice and support has been offered within a community setting. Over 600 households have had access to this scheme during 2015/16.</p>	<p>We will be reviewing and re-prioritising our community and voluntary sector funding to ensure it continues to meet the needs of our diverse communities.</p> <p>To have reviewed our Equality, Diversity and Social Inclusion Strategy and support to reduce inequality, enhance community cohesion and ensure that factors such as deprivation and health inequalities are fully integrated into decision making processes and policy development</p> <p>We will be extending our partnership financial inclusion project into four more key areas. This will increase access to financial inclusion, health and well-being and housing advice for a further 600 households.</p>
<p>Develop a more targeted approach to the funding used by the council and its partners so that the most vulnerable people in our communities receive effective, joined-up support.</p>	<p>We have worked with key partners within the community and voluntary sector to ensure that advice services are meeting the needs of our diverse communities. This includes providing 27.5 hours generalist advice services per week, 50 weeks per year with casework services including for those in greatest need. Supporting at least 3000 people with sickness, benefits and employment advice and assisted over 900 people with legal enquiries.</p> <p>We introduced an assessment process for an applicant's ability to manage and maintain a tenancy before allocating council housing and provided support to</p>	<p>We will be reviewing and re-prioritising our community and voluntary sector funding to ensure it continues to meet the needs of our diverse communities.</p> <p>We have made a commitment to pay all our staff a living wage by April 2016 and will be encouraging other employees to adopt a similar approach.</p>

	those not yet able to sustain a tenancy	
Provide and expand our homelessness support and prevention services in partnership with Bolsover and North East Derbyshire councils.	<p>Work began on the joint Homelessness Strategy. Through the Derbyshire Wide Homelessness Group.</p> <p>We provided increased support for homeless people through additional housing advice workers and a dedicated 'No Second Night Out' worker</p> <p>We worked with Action Housing on the conversion of Parkhouse Lodge at Highfield Road to provide a Platform for Life scheme. This fits with the Ambition Housing Project hosted by North East Derbyshire District Housing but which covers Chesterfield, Bolsover, North East Derbyshire and Derbyshire Dales. Ambition Housing is funded by the Department of Communities and Local Government single homelessness funding round from last year.</p>	The joint North Derbyshire Homelessness Strategy will be launched in April 2016. This will build on the partnership work already in place across the three authorities and provide a strong platform for accessing external funding for further prevention activities.

3. Our priorities: to provide value for money services

The council has a strong record in delivering good value for money services. In recent years it has been able to find the savings necessary to balance its budget, whilst still providing a wide range of services with which our communities are increasingly satisfied. It has improved the efficiency of running services and continues to operate to high standards of governance and accountability. It looks to make effective use of the assets that it owns and to develop opportunities for bringing in income in order to fund the services our communities need. However, the financial challenges are growing and we see more and more councils looking to transform into very different types of organisation. Chesterfield Borough Council also needs to change and has been looking at new approaches in response to these financial challenges.

Our focus in delivering this priority will be:

- 1. To become financially self-sufficient by 2020, so we can continue to deliver the services our communities need.**

This means that we will need to fill the gap that is left as central government funding (currently around £4.4m per year) reduces to almost zero by the end of this plan period. It is only by prioritising 'balancing the books' that we will be able to continue to serve our communities and deliver the services they need and expect from us.

To do this, we will continue to look at how we provide services more efficiently and make savings. We will develop those areas where we could generate more income from our services and assets. And we will need to consider whether the council should continue to provide all of the services it does at present, or whether some might be better provided in partnership with others. Doing these things will mean changing the nature of the council and how it works. Continuing to operate as we do now will not be sufficient given the scale of the financial challenges that face us. It will mean that we need to build on the existing skills of our staff and take some considered risks.

We made significant progress towards our aims during 2015/16 and have highlighted what we aim to achieve during 2016/17.

Aim	Progress during 2015/16	What we aim to achieve during 2016/17
<p>Ensure the council has a balanced budget each year, making up the reduction in central government grant through savings and increased income.</p>	<p>We reviewed and strengthened our Great Place: Great Service transformation programme. The business case has been completed providing re-assurance over payback periods and longer term savings (500K per annum by 2020) to contribute towards achieving a balanced budget.</p> <p>£450,000 of revenue savings have been generated during 2015/16 as a results of transformation activity outside the GPGS scope, this relates to service reviews, procurement reviews and general changes in the way we deliver our services. In addition there has been along with over £650,000 of Capital income from the sale of buildings which has been enabled by transformational activity.</p> <p>We undertook a range of challenge sessions with our services to identify further areas for efficiency, savings and maximising income.</p> <p>All of this activity enabled us to</p>	<p>We will complete the Town Hall restack which includes freeing up space within the town hall for income generation.</p> <p>We will have developed a new operating model for the council so that we are prepared to meet future challenges.</p> <p>Developing a project management office which will increase the effectiveness and co-ordination of project management and allow us to prioritise resources for maximum benefit.</p> <p>Achieve a balanced budget for 2016/17 and a revised four year plan for financial stability.</p>

	balance the budget for 2015/16 and develop a four year plan.	
Develop a five year plan for the use our surplus land assets, investing in opportunities that will bring sustained revenue to the council to use for delivering services.	The Corporate Asset Management plan has been revised to ensure sustainability and maximum benefit for the Council and our communities.	We will be commenced delivery of a revised Asset Management plan, ensuring efficient and effective use of resources to improve income generation.
Take a more commercial approach where appropriate, including developing new services and selling existing services to new customers.	A Trading Board has been established and governance arrangements drafted to allow for adequate planning and scrutiny of all potential trading activity being developed during the life of this plan and beyond.	Increased commercial trading to secure a profit to reinvest in council services.
Improve the technology that supports our service delivery and increase the skills and capacity of our staff to work in a more commercial manner.	<p>Flexible working laptops issued to 110 staff during 2015/16 to enable agile working.</p> <p>The new Council Intranet has been launched to improve internal communication and collaborative working.</p> <p>We rolled out on-line bookings for our cultural and leisure facilities to maximise income generation opportunities.</p> <p>A new Housing system went live in 2015/2016 which has improved the way that housing repairs are managed and jobs are allocated between different teams. A mobile app allows staff to work in an agile way by receiving jobs on a tablet and updating data on the move.</p>	<p>Our agile working activity will continue with tablet/laptop devices being trailed in key frontline services. This will reduce processing time and travel so more time can be spent on service delivery.</p> <p>The council website will be improved to make it easier for residents and businesses to report issues, carry out transactions and to find relevant information they need about our services or the area.</p> <p>The crematorium will launch a new online booking system for funeral directors, which will improve service access and free up staff time for improved service delivery.</p> <p>Planning service improvements via the council's website will allow residents, developers and consultees to submit information online. The system integrates</p>

		with the council's existing planning system and provides document management features that allow the whole life cycle of a planning application to be managed in a seamless way. An enterprise dashboard will also be included in the roll-out, which allows the council's planning officers to allocate work easily within the team, improving the way that case work is managed. The dashboard also provides a sophisticated reporting function so that useful management data can be extracted for analysis.
Increase the % of citizens who feel we provide value for money services.	Despite extreme financial challenges being faced by the Council. We continue to ensure our services meet the needs of our communities and offer value for money. The latest resident satisfaction information (Are You Being Served Survey 2015) indicates that residents believing the Council provides value for money has increased from 55% to 60% since the last survey in 2013. Satisfaction with the Council overall is extremely high at 77%.	<p>We will continue to review our services to ensure that they continue to meet the needs of our communities and offer good value for money.</p> <p>We are launching our new website which will be accessible on a variety of devices including mobile phones and tablets. The website will focus on improving user experience with significant improvements in navigation and service access.</p>

How we will work

The council has four values that describe how we want to work to achieve our vision.

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

We take a **can do** approach: striving to make a difference by adopting a positive attitude. Our staff come up with and deliver solutions to problems and regularly go the extra mile to ensure our communities are well served. We take a 'public sector first' approach to service delivery, believing in the benefits to our communities that come from a public service ethos. We contribute actively to partnerships with other organisations within Chesterfield Borough and

beyond our boundaries. We manage our suppliers and contractors fairly but robustly to make sure we are getting the best from the public money we spend.

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

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

Our annual employee survey provides a valuable source of feedback on how well we are doing in light of these values. We are committed to taking action in response to the survey each year, working with our staff to improve satisfaction scores and increase employee engagement.

Get in touch

Whether you are a member of staff, a resident, work in a local business or for one of our partner organisations, we welcome your views about this plan. You may want to contribute to its delivery, find out more about what we do or suggest activities that you feel are missing.

If so, please contact us at:

Visit us in person

Customer Service Centre
85 New Square
Chesterfield S40 1SN

Opening hours

8.30am to 5pm on Monday, Tuesday and Thursday
10am to 5pm on Wednesday
8.30am to 4.30pm on Friday
9am to midday on Saturdays for payments only

Call us

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

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FOR PUBLICATION

FEES AND CHARGES

OUTDOOR SPORT and RECREATION 2016 – 2017 (E000)

MEETINGS:	1. CABINET 2. CABINET MEMBER FOR HEALTH & WELLBEING
DATES:	1. 23 FEBRUARY, 2016 2. 11 FEBRUARY, 2016
REPORT BY:	INTERIM ENVIRONMENTAL SERVICES MANAGER
WARD:	ALL
ASSEMBLIES:	ALL
KEY DECISION NO:	557

FOR PUBLICATION

BACKGROUND PAPERS:

1.0 PURPOSE OF REPORT

1.1 To set the Council's fees and charges for Outdoor Sport and Recreation with effect from 1 April 2016.

2.0 RECOMMENDATIONS

2.1 That the charges set out in Appendix A are approved and introduced for the financial year 2016/17.

2.2 That the Interim Environmental Services Manager, in consultation with the Executive Member be authorised to revise the approved Fees and Charges where threats to income generation emerge and/or opportunities to raise additional

income arise, which are in line with the Council's general principles for charging.

3.0 BACKGROUND

- 3.1 The report reflects the Council's adopted general guidelines on charging for services. The report also reflects the Council's ongoing need for financial efficiencies for service sustainability.
- 3.2 The demand for our services has held up generally well against the national and local economic difficulties. The Council remains committed to providing value for money services.
- 3.3 Chesterfield Borough is the second most deprived area in Derbyshire and the Council provides a variety of facilities and services that contribute to promoting positive and healthy lifestyles and improving the quality of life for residents.
- 3.4 From time to time event organisers wish to make a major booking and there needs to be the flexibility to vary rates to be competitive and to attract bookings that will increase income to the Council.

4.0 ISSUES FOR CONSIDERATION

- 4.1 Setting the annual fees and charges for Sport and Outdoor Recreation is a careful balancing act and proposals have taken into account:
 - The need to raise income to help the Council to achieve a balanced budget to deliver on its annual and long-term priorities, and to improve the quality of its services.
 - The level of fees and charges levied by neighbouring local authorities.
 - The ability of all of our customers to pay against the current economic downturn and the demand for facilities.
 - The need to address health inequalities in our communities and to encourage young people in sporting activities.

- 4.2 For Bowling, a higher than average increase is proposed again this year for Clubs, reflecting the relatively high cost of service provision and with view to reducing the level of subsidy.
- 4.3 A higher than average increase is also proposed for pitch use by Chesterfield Cricket Club to reflect the high standard of pitch maintenance and with a view to reducing subsidy.
- 4.4 It should be noted that we are actively seeking to secure lease agreements, where possible, with sports clubs such as Chesterfield Cricket Club.
- 4.5 A key area of income is from football. Benchmarking with neighbouring authorities has been taken into account in the process of developing the proposed fees and charges. This information is attached at Appendix B. An average increase of around 3% is proposed which takes account of our relatively high charges compared to neighbours.

5.0 Equalities Impact Assessment (EIA)

- 5.1 A preliminary Equality Impact Assessment has been undertaken with no disproportionate negative impacts being identified for the protected characteristics and this attached at Appendix C.

6.0 Risk Management

- 6.1 Previous fees and charges reports have recognised that the country is facing a prolonged period of economic downturn and recession. This position is improving slowly and over the past financial year the general demand for our services is consistent with previous years.
- 6.2 There is concern that any significant increase in charges could have a negative impact on usage and therefore any increase needs to be consistent, competitive and market sensitive.
- 6.3 The key risks are identified below.

Description of the Risk	Current Risk		Mitigating Action	Target Risk	
	Impact	Likelihood		Impact	Likelihood
Affordability to customers	High (4)	Possible (3)	Benchmarking Appropriate levels of charging	Medium (3)	Unlikely (2)

Competition	High (4)	Possible (3)	Benchmarking Provision of a good service at the right price	Medium (3)	Possible (3)
Failure to implement recommended increase in charges	Unlikely (2)	Unlikely (2)	Early implementation of charges	Unlikely (2)	Unlikely (2)
Failure to achieve forecast level of income	Medium (3)	Possible (3)	Effective marketing of the service Good communication with customers Monitoring of budgets	Low (2)	Possible (2)

7.0 **Financial Considerations**

7.1 In preparing the report, the suggested 3% increase of fees and charges for –2016-17 has been borne in mind. However consideration has been given to the current economic climate, market forces, competition, and the customer’s ability to pay. With these in mind and having regard to the ongoing financial performance challenges, it is felt that any increase in fees and charges should be no more than those proposed.

8.0 **ALTERNATIVE OPTIONS**

8.1 Smaller Increases

The increases recommended are in accordance with The Council’s Budget Strategy. Given the Council’s financial position it is important to at least maintain trading account profitability and if possible improve it.

8.2 Larger Increases

Larger increases than those recommended are likely to have a negative impact on the Council’s share of the local

recreation market, trading account profitability and local teams.

8.0 RECOMMENDATIONS

- 8.1 That the charges set out in Appendix A are approved and introduced for the financial year 2016-17
- 8.2 That the Interim Environmental Services Manager, in consultation with the Executive Member be authorised to revise the approved Fees and Charges where threats to income generation emerge and/or opportunities to raise additional income arise, which are in line with the Council's general principles for charging.


9.0 REASON FOR RECOMMENDATIONS

- 9.1 To set the Council's fees and charges for Outdoor Sport and Recreation with effect from 1 April 2016.
- 9.2 To contribute to improving the Council's overall financial position and reduce the overall cost of recreation provision by the Council.

Further information on this report can be obtained from Andy Pashley on Tel: 345099

ANGELA DUNN
INTERIM ENVIRONMENTAL SERVICES MANAGER

Officer recommendation supported.

Signed: 

Cabinet Member

Date: 11 February, 2016

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APPENDIX A OUTDOOR SPORT & RECREATION FEES & CHARGES

	<u>Current Rate</u>	<u>Proposed 2016/17</u>	<u>Increase</u>	
	£	£	%	
<u>BOWLING</u>				
Casual - Adult per hour	£3.70	£3.80	3%	
Casual - Concessionalry per hour	£2.95	£3.05	3%	
Hire of Green Exclusive Use per day (Including Pavilion)	£71.00	£73.00	2.82%	
Club - Annual Green Fee (Including Pavilion)	£1,100.00	£1,250.00	13.64%	High level of subsidy

FOOTBALL

PITCHES (per season per team including posts & marking)

Adult - Full Size	£500.00	£515.00	3.00%	
Adult - Full Size (Holmebrook Valley Park)	£605.00	£625.00	3.31%	
Junior - Full Size	£430.00	£445.00	3.49%	
Junior - Full Size (Holmebrook Valley Park)	£520.00	£535.00	2.88%	
3/4 Pitch	£357.00	£370.00	3.64%	
3/4 Pitch (Holmebrook Valley Park)	£430.00	£445.00	3.49%	
9 v 9 Pitch	£357.00	£370.00	3.64%	
9 v 9 Pitch (Holmebrook Valley Park)	£430.00	£445.00	3.49%	
Mini-Soccer	£222.00	£230.00	3.60%	
Mini-Soccer (Holmebrook Valley Park)	£250.00	£258.00	3.20%	

CHANGING ACCOMODATION (per team per season)

Adults - Purpose built changing rooms with showers & toilets	£180.00	£186.00	3.33%
Juniors - Purpose built changing rooms with showers & toilets	N/A	£100.00	NEW
Adults - Changing rooms with hand wash basin & toilets	£112.00	£116.00	3.57%
Juniors - Changing rooms with hand wash basin & toilets	N/A	£65.00	NEW
Adults - Changing rooms with no facilities	£96.00	£99.00	3.13%
Juniors - Changing rooms with no facilities	N/A	£50.00	NEW
OCCASIONAL MATCHES			
With changing accomodation	£67.00	£69.00	3.00%
Without changing accomodation	£52.00	£54.00	3.00%

CRICKET

WICKET (per season per team)

Queens Park	£520.00	£600.00	15.40%	High level of subsidy
Brearley Park	£510.00	£525.00	2.94%	
Eastwood Park	£510.00	£525.00	2.94%	
School Use	£366.00	£377.00	3.01%	
Junior Teams	£257.00	£265.00	3.11%	

CHANGING ACCOMODATION (per team per season)

Queens Park	£158.00	£163.00	3.16%	New facility
Brearley Park	£0.00	Club owned	N/A	
Eastwood Park	£105.00	£115.00	9.52%	

OCCASIONAL MATCHES

Adults - With changing accomodation	£78.00	£81.00	3.85%
Juniors - With changing accomodation	£50.00	£52.00	4.00%

Adults - Without changing accomodation	£57.00	£59.00	3.51%
Juniors - Without changing accomodation	£0.00	£35.00	NEW

TENNIS

Adult - Casual court booking per hour	£6.90	£7.10	2.90%
Concessionary - Casual court booking per hour	£5.55	£5.72	3.06%

MINIATURE RAILWAY

Per person	£1.75	£1.80	2.86%
Family Ticket (Adult & 2 Children)	£4.30	£4.45	3.49%

BMX TRACK

Seasonal use	£495.00	£510.00	3.00%
Club Events	£210.00	£216.00	3.00%

RECREATION GROUNDS

Hire per day	£210.00	£216.00	2.86%
Catering rights per mobile unit / stall	£26.00	£27.00	3.85%

COMMUNITY ROOM HIRE (Country Parks)

Monday - Friday (up to 2 hours)	N/A	£30.00	New
Additional hourly rate	£7.95	£8.20	3.14%
Weekends & Bank Holiday		By Negotiation	

QUEENS PARK CRICKET PAVILION

Monday - Friday (up to 4 hours)	£51.00	£53.00	3.92%
Monday - Friday (all day)	£93.00	£96.00	3.23%
Additional hourly rate	£16.00	£16.50	3.13%
Weekends & Bank Holiday		By Negotiation	

POOLS BROOK COUNTRY PARK - LAUNCHING FEES

(Based on 8 canoeists plus qualified coach)

Club sessions (up to 2 hours)	£26.00	£27.00	3.85%
Club sessions (up to 4 hours)	£34.00	£35.00	2.94%
Club sessions (all day)	£65.00	£67.00	3.08%

PERMITS

Use of metal detector at designated sites per annum	£11.00	£12.00	9.09%
Commercial fitness coach at designated sites per annum	£55.00	£57.00	3.64%

EASTWOOD PARK MULTI USE GAMES AREA

Netball - per match	£16.00	£16.50	3.13%
Walking football - per session	£10.00	£10.50	5.00%

Comparison of Derbyshire Authorities' Full season charges for Football Facilities

Authority	Adult with change	Adult without change	Junior with change	Junior without change	Comment
Amber V	592	438	337	217	Charges vary according to facility rating
Bolsover	439	-	-	-	Figure includes resident discount
Chesterfield	680	500	573	393	Junior prices are averaged
Derby City	675	460	442	297	
Derbys Dales	574	-	287	-	
Erewash	549	432	324	288	
High Peak	324	-	216	-	
NED	547	380	183	127	
South Derbys	465	-	212	127	
Average	472	442	321	241	

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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: Environmental Services
Section: Green Spaces
Lead Officer: Andy Pashley

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

Fees and Charges Outdoor Sport and Recreation 2016 – 2017

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

Existing
Changed
New/Proposed

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

To set the Council's fees and charges for Outdoor Sport and Recreation with effect from 1 April 2016.

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

An annual increase in fees and charges ultimately helps to protect provision to the benefit of all users.

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

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:

There are no potentially negative impacts to any protected group.

The increases recommended are in accordance with The Council's Budget Strategy, the need to deliver sustainable services and the need to take into account the customer's ability to pay against the current economic downturn and the demand for facilities.

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FOR PUBLICATION

HOUSING REVENUE ACCOUNT – BUDGET 2015/16 TO 2020/21 (H000)

MEETING:	1. CABINET 2. CABINET MEMBER FOR HOUSING
DATE:	1. 23 FEBRUARY 2016 2. 15 FEBRUARY 2016
REPORT BY:	HOUSING SERVICE MANAGER – BUSINESS PLANNING AND STRATEGY CHIEF FINANCE OFFICER
WARD:	ALL
COMMUNITY ASSEMBLIES:	ALL
KEY DECISION REFERENCE (IF APPLICABLE):	580

FOR PUBLICATION

1.0 PURPOSE OF REPORT

- 1.1 To consider the probable outturn for the current financial year.
- 1.2 To consider the draft budget for 2016/17.

2.0 RECOMMENDATIONS

- 2.1 That the probable outturn for the current financial year be considered.
- 2.2 That the draft estimates for 2016/17 be considered.
- 2.3 That the “Growth Items” at Annexe 6 of **Appendix A** be approved.
- 2.4 That further work is undertaken to identify actions required (as highlighted at paragraph 6.6) which will return the working balance for 2017/8 onwards to acceptable levels and that the findings are reported back as part of the HRA 30 Year Business Plan Report.

3.0 **BACKGROUND**

- 3.1 The Council is required to keep a separate Account for its activities as a housing landlord. This is called the Housing Revenue Account (HRA). The HRA is closely governed by the Local Government and Housing Act 1989 and by Determinations made under this Act by DCLG.
- 3.2 As a result of the introduction of self-financing the Council is required to produce a 30 year HRA Business Plan that is financially viable, that delivers reasonable standards for tenants and maintains at least the minimum Decent Homes Standard.
- 3.3 Self-financing has, in the main, improved the financial position of the HRA. We can determine our own financial future and can also borrow to finance improvements within the constraints imposed by the Government (e.g. the £156 million debt ceiling). In essence all financial risk in respect of the HRA has been transferred to the Council from Central Government.
- 3.4 However, despite this self-financing settlement agreement, in the Government's Summer Budget on the 8 July 2015, the Chancellor of the Exchequer announced a series of proposals as part of the Welfare Reform and Work Bill and the Housing and Planning Bill that will, together with various factors including condition of the stock, timing of investment, type and duration of future loans, impact on the financial viability of the HRA Business Plan. These policies include:
- Freeze on working age benefits, including the Local Housing Allowances for 4 years from 2016/17.
 - Removal of automatic entitlement to housing support for new claims in Universal Credit from 18-21 year olds who are out of work, from April 2017.
 - Reduce rents in social housing by 1% for 4 years from April 2016 (except for sheltered housing schemes where the rent reduction has been delayed for a year and instead the old CPI + 1% formula can be applied).
 - Make a payment to the Government reflecting the market value of high value housing likely to become vacant during the year, which may require the disposal of 'high value assets'.
 - Tenants with household incomes of £30,000 and above will be required to "Pay to Stay" by paying a market rent, with the difference being paid to the Treasury.
 - A review of lifetime tenancies, to limit their use and ensure that households are offered tenancies that match their needs and ensure the best use is made of the social housing stock.

3.5 On 26 January 2016, the Cabinet considered the rent and service charge levels for 2016/17 and agreed a rent reduction of 1% (based on the latest Government policy highlighted above) and various service charge increases. These changes have been built into the 2016/17 budget forecast, with the exception of the Sheltered Housing rents where a CPI + 1% increase has been assumed.

4.0 **INFORMATION INCLUDED**

4.1 The following information is attached:

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

4.2 The draft estimates have been prepared on the following assumptions;

- Pay award of 1% for each of the years 2016/17 to 2020/21.
- Provision for inflation on DLO contracts in accordance with the RICS Building Cost Index.
- Gas & Electricity inflation of 3% in 2016/17 and then 5% thereafter.
- Rates 2% increase in 2016/17 and then 3% thereafter.
- Retail Price Index 2% in 2016/17 and then 3% thereafter.
- Consumer Price Index 1% in 2016/17 and then 2% thereafter.
- Rent & Service Charge increases per paragraph 3.5.

5.0 **FINANCIAL POSITION AT YEAR END 2015/16**

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

HRA Balances

	Original Estimate	Revised Estimate	(Increase) Decrease
	£000	£000	£000
Balance at 1.4.15 - Surplus	(15,921)	(18,026)	(2,105)
Decrease/(Increase) in HRA balance for year	4,991	1,581	(3,410)
Estimated Balance 31.3.16	(10,930)	(16,445)	(5,515)

5.2 The probable outturn includes the following approved additions to the 2015/16 estimate.

5.3 **Carry Forward from 2014/15**

	Amount (£)
Information Technology – Balance of Approved Growth	42,740
Careline Consortium – Setting Up Costs	50,000
Improvements to Reception at the On the Move shop	10,000
IT for Mobile Working for Asset Management Officers	10,000
HRA Contribution to Upgrade of Document Man System	50,000
Disabled Persons Scooter Storage	72,000
Total	234,740

5.4 It should be noted that the forecast share of the DLO net surplus (£100,000) has been included in the budget. This is lower than in previous years due to a combination of factors including low inflation allowances on the main Repair & Maintenance contract and an increase in overhead costs due to Health and Safety legislation.

5.5 All variations are detailed in Annexe 4 of **Appendix A**, which shows an in-year increase in the HRA balance of £3,410,040 from the original to revised estimate. The majority of the variation relates to the capital programme, where an underspend has reduced the need for direct revenue funding by £3,713,740.

6.0 **FINANCIAL STRATEGY 2016/17**

6.1 The financial strategy for the HRA is to deliver a balanced and sustainable budget which is self-financing in the longer term and which reflects both the requirements of tenants and the strategic vision and priorities of the Council.

6.2 It cannot run at an overall deficit and risks will be identified and managed effectively. From 2016/17 onwards there are a number of implications arising from the new Welfare Reform and Work Bill, Housing and Planning Bill and the announcements in the Comprehensive Spending Review that will have a significant impact on the Housing Revenue Account. These are briefly detailed at paragraph 3.4 and will be covered in a detailed report on the 2016/17 onwards Housing Revenue Account Business Plan which will be brought to Cabinet in March.

6.3 The implications arising from these changes have been considered and this report includes the estimated impact of the following:

- The 1% rent reduction, which is estimated to equate to a loss of £10 million income over the 4 year period from 2016/17 to 2019/20.

- The introduction of Universal Credit to all claimants from April 2016. As this will be paid direct to claimants on a four weekly basis in arrears it is anticipated that there will be an increase in rent arrears (including both current and former tenant arrears). Based on evidence from other areas that have trialled the new system it is considered prudent to increase the bad debts provision on a staged basis, peaking at a loss of 8% rental income in 2017/18 and then falling back to 5% as collection rates are improved. This provision can be revisited when we have more experience of the new regime. This provision also provides some mitigation against increased arrears due to the charging of a market rent for households with income over £30,000, as it is anticipated that local authorities will need to stand the debt and not the Treasury who will receive the additional rental income.

- 6.4 The impact of the other policy changes are difficult to account for in the budget with any degree of accuracy at this stage. These will be modelled in the 2016/17 HRA 30 Year Business Plan as detailed information of individual Government policies becomes available.
- 6.5 The HRA Summary Operating Account at Annexe 1 shows the financial implications of the changes listed at paragraph 6.3. The HRA balance falls to £1,794,601 in 2017/18 (which is below the agreed £3 million minimum working balance) and by 2020/21 there is a negative balance of £9,893,079.
- 6.6 Clearly this position is not financially viable and measures to improve the position are urgently required. The following are a range of options that are currently being considered:
- Additional borrowing up to the debt cap of £155.6 million to replace direct revenue funding.
 - New contracts to include inflationary increases based on CPI rather than RPI.
 - A review of the way that the Council delivers the repair and maintenance programme to housing stock, to deliver efficiencies and reductions in the responsive repairs budget.
 - The sale of the HRA land at Linacre to provide additional resources to fund the provision of a small amount of new build housing within the HRA capital programme and reduce revenue contributions. This could release £6.6 million to the HRA over 3 years from 2017/18.
 - A review of the voluntary repayment of debt policy, currently £2 million per annum.
 - Further re-phasing of work within the capital programme. This has already been done to some extent as part of the HRA Capital Programme report considered by Cabinet on 23 February 2016 and is already incorporated into this report.

6.7 The updated HRA Business Plan will help inform these decisions. A new 2016/17 and onwards Business Plan is currently being prepared, and will be brought to a future meeting for consideration. This report is likely to recommend that;

- the Business Plan is reviewed and updated on a regular basis
- that an Officer and Member Steering Group (in consultation with a tenant sub group) be established to oversee these reviews and make recommendations on further efficiencies and changes to policy and;
- that further reports be brought to Members regularly to highlight any future action required.

7.0 **INITIAL BUDGET FORECAST 2016/17**

7.1 The table below summarises the financial position for 2016/17.

HRA Balances

	Original Estimate
	£000
Balance at 1.4.16 - Surplus	(16,445)
Decrease/(Increase) in HRA balance for year	6,763
Estimated Balance 31.3.17	(9,682)

7.2 Many factors contribute to the projected decrease in the HRA Balance for the year in 2016/17 of £6,763,080 and these are detailed in Annexe 5 of **Appendix A** The majority of the variance relates to the loss of income following the introduction of Universal Credit from April 2016 and the 1% reduction in rents.

7.3 **RISK MANAGEMENT**

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

- The impact of Welfare Reforms/Universal Credit.
- Ability to deliver the re-phased Capital Programme and maintain decent homes standard.
- That currently retained 1-4-1 RTB receipts may have to be repaid to the Treasury if a new build programme within the HRA is not affordable.
- The ability to maintain a minimum working balance of £3 million.
- Future economic changes (e.g. interest and inflation rates).

8.0 **GROWTH REQUESTS**

8.1 Attached at Annexe 6 is a schedule of priority growth requests, with a total value of £58,460 in 2016/17 (which includes a one-off of £15,000) and £79,920 recurring annually from 2017/18. There are sufficient revenue resources to finance these items in 2016/17, but they are only affordable after that date if measures are taken to improve the viability of the HRA as highlighted in paragraph 6.6.

9.0 **EQUALITIES IMPACT ASSESSMENT (EIA)**

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

10.0 **RESOURCE IMPLICATIONS**

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

11.0 **RECOMMENDATIONS**

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

11.2 That the draft estimates for 2016/17 be considered.

11.3 That the "Growth Items" at Annexe 6 of **Appendix A** be approved.

11.4 That further work is undertaken to identify actions required (as highlighted at paragraph 6.6) which will return the working balance for 2017/18 onwards to acceptable levels and that the findings are reported back as part of the HRA 30 Year Business Plan Report.

12.0 **REASONS FOR RECOMMENDATION**

12.1 To enable the Council to set the HRA budget for 2016/17.


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

ALISON CRAIG
HOUSING SERVICE MANAGER – BUSINESS PLANNING AND STRATEGY

BARRY DAWSON
CHIEF FINANCE OFFICER
Page 169

You can get more information about this report from Steven Spencer on Tel:
345454.

Officer recommendation supported.

A handwritten signature in black ink, appearing to read "T. Murphy". The signature is written in a cursive style with a long, sweeping tail that curves to the right.

Signed:

Cabinet Member

Date: 15 February 2016

HOUSING REVENUE ACCOUNT BUDGETS 2015/16 TO 2020/21
STATUTORY HRA OPERATING ACCOUNT
SUMMARY

2014/15 Actual £		2015/16 Original £	2015/16 Probable £	2016/17 Original £	2017/18 Original £	2018/19 Original £	2019/20 Original £	2020/21 Original £
	INCOME							
(37,329,717)	Net Rent	(38,445,000)	(38,933,000)	(37,026,630)	(36,539,850)	(36,057,860)	(36,781,160)	(36,986,180)
(161,414)	Service Charges	(206,040)	(192,510)	(215,410)	(219,880)	(225,310)	(229,940)	(234,640)
(785,742)	Non-Dwelling Rents	(779,000)	(766,840)	(775,680)	(793,620)	(812,460)	(832,240)	(853,010)
(540,706)	Contributions towards Expenditure	(563,790)	(524,060)	(548,630)	(557,910)	(566,130)	(571,920)	(577,930)
(468,114)	Supporting People Grant	(300,000)	(466,000)	(353,480)	(353,480)	(353,480)	(353,480)	(353,480)
(39,285,693)	Total Income	(40,293,830)	(40,882,410)	(38,919,830)	(38,464,740)	(38,015,240)	(38,768,740)	(39,005,240)
	EXPENDITURE							
	Management and Maintenance ;							
5,321,024	Supervision and Management -General	5,810,430	6,138,900	6,098,470	6,146,720	6,221,270	6,243,080	6,322,270
2,452,399	Supervision and Management -Special	2,472,680	2,301,040	2,060,370	2,097,100	2,149,260	2,200,250	2,254,800
369,188	Rent, rates, taxes and other charges	317,190	462,460	402,660	384,850	389,320	393,870	398,530
8,473,201	Repairs and Maintenance	9,166,000	9,238,000	9,191,000	9,362,000	9,616,000	9,842,000	10,072,000
7,183,572	Depreciation, Impairment & Reval. of Fixed Assets	7,214,030	7,267,070	7,483,000	7,702,160	7,931,530	8,169,480	8,414,560
69,800	Debt Management Expenses	76,630	57,790	51,970	53,880	55,390	56,890	58,390
442,238	Increase Bad Debts Provision	155,000	295,000	900,000	2,780,000	2,000,000	1,700,000	1,700,000
24,311,422	Total Expenditure	25,211,960	25,760,260	26,187,470	28,526,710	28,362,770	28,605,570	29,220,550
(14,974,271)	NET COST OF SERVICES per Authority Income & Expenditure Account	(15,081,870)	(15,122,150)	(12,732,360)	(9,938,030)	(9,652,470)	(10,163,170)	(9,784,690)
20,930	HRA share of Corporate & Democratic Core	23,400	25,360	25,950	26,160	26,500	26,690	26,880
(14,953,341)	NET COST OF HRA SERVICES	(15,058,470)	(15,096,790)	(12,706,410)	(9,911,870)	(9,625,970)	(10,136,480)	(9,757,810)
0	(Gain) or loss on sale of HRA fixed assets							
5,330,395	HRA share of interest payable etc	5,228,040	5,223,060	5,079,180	4,994,340	4,898,710	4,798,710	4,698,710
(178,262)	Interest on Working Balance	(212,510)	(116,260)	(146,920)	(213,460)	(239,550)	(250,000)	(250,000)
0	Mortgage Interest	0	0	0	0	0	0	0
(100,000)	Share of DLO/DSO Surpluses	(400,000)	(100,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
(9,901,208)	(SURPLUS)/DEFICIT in Year on HRA Services	(10,442,940)	(10,089,990)	(7,974,150)	(5,330,990)	(5,166,810)	(5,787,770)	(5,509,100)
	STATEMENT of MOVEMENT on the HRA BALANCE							
(9,901,208)	Surplus or Deficit on the HRA Income & Expenditure Account	(10,442,940)	(10,089,990)	(7,974,150)	(5,330,990)	(5,166,810)	(5,787,770)	(5,509,100)
(4,464)	Transfer to/(from) Reserves	0	0	0	0	0	0	0
0	Capital Expenditure Funded from HRA	10,835,000	7,121,260	10,125,160	8,532,670	4,565,800	4,550,000	4,550,000
2,108,100	Provision for Debt Repayment	2,076,480	2,077,230	2,046,070	2,015,380	1,985,150	1,955,370	1,926,040
2,265,999	Transfer to/(from) Major Repairs Reserve	2,523,000	2,473,000	2,566,000	2,670,000	2,773,000	2,873,000	2,973,000
(5,531,573)	(Increase)/decrease in HRA balance for the year	4,991,540	1,581,500	6,763,080	7,887,060	4,157,140	3,590,600	3,939,940
(12,494,668)	HRA Balance Bfwd 1st April	(15,921,078)	(18,026,241)	(16,444,741)	(9,681,661)	(1,794,601)	2,362,539	5,953,139
(18,026,241)	HRA Balance Cfwd at 31st March	(10,929,538)	(16,444,741)	(9,681,661)	(1,794,601)	2,362,539	5,953,139	9,893,079

HOUSING REVENUE ACCOUNT BUDGETS 2015/16 TO 2020/21
SUPERVISION AND MANAGEMENT EXPENSES

2014/15 Actual £		2015/16 Original £	2015/16 Probable £	2016/17 Original £	2017/18 Original £	2018/19 Original £	2019/20 Original £	2020/21 Original £
HOUSING SUPERVISION AND MANAGEMENT GENERAL EXPENSES								
Community Housing Services - Cost Centres 0600/0601/0602/0604/0608/0614/0615/0618/0622/0960								
2,727,785	Employee Expenses	2,798,250	2,686,450	2,811,110	2,831,460	2,862,100	2,884,020	2,913,200
571,572	Premises Related Expenses	572,680	638,420	582,970	589,710	596,690	603,880	611,290
32,196	Transport Related Expenses	36,980	40,260	40,600	40,940	41,280	41,620	41,960
523,135	Supplies and Services	661,370	660,030	472,750	465,990	468,770	428,510	438,290
105,969	Agency and Contracted Services	108,220	108,040	109,000	110,240	111,490	112,730	113,970
(164,162)	Controllable Income	(168,150)	(169,000)	(176,700)	(178,320)	(179,950)	(181,600)	(183,270)
3,796,495	Net Controllable	4,009,350	3,964,200	3,839,730	3,860,020	3,900,380	3,889,160	3,935,440
2,082,594	Central and Departmental Support	2,447,460	2,727,710	2,917,400	2,948,920	2,999,000	3,032,880	3,081,830
(558,065)	Recharge Income	(646,380)	(553,010)	(658,660)	(662,220)	(678,110)	(678,960)	(695,000)
5,321,024	NET	5,810,430	6,138,900	6,098,470	6,146,720	6,221,270	6,243,080	6,322,270
Rent Collection - Cost Centre 0414								
18,830	Employee Expenses	19,460	19,460	20,090	20,740	21,410	22,100	22,820
0	Transport Related Expenses	0	0	0	0	0	0	0
49,630	Supplies and Services	52,810	48,810	49,000	50,000	51,000	52,000	53,000
462,166	Agency and Contracted Services	413,340	480,210	419,780	424,570	429,360	434,150	438,950
(106,097)	Controllable Income	(92,910)	(97,690)	(92,600)	(94,330)	(96,110)	(97,920)	(99,760)
424,529	Net Controllable	392,700	450,790	396,270	400,980	405,660	410,330	415,010
231,672	Central and Departmental Support	233,200	244,960	249,140	251,730	255,040	258,580	262,010
(656,201)	Recharge Income	(625,900)	(695,750)	(645,410)	(652,710)	(660,700)	(668,910)	(677,020)
0	NET	0	0	0	0	0	0	0
5,321,024	TOTAL - GENERAL EXPENSES	5,810,430	6,138,900	6,098,470	6,146,720	6,221,270	6,243,080	6,322,270

HOUSING REVENUE ACCOUNT BUDGETS 2015/16 TO 2020/21
SUPERVISION AND MANAGEMENT EXPENSES (CONT'D)

2014/15 Actual £		2015/16 Original £	2015/16 Probable £	2016/17 Original £	2017/18 Original £	2018/19 Original £	2019/20 Original £	2020/21 Original £
HOUSING SUPERVISION AND MANAGEMENT								
SPECIAL EXPENSES								
Careline & Response - Cost Centres 0619/0620/0621/0631/0633/0634/0635								
1,148,977	Employee Expenses	1,062,080	1,077,330	879,610	888,350	897,170	906,060	915,040
42,532	Premises Related Expenses	47,670	49,140	47,840	50,670	53,150	55,800	58,660
39,660	Transport Related Expenses	47,130	48,700	30,660	30,920	31,180	31,440	31,710
141,434	Supplies and Services	229,980	169,130	198,460	200,090	201,740	203,400	205,080
4,717	Agency and Contracted Services	4,940	4,940	24,990	25,240	25,490	25,740	26,000
(236,414)	Controllable Income	(332,810)	(363,300)	(516,840)	(521,340)	(525,000)	(529,590)	(534,230)
1,140,906	Net Controllable	1,058,990	985,940	664,720	673,930	683,730	692,850	702,260
54,019	Central & Departmental Support	54,390	55,710	55,940	55,980	56,560	57,120	57,630
0	Recharge Income	0	0	0	0	0	0	0
1,194,925	NET	1,113,380	1,041,650	720,660	729,910	740,290	749,970	759,890
District/Group Heating Schemes - Cost Centres 0190, 0640-0643/0654-0659/0664-0669								
252,146	Premises Related Expenses	318,770	184,220	130,160	137,940	151,660	166,720	183,330
1,313	Supplies and Services	3,440	2,800	2,280	1,980	1,980	1,980	1,980
(114,635)	Controllable Income	(112,990)	(71,630)	0	0	0	0	0
138,824	Net Controllable	209,220	115,390	132,440	139,920	153,640	168,700	185,310
5,228	Central & Departmental Support	5,300	5,280	5,340	5,390	5,470	5,530	5,590
(5,228)	Recharge Income	(5,300)	(5,280)	(5,340)	(5,390)	(5,470)	(5,530)	(5,590)
138,824	NET	209,220	115,390	132,440	139,920	153,640	168,700	185,310
Maintenance of Grassed Areas - Cost Centres 0605 & 0646								
482,880	Premises Related Expenses	479,160	472,290	474,380	479,750	485,180	490,680	496,260
44,680	Agency and Contracted Services	45,000	45,410	45,530	45,980	46,440	46,910	47,380
33,140	Central & Departmental Support	34,500	36,440	37,230	37,620	38,050	38,490	38,920
(20,916)	Controllable Income	(22,940)	(22,940)	(25,840)	(26,620)	(27,420)	(28,240)	(29,090)
539,784	NET	535,720	531,200	531,300	536,730	542,250	547,840	553,470
Common Rooms and Areas - Cost Centre 0650								
29,188	Premises Related Expenses	37,580	58,260	38,760	40,930	43,210	45,700	48,420
117	Supplies and Services	1,000	500	500	500	500	500	500
4,808	Agency and Contracted Services	5,040	5,040	5,090	5,140	5,190	5,240	5,290
(2,052)	Controllable Income	(3,200)	(2,200)	(2,200)	(2,200)	(2,200)	(2,200)	(2,200)
32,061	NET	40,420	61,600	42,150	44,370	46,700	49,240	52,010
Homelessness - Cost Centre 0660								
162,369	Employee Expenses	209,770	165,150	187,130	179,510	169,890	171,590	173,300
0	Premises Related Expenses	0	0	0	0	0	0	0
354	Transport Related Expenses	450	850	850	850	850	850	850
76,786	Supplies and Services	95,820	96,030	97,600	99,200	100,830	102,490	104,190
11,457	Agency and Contracted Services	11,530	11,530	11,540	11,560	11,570	11,590	11,600
271	Transfer Payments	100	300	300	300	300	300	300
(27,190)	Controllable Income	(80,970)	(52,640)	(61,620)	(48,930)	(35,830)	(36,360)	(36,870)
224,047	Net Controllable	236,700	221,220	235,800	242,490	247,610	250,460	253,370
52,872	Central & Departmental Support	57,000	54,860	61,830	62,040	62,700	63,240	63,910
276,919	NET	293,700	276,080	297,630	304,530	310,310	313,700	317,280
Other Community Services - Cost Centres 0670/0671/0675								
153,088	Employee Expenses	139,740	148,130	190,670	194,590	197,410	199,410	201,430
98,781	Premises Related Expenses	117,990	102,200	112,420	113,760	125,130	137,640	151,400
21,242	Transport Related Expenses	22,450	22,310	30,090	30,280	30,470	30,660	30,860
849	Supplies and Services	3,740	2,950	3,470	3,470	3,470	3,470	3,470
(7,914)	Controllable Income	(7,630)	(4,750)	(4,750)	(4,750)	(4,750)	(4,750)	(4,750)
266,046	Net Controllable	276,290	270,840	331,900	337,350	351,730	366,430	382,410
3,840	Central & Departmental Support	3,950	4,280	4,290	4,290	4,340	4,370	4,430
269,886	NET	280,240	275,120	336,190	341,640	356,070	370,800	386,840
2,452,399	TOTAL - SPECIAL EXPENSES	2,472,680	2,301,040	2,060,370	2,097,100	2,149,260	2,200,250	2,254,800

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

2014/15 Actual £		2015/16 Original £	2015/16 Probable £	2016/17 Original £	2017/18 Original £	2018/19 Original £	2019/20 Original £	2020/21 Original £
(276,919)	Homelessness	(293,700)	(276,080)	(297,630)	(304,530)	(310,310)	(313,700)	(317,280)
(165,480)	Maintenance of Grassed Areas	(167,210)	(167,800)	(168,350)	(170,050)	(171,780)	(173,500)	(175,240)
(8,000)	Social Services-Communal Area Use	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)
(8,000)	Community Rooms-General Fund Use	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)
(49,630)	Private Sector Initiatives	(50,560)	(51,360)	(53,700)	(54,250)	(54,830)	(55,380)	(55,940)
(22,226)	Tenant Participation	(23,500)	0	0	0	0	0	0
(10,451)	Careline charge	(12,820)	(12,820)	(12,950)	(13,080)	(13,210)	(13,340)	(13,470)
(540,706)		(563,790)	(524,060)	(548,630)	(557,910)	(566,130)	(571,920)	(577,930)
0	Rent Rebate Local Scheme	0	0	0	0	0	0	0
(540,706)	NET	(563,790)	(524,060)	(548,630)	(557,910)	(566,130)	(571,920)	(577,930)

HOUSING REVENUE ACCOUNT BUDGETS 2015/16 TO 2020/21
STATUTORY HOUSING REVENUE ACCOUNT
SUMMARY SUBJECTIVE ANALYSIS

	2015/16 Original £	2015/16 Probable £	2016/17 Original £	2017/18 Original £	2018/19 Original £	2019/20 Original £	2020/21 Original £
EXPENDITURE							
Employee Expenses	4,229,300	4,096,520	4,088,610	4,114,650	4,147,980	4,183,180	4,225,790
Premises Expenses	11,057,040	11,204,990	10,980,190	11,159,610	11,460,340	11,736,290	12,019,890
Transport Expenses	107,010	112,120	102,200	102,990	103,780	104,570	105,380
Supplies and Services	1,048,160	980,250	824,060	821,230	828,290	792,350	806,510
Agency Services	588,070	655,170	615,930	622,730	629,540	636,360	643,190
Transfer Payments	100	300	300	300	300	300	300
Bad Debts Provision	155,000	295,000	900,000	2,780,000	2,000,000	1,700,000	1,700,000
Central and Departmental Support	2,859,200	3,154,600	3,357,120	3,392,130	3,447,660	3,486,900	3,541,200
Capital Financing Costs	17,118,180	17,098,150	17,226,220	17,435,760	17,643,780	17,853,450	18,070,700
Direct Revenue Financing	10,835,000	7,121,260	10,125,160	8,532,670	4,565,800	4,550,000	4,550,000
	47,997,060	44,718,360	48,219,790	48,962,070	44,827,470	45,043,400	45,662,960
INCOME							
Government Grants	0	0	0	0	0	0	0
Supporting People Grant	(300,000)	(466,000)	(353,480)	(353,480)	(353,480)	(353,480)	(353,480)
Rent	(38,445,000)	(38,933,000)	(37,026,630)	(36,539,850)	(36,057,860)	(36,781,160)	(36,986,180)
Fees and Charges etc.	(1,806,640)	(1,743,500)	(1,871,640)	(1,889,990)	(1,909,030)	(1,942,840)	(1,977,820)
Recharges	(1,277,580)	(1,254,040)	(1,309,410)	(1,320,320)	(1,344,280)	(1,353,400)	(1,377,610)
Interest	(212,510)	(116,260)	(146,920)	(213,460)	(239,550)	(250,000)	(250,000)
Contribution from Pension Reserve	0	0	0	0	0	0	0
General Fund Contribution	(563,790)	(524,060)	(548,630)	(557,910)	(566,130)	(571,920)	(577,930)
Transfer from OSD	(400,000)	(100,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
	(43,005,520)	(43,136,860)	(41,456,710)	(41,075,010)	(40,670,330)	(41,452,800)	(41,723,020)
Decrease/(Increase) in HRA Balance for the Year	4,991,540	1,581,500	6,763,080	7,887,060	4,157,140	3,590,600	3,939,940

HOUSING REVENUE ACCOUNT**BUDGET VARIANCES - 2015/16 ORIGINAL TO 2015/16 PROBABLE**

Programme Area & Detail	Decrease in Net Income £	Increase in Net Income £
<u>INCOME</u>		
Rents - anticipated increased income		(488,000)
Service charges - anticipated reduced income	13,530	
Non - Dwelling Rents - reduced income from rent of shops, land and other misc - Nationwide Solar FIT	32,160	(20,000)
Supporting People Grant - Anticipated funding cuts did not occur		(166,000)
GF Contributions - reduction in homelessness contribution - slight increase in mtce. of grassed areas - increase in private sector initiatives - reduction in tenant participation	17,620 23,500	(590) (800)
Interest - lower interest rate than anticipated	96,250	
DCC Falls income - previously transferred to holding code but now included in revenue account		(65,000)
DLO Surplus lower than forecast	300,000	
	483,060	(740,390)
Net Increase in Income		(257,330)
Programme Area & Detail	Increase in Net Expenditure £	Decrease in Net Net Expenditure £
<u>EXPENDITURE</u>		
Housing Supervision & Management - savings due to vacant posts offset by costs of cover for Careline operatives - savings on energy costs on district and group heating schemes due to lower than anticipated bills/removal of district heating schemes - approved carry forward for Careline Consortium - approved carry forward for new reception at On the Move - approved carry forward for mobile IT - Asset Management Officers	50,000 10,000 10,000	(132,780) (134,550)

Programme Area & Detail	Increase in Net Expenditure £	Decrease in Net Net Expenditure £
Housing Supervision & Management (continued) - approved carry forward for HRA contribution to Document Management System upgrade - carry forward of previously approved growth for IT - increased transport costs (mainly car allowances) - Transfer Incentive Scheme - costs lower than anticipated	50,000 42,740 5,110	(51,000)
Rent, Rates, Taxes & Other Charges - increase mainly due to rates charges on vacant properties	145,270	
Repairs and Maintenance - approved carry forward for scooter storage	72,000	
Bad debts - increase in provision	140,000	
Agency & Contracted - mainly cost of additional welfare reform rent recovery staffing extended to 31.3.16	67,100	
Central & Department Support - revised allocations	295,400	
Direct Revenue Contribution to Capital - revised capital programme and financing resulting in a reduced requirement for DRF support		(3,713,740)
Capital Financing Costs - reduced MRA reserve contribution - reduction in debt management expenses - increase in capital charges - reduction in interest payable	53,040	(50,000) (18,840) (4,980)
Other Minor Variations (Net)	12,520	
	953,180	(4,105,890)
Net Reduction in Expenditure		(3,152,710)
TOTAL INCREASE IN HRA BALANCE OVER THE PERIOD		(3,410,040)

HOUSING REVENUE ACCOUNT**BUDGET VARIANCES - 2015/16 ORIGINAL TO 2016/17 ORIGINAL**

Programme Area & Detail	Decrease in Net Income £	Increase in Net Income £
<u>INCOME</u>		
Rents - decreased by 1% in line with Welfare Reform & Work Bill and an increase in voids	1,418,370	
Service Charges - annual review including new charges for Careline offset by reduced income following removal of District Heating Schemes		(65,000)
Non-Dwelling Rents - reduced income from rent of shops, land and other misc	3,320	
Supporting People - grant reduced less than anticipated		(53,480)
GF Contributions - increase in homelessness contribution		(3,930)
- increase in mtce. of grassed areas		(1,140)
- increase in private sector initiatives		(3,140)
- reduction in tenant participation	23,500	
- increase in Careline		(130)
Interest on Balances - lower interest rates than anticipated	65,590	
DCC Falls Income - previously transferred to holding code but now included in revenue account		(65,000)
Reduced DLO Surplus	200,000	
	1,710,780	(191,820)
Net Decrease in Income	1,518,960	
Programme Area & Detail	Increase in Net Expenditure £	Decrease in Net Expenditure £
<u>EXPENDITURE</u>		
Housing Supervision & Management		
- employee saving mainly due to restructure of Careline and Neighbourhoods sections		(131,540)
- savings on energy costs on district and group heating schemes due to lower than anticipated bills/removal of district heating schemes		(188,610)
- reduced transport costs due to savings at Careline offset by increased costs at Neighbourhoods following staffing restructure		(4,810)
- software licences now shown under central & departmental support		(124,890)

Programme Area & Detail	Increase in Net Expenditure £	Decrease in Net Net Expenditure £
- one-off growth approved for 2015/16		(71,170)
Rent, Rates, Taxes & Other Charges - mainly increase in rates on vacant properties	85,470	
Repairs & Maintenance - addition of indexation allowance/adjustment for right to buy sales	25,000	
Bad debts - increased provision due to introduction of Universal Credit	745,000	
Agency & Contracted - Cleaning of Sheltered Schemes transferred to Building Cleaning ISP - Inflation on contracts (mainly Arvato on Rents)	20,000 7,860	
Central & Department Support - revised allocations	497,920	
Direct Revenue Contribution to Capital - revised capital programme and financing resulting in a reduced requirement for DRF support		(709,840)
Capital Financing Costs - increased major repairs reserve contribution - increase in capital charges - reduction in debt management charges - reduction in interest payable	43,000 268,970	(24,660) (148,860)
Other Minor Variations (Net)		(36,260)
	1,693,220	(1,440,640)
Net Increase in Expenditure	252,580	
TOTAL DECREASE IN HRA BALANCE OVER THE PERIOD	1,771,540	

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ANNEXE 6**Growth Requests****NON-RECURRING SCHEMES****Procurement of Consultant to lead on a review of the delivery of future Repair & Maintenance Programmes (£15,000)**

As part of the measures to deliver a balanced and sustainable budget and HRA Business Plan, it is recommended that a review of the way in which the Council delivers the repair and maintenance programme to its housing stock is carried out. This will include a review of procurement strategy, standards to which the stock is maintained, asset performance, development potential and ensuring that the stock condition survey and the HRA Business Plan are based on the findings.

RECURRING SCHEMES**Additional Staffing to Implement and Deliver the new “Pay to Stay” and Flexible Tenancies – 2.5 FTEs Scale 6 (£72,920)**

Agreement in principle is required to include Additional permanent staff within the establishment to implement and deliver the new “pay to stay” and flexible tenancies policies. It is estimated that these will be required from October 2016 at a cost of £36,460 in 2016/17 and £72,920 in a full financial year (including oncosts). A detailed report will be brought to Members on the establishment and exact nature of these roles as more detail about the policies is announced.

HRA Stock Revaluation (£7,000)

To fund an annual revaluation of Council housing stock to determine if any properties fall into the Government’s definition of high value housing. Under the Housing and Planning Bill, Local

Authorities will be required to make a payment to the Government for the financial year, reflecting the market value of high value housing likely to become vacant during that year. As these payments will be based on assumptions about the receipts from void sales it is critical that the information is accurate and error free.

SUMMARY

	2016/17 £	2017/18 Onwards £
Review Maintenance Delivery (one-off)	15,000	0
Additional Staffing (part year in 2016/17)	36,460	72,920
Annual Revaluation of housing stock	7,000	7,000
Total	58,460	79,920

FOR PUBLICATION

HOUSING CAPITAL PROGRAMME: NEW PROGRAMME FOR 2016/17, 2017/18 AND 2018/19(H000)

MEETING:	1. COUNCIL 2. CABINET 3. CABINET MEMBER FOR HOUSING
DATE:	1. 25 FEBRUARY 2016 2. 23 FEBRUARY 2016 3. 8 FEBRUARY 2016
REPORT BY:	HOUSING SERVICE MANAGER – BUSINESS PLANNING AND STRATEGY
WARD:	ALL
COMMUNITY ASSEMBLIES:	ALL
KEY DECISION REFERENCE (IF APPLICABLE):	581

FOR PUBLICATION

1.0 **PURPOSE OF REPORT**

- 1.1 To seek approval for the public sector housing 'Capital' programme for 2016/17 and provisionally for 2017/18 and 2018/19.

2.0 **RECOMMENDATIONS**

- 2.1 That Cabinet recommends to Full Council that;
- a) The Housing (Public Sector) Capital Programme for 2016/17 is approved and its procurement, as necessary, be authorised.

- b) The provisional Housing (Public Sector) Capital Programme's for 2017/18 and 2018/19 are noted.
- c) The Operational Services Division share of the Programme be approved.
- d) The Housing Service Manager - Business Planning and Strategy be authorised to vire between programme heads and budgets to manage the Capital Programme as set out in the report.

3.0 **FINANCING THE 2016/17 PROGRAMME AND BEYOND**

- 3.1 The overall financial strategy continues to focus on the maintenance of the Decent Homes Standard, improving the non-traditional housing stock and starting to deliver improvements to the estate environment in the immediate short term.
- 3.2 However, following the introduction of a new National Social Rent Policy for 2016/17 – 2019/20, which reduces rents by 1% per annum (Cabinet 26th January 2016), the Housing Revenue Account (HRA) Business Plan is showing a loss of income of £10 million over this same period. The implications of this loss of income on the HRA Business Plan and the Housing Capital Programme are included in a separate report on this agenda.
- 3.3 The introduction of 'self-financing' in the HRA changed the way in which resources are used and whilst Direct Revenue Financing (DRF) is still available, the longer term funding of the Housing Capital Programme will be substantially dependant on borrowing within the new debt ceiling.
- 3.4 Cabinet has been asked to approve revenue support for the 2016/17 Housing Capital Programme to the sum of £10,125,158. The 2016/17 Programme also includes £5,355,835 of carry forward from 2015/16 relating to schemes where work started later than anticipated e.g. new build housing at Rufford Close, external wall insulation, window replacements and West View Terrace boundary treatments.
- 3.5 Whilst income from the sale of Council homes under the Right to Buy is still low compared to receipts in the past, there has been an upturn in the rate of sales and this could continue due to the Government's Right to Buy advertising campaign in the area and as several new Government policies are introduced, including 'Pay to Stay'. 49 sales have been completed in 2015/16 at 1 January 2016, above the self-financing assumption of 21. The HRA Business Plan for the coming years assumes levels above the self-financing assumptions of 50 in 2016/17, 50 in 2017/18 and 25 thereafter for the next 6 years. Additional receipts from Right to Buys exceeding those figures in the self financing assumptions

can be retained in Chesterfield for the provision of new affordable housing, this money must be spent within three years and will require a funding contribution of 70% from HRA resources. The receipts accumulated to date have been largely spent on the delivery of the new Parkside Older Persons Housing Scheme and in year strategic property acquisitions.

- 3.6 However, as shown in the HRA Business Plan report, (referred to in Paragraph 3.2) the HRA will have insufficient funding available to meet this 70% funding contribution. If these retained receipts are not used within 3 years then they must be returned to DCLG together with 4.5% interest. Therefore in order to ensure that the receipts are retained in Chesterfield and used for the provision of new affordable housing, opportunities will be explored with other local Registered Providers in exchange for nomination rights in addition to a modest strategic acquisitions programme.
- 3.7 The forecast total level of funding available for investment in the stock is sufficient to maintain the stock at 100% Decency based on the last stock condition survey in the next two financial years (2016/17 and 2017/18), however after this date and as covered in the HRA Business Plan Report (referred to in Paragraph 3.2) there will be a requirement to re-phase the Housing Capital Programme based on the current stock condition survey, which brings into question our ability to continue to meet the Decent Homes Standard after this date.
- 3.8 The Government, in all of its future housing policy announcements, have been silent on the requirement for social housing to continue to maintain the Decent Homes Standard. Many housing providers find themselves in the same financial position as Chesterfield and are re-phasing their capital programmes and reviewing the way they deliver future maintenance programmes.
- 3.9 An analysis of resources currently available for the 2016/17 Capital Programme is attached at **Appendix 1**.

4.0 **THE 2016/17 AND FUTURE PROGRAMMES**

- 4.1 The introduction of Self Financing in the HRA opened up the potential to borrow to finance investment in the stock up to and beyond the Decent Homes Standard.
- 4.2 The proposed 2016/17 programme continues to broadly reflect the capital programme used in the HRA Business Plan in previous years and addresses needs arising due to the ageing stock as identified in the Stock Condition Survey.

- 4.3 Currently 100% of the housing stock meets the Decent Homes Standard at the 1 January 2015 and we fully anticipate this will continue to be 100% at the 31 March 2016.
- 4.4 The focus of the programme remains on the modernisation of properties to maintain the Decent Homes Standard with the balance of activity over the next twelve months concentrating on building elements such as heating, roofs and rewires. However, due to the reduced income to the HRA in the next four years, it is recommended that in the early part of 2016/17 Chesterfield Borough Council carries out a review of the way in which it will deliver future maintenance programmes. This review will include the following:
- Standards that the stock is maintained against
 - Review of procurement strategy, investment plan and capital / revenue mix
 - Ensuring that the Repairs and Maintenance Service is structured to deliver the needs of the stock in the most efficient way
 - Asset Performance
 - Development Potential
 - Ensuring the stock condition survey and the HRA Business Plan are based on the conclusions derived from the above
- 4.5 Many of the programmes for 2016/17 have already been procured in 2015/16 to ensure delivery on the ground in does not slip due to any individual contracts ending and starting.
- 4.6 The **Central Heating Programme** will continue in order to remove the risk of large scale heating failures as a result of the age of boilers and the non availability of the required parts.
- 4.7 The **roof replacement** programme will continue to be one of the largest areas of works to ensure that properties maintain the Decent Homes Standard. The roofing programme will also run in conjunction with chimneys, soffits and fascias and rainwater goods, to minimise the need to scaffold.
- 4.8 A programme is included for the **replacement of aging UPVC windows**; these replacements will in the main continue to precede the installation of **External Wall Insulation** to non-traditional and solid wall properties.
- 4.9 New programmes have been included for parking area resurfacing and garage site improvements, these are aimed at reducing the risk of potential insurance claims, due to slips and trips in these areas.

- 4.10 Building on the recent Asbestos Compliance Review, programmes for Asbestos Management Surveys, Refurbishment and Demolition Surveys and Removal of Asbestos have been significantly increased.
- 4.11 Members previously approved a programme of environmental improvements at **Barrow Hill, London Boroughs Estate** and provision has been made for this work.
- 4.12 Provision has also been made to deliver a **new build housing scheme** at Rufford Close, Boythorpe.
- 4.13 The **Non Traditional (PRC) Housing stock** remains one of the key areas for modernisation and a programme of works has been included, following the results of a structural survey, continuing with the **REEMA, the Trusteel and the BISF** properties in 2016/17
- 4.14 The successful programme of **strategic housing acquisitions** has been continued to allow the purchase of properties which meet a strategic housing need, including former Right to Buys.

5.0 **TENANT INVOLVEMENT**

- 5.1 Tenants have played an integral part in reviewing and prioritising the Capital Programme and their views are reflected in the broad priorities of the proposed programme shown at **Appendix 1**. Whilst values may vary and other factors come into play we are generally able to reflect tenant priorities in the proposed capital programme in particular the increased investment in environmental elements.

6.0 **SUPPORTING LOCAL CONTRACTORS**

- 6.1 The sustained value of the Capital Programme is not only welcome but gives us the opportunity to, in some way, offset some of the worst effects of the current economic downturn on local contractors.
- 6.2 Housing Services continue to take a key role in the Council's corporate arrangements for the procurement of contracts and their management. Where possible a clause is included in contracts to ensure a proportion of local labour.

7.0 **OPERATIONAL SERVICES SHARE OF PROGRAMME**

- 7.1 **Appendix 1** also shows the portion of the Capital programme that it is proposed to allocate to OSD. This is consistent with previous year's allocations and is achieved in discussion with the Operational Services Manager to ensure continued operational effectiveness.

8.0 **RISK MANAGEMENT**

Description of the Risk	Risk Rating	Likelihood	Impact	Mitigating Action	Likelihood	Impact
Failure to maintain Decent Homes Standard targets due to re-phased capital programme	Low	Low	Low	Resources will be targeted to areas at risk of Decent Homes Standard failure. Carry out a review of the way in which future maintenance service are delivered	Low	Low
Worsening Tenant Satisfaction due to re – phased capital programme	Medium	Medium	Medium	Ensure that tenants and Members are involved in the review of future maintenance services	Low	Low
Declining Stock Condition due to re-phased capital programme	Low	Low	Low	Carry out a review of the way in which future maintenance services are delivered	Low	Low
Health Impacts on occupants	Medium	Medium	Medium	Ensure Capital Investment continues in the non-traditional housing stock, which exhibit the most issues linked with poor health e.g. cold and damp conditions	Low	Low

9.0 **EQUALITIES ISSUES**

9.1 An Equality Impact Assessment is attached at **Appendix 2**.

10.0 **RECOMMENDATIONS**

10.1 That Cabinet recommends to Full Council that;

- a) The Housing (Public Sector) Capital Programme for 2016/17 is approved and its procurement, as necessary, be authorised.
- b) The provisional Housing (Public Sector) Capital Programme's for 2017/18 and 2018/19 are noted.
- c) The Operational Services Division share of the Programme be approved.

- d) The Housing Service Manager – Business Planning and Strategy be authorised to vire between programme heads and budgets to manage the Capital Programme as set out in the report.

11.0 **REASONS FOR RECOMMENDATION**

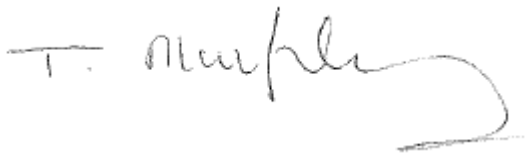
- 11.1 The Council will be able to maintain its 'Decent Homes Standard' targets in line with the Council's Vision and Corporate Plan.
- 11.2 The condition of the Public Sector housing stock and its environment will be maintained and improved.
- 11.3 To contribute to the aims of the Housing Strategy and deliver the HRA Business Plan.

ALISON CRAIG

HOUSING SERVICE MANAGER – BUSINESS PLANNING AND STRATEGY

You can get more information about this report from Alison Craig on extension 5156.

Officer recommendation supported.



Signed:

Cabinet Member

Date: 8 February, 2016

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DRAFT HOUSING CAPITAL PROGRAMME - 2016/17 2017/18 2018/19						
EXPENDITURE	2015/16 £,000's Budget (After Carry Forward to 2016/17)	2015/16 Carry Forward	2016/17 £,000's Proposed (Including Carry Forward from 15/16)	2017/18 £,000's Provisional	2018/19 £,000's Provisional	2016/17 £,000's OSD Share
Central Heating	2,737,000		1,750,000	600,000	600,000	530,000
Door Renewals	100,000		100,000	100,000	100,000	100,000
Kitchens	400,000		400,000	400,000	400,000	0
Pointing General	100,000		200,000	200,000	100,000	0
Hanging Tiles	100,000		200,000	200,000	100,000	0
Rewiring	740,000		600,000	600,000	600,000	400,000
CO Detector Retro Programme	120,000		50,000	50,000	50,000	50,000
Disabled Adaptations	750,000		750,000	750,000	750,000	750,000
Roof Renewals	3,200,000		3,000,000	3,000,000	3,000,000	2,000,000
DPC/Damp Works	100,000		300,000	300,000	300,000	0
Smoke Detector Replacement	130,000		90,000	90,000	90,000	90,000
Footpath Proactive Maintenance	250,000		250,000	250,000	250,000	250,000
Communal Lighting Replacement	10,000		50,000	50,000	50,000	50,000
Structural Works	134,880		400,000	300,000	200,000	400,000
Bacons Lane	269		0	0	0	0
Communal Room Conversion	20,269		70,000	0	0	70,000
Internal Soil Stacks	100,000		100,000	50,000	50,000	100,000
Estate Environmental - Parking Area Resurfacing	900,000		750,000	750,000	500,000	0
Garage Site Improvements	0		450,000	450,000	200,000	0
Lead Water Pipe/Stop Tap Replacement	15,000		0	0	0	0
Grange Court Conversion & 47 Paisley Ave	88,090		0	0	0	0
Fire Risk Works/Bin Stores	447,510		200,000	200,000	200,000	200,000
Windows	1,120,620	700,000	1,700,000	1,500,000	1,500,000	0
Stock Condition Survey	0		100,000	0	0	0
Bathrooms	100,000		100,000	100,000	100,000	0
Stairlift Replacement	10,000		10,000	10,000	10,000	0
External Wall Insulation	3,328,189	1,700,000	3,200,000	750,000	750,000	0
Asbestos Removal Works	50,000		100,000	100,000	100,000	0
Communal Door/Door Entry System Replace.	122,270	290,000	340,000	50,000	50,000	0
SKY+ Conversion	5,000		5,000	2,000	1,000	0
Neighbourhood Action Plan-Barrow Hill	370,000	839,095	1,950,000	2,220,000	0	0
Communal Rising Main (Electricity)	50,000		0	0	0	0
Sheltered Scheme Replacement (Parkside)	2,000,000		0	0	0	0
New Build	0	480,000	480,000	480,000	480,000	0
New Build Fees	30,000	70,000	70,000	70,000	70,000	0
Fire Safety Sprinkler Systems	45,000	45,000	65,000	0	0	0
Heaton Court Demolition	12,000	88,000	88,000	0	0	0
Fire Risk Assessments	41,000		14,000	50,000	6,000	0
Asbestos Management Surveys	23,740	23,740	223,740	200,000	200,000	0
PRC Programme	809,290	800,000	1,473,418	1,313,418	1,000,000	0
Demolitions at Westwood Ave	10,000	50,000	50,000	0	0	0
Property Acquisitions	300,000		300,000	300,000	300,000	0
Loft Insulation Top Ups	112,000		0	0	0	0
Coniston Road Drainage	6,690		0	0	0	0
Unallocated	369,870		100,000	100,000	100,000	0
Asbestos Refurb and Demolition Surveys	0		160,000	160,000	160,000	0
Unfilled Cavities	100,000		0	0	0	0
4G Filters and Door Entry Cameras	25,000		25,000	25,000	25,000	0
West View Terrace Boundary Treatment	0	200,000	200,000	0	0	0
Sheltered Refurbishment	2,000,000		1,000,000	1,000,000	1,000,000	1,000,000
Common Room Refurbishment	0	70,000	70,000	0	0	0
Demolitions at Chiswick and Ealing Courts	0		176,000	0	0	0
Sheltered Scheme Demolition (Aston)	0		0	100,000	0	0
Decants Aston Court	0		120,000	0	0	0
Brick up Bin Chutes	29,130		60,000	0	0	60,000
RTB Mobility Fund	400,000		60,000	60,000	60,000	0
St Augustines Wetlands	8,440		0	0	0	0
Newland Dale Footpath Drainage	0		25,000	0	0	0
Programmes not yet identified				3,359,250	3,203,802	
TOTAL	21,921,257	5,355,835	21,975,158	20,289,668	16,655,802	6,050,000
			20,289,668	20,289,668	16,655,802	
NET ESTIMATED HRA CAPITAL SPEND	21,921,257	5,355,835	21,975,158	20,289,668	16,655,802	
	27,277,092.00					
	2015/16		2016/17	2017/18	2018/19	
FINANCED BY						
Revenue Financing	7,121,257		10,125,158	8,532,668	4,565,802	
Supported Borrowing	0		0	0	0	
Unsupported Borrowing	0		0	0	0	
Useable Capital Receipts	2,686,000		1,801,000	1,385,000	1,385,000	
Grants and Contributions	95,000		0	0	0	
Major Repairs Reserve	12,019,000		10,049,000	10,372,000	10,705,000	
TOTAL RESOURCES AVAILABLE	21,921,257		21,975,158	20,289,668	16,655,802	

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Chesterfield Borough Council

Equality Impact Assessment - Full Assessment Form

Service Area: **Housing Services**
 Section: **Business Planning and Strategy**
 Lead Officer: **Alison Craig**

Title of the policy, project, service, function or strategy the preliminary EIA is being produced for: **Housing Capital Programme 2016/17**

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

Existing
 Changed
 New/Proposed

STEP 1 – MAKE SURE YOU HAVE CLEAR AIMS AND OBJECTIVES

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

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

The 2016/17 Capital Programme has remained comparable to that of 2015/16 at £21.9 million

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

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

What outcomes do you want to achieve?

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

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

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

STEP 2 – COLLECTING YOUR INFORMATION

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

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

STEP 3 – FURTHER ENGAGEMENT ACTIVITIES

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

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

STEP 4 – WHAT'S THE IMPACT?

Is there an impact (positive or negative) on some groups/people with protected characteristics in the community? (think about race, disability, age,

gender, religion or belief, sexual orientation and other socially excluded communities or groups). You may also need to think about sub groups within each equalities group or protected characteristics e.g. older women, younger men, disabled women etc.

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

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

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

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

- Yes
 No

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

STEP 5 – RECOMMENDATIONS AND DECISION MAKING

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

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

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

The Housing Capital Improvement Programme is monitored annually.

STEP 6 – KNOWLEDGE MANAGEMENT AND PUBLICATION

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

Reviewed by Head of Service/Service Manager

Name:

Date:

Reviewed by Policy Service

Name:

Date:

Final version of the EIA sent to the Policy Service

Decision information sent to the Policy Service

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FOR PUBLICATION

HOUSING REPAIRS BUDGET 2016/17 (H000)

MEETING:	1. CABINET 2. CABINET MEMBER FOR HOUSING
DATE:	1. 23 FEBRUARY 2016 2. 8 FEBRUARY 2016
REPORT BY:	HOUSING SERVICE MANAGER – BUSINESS PLANNING AND STRATEGY
WARD:	ALL
COMMUNITY ASSEMBLY:	ALL
KEY DECISION REFERENCE (IF APPLICABLE):	579

FOR PUBLICATION

BACKGROUND PAPERS FOR PUBLIC REPORTS: NONE

1.0 PURPOSE OF REPORT

1.1 To agree the Housing Repairs Budget for 2016/17.

2.0 RECOMMENDATIONS

2.1 That the Housing Repairs Budget for 2016/17 as set out at **Appendix 1** be approved.

2.2 That the Operational Services Manager be authorised to vire between responsive repairs budget heads in order to effectively manage and respond to fluctuations in tenant-led or weather dependent repairs.

3.0 **BACKGROUND**

- 3.1 The Housing Repairs Budget finances day-to-day and planned revenue expenditure to the Council's Housing Stock.
- 3.2 The base position has, as is customary, been arrived at by applying the financial effect of any approved budget growth, inflation (indexation) and stock reduction through Right to Buy.
- 3.3 Performance and efficiency will still remain key drivers for the service and all opportunities for savings or other efficiencies will be taken in year wherever possible.

4.0 **PROPOSED BUDGET FOR 2016/17**

- 4.1 Other than minor changes to reflect seasonal demands (such as storm damage and central heating break downs) there have been no major virements to the budget of 2015/16 and the 2016/17 repairs budget is otherwise unchanged from that of 2015/16.
- 4.2 The repairs budget is entirely financed from rental income and is one of the largest budget heads within the Housing Revenue Account.
- 4.3 The total budget for 2016/17 is £9.191 million (increased by indexation of 0.95% from £9,166 million in 2016/17 and reduced by stock reduction through Right to Buy).
- 4.4 The table at **Appendix 1** shows the proposed budget analysis for 2016/17.

5.0 **TENANT PARTICIPATION**

- 5.1 The Tenant Challenge Panel and individual focus groups have been involved in carrying out in-depth reviews of the repairs policy. These reviews include the Void Lettable Standard, under which they carry out ongoing 'spot checks' on randomly selected properties to assess them against the standard. Tenants will continue to be involved in reviewing and assessing the Repairs Service to ensure continuous improvement.
- 5.2 In the early part of 2016/17 a detailed review of the way in which Chesterfield Borough Council will deliver future maintenance programmes will be carried out. This review will include the following
 - Standards that the stock is maintained against

- Review of procurement strategy, investment plan and capital / revenue mix
- Ensuring that the Repairs and Maintenance Service is structured to deliver the needs of the stock in the most efficient way
- Asset Performance
- Development Potential
- Ensuring the stock condition survey and the HRA Business Plan are based on the conclusions derived from the above

6.0 RISK MANAGEMENT

Description of Risk	Likelihood	Impact	Mitigating Action	Resultant Likelihood	Resultant Impact
Repairs costs exceed budget	Low	Medium	Monthly budget monitoring in place to rectify departures from profiled spend Budget virement smooths out individual budget issues	Low	Low
Serious financial impact from severe weather or other disaster	Medium	Medium	Budgets would be varied as necessary and/or use HRA reserves including use of in year surplus for DLO	Medium	Low
Service disruption due to adverse weather	Medium	Medium	Work re-prioritised staff work additional hours/weekends Fleet includes 4x4 vehicles	Medium	Low
Disrepair legal claims	Medium	Medium	Repair process tracks repairs to minimise exposure to risk	Medium	Low
Unforeseen expenditure	Low	Medium	Budgets would be varied as necessary and/or use HRA reserves including use of in year surplus for DLO	Low	Low

7.0 **EQUALITY ISSUES**

7.1 An Equality Impact Assessment is attached at **Appendix 2**.

8.0 **RECOMMENDATIONS**

8.1 That the Housing Repairs Budget for 2016/17 as set out at **Appendix 1** be approved.

8.2 That the Operational Services Manager be authorised to vire between responsive repairs budget heads in order to effectively manage and respond to fluctuations in tenant-led or weather dependent repairs.

9.0 **REASON FOR RECOMMENDATIONS**

9.1 To permit required maintenance of the Housing Stock.

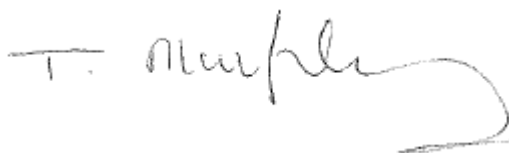
9.2 To support working with tenants through the tenant participation Strategy.

9.3 To support the Council's Vision and Corporate Plan.

**ALISON CRAIG
HOUSING SERVICES MANAGER – BUSINESS PLANNING AND
STRATEGY**

Further information on this matter can be obtained from Alison Craig, extension 5156

Officer recommendation supported.



Signed:

Cabinet Member

Date: 8 February, 2016

Housing Repairs Budget Proposed for 2016 - 2017

APPENDIX 1

NOTE: KEY FOR ABBREVIATIONS				
JT	JOHN TINGLE			
BC	BRIAN CROFTS			
DP	DAVE POOLE			
AG	ANDY GRAINGER			
JV	JON VAUGHAN			
JMcG	JULIE McGROGAN			
AC	ALISON CRAIG			
RF	ROGER FARRAND			
MEB	MARTYN BOLLANDS			
		2016 - 17 Proposed Budget	Budget Holder	Comments
Section 1 Responsive Works		£000		
CHANGE OF TENANCY				
2000	VOID WORKS - GARDENS	71	BC	as 2015
2001	VOID WORKS - ROUTINE	1,538	BC	as 2015
2002	VOID WORKS - MAJOR	243	BC	as 2015
2003	RECHARGABLE COT WORKS	46	BC	as 2015
2004	DECORATION	60	BC	as 2015
2005	REDECORATION ALLOWANCE - CoT	114	BC	as 2015
2006	INTERNAL VOID CLEANING	88	BC	as 2015
2007	GAS AND ELECTRICAL CHECKS	262	BC	as 2015
2008	NEW TENANT WELCOME PACKS	8	BC	as 2015
2009	GARDEN AND HOUSE CLEARANCE	120	BC	as 2015
2010	ELECTRICAL REWIRE	80	BC	£80k
2022	EXTRA VOIDS - MUTUAL EXCHANGE REPAIRS	72	BC	as 2015
2028	EXTRA VOIDS - WELFARE BENEFIT REFORMS	179	BC	as 2015
	sub-total	2,881		
ENVIRONMENTAL RESPONSIVE REPAIRS				
2012	DRAIN REPAIRS	167	DP	as 2015
2016	DISPOSAL OF RUBBISH	9	DP	as 2015
2018	REPAIR DISABILITY ADAPTATIONS	15	DP	as 2015
	sub-total	191		
ENVIRONMENTAL (continued)				
2011	EXTERNAL REPAIRS	195	DP	as 2015
2013	ASPHALT / OTHER PATHS	59	DP	as 2015
2015	FENCING AND GATES	151	DP	as 2015
	sub-total	405		
PLUMBING RESPONSIVE REPAIRS				
2020	WATER / SANITARY SERVICES	843	DP	as 2015
2021	GUTTERS / RWP REPAIRS	89	DP	as 2015
	sub-total	932		
HEATING RESPONSIVE REPAIRS				
2023	GAS HEATING / APPLIANCE REPAIRS	72	DP	as 2015
2024	ELECTRICAL HEATING	1	DP	as 2015
2026	DISTRICT / GROUP HEATING	27	DP	as 2015
2027	SOLID FUEL HEATING - REPAIRS	12	DP	as 2015
	sub-total	112		
JOINERY RESPONSIVE REPAIRS				
2030	JOINERY	700	DP	as 2015
2031	PLASTERING	172	DP	as 2015
2039	GLAZING	94	DP	as 2015
2032	INTERNAL FINSHINGS	153	DP	as 2015
	sub-total	1,119		
STRUCTURAL RESPONSIVE REPAIRS				
2033	STRUCTURAL REPAIRS	20	DP	as 2015
2034	ROOF REPAIRS	182	DP	as 2015
	sub-total	202		
ELECTRICAL RESPONSIVE REPAIRS				
2036	ELECTRICAL REPAIRS	403	DP	as 2015
2037	DOOR ENTRY SYSTEMS - REPAIRS	1	DP	as 2015
	sub-total	404		
EMERGENCY REPAIRS				
2040	OUT OF HOURS EMERGENCY	153	DP	as 2015
2043	ASBESTOS REMOVAL	24	DP	as 2015
2044	VANDALISM / CRIMINAL DAMAGE	23	DP	as 2015
2045	STORM DAMAGE	10	DP	as 2015
	sub-total	210		
OTHER RESPONSIVE REPAIRS				
2047	RECHARGEABLE REPAIRS	14	DP	as 2015
2048	RIGHT TO REPAIR	1	DP	as 2015
	sub-total	15		
RESPONSIVE WORK MANAGED BY OTHER BUDGET OFFICERS/NOT ORDERED VIA SX3				
2038	WHITE GOODS	3	JMcG	
2046	REDECORATION ALLOWANCE	24	JMcG	
	sub-total	27		
2094	Unallocated	32	HMT	as 2015
	sub-total	32		
Responsive Budget Totals		6,530		

		2016 - 17 Proposed Budget	Budget Holder	Comments
Section 2 Non - Responsive works				
		£000		
Heating & Plumbing Programme				
2052	GAS HEATING / SERVICING	1,004	BC	increase as per unit extra £50k for CH properties
2053	GAS HEATING - IMPROVEMENTS	243	JT	as 2015
2054	SOLID FUEL HEATING - SERVICING	50	DP	as 2015
2056	WATER / SANITARY SERVICES	9	DP	as 2015
2059	GAS CARCASS TESTING	10	JT	as 2015
sub-total		1,316		
Joinery, Garages/Shops Programme				
2060	PRIOR TO PAINTING JOINERY PROGRAMME	131	AG	
2062	REPLACE FAILED DOUBLE GLAZED UNITS	3	DP	as 2015
2068	GARAGE IMPROVEMENTS	28	AG	
sub-total		162		
Electrical Programme				
2075	MAINT OF CARELINE SMOKE ALARMS	11		as 2015
2082	DISABILITY ADAPTATION - SERVICE	48	AG	
2083	SMOKE DETECTOR - SERVICING	122	AG	
2084	CONDENSATION CONTROL	27		as 2015
2085	COMMUNAL LIGHTING - SERVICING	59	AG	as 2015
2086	IRS SERVICING	35	AG	
2087	DOOR ENTRY SYSTEMS - SERVICING	39	AG	
2089	ELECTRICAL TESTING	45	AG	
sub-total		386		
Decorating/Environmental Programme				
2090	EXTERNAL REPAINTING	71	AG	
2091	INTERNAL REPAINTING	69	AG	
sub-total		140		
Cyclical/Special Programmes				
2076	ROOFING PROGRAMMES	81	AG	as 2015
2093	EXTERNAL WORKS	389	AC/RF	as 2015
sub-total		470		
NON-RESPONSIVE WORK MANAGED BY OTHER BUDGET OFFICERS/NOT ORDERED VIA SX3				
2051	DISTRICT HEATING MAINTENANCE	95	JV	
2057	LEGIONELLA CONTROL COSTS	47	JV/RF	
2070	COMMERCIAL PROPERTY	5	JV	
2078	FLOOR TILES IN COMMUNAL AREAS OF FLATS	10	RF	
2066	TOP UP LOFT & CAVITY WALL INSULATION	26	AC/RF	
2092	FIRE PREVENTION WORKS	4	AC/RF	
sub-total		187		
Non-Responsive Budget Totals		2,661		
TOTAL REPAIRS BUDGET		9,191		

Chesterfield Borough Council

Equality Impact Assessment - Full Assessment Form

Service Area: **Housing Services**
Section: **OSD**
Lead Officer: **Martyn Bollands**

Title of the policy, project, service, function or strategy the preliminary EIA is being produced for: **Housing Repairs Programme 2015/16**

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

Existing
Changed
New/Proposed

STEP 1 – MAKE SURE YOU HAVE CLEAR AIMS AND OBJECTIVES

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

The Housing Repairs Programme finances the day to day repairs and planned maintenance of the Council housing stock. Works include; repairs to void and tenants' properties across all trades (joinery, plumbing, gas, electrical, brickwork etc.) including out of hours emergencies.

The 2015/16 Repairs Programme has been increased by indexation (1.29%)

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

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

What outcomes do you want to achieve?

For all tenants to receive a quality and timely responsive repairs service in line with agreed service standards.

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

Some tenants have specific cultural requirements e.g. No male workers where only a female Muslim is present, avoiding carrying out improvements during specific religious festivals (Ramadan). Work (other than emergencies) can be planned to meet the individual requirements of the tenant.

There are also potential barriers for tenants with disabilities such as visual impairments when equipment and materials could prove a hazard whilst work is being carried out. Or for wheelchair users when work is being carried out tenants could have restricted access to their homes caused by equipment and materials. Advice or assistance is given to support individuals in specific circumstances.

STEP 2 – COLLECTING YOUR INFORMATION

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

The ongoing Tenant Participation programme and in particular the recent Repairs Focus Group help us to develop programmes of work tailored to the individual needs of tenants with protected characteristics. We also have data available from previous revenue and capital improvement works which can give us an indication of future needs.

An annual equality monitoring report is carried out to demonstrate who accesses the service and to inform service planning and future delivery using the records kept on Northgate (the housing management system).

STEP 3 – FURTHER ENGAGEMENT ACTIVITIES

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

Date	Engagement Activity	Main findings
Ongoing	Tenant Participation Programme	Range of individual requirements identified with tenants.
Ongoing	Repairs Focus Group	Range of individual requirements identified with tenants. Development of revised service standards for repairs

STEP 4 – WHAT'S THE IMPACT?

Is there an impact (positive or negative) on some groups/people with protected characteristics in the community? (Think about race, disability, age, gender, religion or belief, sexual orientation and other socially excluded communities or groups). You may also need to think about sub groups within

each equalities group or protected characteristics e.g. older women, younger men, disabled women etc.

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

Group or Protected Characteristic	Positive impacts	Negative impacts	Action
Age – including older people and younger people.	Flexible 24 hours service that can be accessed by telephone and internet. Appointments planned and programme to meet specific needs and evening and weekend appointments can be arranged. Text reminders sent	Child related hazards / access around home while workman in.	Actions are already in place to mitigate these negative impacts, our Officers work with the tenants and the work is scheduled in to meet the requirements of the tenant.
Disabled people – physical, mental and sensory including learning disabled people and people living with HIV/Aids and cancer.	Flexible 24 hours service that can be accessed by telephone and internet. Appointments planned and programme to meet specific needs and evening and weekend appointments can be arranged. Text reminders sent	Hazards / access around home while workman in.	Actions are already in place to mitigate these negative impacts, our Officers work with the tenants and the work is scheduled in to meet the requirements of the tenant.
Gender – men, women and transgender.	Flexible 24 hours service that can be accessed by telephone and internet. Appointments planned and programme to meet specific needs and evening and weekend appointments can	N/A	

	be arranged. Text reminders sent		
Marital status including civil partnership.	Flexible 24 hours service that can be accessed by telephone and internet. Appointments planned and programme to meet specific needs and evening and weekend appointments can be arranged. Text reminders sent	N/A	
Pregnant women and people on maternity/paternity. Also consider breastfeeding mothers.	Flexible 24 hours service that can be accessed by telephone and internet. Appointments planned and programme to meet specific needs and evening and weekend appointments can be arranged. Text reminders sent	N/A	
Sexual Orientation – Heterosexual, Lesbian, gay men and bi-sexual people.	Flexible 24 hours service that can be accessed by telephone and internet. Appointments planned and programme to meet specific needs and evening and weekend appointments can be arranged. Text reminders sent	N/A	
Ethnic Groups	Flexible 24 hours service that can be accessed by telephone and internet. Appointments planned and programme to meet	A negative impact could arise where tenants have specific cultural requirements e.g. Male workers where only a female Muslim is present,	Actions are already in place to mitigate these negative impacts, our Officers work with the tenants and the work is scheduled in to meet the

	specific needs and evening and weekend appointments can be arranged. Text reminders sent	carrying out improvements during specific religious festivals (Ramadan).	requirements of the tenant.
Religions and Beliefs including those with no religion and/or beliefs.	Flexible 24 hours service that can be accessed by telephone and internet. Appointments planned and programme to meet specific needs and evening and weekend appointments can be arranged. Text reminders sent	As above in Ethnic Groups.	As above in Ethnic Groups.
Other groups e.g. those experiencing deprivation and/or health inequalities.	N/A	N/A	N/A

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

Yes

No

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

STEP 5 – RECOMMENDATIONS AND DECISION MAKING

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

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

The Housing Repairs Programme is monitored monthly by OSD and Housing management team. Annual equality monitoring report for service planning.

STEP 6 – KNOWLEDGE MANAGEMENT AND PUBLICATION

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

Reviewed by Operational Service Manager

Name: M Bollands

Date: ---- January 2015

Reviewed by Policy Service

Name:

Date:

Final version of the EIA sent to the Policy Service

Decision information sent to the Policy Service

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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