BOROUGH OF CHESTERFIELD

You are summoned to attend a Meeting of the **Council** of the **Borough of Chesterfield** to be held in the **Council Chamber, Town Hall, Rose Hill, Chesterfield S40 1LP** on **Thursday, 25 February 2016** at **5.00 pm** for the purpose of transacting the following business:-

1. To approve as a correct record the Minutes of the meeting of Council held on 16 December, 2015 (Pages 5 - 14)

2. Mayor's Communications.

3. Apologies for Absence

4. Declarations of Members' and Officers' Interests relating to items on the Agenda.

5. Public Questions to the Council

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

6. Petitions to Council.

   To receive Petitions submitted under Standing Order No.13

7. Questions to the Leader

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

8. Housing Capital Programme (Pages 15 - 30)

9. General Fund Capital Programme (Pages 31 - 50)

10. Treasury Management and Annual Investment Strategies (Pages 51 - 78)

11. 2016/2017 Budget and Medium Term Financial Plan (Pages 79 - 152)

12. Council Tax for 2016/17 (Pages 153 - 158)

13. Chesterfield Borough Council's Council Plan 2016/17 Update (Pages 159 - 188)

14. Senior Pay Policy Statement for 2016/17 (Pages 189 - 218)

15. Local Government act 1972 - Exclusion of the Public

To move “That under Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act”.

16. Sheffield City Region Investment Fund - Funding Agreements (Pages 219 - 260)

17. Local Government Act 1972 - Re-admission of the Public

To move that after the consideration of an item containing exempt information that the public be re-admitted to the meeting.

18. Minutes of Committee Meetings (Pages 261 - 262)

To receive for information the Minutes of the following meetings:-

- Appeals and Regulatory Committee
- Employment and General Committee
- Licensing Committee
- Planning Committee
- Standards and Audit Committee

19. To receive the Minutes of the meetings of Cabinet of 15 December, 2015, 12 and 26 January and 9 February, 2016 and to approve the recommendation at Minute No. 150 (1). (Pages 263 - 296)

20. To receive the Minutes of the meetings of the Joint Cabinet and Employment and General Committee of 15 December, 2015 and 9 February, 2016 (Pages 297 - 308)

21. To receive and adopt the Minutes of the meetings of the Overview and Performance Scrutiny Forum of 10 November and 8 December, 2015 and 12 January, 2016 (Pages 309 - 342)

22. To receive and adopt the Minutes of the meeting of the Community, Customer and Organisational Scrutiny Committee of 24 November, 2015 (Pages 343 - 348)

23. Questions under Standing Order No. 19.

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

By order of the Council,

Chief Executive

Chief Executive's Unit,
Town Hall,
Chesterfield

17 February 2016

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COUNCIL

Wednesday, 16th December, 2015

Present:-

The Mayor

Councillors	Bagley	Councillors	Flood
	J Barr		P Gilby
	P Barr		T Gilby
	Bellamy		Hill
	Blank		Hitchin
	Borrell		Hollingworth
	Brittain		Huckle
	Brown		J Innes
	Brunt		P Innes
	Burrows		Miles
	Callan		A Murphy
	Catt		T Murphy
	Caulfield		Niblock
	Davenport		Parsons
	Derbyshire		Rayner
	Dickinson		Redihough
	A Diouf		Sarvent
	V Diouf		Simmons
	Dyke		Slack
	Elliott		Wall

50 **MINUTES**

RESOLVED –

That the Minutes of the meeting of the Council held on 14 October, 2015 be approved as a correct record and be signed by the Chair.

51 MAYOR'S COMMUNICATIONS.

The Mayor referred to the following Mayoral engagements:

- Hosting several visits to the Town Hall by primary school pupils as part of Local Democracy Week.

- Attending events to mark Remembrance Day including the Service of Remembrance at the Parish Church and the parade to the Chesterfield War Memorial.

- Switching on the Christmas lights in Chesterfield town centre.

The Mayor also thanked Councillor Brunt for raising funds for the Mayor's appeal by running in the recent Bolsover 10km event.

52 APOLOGIES FOR ABSENCE

Apologies were received from Councillors Brady, Bexton, Ludlow, Perkins and Serjeant.

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

No declarations of interest were received.

54 PUBLIC QUESTIONS TO THE COUNCIL

There were no questions.

55 PETITIONS TO COUNCIL

In accordance with Standing Order No.13 Council debated the following petition from Chesterfield Liberal Democrats received on 20 November, 2015: -

The Chesterfield Liberal Democrats petition Chesterfield Borough Council not to sell the Ashgate Road car park.

The petition contained in excess of 1,000 signatures; therefore it was referred to Council to be debated in accordance with the Council's petition scheme and Standing Order No.13.

Councillor Maureen Davenport, representing Chesterfield Liberal Democrats presented the petition and answered Member's questions.

RESOLVED –

1. That the Council receives and notes the petition submitted by the Chesterfield Liberal Democrats in relation to the Council's proposals to sell the Ashgate Road car park.

2. That the Cabinet Member for Planning takes the following matters into account before coming to a final decision on the proposed sale of the Ashgate Road car park and associated premises at 6 Ashgate Road, Chesterfield:

   (a) the petition and also the representations made at the Council meeting;

   (b) the site's longstanding allocation for housing development in the Chesterfield Local Plans of 1996 and 2006 and the Local Plan Core Strategy of 2013;

   (c) the Council's current inability to demonstrate a five year supply of deliverable housing sites and the additional pressure this places on the Council to grant permission for housing on greenfield sites;

   (d) the opportunities that exist within the planning system to potentially secure measures to manage the impact of any proposed housing development at this site on on-street parking;

   (e) the availability of off-street parking at other edge of town centre car parks with the capacity to accommodate extra cars at prices suited to attract commuters.

56 QUESTIONS TO THE LEADER

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

- Councillor Brunt asked about the end of deep mining in the UK, and what Chesterfield Borough Council could do to recognise the heritage of coal mining in the borough.

- Councillor Peter Barr asked about the development of clean coal technology.

- Councillor Jean Innes asked about the high occupancy levels of town centre shops in Chesterfield.

- Councillor Tom Murphy asked about the impact of government proposals regarding social housing rents on the Housing Revenue Account.

- Councillor Hitchin asked about the Leader's work schedule over the Christmas period.

57 **ANNUAL AUDIT LETTER, 2014/15**

The Council's District Auditor, Tony Crawley, attended to present KPMG's Annual Audit Letter for 2014/15.

The report covered the audit of the Council's financial statements and assessment of arrangements to achieve value for money in the use of resources. The arrangements were assessed against the criteria of financial resilience and securing economy, efficiency and effectiveness. The report advised that KPMG had issued an unqualified value for money conclusion for 2014/15 on 28 September, 2015, and had also concluded that the Council had proper arrangements in place to secure financial resilience and to challenge how it secures economy, efficiency and effectiveness.

RESOLVED -

That KPMG's Annual Audit Letter for 2014/15 be received.

58 **INDEPENDENT REMUNERATION PANEL REPORT ON MEMBER ALLOWANCES**

The Monitoring Officer submitted a report detailing the recommendations of the Independent Remuneration Panel (IRP) following its recent review of the Members' Allowances Scheme. The council appointed the IRP earlier in the year to consider Members' allowances as a statutory requirement of the Local Government Act 2000. The Panel last carried out a comprehensive review in 2011 and advised then that a further comprehensive review should take place in 2015.

Professor Steve Leach who chaired the panel attended Council to present the panel's recommendations.

The IRP recommended increases to the Basic Allowance and all the Special Responsibility Allowances (SRAs), apart from the SRA's payable to the Leader of the Council, the Deputy Leader of the Council and to the Leader of the Opposition. The panel's report also recommended the introduction of two new SRAs for the Vice Chairs of Appeals and Regulatory and of the Planning Committee and the discontinuation of the SRA's for the Deputy Leader of the Opposition and for the Cabinet member without portfolio if that position was held by the Leader of the Opposition.

RESOLVED –

1. That the recommendations of the Independent Remuneration Panel are accepted in full and implemented from 1 April, 2016.

2. That the Independent Remuneration Panel's report be published as set out in paragraph 7 of the officer's report.

3. That Full Council expresses both its appreciation and thanks to the members of the Independent Remuneration Panel for the thorough and efficient way in which they carried out the review.

4. That the application of the average level of change in the NJC staff pay award for spinal column points 35-40 as the basis for the annual increase in members allowances shall not be valid after 31st December 2019, unless the Council has before then sought a further recommendation from its Independent Remuneration Panel on their application in this scheme

59 REVIEW OF THE STATEMENT OF LICENSING POLICY

Pursuant to Cabinet Minute No. 113 the Council's revised Statement of Licensing Policy was submitted to Council for approval. In accordance with the Licensing Act 2003 the Statement of Licensing Policy was required to be published every five years, with the reviewed statement scheduled for publication on 7 January, 2016.

RESOLVED –

That the revised Statement of Licensing Policy be approved and published.

60 GENERAL FUND REVENUE AND CAPITAL BUDGET MONITORING REPORT AND UPDATED MEDIUM TERM FINANCIAL FORECAST – SECOND QUARTER 2015/16

Pursuant to Cabinet Minute No.111 the Chief Finance Officer submitted a report outlining the budget position at the end of the second quarter, covering General Fund Revenue account, the General Fund Capital account, the Housing Revenue account as well as the Housing Capital Programme. The report outlined projected deficits in 2015/16, 2016/17, and 2017/18 in respect of the General Fund Revenue Account.

RESOLVED -

1. That the council's financial performance in the first half of the financial year and the revised medium term forecast be noted.

2. That the changes to the General Fund Capital Programme as outlined in the officer's report be approved.

3. That the proposed new use of reserves as outlined in the officer's report be approved.

4. That the changes to the Housing Revenue Budget be noted.

61 LOCAL COUNCIL TAX SUPPORT SCHEME 2016/17

Pursuant to Cabinet Minute No.125 the Chief Finance Officer submitted for approval Chesterfield Borough Council's Council Tax Support Scheme for the next financial year (2016/17). The scheme being recommended for adoption in respect of the next financial year (2016/17) was unchanged from that in 2015/16.

RESOLVED –

1. That Council approve the continued operation of a local Council Tax Support scheme for 2016/17 based on The Council Tax Reduction Scheme England Regulations 2012 amended to reflect the following local decisions concerning the key principles of the scheme:

    - For those of working age the maximum amount of Council Tax that will be eligible for reduction is 91.5% of their full Council Tax Liability (£84 for a Band A property).

    - The Council continues its policy of disregarding war pensions for the purposes of calculating income in respect of the Council Tax Reduction Scheme at a total estimated cost of £16k.

    - The 'taper', i.e. the rate at which support is withdrawn as income increases be maintained at 20%.

2. That the Chief Finance Officer be granted delegated powers to update the scheme to reflect such up-ratings of premiums, allowances and non-dependent deductions as may be determined by the Department of Work and Pensions, and any other minor technical changes which may be required.

3. That the local council tax discounts originally agreed for 2013/14 be continued.

62 GREAT PLACE: GREAT SERVICE UPDATE

Pursuant to Cabinet Minute No.112 the Executive Director, James Drury and the Business Transformation Managersubmitted the November 2015 business case for the Great Place, Great Service transformation programme for Council approval.

A report requesting delegated authority from Council to both Cabinet members and named officers to enable the Great Place, Great Service programme to be delivered in an informed and timely manner, was also submitted for Council's consideration.

RESOLVED -

1. That the revised Great Place, Great Service (GPGS) business case be approved and implemented.

2. That the proposed delegated decision making authorities be made to Cabinet and named officers, as detailed in section 5 of the officer's report, to ensure that the GPGS programme is delivered in an informed and timely manner.

63 MINUTES OF COMMITTEE MEETINGS

RESOLVED -

That the Minutes of the meetings of the following Committees be noted:-

Appeals and Regulatory Committee of 7, 14, 21 and 28 October, 4, 11 and 25 November and 1 December, 2015.

Licencing Committee of 21 October and 11 November, 2015.

Planning Committee of 5 October and 26 October and 16 November, 2015.

Standards and Audit Committee of 25 November, 2015.

64 CABINET MINUTES

RESOLVED -

That the Minutes of the meetings of Cabinet of 6 October, 3 and 17 November and 1 December, 2015 be noted.

65 MINUTES OF JOINT CABINET AND EMPLOYMENT AND GENERAL COMMITTEE

RESOLVED -

That the Minutes of the meetings of the Joint Cabinet and Employment and General Committee of 3 November and 1 December be noted.

66 MINUTES OF THE COMMUNITY, CUSTOMER AND ORGANISATIONAL SCRUTINY COMMITTEE

RESOLVED -

That the Minutes of the meeting of the Community, Customer and Organisational Scrutiny Committee of 15 September, 2015 be approved.

67 MINUTES OF THE MEETING OF THE ENTERPRISE AND WELLBEING SCRUTINY COMMITTEE

RESOLVED -

That the Minutes for the meeting of the Enterprise and Wellbeing Scrutiny Committee of 6 October, 2015 be approved.

68 QUESTIONS UNDER STANDING ORDER NO. 19

There were no questions.

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FOR PUBLICATION

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

MEETING:	COUNCIL
DATE:	25 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 The Housing (Public Sector) Capital Programme for 2016/17 is approved and its procurement, as necessary, be authorised.

2.2 The provisional Housing (Public Sector) Capital Programme’s for 2017/18 and 2018/19 are noted.

2.3 The Operational Services Division share of the Programme be approved.

2.4 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 BACKGROUND

3.1 This report is due to be considered by Cabinet at its meeting on 23 February, where it is recommended that Cabinet supports the recommendations and recommends that they be approved by Full Council.

4.0 FINANCING THE 2016/17 PROGRAMME AND BEYOND

4.1 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.

4.2 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.

4.3 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.

4.4 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.

4.5 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.

4.6 However, as shown in the HRA Business Plan report, (referred to in Paragraph 4.2) 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 additional to a modest strategic acquisitions programme.

4.7 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 4.2) 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.

4.8 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.

4.9 An analysis of resources currently available for the 2016/17 Capital Programme is attached at **Appendix 1**.

5.0 <u>THE 2016/17 AND FUTURE PROGRAMMES</u>

5.1 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.

5.2 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.

5.3 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.

5.4 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

5.5 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.

5.6 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.

5.7 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.

5.8 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.

5.9 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.

5.10 Building on the recent Asbestos Compliance Review, programmes for Asbestos Management Surveys, Refurbishment and Demolition Surveys and Removal of Asbestos have been significantly increased.

5.11 Members previously approved a programme of environmental improvements at **Barrow Hill, London Boroughs Estate** and provision has been made for this work.

5.12 Provision has also been made to deliver a **new build housing scheme** at Rufford Close, Boythorpe.

5.13 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 Trustee and the BISF** properties in 2016/17

5.14 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.

6.0 TENANT INVOLVEMENT

6.1 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.

7.0 SUPPORTING LOCAL CONTRACTORS

7.1 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.

7.2 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.

8.0 OPERATIONAL SERVICES SHARE OF PROGRAMME

8.1 **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.

9.0 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

10.0 EQUALITIES ISSUES

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

11.0 RECOMMENDATIONS

11.1 The Housing (Public Sector) Capital Programme for 2016/17 is approved and its procurement, as necessary, be authorised.

11.2 The provisional Housing (Public Sector) Capital Programme’s for 2017/18 and 2018/19 are noted.

11.3 The Operational Services Division share of the Programme be approved.

11.4 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.

12.0 REASONS FOR RECOMMENDATIONS

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

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

12.3 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 Tel: 01246 345156.

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APPENDIX 1

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
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**

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

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

MEETING:	COUNCIL
DATE:	25 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

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.

3.4 This report is due to be considered by Cabinet at its meeting on 23 February, where it is recommended that the recommendations be supported and referred to Full Council for approval.

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 net 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 Mangers 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.
- Playgound 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 mange 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)

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.			VAT issues resolved. In-year monitoring. VAT planning for a number of years ahead. Obtaining expert external advice.		

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

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.

APPENDIX A

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	17/18	18/19
		Original	Revised	Variance	Budget	Budget	Budget
	General Fund:	£'000	£'000	£'000	£'000	£'000	£'000
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 WW 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**

APPENDIX C

	Cost Centre	Revised	Actual 2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Renewals Fund Expenditure Estimates														
			Actual	Revised Forecasts, based on available information & amended for potential deferred spend										
	Cost Centre	*Revised*	2014/15	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**
		£	£	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**
Corporate Resources														
Reprographics	2421	*14,000*	-	**14,000**	**16,000**	-	-	-	-	8,000	-	-	8,000	14,000
Revenues	2421	*3,250*	-	**3,250**	**-**	-	-	1,150	880	880	-	3,250	-	-
Winter Weather policy	2421	-	-	**-**	**-**	-	-	-	-	-	-	-	-	-
Surface Car Parks	2402	*9,000*	3,764	**56,000**	**9,000**	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Markets & Yards	2405	*18,000*	-	**22,000**	**-**	-	-	21,000	12,000	-	-	-	-	22,000
CCTV recording system	capital	-	-	**-**	***135,000***	-	-	-	-	-	*135,000*	-	-	-
CCTV equipment (non-cap)	2401	-	-	**-**	***215,000***	*30,000*	*30,000*	*30,000*	*30,000*	*30,000*	*30,000*	*30,000*	*30,000*	*30,000*
Environmental Health														
Street Scene Vans	2414	-	-	**-**	**-**	-	66,000	-	-	-	-	-	66,000	-
Surveillance CCTV	2414	-	-	**-**	**10,000**	-	-	-	-	-	-	-	-	10,000
Air Quality Monitoring	2414	-	-	**-**	**33,000**	-	-	-	-	-	-	33,000	-	-
Noise Monitoring	2414	-	-	**16,500**	**-**	-	-	-	-	16,500	-	-	-	-
Waste Collection	2414	*50,000*	45,655	**50,000**	**50,000**	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Recycling	2414	-	-	**-**	**-**	-	-	-	-	28,200	-	24,300	-	43,500
Landscape Services	2434 + 2435 3240 capitalised	*179,300*	18,095 61,675	**337,400**	**206,500**	168,000	69,000	64,300	125,900	166,700	112,500	216,000	107,500	172,200
Outdoor Leisure/Ranging	2437	*71,100*	-	**37,190**	**2,500**	2,500	2,500	2,500	73,600	2,500	36,690	2,500	2,500	2,500
Sport & Leisure														
QPSC/HLC general schedule	2436	*60,000*	16,597	**205,120**	**20,000**	20,000	31,860	20,000	20,000	20,000	55,120	24,600	20,000	20,000
QPSC/HLC gyms	2436	- -	44,698	**100,000** **316,000**	**-** **-**	- -	- -	- -	100,000 356,000	- -	- -	- -	- -	100,000 356,000
QPSC synthetic 3G pitch	2436	-	-	**-**	**50,000**	-	-	-	-	42,000	-	-	-	-
HLC soft play/climbing wall	2436	-	1,273	**-**	**-**	-	80,000	-	-	-	-	110,000	-	-
Building Cleaning (incl. LCs)	2414	*6,000*	2,495	**2,500**	**-**	3,900	540	5,900	2,500	-	3,900	540	5,900	2,500
Museum	2439	*5,000*	-	**1,500**	**10,000**	2,000	2,000	1,500	2,000	2,000	3,000	2,000	2,000	1,500
Winding Wheel	2440	-	-	**-**	**-**	-	-	-	-	-	-	-	-	-
	3240 capitalised	-	10,000	**-**	**-**	-	-	-	-	-	-	-	-	-
Theatre	2438	*10,000*	-	**24,600**	**-**	-	-	-	-	-	-	-	-	-
Accountancy Recharge	2499	*1,120*	690	**1,130**	**1,190**	1,200	1,210	1,230	1,240	1,240	1,240	1,240	1,240	1,240
transfer to Reserves	2499	-	-	**-**	**-**	-	-	-	-	-	-	-	-	-
		426,770	204,942	**1,187,190**	**758,190**	286,600	342,110	206,580	783,120	377,020	436,450	506,430	302,140	834,440
Renewals Fund Contributions Estimates ('Above The Line')														
		Revised	Actual	Revised Forecasts, based on available information										
		£	£	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**
Corporate Resources	various	*12,870*	12,870	**12,870**	**12,870**	12,870	12,870	12,870	12,870	12,870	12,870	12,870	12,870	12,870
Surface Car Parks	0152	*9,600*	9,600	**9,600**	**9,600**	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600
Markets & Yards	0066 + 0100	*2,400*	2,400	**2,400**	**2,400**	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
CCTV equipment (non-cap)	0149	*30,000*	30,000	**30,000**	**30,000**	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Environmental Health														
Noise Monitoring	0209	*2,750*	2,750	**2,750**	**2,750**	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750
Surveillance CCTV	0278	*1,110*	1,110	**1,110**	**1,110**	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110
Waste Collection/Recycling	0215	-	-	**-**	**-**	61,180	61,180	61,180	61,180	61,180	61,180	61,180	61,180	61,180
Landscape Services	0564	*44,030*	44,030	**44,220**	**46,580**	46,580	46,580	46,580	46,580	46,580	46,580	46,580	46,580	46,580
Outdoor Leisure	0576	*3,950*	3,950	**4,880**	**4,880**	4,880	4,880	4,880	4,880	4,880	4,880	4,880	4,880	4,880
Sport & Leisure														
QPSC/HLC general schedule	0502/0507	-	-	**-**	**30,000**	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
QPSC gym	0934	*26,000*	26,000	**20,000**	**20,000**	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
QPSC synthetic 3G pitch	0941 extra	*7,000*	7,000	**7,210**	**7,430**	7,650	7,880	8,110	7,000	7,210	7,430	7,650	7,880	8,110
HLC soft play/climbing wall	0505/0506/0507	*16,510*	16,510	**16,520**	**16,520**	16,520	16,520	16,520	16,520	16,520	16,520	16,520	16,520	16,520
HLC gym	0509	*40,000*	40,000	**71,200**	**71,200**	71,200	71,200	71,200	71,200	71,200	71,200	71,200	71,200	71,200
QPSC & HLC Cleaning	0932 + 0950	*1,470*	1,470	**1,290**	**1,290**	1,290	1,290	1,290	1,290	1,290	1,290	1,290	1,290	1,290
Building Cleaning	0268	*5,190*	5,190	**5,000**	**5,000**	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Museum	0536	-	-	**2,750**	**2,750**	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750
Winding Wheel	0540	-	-	**-**	**-**	-	-	-	-	-	-	-	-	-
Theatre	1230	-	-	**-**	**-**	-	-	-	-	-	-	-	-	-
		202,880	202,880	**231,800**	**264,380**	325,780	326,010	326,240	325,130	325,340	325,560	325,780	326,010	326,240
Renewals Fund Contributions Estimates ('Below The Line')														
		Revised	Actual	Revised Forecasts, based on available information										
Corporate Resources		£	£	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**
Reprographics	-	*2,400*	-	**2,400**	**2,400**	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Markets	-	*3,630*	-	**3,630**	**3,630**	3,630	3,630	3,630	3,630	3,630	3,630	3,630	3,630	3,630
CCTV recording system	-	*19,290*	-	**19,290**	**19,290**	19,290	19,290	19,290	19,290	19,290	19,290	19,290	19,290	19,290
Environmental Health														
Street Scene Vans	-	*11,000*	-	**11,000**	**11,000**	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
Air Quality Monitoring	-	*4,720*	-	**4,720**	**4,720**	4,720	4,720	4,720	4,720	4,720	4,720	4,720	4,720	4,720
Landscape Services	-	*89,050*	-	**95,250**	**95,250**	95,250	95,250	95,250	95,250	95,250	95,250	95,250	95,250	95,250
Outdoor Leisure	-	*7,800*	-	**7,800**	**7,800**	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800
HLC Admin	-	*5,320*	-	**5,320**	**5,320**	5,320	5,320	5,320	5,320	5,320	5,320	5,320	5,320	5,320
Yr-End transfer	3240		146,000											
		143,210	146,000	**149,410**	**149,410**	149,410	149,410	149,410	149,410	149,410	149,410	149,410	149,410	149,410
Before notional contribs		*-223,890*	-2,062	**-955,390**	**-493,810**	39,180	-16,100	119,660	-457,990	-51,680	-110,890	-180,650	23,870	-508,200
NET CHANGE TO FUND														
After notional contribs		*-80,680*	143,938	**-805,980**	**-344,400**	188,590	133,310	269,070	-308,580	97,730	38,520	-31,240	173,280	-358,790
		2013/14	2014/15	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**
		Actual	Actual	**Estimated**	**Estimated**	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
FUND BALANCE (Yr End)	3240 9001	**£1,067,206**	£1,211,144	**£405,164**	**£60,764**	**£249,354**	**£382,664**	**£651,734**	**£343,154**	**£440,884**	**£479,404**	**£448,164**	**£621,444**	**£262,654**
	cf. Revised Est.	*£862,031*	*£986,526*											
	Agresso bal. (Cr)	*1,067,206.37*	*1,211,144.45*											

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FOR PUBLICATION

TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGIES (J000)

MEETING:	COUNCIL
DATE:	25 FEBRUARY 2016
REPORT BY:	CHIEF FINANCE OFFICER
WARD:	ALL
COMMUNITY ASSEMBLY	ALL
KEY DECISION NO:	603

FOR PUBLICATION

BACKGROUND PAPERS
Local Government act 2003, CIPFA Prudential Code & Guidance and Sector's Economic Forecasts.

1. PURPOSE OF REPORT

1.1 To approve the Treasury Management Strategy Statement and the Annual Investment Strategy Statement for 2016/17.

2. RECOMMENDATIONS

2.1 That the Council affirms its adoption of CIPFA's Code of Practice on Treasury Management.

2.2 That the Treasury Management Strategy Statement and Annual Investment Strategy, including the Prudential Code Indicators, the Minimum Revenue Provision Policy, and the extended list of permitted investments be approved.

3. BACKGROUND

3.1 The key aims of the CIPFA 'Code of Practice for Treasury Management in the Public Services' (the Code) are:

a) Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities;

b) Their policies and practices should make clear that the effective management and control of risk are prime objectives of their treasury management activities;

c) They should acknowledge that the pursuit of best value in treasury management, and the use of suitable performance measures, are valid and important tools to employ.

3.2 The Council first adopted the Code at its meeting on the 22nd October 2003. The Council is required to approve the Treasury Management and Investment Strategies and reaffirm its adoption of the Code before the start of each financial year.

3.3 CIPFA amended the Code in 2011 to take account of developments in the financial market place and the introduction of the Localism Act.

3.4 This report was considered by the Standards and Audit Committee at its meeting on 3 February, 2016, where it resolved that the recommendations be supported and be recommended to Full Council for approval.

4. TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY

4.1 The Strategy Statement is shown in Annexe 1. The key Sections are explained below.

4.2 **Treasury Limits and Prudential Indicators** - sets the limits and indicators for the forthcoming financial year and two successive financial years, including:

4.2.1 Affordability Ratios:

- Ratio of financing costs to net revenue stream (para 2.6 of Annexe 1) shows the trend in the cost of capital based on the programme against the net revenue stream (i.e. council tax for the General Fund and rent income for the Housing Revenue Account). The General Fund ratio increases in 2016/17 which reflects the prudential borrowing required to finance the rebuild of Queens Park Sports Centre but this reduces in 2017/18 as capital receipts are set aside to repay that debt. The HRA ratio is fairly static due to both reducing financing costs and a reducing revenue stream as a result of the 1% per annum rent reduction requirement.

- Estimates of the incremental impact of capital decisions on the Council Tax and housing rents are shown in para's 2.7 and 2.8 of Annexe 1. These costs have been incorporated into the revenue budget forecasts.

4.2.2 Borrowing Limits (Annexe 1, para. 3.2):

- Operational Boundary - £139m in 2016/17, this is an estimate of the probable external borrowing during the year, it is not a limit and actual borrowing can vary for short periods during the year.

- Authorised Limit - £150m in 2016/17, represents the limit beyond which borrowing is not permitted. It includes estimates for long and short-term borrowing. The limit must be set and can be revised by the Council.

4.2.3 Other Prudential Indicators:

- Capital expenditure - the planned capital expenditure over the medium term.
- Net Borrowing - estimates of the net of borrowing and investments.
- Capital Financing Requirement - enables the net borrowing position to be compared to the capital financing requirement.
- Fixed and variable rate exposures, maturity structures and long term investments.

4.3 **Borrowing Strategy** (para. 3.4 of Annexe 1) - the current borrowing strategy is to bring the long term debt into line with the capital borrowing limit as determined by the Capital Financing Requirement. The Public Works Loans Board continues to be the main source of long-term financing.

4.4 **Debt Repayment and Minimum Revenue Provision Policy (Annexe 1, para. 2.3)**

The Minimum Revenue Provision (MRP) Policy which determines the rate at which debt will be repaid is:

a) General Fund - unchanged from last year with new borrowing usually repaid on an 'asset life' basis; and

b) Housing Revenue Account - based on 1.5% of the Capital Financing Requirement. This policy will be reviewed in future years in line with the 30 year Business Plan.

Debt Re-scheduling (Annexe 1, para. 3.6) – PWLB rescheduling rates has continued to limit the opportunities. The Chief Finance Officer will continue to monitor rescheduling opportunities and report any actions taken to the next available Cabinet meeting.

4.5 **Annual Investment Strategy** (Section 4 of Annexe 1) - defines what categories of investments are to be used and the restrictions placed on their use. The primary objective is to protect capital and the maximisation of returns is secondary. The credit ratings of the approved counterparties for investments are regularly reviewed.

Appendix 5.1 of Annexe 1 provides details of permitted investments which have been extended to cover a wider range of investment instruments including up to £5m in Property Funds.

5. RECOMMENDATIONS

5.1 That the Council affirms its adoption of CIPFA's Code of Practice on Treasury Management.

5.2 That the Treasury Management Strategy Statement and Annual Investment Strategy, including the Prudential Code Indicators, the Minimum Revenue Provision Policy, and the extended list of permitted investments be approved.

6 REASON FOR RECOMMENDATIONS

6.1 To comply with regulations and recognised best practice.

B DAWSON
CHIEF FINANCE OFFICER

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

Treasury Management Strategy Statement

Minimum Revenue Provision Policy Statement and Annual Investment Strategy

2016/17

1 INTRODUCTION

1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

CIPFA defines treasury management as:

> *"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."*

1.2 Reporting requirements

The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

Prudential and treasury indicators and treasury strategy (this report) - The first, and most important report covers:

- the capital plans (including prudential indicators);
- a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

A mid year treasury management report – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether any policies require revision.

An annual treasury report – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny
The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Standards & Audit Committee.

1.3 Treasury Management Strategy for 2016/17

The strategy for 2016/17 covers two main areas:

Capital issues

- the capital plans and the prudential indicators;
- the minimum revenue provision (MRP) policy.

Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, CLG MRP Guidance, the CIPFA Treasury Management Code and CLG Investment Guidance.

1.4 Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsibe for scrutiny. Training will be arranged as required. The training needs of treasury management officers are periodically reviewed.

1.5 Treasury management consultants

The Council uses Capita Asset Services, Treasury solutions as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

2 THE CAPITAL PRUDENTIAL INDICATORS 2016/17 – 2018/19

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

2.1 Capital expenditure

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Capital expenditure £000	2014/15 Actual	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
General Fund	8,002	8,869	2,224	1,211	1,095
HRA	15,423	22,000	17,000	17,000	17,000
Total	23,425	30,869	19,224	18,211	18,095

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Capital expenditure £000	2014/15 Actual	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Financed by:					
Capital receipts	2,549	2,973	2,429	1,720	1,575
Capital grants	8,675	5,668	960	660	660
Revenue	7,788	20,729	15,835	15,831	15,860
Net financing need for the year	**4,413**	**1,499**	**-**	**-**	**-**

2.2 The Council's borrowing need (the Capital Financing Requirement)

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

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

The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council currently has no such schemes within the CFR.

The Council is asked to approve the CFR projections below. These projections exclude the loan from Sheffield City Region LEP for the £2.4m Waterside project.

£000	2014/15 Actual	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Capital Financing Requirement					
CFR – General Fund	13,627	14,796	13,170	6,801	6,527
CFR – HRA	138,482	136,405	134,359	132,431	130,358
Total CFR	152,109	151,201	147,529	139,144	136,885
Movement in CFR	909	(9,108)	(3,672)	(8,385)	(2,259)

Movement in CFR represented by					
Net financing need for the year (above)	4,413	1,499	-	-	-
Less MRP/VRP and other financing movements	(3,504)	(2,407)	(3,672)	(8,385)	(2,259)
Movement in CFR	909	(9,108)	(3,672)	(8,385)	(2,259)

2.3 Minimum revenue provision (MRP) policy statement

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

CLG regulations have been issued which require the full Council to approve **an MRP Statement** in advance of each year.

For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

- **Based on CFR** – MRP will be based on the CFR (option 2);

This option provides for an approximate 4% reduction in the borrowing need (CFR) each year.

From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be:

- **Asset life method** – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction) (option 3);

These options provide for a reduction in the borrowing need over approximately the asset's life.

However, the annuity method will be used where it is anticipated that the benefits of the scheme will increase over time i.e the debt repayments are lower in the early years and increase over time. The typical useful lives for various categories of assets are shown in the table below, but will be assessed when each project is approved:

	Asset Life (years)
Land	50
Buildings	50
Infrastructure	40
Plant & Equipment	Up to 20
Vehicles	5 to 7

Prudential borrowing will continue to be used for invest-to-save type schemes, even where assets lives might be quite short, provided the anticipated efficiency savings are sufficient to cover the MRP charges i.e.the investment is self financing.

The Council has the discretion to determine the debt repayment policy for the HRA. The Policy from April 2013 is to set aside a provision for debt repayment based on 1.5% of the Capital Financing Requirement. This policy will be reviewed in later years as the Business Plan develops.

2.4 Core funds and expected investment balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year end balances for each resource and anticipated day to day cash flow balances.

Year End Resources £000	2014/15 Actual	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Fund balances / reserves	28,355	23,409	13,458	5,691	5,558
Capital receipts	700	-	-	1,013	9,581
Provisions	1,960	1,901	1,821	1,766	1,711
Other	3,587	1,100	1,050	1,000	950
Total core funds	**34,602**	**26,410**	**16,329**	**9,470**	**17,800**

2.5 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators.

2.6 Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

%	2014/15 Actual	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
General Fund	4.51	4.69	5.40	3.52	-0.86
HRA	19.36	18.36	18.83	18.49	18.31

The estimates of financing costs include current commitments and the proposals in this budget report.

2.7 Incremental impact of capital investment decisions on council tax

This indicator identifies the revenue costs associated with proposed changes to the three year capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

Incremental impact of capital investment decisions on the band D council tax

£	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Council tax - band D		0.30	0.62	1.23

2.8 Estimates of the incremental impact of capital investment decisions on housing rent levels

Similar to the council tax calculation, this indicator identifies the trend in the cost of proposed changes in the housing capital programme recommended in the budget report compared to the Council's existing commitments and current plans, expressed as a discrete impact on weekly rent levels.

Incremental impact of capital investment decisions on housing rent levels

£	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Weekly housing rent levels	0.04	0.18	0.40	0.61

This indicator shows the revenue impact on any newly proposed changes, although any discrete impact will be constrained by rent controls.

3 BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

3.1 Current portfolio position

The Council's treasury portfolio position at 31 March 2015, with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£000	2014/15 Actual	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
External Debt					
Debt at 1 April	145,016	140,095	139,317	133,245	131,303
Expected change in Debt	(4,921)	(778)	(6,072)	(1,942)	(1,967)
Other long-term liabilities (OLTL)	-	-	-	-	-
Expected change in OLTL	-	-	-	-	-
Actual gross debt at 31 March	140,095	139,317	133,245	131,303	129,336
The Capital Financing Requirement	152,109	151,201	147,529	139,144	136,855
Under / (over) borrowing	12,014	11,884	14,284	7,841	7,519

Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2016/17 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The Chief Finance Officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

3.2 Treasury Indicators: limits to borrowing activity

The operational boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

Operational boundary £000	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
	140,050	139,320	133,250	131,300

The authorised limit for external debt. A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
2. The Council is asked to approve the following authorised limit:

Authorised limit £000	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
	151,000	150,000	143,000	141,000

Separately, the Council is also limited to a maximum HRA CFR through the HRA self-financing regime. This limit is currently:

HRA Debt Limit £000	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
HRA debt cap	155,612	155,612	155,612	155,612
HRA CFR	136,405	134,359	132,343	130,358
HRA headroom	19,207	21,253	23,269	25,254

3.3 Prospects for interest rates

The Council has appointed Capita Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives our central view.

	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
Bank rate	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%
5yr PWLB rate	2.00%	2.10%	2.20%	2.30%	2.40%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%
10yr PWLB rate	2.60%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.60%	3.60%	3.70%
25yr PWLB rate	3.40%	3.40%	3.50%	3.60%	3.70%	3.70%	3.80%	3.90%	4.00%	4.00%	4.10%	4.10%	4.10%
50yr PWLB rate	3.20%	3.20%	3.30%	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	3.90%	4.00%	4.00%	4.00%

UK. UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and although the 2015 growth rate is likely to be a leading rate in the G7 again, it looks likely to disappoint previous forecasts and come in at about 2%. Quarter 1 of 2015 was weak at +0.4% (+2.9% y/y) though there was a slight increase in quarter 2 to +0.5% (+2.3% y/y) before weakening again to +0.4% (2.1% y/y) in quarter 3. The November Bank of England Inflation Report included a forecast for growth to remain around 2.5 – 2.7% over the next three years, driven mainly by strong consumer demand as the squeeze on the disposable incomes of consumers has been reversed by a recovery in wage inflation at the same time that CPI inflation has fallen to, or near to, zero since February 2015. Investment expenditure is also expected to support growth. However, since the August Inflation report was issued, most worldwide economic statistics have been weak and financial markets have been particularly volatile. The November Inflation Report flagged up particular concerns for the potential impact of these factors on the UK.

The Inflation Report was also notably subdued in respect of the forecasts for inflation; this was expected to barely get back up to the 2% target within the 2-3 year time horizon. The increase in the forecast for inflation at the three year horizon was the biggest in a decade and at the two year horizon was the biggest since February 2013. However, the first round of falls in oil, gas and food prices over late 2014 and also in the first half 2015, will fall out of the 12 month calculation of CPI during late 2015 / early 2016 but a second, more recent round of falls in fuel and commodity prices will delay a significant tick up in inflation from around zero: this is now expected to get back to around 1% by the end of 2016 and not get to near 2% until the second half of 2017, though the forecasts in the Report itself were for an even slower rate of increase. However, more falls in the price of oil and imports from emerging countries in early 2016 will further delay the pick up in inflation. There is therefore considerable uncertainty around how quickly pay and CPI inflation will rise in the next few years and this makes it difficult to forecast when the MPC will decide to make a start on increasing Bank Rate.

The weakening of UK GDP growth during 2015 and the deterioration of prospects in the international scene, especially for emerging market countries, have consequently led to forecasts for when the first increase in Bank Rate would occur being pushed back to quarter 4 of 2016. There is downside risk to this forecast i.e. it could be pushed further back.

USA. The American economy made a strong comeback after a weak first quarter's growth at +0.6% (annualised), to grow by no less than 3.9% in quarter 2 of 2015, but then pulled back to 2.0% in quarter 3. The run of strong monthly increases in nonfarm payrolls figures for growth in employment in 2015 prepared the way for the Fed. to embark on its long awaited first increase in rates of 0.25% at its December meeting. However, the accompanying message with this first increase was that further increases will be at a much slower rate, and to a much lower ultimate ceiling, than in previous business cycles, mirroring comments by our own MPC.

EZ. In the Eurozone, the ECB fired its big bazooka in January 2015 in unleashing a massive €1.1 trillion programme of quantitative easing to buy up high credit quality government and other debt of selected EZ countries. This programme of €60bn of monthly purchases started in March 2015 and it was intended to run initially to September 2016. At the ECB's December meeting, this programme was extended to March 2017 but was not increased in terms of the amount of monthly purchases. The ECB also cut its deposit facility rate by 10bps from -0.2% to -0.3%. This programme of monetary easing has had a limited positive effect in helping a recovery in consumer and business confidence and a start to some improvement in economic growth. GDP growth rose to 0.5% in quarter 1 2015 (1.3% y/y) but has then eased back to +0.4% (+1.6% y/y) in quarter 2 and to +0.3% (+1.6%) in quarter 3. Financial markets were disappointed by the ECB's lack of more decisive action in December and it is likely that it will need to boost its QE programme if it is to succeed in significantly improving growth in the EZ and getting inflation up from the current level of around zero to its target of 2%.

Greece. During July, Greece finally capitulated to EU demands to implement a major programme of austerity and is now cooperating fully with EU demands. An €86bn third bailout package has since been agreed though it did nothing to address the unsupportable size of total debt compared to GDP. However, huge damage has been done to the Greek banking system and economy by the resistance of the Syriza Government, elected in January, to EU demands. The surprise general election in September gave the Syriza government a mandate to stay in power to implement austerity measures. However, there are major doubts as to whether the size of cuts and degree of reforms required can be fully implemented and so Greek exit from the euro may only have been delayed by this latest bailout.

Portugal and Spain. The general elections in September and December respectively have opened up new areas of political risk where the previous right wing reform-focused pro-austerity mainstream political parties have lost their majority of seats. An anti-austerity coalition has won a majority of seats in Portugal while the general election in Spain produced a complex result where no combination of two main parties is able to form a coalition with a majority of seats. It is currently unresolved as to what administrations will result from both these situations. This has created nervousness in bond and equity markets for these countries which has the potential to spill over and impact on the whole Eurozone project.

- Investment returns are likely to remain relatively low during 2016/17 and beyond;
- Borrowing interest rates have been highly volatile during 2015 as alternating bouts of good and bad news have promoted optimism, and then pessimism, in financial markets. Gilt yields have continued to remain at historically phenominally low levels during 2015. The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times, when authorities will not be able to avoid new borrowing to finance new capital expenditure and/or to refinance maturing debt;
- There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.

3.4 Borrowing strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is relatively high.

Against this background and the risks within the economic forecast, caution will be adopted with the 2016/17 treasury operations. The Chief Finance Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.

Any decisions will be reported to the appropriate decision making body at the next available opportunity.

The Council's overall core borrowing strategy is as follows:-

- To reduce the revenue costs of debt
- To manage the Council's debt maturity profile, leaving no one future year with a high level of repayments that might cause problems in re-borrowing
- To secure funding at the cheapest cost commensurate with future risk
- To reschedule debt in order to take advantage of potential savings as interest rates change. Any reschedule exercise will be considered in terms of the premiums and discounts on the General Fund and HRA.
- To manage the day to day cash flow of the Authority in order to, where possible, negate the need for short term borrowing.

The Chief Finance Officer will take the most appropriate form of borrowing depending on prevailing interest rates at the time. It is likely that short term fixed rates may provide lower cost opportunities in the short/medium term.

The option of postponing borrowing and running down investment balances will also be considered. This would reduce counterparty risk and offset the expected fall in investment returns.

Abnormally low interest rates are expected to continue during 2016. This provides a continuation of the current window of opportunity for local authorities to fundamentally review their strategy of undertaking new external borrowing.

Over the next three years, investment rates are expected to be below long term borrowing rates and so value for money considerations would indicate that value could best be obtained by avoiding new external borrowing and by using internal cash balances to finance new capital expenditure or to replace maturing external debt (referred to as internal borrowing). This would maximise short term savings.

However, short term savings by avoiding new long term external borrowing in 2016/17 will also be weighed against the potential for incurring additional long term extra costs by delaying unavoidable new external borrowing until later years when PWLB long term rates are forecast to be significantly higher.

Treasury management limits on activity

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

£m	2016/17	2017/18	2018/19
Interest rate exposures			
	Upper	**Upper**	**Upper**
Limits on fixed interest rates based on net debt	50 – 100%	50 – 100%	50 – 100%
Limits on variable interest rates based on net debt	0 – 50%	0 – 50%	0 – 50%
Maturity structure of fixed interest rate borrowing 2016/17			
		Lower	**Upper**
Under 12 months		0%	15%
12 months to 2 years		0%	15%
2 years to 5 years		0%	45%
5 years to 10 years		5%	75%
10 years and above		25%	95%

3.5 Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.6 Debt rescheduling

As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

All rescheduling will be reported to the Cabinet, at the earliest meeting following its action.

4 ANNUAL INVESTMENT STRATEGY

Introduction: changes to credit rating methodology

The main rating agencies (Fitch, Moody's and Standard & Poor's) have, through much of the financial crisis, provided some institutions with a ratings "uplift" due to implied levels of sovereign support. Commencing in 2015, in response to the evolving regulatory regime, all three agencies have begun removing these "uplifts" with the timing of the process determined by regulatory progress at the national level. The process has been part of a wider reassessment of methodologies by each of the rating agencies. In addition to the removal of implied support, new methodologies are now taking into account additional factors, such as regulatory capital levels. In some cases, these factors have "netted" each other off, to leave underlying ratings either unchanged or little changed. A consequence of these new methodologies is that they have also lowered the importance of the (Fitch) Support and Viability ratings and have seen the (Moody's) Financial Strength rating withdrawn by the agency.

In keeping with the agencies' new methodologies, the rating element of our own credit assessment process now focuses solely on the Short and Long Term ratings of an institution. While this is the same process that has always been used for Standard & Poor's, this has been a change in the use of Fitch and Moody's ratings. It is important to stress that the other key elements to our process, namely the assessment of Rating Watch and Outlook information as well as the Credit Default Swap (CDS) overlay have not been changed.

The evolving regulatory environment, in tandem with the rating agencies' new methodologies also means that sovereign ratings are now of lesser importance in the assessment process. Where through the crisis, clients typically assigned the highest sovereign rating to their criteria, the new regulatory environment is attempting to break the link between sovereign support and domestic financial institutions. While this authority understands the changes that have taken place, it will continue to specify a minimum sovereign rating of AA-. This is in relation to the fact that the underlying domestic and where appropriate, international, economic and wider political and social background will still have an influence on the ratings of a financial institution.

It is important to stress that these rating agency changes do not reflect any changes in the underlying status or credit quality of the institution. They are merely reflective of a reassessment of rating agency methodologies in light of enacted and future expected changes to the regulatory environment in which financial institutions operate. While some banks have received lower credit ratings as a result of these changes, this does not mean that they are suddenly less credit worthy than they were formerly. Rather, in the majority of cases, this mainly reflects the fact that implied sovereign government support has effectively been withdrawn from banks. They are now expected to have sufficiently strong balance sheets to be able to withstand foreseeable adverse financial circumstances without government support. In fact, in many cases, the balance sheets of banks are now much more robust than they were before the 2008 financial crisis when they had higher ratings than now. However, this is not universally applicable, leaving some entities with modestly lower ratings than they had through much of the "support" phase of the financial crisis.

4.1 Investment policy

The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second, then return.

In accordance with the above guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

Investment instruments identified for use in the financial year are listed in appendix 5.1 under the 'specified' and 'non-specified' investments categories. Counterparty limits will be as set through the Council's treasury management practices – schedules.

4.2 Creditworthiness policy

This Council applies the creditworthiness service provided by Capita Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit Watches and credit Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

- Yellow 5 years
- Dark pink 5 years for Enhanced money market funds (EMMFs) with a credit score of 1.25
- Light pink 5 years for Enhanced money market funds (EMMFs) with a credit score of 1.5
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)

- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

The Capita Asset Services' creditworthiness service uses a wider array of information than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

Typically the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored weekly. The Council is alerted to changes to ratings of all three agencies through its use of the Capita Asset Services' creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Capita Asset Services. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on any external support for banks to help support its decision making process.

4.3 Country limits

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch. The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 5.2. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

4.4 Investment strategy

In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for interest rates.

Investment returns expectations. Bank Rate is forecast to remain unchanged at 0.5% before starting to rise from quarter 4 of 2016. Bank Rate forecasts for financial year ends (March) are:

- 2016/17 0.75%

- 2017/18 1.25%
- 2018/19 1.75%

The suggested budgeted investment earnings rates for returns on investments placed for periods up to 100 days during each financial year are as follows:

2016/17 0.60%
2017/18 1.25%
2018/19 1.75%
2019/20 2.25%
2020/21 2.50%
2021/22 2.75%
2022/23 2.75%
2023/24 3.00%
Later years 3.00%

The Council will avoid locking into longer term deals while investment rates are down at historically low levels unless attractive rates are available with counterparties of particularly high credit worthiness which make longer term deals worthwhile and within the risk parameters set by this council.

Investment treasury indicator and limit - total principal funds invested for greater than 364 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Council is asked to approve the treasury indicator and limit: -

Maximum principal sums invested > 364 days			
	2016/17	**2017/18**	**2018/19**
Principal sums invested > 364 days	25%	25%	25%

For its cash flow generated balances, the Council will seek to utilise its business reserve instant access and notice accounts, money market funds and short-dated deposits (overnight to 3 months) in order to benefit from the compounding of interest.

4.5 End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

5 APPENDICES

1. Credit and counterparty risk management
2. Approved countries for investments
3. Treasury management scheme of delegation
4. The treasury management role of the section 151 officer

5.1 APPENDIX: Credit and Counterparty Risk Management

SPECIFIED INVESTMENTS: All such investments will be sterling denominated, with **maturities up to maximum of 1 year**, meeting the minimum 'high' quality criteria where applicable.

NON-SPECIFIED INVESTMENTS: These are any investments which do not meet the specified investment criteria. A maximum of 33% will be held in aggregate in non-specified investment

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made it will fall into one of the above categories.

Specified Investments

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

	Minimum credit criteria / colour band	**Max. maturity period**
DMADF – UK Government	N/A	12 months
UK Government gilts	UK sovereign rating	12 months
UK Government Treasury bills	UK sovereign rating	12 months
Bonds issued by multilateral development banks	AAA	12 months
Money market funds	AA-	Liquid
Enhanced money market funds with a credit score of 1.25	AA-	Liquid
Enhanced money market funds with a credit score of 1.5	AA-	Liquid
Local authorities	N/A	12 months
Term deposits with banks and building societies	Blue Orange Red Green No Colour	12 months 12 months 6 months 3 months Not for use

CDs or corporate bonds with banks and building societies	Blue Orange Red Green No Colour	12 months 12 months 6 months 3 months Not for use
Gilt funds	UK sovereign rating	

Collective Investment Schemes structured as Open Ended Investment Companies (OEICs)	
1. Government Liquidity Funds	AA-
2. Money Market Funds	AA-
3. Enhanced Money Market Funds with a credit score of 1.25	AA-
4. Enhanced Money Market Funds with a credit score of 1.5	AA-
5. Bond Funds	AA-
6. Gilt Funds	AA-

Counterparty & Group Limits

Investments with each individual counterparty should not exceed £5m. The sum of investments with individual counterparties who belong to the same banking group, shall not exceed £7.5m. The investment limit for Enhanced Money Market Funds is £15m per fund.

Accounting treatment of investments. The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this Council. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

NON-SPECIFIED INVESTMENTS: A maximum of 33% will be held in aggregate in non-specified investment.

	Minimum Credit Criteria	**Max %/£m of total investments**	**Max. maturity period**
		33% in total	
Term deposits – local authorities	--		3 years
Term deposits – banks and building societies	Purple		3 years
Certificates of deposit issued by banks and building societies	Purple		1 year
Local Authority Mortgage Scheme*	Short-term F1, Long-term A-	£1m	7 years
UK Government Gilts	UK sovereign rating		5 years
Bonds issued by multilateral development banks	AAA		3 years
Sovereign bond issues (other than the UK govt)	AAA		3 years
Corporate bonds	Short-term F1, Long-term A-,		3 years
Collective Investment Schemes structured as Open Ended Investment Companies (OEICs)			
1. Bond funds			
2. Gilt funds			
3. Property funds**		£5m	

*The Council established a **Local Authority Mortgage Scheme** during 2013/14 which is delivered through the Lloyds Banking Group with an initial deposit of £1m for up to 7 years.

**The use of these instruments can be deemed capital expenditure, and as such will be an application (spending) of capital resources. This Authority will seek guidance on the status of any fund it may consider using. Appropriate due diligence will also be undertaken before investment of this type is undertaken.

5.2 APPENDIX: Approved countries for investments

Based on lowest available rating

AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Finland
- U.K.
- U.S.A.

AA

- Abu Dhabi (UAE)
- France
- Qatar

AA-

- Belgium

5.3 APPENDIX: Treasury management scheme of delegation

(i) Full Council

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.

(ii) Cabinet

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

(iii) Standards & Audit Committee

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

5.4 APPENDIX: The treasury management role of the section 151 officer

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.

FOR PUBLICATION

2016/17 BUDGET AND MEDIUM TERM FINANCIAL PLAN

MEETING:	COUNCIL
DATE:	25 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 That Council:

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 **<u>This report does not allow for the impact of the possible award of 80% business rates mandatory relief to the local NHS Trust</u>**. 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 mention 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 Major preceptors share CBC BR Baseline	50% 10% 40%	**16,977** **3,396** **13,582**
Total	100%	**33,955**
CBC – BR Baseline **Less BR Baseline Funding Level**		**13,582** **(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 Councils 40% share as £14,816,238. The Councils 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 Councils 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**
<u>Commitments</u>:						
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 of 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 assume 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.

12.0 DRAFT BUDGETS

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	17th Feb	(680)	**(1,379)**
After 4 months	22nd Sept	(490)	**(1,793)**
Revised budget report after 6 months	1st Dec	(393)	**(1,560)**
1st draft budget report	26th Jan	(102)	**(1,506)**
Latest Forecast	23rd 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
Movements/commitments:		
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**

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
Movements/commitments:		
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**
Movements/commitments:		
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 outturn <u>surplus</u> 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 <u>surplus</u> of £193k.
- 2015/16 - from an original savings requirement of £581k to a revised <u>surplus</u> of £40k.
- 2016/17 – from an original savings requirement of £680k to a <u>surplus</u> 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 That Council:

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	**B. DAWSON**
CHIEF EXECUTIVE	**CHIEF FINANCE OFFICER**

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

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GENERAL FUND REVENUE ESTIMATES SUMMARY

	2015/16		2016/17	2017/18	2018/19	2019/20	2020/21
	Original	Revised	Estimate	Estimate	Estimate	Estimate	Estimate
	£	£	£	£	£	£	£
Per Lead Member reports:							
Leader - Regeneration	496,000	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):							
Via RSG:							
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					
Effficiency 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
Via BR Baseline Funding:							
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**				
Effficiency 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 refiefs	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%)

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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: 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: 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: Corporate and service objectives Charging targets
Previous year's experience: Price increase Affect on demand Performance against targets
Analysis of local competition (if any)
Current charge
Proposed charge
Percentage increase
Estimated income
Estimated costs
Income as a percentage of costs
Number of users
Subsidy / Surplus per user
Reason for subsidy (if there is one)

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APPENDIX F

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 ticke	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%**

APPENDIX G

GRANTS & CONTRIBUTIONS INCLUDED IN THE BUDGET FORECASTS

Grant Type & Description	2015/16 original £	2015/16 revised £	2016/17 estimate £	2017/18 estimate £	2018/19 estimate £	2019/20 estimate £	2020/21 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 M/nance, 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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Appendix H

MOVEMENTS ON RESERVES & PROVISIONS

Tiltle	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 - caims 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	Provsion 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**

Appendix I

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	

Appendix I

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	

Appendix I

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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Appendix J

CALCULATION OF EXPENDITURE – SECTION 32 LGFA '92

	2016/17 £
Gross Expenditure – Chesterfield Borough Council	115,676,690
Special Items	
- Staveley Town Council Precept - (£309,820 in 15/16)	356,293
- Brimington Parish Council Precept - (£46,953 in 15/16)	47,672
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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APPENDIX K

COUNCIL TAXES 2016/17

To Follow

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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=

APPENDIX L

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

APPENDIX L

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

APPENDIX L

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

APPENDIX L

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

COUNCIL TAX 2016/17

MEETING:	COUNCIL
DATE:	25 FEBRUARY 2016
REPORT BY:	CHIEF FINANCE OFFICER
WARD:	ALL
COMMUNITY FORUM:	ALL

FOR PUBLICATION

BACKGROUND PAPERS:

Title	**Location**
(i) Budget Working Papers	Accountancy Services

1.0 PURPOSE OF REPORT

1.1 To set the Council's own Council Tax for 2016/17.

1.2 To set the aggregate amounts of Council Tax for 2016/17, including all of the precepting authorities, for each area/category of dwelling within the Borough in accordance with requirements of the Local Government Finance Act 1992.

2.0 BACKGROUND

2.1 The suite of budget setting reports (Medium Term Financial Plan, Capital Budget and Treasury Management) are included as separate items on the agenda. The detailed Portfolio budgets are available on the Councils website (in Your Council / Your Chesterfield / Publication Scheme / What We Spend and How We Spend It). The budget reports form the basis of the Council Tax recommendation in this report.

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

2.3 Under section 52ZB of the Local Government Act 1992 the Council is required to determine whether its relevant basic amount of council tax for a financial year is excessive. Where the increase exceeds the principles determined by the Secretary of State the authority is required to hold a council tax referendum. For 2016/17 an increase is deemed to be excessive for a shire district council if it 2% or more above the 2015/16 level and more than £5 above the 2015/16 level.

3.0 RECOMMENDATIONS

3.1 That it be noted that at its meeting on 25th January 2016 the Employment and General Committee calculated the following tax base amounts for the year 2016/17 in accordance with regulation made under Section 31B of the Local Government Finance Act 1992 as:

(a) **28,271.58** being the amount calculated for the whole Council area.

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

Staveley Town Council	4,019.61
Brimington Parish Council	2,243.44

3.2 That the Council approves the calculation of the Council Tax requirement for the Council's own purposes for 2016/17 (excluding parish precepts) as **£4,237,627**.

3.3 That the following amounts be calculated for the year 2016/17 in accordance with Sections 31 to 36 of the Act:

(a) **£116,080,655** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act (gross expenditure) taking into account all precepts issued to it by Parish Councils;

(b) **£113,222,348** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act (gross income including grants and the use of reserves);

(c) **£68,221** being the surplus on the Council tax elements of the Collection Fund and **£1,851,506** being the deficit on the Business Rate elements

(d) **£4,641,592** being the amount by which the aggregate at 3.3(a) above exceeds the aggregate at 3.3(b) above plus 3.3(c), calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. Please note that this is the total of the Borough's requirement of **£4,237,627** plus the total parish precepts of **£403,965**.

(e) **£164.18** being the amount at 3.3(d) above divided by 3.1(a) above, calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).

(f) **£403,965** being the aggregate amount of all special items (parish precepts) referred to in Section 34(1) of the Act.

(g) **£149.89** being the amount at 3(e) above less the result given by dividing the amount at 3(f) above by the amount at 3.1(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates. The tax does not exceed the principles set by the Secretary of State for determining excessive tax increases and triggering a referendum.

<u>Parts of the Council's area</u>:

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

Parish	Band 'D' Tax £
Staveley	238.53
Brimington	171.14

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

Part of the Council's area	**Valuation Band**							
	A	**B**	**C**	**D**	**E**	**F**	**G**	**H**
	£	£	£	£	£	£	£	£
Staveley Town Council	159.02	185.52	212.03	238.53	291.54	344.54	397.55	477.06
Brimington Parish Council	114.09	133.11	152.12	171.14	209.17	247.20	285.23	342.28
All other parts of the Borough	99.93	116.58	133.24	149.89	183.20	216.51	249.82	299.78

3.4 That it be noted that for the year 2016/17 the Derbyshire County Council, the Derbyshire Fire and Rescue Service and the Derbyshire Police & Crime Commissioner have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Precepting Authority	**Valuation Band**							
	A	**B**	**C**	**D**	**E**	**F**	**G**	**H**
	£	£	£	£	£	£	£	£
Derbyshire County Council	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 Service	47.45	55.36	63.27	71.18	87.00	102.82	118.63	142.36
Derbyshire Police & Crime Commissioner	118.05	137.72	157.40	177.07	216.42	255.77	295.12	354.14

*The Derbyshire County Council Tax increase of 3.99% includes 2.00% to support the delivery of adult social care duties and responsibilities in 2016/17, equivalent to an additional £22.41 for dwellings in Council Tax Valuation Band 'D', which is included in the £1,165.17 in the table above.

3.5 That, having calculated the aggregate in each case of the amounts at 3.3(i) and 3.4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2016/17 for each of the categories of dwellings shown below:

	Valuation Band							
Part of the Council's area	**A 6/9**	**B 7/9**	**C 8/9**	**D 9/9**	**E 11/9**	**F 13/9**	**G 15/9**	**H 18/9**
	£	**£**	**£**	**£**	**£**	**£**	**£**	**£**
Staveley Town Council	1,101.30	1,284.84	1,468.41	1,651.95	2,019.06	2,386.15	2,753.25	3,303.90
Brimington Parish Council	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 parts of the Borough	1,042.21	1,215.90	1,389.62	1,563.31	1,910.72	2,258.12	2,605.52	3,126.62

4.0 REASON FOR RECOMMENDATIONS

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

B. DAWSON
CHIEF FINANCE OFFICER

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FOR PUBLICATION

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

MEETING:	COUNCIL
DATE:	25 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**

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

2.2 That 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.

3.4 This report is due to be considered by Cabinet at its meeting on 23 February, where it is recommended that Cabinet supports the Council Plan as the Council's strategic framework, and recommends that it be approved by Full Council.

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 it's 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

8.1 That the Council Plan is approved as the Council’s strategic framework.

8.2 That 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.

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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	Local labour clauses have been agreed in 100% of eligible major developments during 2015/16. We developed a local employment and skills plan to maximise job opportunities at the new Peak Resort.	We will have achieved labour clauses in 100% of eligible major developments during 2016/17. 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.
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	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. 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%.	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.	We put in place the canal infrastructure at Chesterfield Waterside to unlock further development. Pre-application discussions have been held with developers and scope agreed for 300 rented apartments, a hotel and 7,500	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.

	sqm commercial floorspace in the Basin Square character area. Pre-application discussions have also been held with a potential developer for the Station Approach character area.	
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.	We developed a funded delivery plan for the regeneration of the Staveley and Rother Valley Corridor. During the year, pre-application meetings have been held with landowners, including detailed design and masterplan reviews. Agreement has been secured with Derbyshire County Council regarding the transport modelling and evidence required. Discussions have also taken place with Derbyshire County Council regarding school provision. 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. Confirmation of the open space/sports requirements has been secured from CBC Leisure Services. A project board, has been established to oversee the progress.	We will be implementing the delivery plan for the regeneration of the Staveley and Rother Valley Corridor. This will enable the site to e 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.
Increase the occupancy at the Markham Vale Enterprise Zone.	There have been significant achievements in increasing occupancy during 2015/16 including: • Construction of a 100,000 sq. ft. manufacturing and distribution building with offices has been completed	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.

	and is now operational • 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.	

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.	We adopted the revised masterplan for the town centre, setting the scene for future development. 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.	We will have developed an implementation plan for the town centre with a strong focus on town centre management. We will also refresh the town centre events programme to maximise footfall and ensure that Chesterfield's parking facilities meet customer expectations. We will be exploring alternative delivery models for cultural services to ensure quality and sustainability.
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

levels at the outdoor market, reaching 90% by the end of the period.	more attractive location for both traders and shoppers. Monthly Artisan markets have been established. Our land and property service has been working hard to promote town centre commercial properties. Town Centre occupancy rates are currently at 92%.	the outdoor market to be delivered during the course of this plan. We will continue to promote the town centre as an excellent place for business.
Increase the value of the visitor economy by at least 5%, bringing in an additional £7m per annum.	We have worked with the Peak District Destination Management Organisation to increase visitor numbers to Chesterfield. 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.	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.
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.	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.	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.

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
Increase overall housing supply, bringing 1520 new homes into Chesterfield Borough, of which up to 30% on appropriate sites will be affordable.	Planning applications for new housing have increased during 2015/16, although they have not yet returned to pre-recession levels. 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. 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.	We will publish a new Local Plan for growth in the Borough. We will launch the Community Infrastructure Levy to help meet the infrastructure needs and priorities necessary for the sustainable development of Chesterfield. Preparation of a new Local Plan which will include a revised housing target is advancing, with a draft plan expected in summer 2016. An Affordable Housing Supplementary Planning Document will be produced in 2016 to simplify the mechanisms for securing new affordable housing.

Begin directly building new housing by making use of surplus council land.	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.	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.
Maintain the quality of homes across all tenures and maximise further investment in home energy improvements to deliver affordable warmth for our residents.	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. We completed and fully let the new supported housing scheme at Parkside. 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.	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. We will have delivered a further £200,000 of assistance to vulnerable homeowners through the provision of an interest free loan
Improve the quality and management of privately owned properties through investigation, assistance and active regulation where necessary.	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.	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. We will complete an option appraisal and make recommendations to members with regard to the possible implementation of selective licensing. We will introduce a new Empty Homes Strategy – reflecting new legislative opportunities and in view of financial incentives currently available from central

		government. 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.

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.	We opened the new £350,000 sports pavilion at Eastwood Park. We refurbished childrens' play areas at Circular Road, Belmont Drive, Spital Lane, Edinburgh Road and Harehill Road. 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.	We will have developed and submitted a funding bid to the BIG Lottery for King George V Playing Fields. We will be seeking funding to implement the Stand Road Bowls Pavilion project and for a children's play area at Langer Lane. We will have adopted a masterplan for improving Staveley Memorial Gardens.

	We supported Stand Road Bowls Club with a funding bid to Sport England for a new pavilion. Spring bulbs were planted with the community cross a range of sites including 14,000 daffodils on the Holme Hall estate.	The parks improvement programme will continue with a refurbished of Thirlmere Road Play area and the development of plans for improvements in Hollingwood.
Increase tenant satisfaction with their neighbourhood as a place to live to 85% or above.	The vast majority of our tenants (82%) are extremely satisfied with their neighbourhood as a place to live. Our extensive improvement housing improvement programme has helped us to achieve extremely high satisfaction rates for our services as a landlord (88%).	We will continue with our extensive housing improvement programme, improve tenant engagement and progress the environmental improvement scheme at Barrow Hill.
Increase the number of Green Flag awards for our parks to 6	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.	We aim to retain the five Green Flags for Queen’s Park, Eastwood Park, Holmebrook Valley Park, Poolsbrook Country Park and the Crematorium. 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.
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.	Improvements have been made to Circular Road play area. Work has been undertaken to prioritise other schemes.	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.

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
Increase participation in sport and physical activity at facilities provided by the council and promote healthy lifestyles via the Active Derbyshire partnership.	We opened the new £11.25m Queen's Park Sports Centre and have increased membership rates to over ? across our two leisure centres. We provided a new outdoor gym at Langerfield. 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.	We will be developing a Health and Well-being strategy and action plan that focuses on community level initiatives and improvements.
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.	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.	We will have organised and promoted a wide range of events and activities at our parks with opportunities for the whole community. We will have developed plans for an off-road Mountain Bike centre at Pools Brook Country Park to increase park usage for this activity.
Work with our partners to reduce the gap in health outcomes between the most and least deprived parts of the	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.	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.

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.	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. 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.	A reduction in the number of tenancies breaking down. Improved tenant participation activities and events to improve service delivery and encourage further take up of services.

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
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.	We have continued to support key community and voluntary sector organisations to provide financial inclusion services. We have service levels 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. 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.	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. 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 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.
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.	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. We introduced an assessment process for an applicant's ability to manage and maintain a tenancy before allocating council housing and provided support to	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. 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.

	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.	Work began on the joint Homelessness Strategy. Through the Derbyshire Wide Homelessness Group. We provided increased support for homeless people through additional housing advice workers and a dedicated ‘No Second Night Out’ worker 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.	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**
Ensure the council has a balanced budget each year, making up the reduction in central government grant through savings and increased income.	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. £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. We undertook a range of challenge sessions with our services to identify further areas for efficiency, savings and maximising income. All of this activity enabled us to	We will complete the Town Hall restack which includes freeing up space within the town hall for income generation. We will have developed a new operating model for the council so that we are prepared to meet future challenges. 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. Achieve a balanced budget for 2016/17 and a revised four year plan for financial stability.

	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.	Flexible working laptops issued to 110 staff during 2015/16 to enable agile working. The new Council Intranet has been launched to improve internal communication and collaborative working. We rolled out on-line bookings for our cultural and leisure facilities to maximise income generation opportunities. 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.	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. 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. 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. Planning service improvements via the council's website will allow residents, developers and consultees to submit information online. The system integrates

		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%.	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. 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.

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.

Website and Social Media

Website – www.chesterfield.gov.uk

Facebook - https://www.facebook.com/ChesterfieldBoroughCouncil

Twitter - https://twitter.com/chesterfieldbc

YouTube - https://www.youtube.com/channel/UC7EjAgwra2iKCwC0YKf7Niw

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FOR PUBLICATION

Approval of Senior Pay Policy Statement 2016-17

MEETING:	COUNCIL
DATE:	THURSDAY 25 FEBRUARY 2015
REPORT BY:	HR & PAYROLL SERVICE SOLUTION LEAD ARVATO PUBLIC SECTOR SERVICES
WARD:	ALL
COMMUNITY FORUM:	ALL
KEY DECISION REFERENCE:	590

FOR PUBLICATION

1.0 PURPOSE OF REPORT

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

2.0 RECOMMENDATIONS

2.1 That Full Council considers the revised Senior Pay Policy Statement for approval.

3.0 BACKGROUND

3.1 A first version of this Policy was developed in March 2012 following the implementation of the Localism Act 2011. Section 38 (1) of the Act requires that English and Welsh local authorities produce a Senior Pay Policy Statement for 2012/13 and each financial year after that. In 2014, the Department for Communities and Local Government published a revised Local Government Transparency Code on 3

October 2014 which sets out the requirement to publish data relating to Senior Pay.

3.2 The objective for publishing this information is to increase public transparency and local democratic accountability in how senior pay is set in local authorities. The intention is for Councils to be able to demonstrate value for money in the remuneration package of the senior managers and also show the role that local councillors play in determining senior reward.

3.3 The Policy has to be approved by Full Council each year and published on the Council's website. A copy of the Senior Pay Policy Statement 2016-17 is attached at Appendix 1.

3.4 The Senior Pay Policy Statement was considered by Cabinet at its meeting on 26 January 2016 and it was resolved that the statement be supported and referred to Full Council for approval.

4.0 KEY ISSUES

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

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

Other changes made to the Policy include:

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

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

5.0 CONSULTATION

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

6.0 FINANCIAL IMPLICATIONS

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

7.0 EQUALITIES

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

8.0 RISK MANAGEMENT

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

9.0 RECOMMENDATIONS

9.1 That Full Council considers the revised Senior Pay Policy Statement for approval.

10 REASON FOR RECOMMENDATIONS

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

JANE DACKIEWICZ
HR & PAYROLL SERVICE SOLUTION LEAD

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

Senior Pay Policy Statement

Policy
Guiding Principles
2016/17

Prepared by: **Human Resources**

Date: **February 2016**

For Review: **February 2017**

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CONTENTS

Senior Pay Policy Statement

1. Introduction

1.1 Legislation

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

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

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

1.2 Scope

This Senior Pay Policy Statement will cover the following areas:

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

1.3 Context

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

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

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

1.4 Definitions

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

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

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

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

With the exception of the new Director of Resources, these new posts will be at the third tier level but will be employed on Chief Officer terms. Implementation of this new structure will commence from January 2016. The new corporate management structure is attached at Appendix 1.

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

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

2. Background to Pay and Grading

2.1 Whole Workforce

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

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

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

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

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

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

2.2 Living Wage

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

2.3 Corporate Management Team

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

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

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

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

3. Senior Management Salaries

3.1 Senior Leadership Team - Benchmarking

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

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

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

There was no cost of living rise awarded to Chief Executives or Chief Officers from 2009 – 2014. In January 2015, a 2% rise was awarded but was only to be applied where the basic salary was less than £100,000. This increase was not applied to the Chief Executive position.

3.2 Package over £100,000

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

3.3 New Corporate Management Team

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

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

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

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

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

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

4. Terms and Conditions of Service

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

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

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

5. Additional Payments

5.1 Election Duties

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

5.2 Acting Up Payments

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

5.3 Honoraria

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

5.4 Telephone Rental

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

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

5.5 Car Mileage and Expenses

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

5.6 Other financial benefits

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

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

- Unsocial hours payments
- Overtime Payments

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

6. Incremental Progression

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

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

7. Lowest Paid Employees

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

8. Relationship between salaries

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

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

9.Pensions

9.1 Contributions

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

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

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

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

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

9.2 Discretions

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

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

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

9.3 Re-employment of employees in receipt of a pension

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

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

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

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

10. Payments on Termination of Employment

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

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

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

11. Publication of Information

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

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Chesterfield Borough Council

Equality Impact Assessment - Preliminary Assessment Form

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

Service Area: HR & Payroll Service Solution Lead
Section: HR
Lead Officer: Jane Dackiewicz

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

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

Existing ☐
Changed ✓

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

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

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

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

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

Please tick the appropriate columns for each group.

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

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

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

Yes ☐
No ☒

Q5 - Reasons for this decision:

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

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

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APPENDIX 1

New Corporate Management Structure - 2016

(New roles in bold)

Senior Leadership Team

Chief Executive

Executive Director	Executive Director	**Director of Resources**

Corporate Management Team

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

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

Scales For All Employees (Except Craft)
JANUARY 2015

£ per hr	Bands	scp	po	salary	old	grades	Pension Band	Contribution %
6.9974	-	5		13,500			Band 1	5.5%
7.0565		6		13,614	Scale 1			
7.1088		7		13,715	scp 1-11			
7.1897	2	8		13,871				
7.2954		9		14,075				
7.4318		10		14,338				
7.8822		11		15,207				
8.0460	3	12		15,523	Scale 2 scp 11-13			
8.2626		13		15,941				
8.4130		14		16,231			Band 2	5.8%
8.5897		15		16,572	Scale 3			
8.7955	4	16		16,969				
9.0044		17		17,372				
9.1816		18		17,714				
9.5248		19		18,376	Scale 4 scp 18-21			
9.8731	5	20		19,048				
10.2328		21		19,742				
10.4977		22		20,253				
10.8066		23		20,849	Scale 5 scp 22-25			
11.1596	6	24		21,530				
11.5131		25		22,212				
11.8889		26		22,937	Scale 6 scp 26-28			
12.2833		27		23,698				
12.6845	7	28		24,472				
13.1862		29		25,440	SO1 scp 29-31			
13.6284		30		26,293				
14.0586		31		27,123			Band 3	6.5%
14.4738	8	32		27,924				
14.8998		33	PO1	28,746	SO2 scp 32-34			
15.3207		34	PO2	29,558		POA scp 32-36		
15.6421	9	35	PO3	30,178				
16.0567		36	PO4	30,978				
16.5066		37	PO5	31,846				
16.9897		38	PO6	32,778	POB scp 37-40			
17.5490	10	39	PO7	33,857				
18.0098		40	PO8	34,746				
18.4845		41	PO9	35,662				
18.9557		42	PO10	36,571	POC scp 41-44			
19.4284	11	43	PO11	37,483				
19.9063		44	PO12	38,405				
20.3531		45	PO13	39,267		POD scp 44-47	Band 4	6.8%
20.8455		46	PO14	40,217				
21.3240	12	47	PO15	41,140	POE scp 46-49			
21.7972		48	PO16	42,053				
22.2658		49	PO17	42,957		POF scp 48-		
22.7136	13	50	PO18	43,821				
23.1806		51	PO19	44,722				
23.6352		52	PO20	45,599	POG scp 50-53			
24.1001		53	PO21	46,496		POH scp 52-55	Band 5	8.5%
24.5562	14	54	PO22	47,376				
25.0155		55	PO23	48,262				

Further pension bandings:-

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

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

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

APPENDIX 3

LOCAL GOVERNMENT PENSION SCHEME 2014
DISCRETIONS POLICY FOR CHESTERFIELD BOROUGH COUNCIL

DERBYSHIRE COUNTY COUNCIL PENSION FUND

A - Mandatory Requirements of Policy Statement

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

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

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

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Agenda Item 16

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

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COUNCIL MEETING – 25 FEBRUARY 2016
MINUTES OF COMMITTEE MEETINGS

These Minutes are of Committee meetings taken under delegated powers since the last meeting of Council. The Minutes are for information only and there will be no questions or discussion on the Minutes at the Council meeting.

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

Appeals and Regulatory Committee	9 December 16 December 23 December 6 January (Full Committee) 6 January 27 January 10 February
Employment and General Committee	25 January
Licensing Committee	30 December 6 January 13 January 20 January
Planning Committee	7 December 11 January 1 February
Standards and Audit Committee	3 February

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Martin Elliott Democratic Services, Town Hall, Chesterfield, S40 1LP

Tel: 01246 345236 email: democratic.services@chesterfield.gov.uk

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CABINET

Tuesday, 15th December, 2015

Present:-

Councillor Burrows (Chair)

Councillors	T Gilby T Murphy Blank	Councillors	Huckle A Diouf
Non Voting Members	Bagley J Innes Brown		Hollingworth Wall

*Matters dealt with under the Delegation Scheme

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

No declarations of interest were received.

115 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Ludlow and Serjeant.

116 MINUTES

RESOLVED –

That the minutes of the meeting of Cabinet held on December 1, 2015 be approved as a correct record and signed by the Chair.

117 FORWARD PLAN

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

***RESOLVED –**

That the Forward Plan be noted.

118 LEADER AND CABINET MEMBER FOR REGENERATION REVENUE BUDGET 2015/16 - 2018/19

The Chief Finance Officer reported on the draft Revenue Budget outturn for 2015/16 and explained significant variances from the original budget.

Details of the draft budget for 2016/17 were also provided.

***RESOLVED -**

1. That the probable outturn for the current financial year be noted.

2. That the draft estimates for 2015/16 and future years be noted.

REASON FOR DECISION:

To enable the Council to set a balanced budget for 2016/17.

119 DEPUTY LEADER AND CABINET MEMBER FOR PLANNING REVENUE BUDGET 2015/16 - 2018/19

The Chief Finance Officer reported on the draft Revenue Budget outturn for 2015/16 and explained significant variances from the original budget.

Details of the draft budget for 2016/17 were also provided.

***RESOLVED -**

1. That the probable outturn for the current financial year be noted.

2. That the draft estimates for 2015/16 and future years be noted.

REASON FOR DECISION:

To enable the Council to set a balanced budget for 2016/17.

120 CABINET MEMBER FOR BUSINESS TRANSFORMATION REVENUE BUDGET 2015/16 - 2018/19

The Chief Finance Officer reported on the draft Revenue Budget outturn for 2015/16 and explained significant variances from the original budget.

Details of the draft budget for 2016/17 were also provided.

***RESOLVED -**

1. That the probable outturn for the current financial year be noted.

2. That the draft estimates for 2015/16 and future years be noted.

REASON FOR DECISION:

To enable the Council to set a balanced budget for 2016/17.

121 CABINET MEMBER FOR GOVERNANCE REVENUE BUDGET 2015/16 - 2018/19

The Chief Finance Officer reported on the draft Revenue Budget outturn for 2015/16 and explained significant variances from the original budget.

Details of the draft budget for 2016/17 were also provided.

***RESOLVED -**

1. That the probable outturn for the current financial year be noted.

2. That the draft estimates for 2015/16 and future years be noted.

REASON FOR DECISION:

To enable the Council to set a balanced budget for 2016/17.

122 CABINET MEMBER FOR HEALTH AND WELLBEING REVENUE BUDGET 2015/16 - 2018/19

The Chief Finance Officer reported on the draft Revenue Budget outturn for 2015/16 and explained significant variances from the original budget.

Details of the draft budget for 2016/17 were also provided.

***RESOLVED -**

1. That the probable outturn for the current financial year be noted.

2. That the draft estimates for 2015/16 and future years be noted.

REASON FOR DECISION:

To enable the Council to set a balanced budget for 2016/17.

123 CABINET MEMBER FOR HOUSING GENERAL FUND REVENUE BUDGET 2015/16 - 2018/19

The Chief Finance Officer reported on the draft Revenue Budget outturn for 2015/16 and explained significant variances from the original budget.

Details of the draft budget for 2016/17 were also provided.

***RESOLVED -**

1. That the probable outturn for the current financial year be noted.
2. That the draft estimates for 2015/16 and future years be noted.

REASON FOR DECISION:

To enable the Council to set a balanced budget for 2016/17.

124 CABINET MEMBER FOR TOWN CENTRE AND VISITOR ECONOMY REVENUE BUDGET 2015/16 - 2018/19

The Chief Finance Officer reported on the draft Revenue Budget outturn for 2015/16 and explained significant variances from the original budget.

Details of the draft budget for 2016/17 were also provided.

***RESOLVED -**

1. That the probable outturn for the current financial year be noted.
2. That the draft estimates for 2015/16 and future years be noted.

REASON FOR DECISION:

To enable the Council to set a balanced budget for 2016/17.

125 LOCAL COUNCIL TAX SUPPORT SCHEME 2016/17

The Chief Finance Officer submitted a report seeking approval for the Council Tax Support (CTS) Scheme for the next financial year (2016/17).

The Chief Finance Officer advised that the scheme being recommended for adoption in respect of the next financial year (2016/17) was unchanged from that in 2015/16.

***RESOLVED -**

That it be recommended to Full Council that:

1. approval is given to continue with the current Local Council Tax Support Scheme for 2016/17. The scheme is based on The Council Tax Reduction Scheme England Regulations 2012 amended to reflect the following local decisions concerning the key principles of the scheme:

    - For those of working age the maximum amount of Council Tax that will be eligible for reduction is 91.5% of their full Council Tax Liability.

    - The Council continues its policy of disregarding war pensions for the purposes of calculating income in respect of the Council Tax Reduction Scheme at a total estimated cost of £16,000.

    - The ‘taper’, i.e. the rate at which support is withdrawn as income increases be maintained at 20%.

2. the Chief Finance Officer be granted delegated powers to update the scheme to reflect such up-ratings of premiums, allowances and non-dependent deductions as may be determined by the Department of Work and Pensions, and for other minor technical changes which may be required.

3. the current local council tax discounts, which were originally implemented in 2013/14, be continued.

REASON FOR DECISIONS:
To ensure that the Council is able to continue to operate a localised scheme providing council tax support from April 2016.

126 INDEPENDENT REMUNERATION PANEL'S REPORT ON MEMBER ALLOWANCES

The Monitoring Officer and the Democratic Services Manager attended to present a report detailing the recommendations of the Independent Remuneration Panel (IRP) following its recent review of the Members' Allowances Scheme. The council appointed the IRP earlier in the year to consider Members' allowances as a statutory requirement of the Local Government Act 2000. The Panel last carried out a comprehensive review in 2011 and advised then that a further comprehensive review should take place in 2015.

The IRP's report recommended increases to the Basic Allowance and all the Special Responsibility Allowances (SRAs), apart from the SRA's payable to the Leader of the Council, the Deputy Leader of the Council and to the Leader of the Opposition. The panels report also recommended the introduction of two new SRAs for the Vice Chairs of Appeals and Regulatory and of the Planning Committee and the discontinuation the SRA's for the Deputy Leader of the Opposition and for the Cabinet member without portfolio if that position was held by the Leader of the Opposition. The overall cost of implementing the Panel's recommendations amounted to an extra £81,918 a year compared to the current scheme.

The decision on whether the panel's recommendations be accepted in full, in part or rejected would be taken by Full Council at its meeting on 16 December, 2015

***RESOLVED -**

That it be recommended to Full Council that:

- they consider the report of the Independent Remuneration Panel and determine whether or not to approve some or all of the Panel's recommendations.

- the IR Panel's report be published as set out at paragraph 7 of the report.

- they express both their appreciation and thanks to the members of the IR Panel for the thorough and efficient way in which they carried out the review.

- the application of the average level of change in the NJC staff pay award for spinal column points 35-40 as the basis for the annual increase in members allowances shall not be valid after 31 December 2019, unless the Council has before then sought a further recommendation from its IR Panel on their application in this scheme.

REASON FOR DECISIONS:

To enable the Council's Members' Allowances Scheme to be reviewed as required by the Local Government Act 2000 and The Local Authorities (Members' Allowances) (England) Regulations 2003.

127 FRAMEWORK FOR RESPONDING TO SPEAKERS PROMOTING MESSAGES OF HATE AND INTOLERANCE AT VENUES WITHIN CHESTERFIELD BOROUGH

The Policy Manager presented a report on the proposed framework for responding to speakers promoting messages of hate and intolerance at council venues within Chesterfield Borough. In Chesterfield there had been a number of occasions when residents, organisations and members of the public had brought to the Council's attention concerns about potential speakers or groups promoting messages that inspired hate and intolerance. Due to these concerns, as well as the council's duties and commitments to freedom of speech, maintenance of public order, and equality, diversity and social inclusion, there was considered to be a need for a framework for responding to speakers of hate and intolerance to be established.

The proposed framework set out a constructive and transparent decision making approach for council officers to refer to when making decisions on this complex and sensitive issue. The framework recognised the distinction between the types of venues within the borough and provided a number of potential decisions and actions depending on whether they are Chesterfield Borough Council owned and managed venues or external venues that were privately or community managed.

It was noted that local authorities and organisations were still in the process of establishing best practice for approaching hate crimes and therefore the proposed framework would need to be a fluid document which could be updated regularly to reflect guidance and best practice changes. It was recommended that a full review of the framework for responding to speakers promoting messages of hate and intolerance should take place after three years and that it be used to inform the review of the facility hire terms and conditions scheduled to take place in 2016/17.

***RESOLVED -**

1. That the proposed framework for responding to speakers promoting messages of hate and intolerance be adopted.

2. That a full review of the framework for responding to speakers promoting messages of hate and intolerance takes place after three years.

3. That the Cabinet Member for Governance be given delegated authority to approve essential framework amendments between the formal review periods.

4. That the forthcoming review of hire terms and conditions for the council venues, as well as the contract documentation includes reference to the framework for responding to speakers promoting decisions of hate and intolerance.

REASON FOR DECISIONS:

To effectively respond to concerns about speakers promoting messages of hate and intolerance within the borough.

128 **<u>PARKSIDE – ALLOCATIONS/CHARGES AND SUPPORT</u>**

The Housing Service Manager – Customer Division presented a report that detailed the proposed arrangements for the allocation and letting of properties in respect of the new Parkside housing scheme, including rent levels and service charges, and also the support arrangements which would be available to tenants.

With four of the tenants of the old Parkside housing scheme indicating their wish to return to the new development, it was proposed that the remaining accommodation would be allocated in accordance with an agreed Local Lettings Policy, with lettings in the first instance to 100% transfer applicants. In addition, half of all initial and subsequent lettings would be to occupants of family houses in areas of high demand and short supply, and the remaining half would be to tenants of the local area or to tenants needing to move to the area in order to receive support; the latter would be under the terms of the Council's Allocations Policy.

Due to funding cuts in Housing Related Support by Derbyshire County Council, Chesterfield Borough Council's sheltered schemes would not post April, 2016longer receive funding for the support provided in supported housing schemes. The support for Parkside housing scheme would be provided by a named Support Officer who would carry out a needs and risk assessment in relation to each tenant. A support package would then be put in place to meet the tenants' individual needs.

***RESOLVED -**

1. That the proposed rent levels for the Parkside housing scheme, as well as the level of the initial service charge up until 31 March 2017, be approved

2. That the Local Lettings Policy in respect of the Parkside housing scheme be approved in accordance with the principles set out in paragraph 6.3 of the report.

REASON FOR DECISIONS:

To ensure that the letting process of the Parkside housing scheme is clear and transparent.

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CABINET

Tuesday, 12th January, 2016

Present:-

Councillor Burrows (Chair)

Councillors	T Gilby T Murphy Blank Huckle	Councillors	Ludlow Serjeant A Diouf
Non Voting Members	Bagley J Innes		Brown Hollingworth

*Matters dealt with under the Delegation Scheme

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

No declarations of interest were received.

130 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Wall.

131 MINUTES

RESOLVED –

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

132 FORWARD PLAN

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

***RESOLVED –**

That the Forward Plan be noted.

133 DELEGATION REPORT

Decisions taken by Cabinet Members during December were reported.

*__RESOLVED –__

That the Delegation Report be noted.

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

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

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

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

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

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

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

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

***RESOLVED**

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

I. That any concessions made on fees and charges are used as part of a dynamic and agile pricing approach for services, where the overall objective is that total costs are covered.

II. That the concessionary rates of reduction made on bulky waste and pest control services is reduced from 50% to 20%.

III. That the cost of providing concessions, along with the provision of less popular or costly services is supported by revenue from higher demand services and services paid for at the full rate.

IV. That Leisure Services and Theatres continue to have the freedom to vary the rate of concessions offered in order to manage demand.

V. That services establish the unit cost of providing a service before setting a price for a service. The costing of services should include all possible applicable costs, both fixed and variable involved in delivering a service such as buildings, staff, materials and IT.

VI. That where appropriate, services should only advertise that concessions are available, rather than listing all concessionary categories at the point of a service being enquired about.

VII. That concessionary discounts for services should only be granted after entitlement of eligibility for the concessionary rate has been confirmed.

VIII. That the concessionary categories for all services are updated to include the categories of:

i. Universal credit, with no earned income.

ii. Universal Credit with a housing element included.

IX That the Sports and Leisure Manager reviews the published list of categories giving entitlement to concessionary rates so that the list is shorter, clearer and easier to understand by service users.

X. That concessionary reductions on fees and charges for services are not offered solely on the basis of age.

XI. That a member and officer working group is established to develop a corporate policy on concessions and that:

i. the corporate policy on concessions on fees and charges includes all the recommendations made by the project group.

ii. that the members of the scrutiny project group on concessions on fees and charges are included in the working group.

REASONS FOR DECISIONS

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

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

135 **2016/17 OPEN MARKET FEES AND CHARGES**

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

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

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

It was proposed that in order to retain existing market traders and attract new traders and shoppers, the issues of footfall, sightlines and weather protection needed to be addressed. The Council appointed consultants to carry out a feasibility study on the potential remodelling of the open market which resulted in the development of a number of options for the reconfiguration of the market layout, with various levels of intervention. Alongside this officers had been tasked with developing a business case to be completed in early 2016 to support the necessary investment that would be required to deliver the various options.

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

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

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

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

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

***RESOLVED**

That from 1 April 2016:

1. there will be no increase in stall fees on all stall rents for the general, flea and farmers' markets.

2. there will be no increase on the car boot sale fee at the Proact Football Stadium.

3. there will no increase on electricity, storage charges, and the publicity levy for stall holders on the open market.

REASONS FOR DECISIONS

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

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

136 <u>REVIEW OF CAR PARKING CHARGES</u>

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

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

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

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

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

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

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

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

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

*** RESOLVED**

1. That from 1 April 2016:

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

   II. the parking charges in all town centre car parks will be:

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

III. in the short stay/shoppers car parks, as listed at paragraph 5.1 of the officers report, it will cost £1.30 for each subsequent hour over 4 hours to park.

IV. in all long stay/commuter car parks, as listed at paragraph 5.5 of the officers report, it will cost £5.00 to park for over 4 hours.

V. all residents of the borough will continue to benefit from free parking before 10am and after 3pm Monday to Saturday, and all day on Sundays, in the car parks at Albion Road, Derbyshire Times, Devonshire Street, Durrant Road, Hollis Lane, Holywell Cross, Queen's Park (North and South), Spa Lane, Station Road, St Mary's Gate, Theatre Lane, West Street.

VI. all advance purchase tickets will cost £3.50 per day and shall be available for use only in all long stay/commuter car parks.

VII. all monthly parking tickets will cost £60 and will be available for use only in all long stay/commuter car parks.

VIII. yearly parking tickets for all long stay/commuter car parks will cost £600 per annum.

2. That, if the income target for car parks is achieved in 2016/17, there will be no increase in car parking charges in 2017/18, but the prices will be reviewed for 2018/19.

REASON FOR DECISIONS

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

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CABINET

Tuesday, 26th January, 2016

Present:-

Councillor Burrows (Chair)

Councillors	T Gilby T Murphy Blank	Councillors	Ludlow Serjeant A Diouf
Non Voting Members	Bagley J Innes		Brown Wall

*Matters dealt with under the Delegation Scheme

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

No declarations of interest were received.

138 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Hollingworth and Huckle.

139 MINUTES

RESOLVED –

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

140 FORWARD PLAN

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

***RESOLVED -**

That the Forward Plan be noted.

141 GENERAL FUND REVENUE BUDGET SUMMARY

The Chief Executive and the Chief Finance Officer submitted a report to provide members with an update on the development of the General Fund Revenue Budget for 2016/17, as well as for subsequent years, and on the actions currently being taken to address the forecast budget deficits.

The Chief Finance Officer provided members with a summary of the provisional local government finance settlement for Chesterfield and the implications that it would have on the council's finances. The amount of the Settlement Funding Allowance had, as had been predicted, reduced from the 2015/16 settlement figure; however the reduction had not been as great in each year as had been assumed in the previous medium term financial plan forecasts. The Council Tax Freeze grant which had been offered in previous years to councils as an incentive to not raise Council Tax had not been offered for 2016/17. The new provision from the government that district councils in the lower quartile of the Council Tax league table could increase Council Tax by £5 per annum would not be applicable to Chesterfield, as Chesterfield was ranked one place outside of lower quartile. The New Homes Bonus would however continue for 2016/17. There was however a great deal of uncertainty remaining with regard to future changes to the scheme, and consequently the amount of revenue it could potentially provide in future years.

The Government had also proposed a relaxation to the rules regarding how councils could use income generated from capital receipts, with income from capital receipts being able to be spent on revenue expenditure for projects which were designed to save money, such as the Council's Great Place, Great Service transformation programme. The Chief Finance Officer noted that the Government had also indicated that it would also offer councils the opportunity to receive a four year settlement, however further details had not been provided to enable the potential benefits and risks of this to be assessed.

The Chief Finance Officer reported that since the revised budget figures for 2015/16 contained in the report had been prepared, showing a deficit of £102,000 work had continued to look at areas where savings could be made, and that currently a budget surplus was looking possible. The current budget forecast for 2016/17 showed a potential deficit of £1.5million; however this did not include savings options still being developed as these would have to be subject to a rigorous risk assessment process before being incorporated into the final budget report. As with the current year the main challenges for 2016/17 for the Council would be setting a balanced budget, as well as ensuring that the proposed savings needed for this were delivered in time, and at the required level.

Details regarding the Medium Term Financial Forecast were also provided in the officers' report and showed that significant budget deficits were predicted in future years. It was noted that the scale of the forecast deficits were such that further significant savings, in addition to those already identified, would have to be found in order to set balanced budgets. The report also provided details on the state of the Council's budget reserves. The Chief Finance Officer advised that given the size of the forecasted budget deficit for 2016/17, as well as the significant lead-in time inherent in many of the proposed savings initiatives; it was likely that the Council would need to use reserves to produce balanced budgets in future years

In advance of the final budget for 2016/17 and the Council Tax for 2016/17 being approved by full Council on 25 February, budget forecasts were continuing to be updated as the Provisional Local Government Finance Settlement proposals and other budget savings and variances were confirmed. The Budget Workshop sessions for Cabinet Members and the Corporate Management Team would also be continuing in order to consider the updated forecasts as well as to agree further savings proposals for inclusion in the final budget for 2016/17 and the medium term financial plan.

***RESOLVED –**

1. That the updated budget projections for 2015/16 and later years be noted.

2. That officers continue to refine the draft estimates and to work with members to develop budget saving proposals.

REASON FOR DECSIONS

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

142 COLLECTION FUND REVISED ESTIMATES 2015/16

The Chief Finance Officer presented the Collection Fund revised estimates for 2015/16. An estimated surplus of £658,115 on the Council Tax elements of the Collection Fund was expected.

Proposals were made about the allocation of the estimated surplus between the major precepting authorities (Derbyshire County Council, Fire and Police Authorities). These authorities would be able to take this surplus into account when calculating their Council Taxes for the financial year 2016/17.

***RESOLVED -**

That the estimated surplus on the Collection Fund of £658,115 for 2015/16 be agreed and allocated to the major precepting authorities as detailed in Appendix A of the Chief Finance Officer's report.

REASON FOR DECISION

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

143 SENIOR PAY POLICY

The Human Resources and Payroll Service Solution Lead submitted a report seeking approval for a revision of the current Senior Pay Policy Statement in accordance with the Localism Act 2011 and the Local Government (Transparency Requirements) (England) Regulations 2014.

The policy statement included details of how senior pay is set within the Council. The revised statement had been updated to reflect the changes to the senior management structure, pension contributions and pension discretions.

***RESOLVED -**

That it be recommended to Full Council that the revised Senior Pay Policy Statement be approved.

REASON FOR DECISION

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

144 ANNUAL HOUSING REVENUE ACCOUNT - RENT AND SERVICE CHARGE INCREASE

In accordance with the Local Government and Housing Act 1989, the Housing Service Manager – Business Planning and Strategy and the Chief Finance Officer submitted a report setting out proposed changes in Council house rent and service charge levels for 2016/17.

In 2012 the Council had entered into a Housing Revenue Account (HRA) self-financing agreement, and as a consequence was required to produce a HRA Business Plan that was financially viable, delivered reasonable standards for tenants and maintained properties to at least the minimum Decent Homes Standard. It was noted that due to the self-financing arrangement, investment in the Housing Service and housing stock was therefore largely funded through income from the properties, and the amount required directly influenced decisions on rent levels, additional borrowing and the use of cash reserves. The HRA self-financing agreement had also meant that the Council had no longer been obligated to follow the National Social Rent Policy on the setting of rent levels; however the Council had assumed that rents would rise in line with National Social Rent Policy. The Housing Service Manager noted that if rents did not increase at this rate, then the Council's ability to finance future capital investments to maintain or improve the council's housing to required or desired standards, as well as the council's ability to service and repay debt could put at risk.

In the Government's Summer Budget, the Chancellor of the Exchequer had announced that as part of the Welfare Reform and Work Bill, social housing rents would be reduced by 1% per annum in each of the following four years. The Government had stated that this legislative requirement to reduce social housing rents was intended to ensure that Local Authorities and Housing Associations delivered efficiency savings in order to make better use of the £13 billion annual subsidy (Housing Benefit) they received and to play their part in reducing the welfare bill. The Housing Service Manager provided details how the Housing Service proposed to respond to these changes and introduce the 1% rent decrease in 2016/17 as well as in subsequent years.

The Housing Services Manager's report also outlined proposed increases to the Housing Revenue Account Service Charges for tenants. Increases to service charges were only proposed where current charges did not cover the cost of providing the service, or in the case of garages and garage sites, to finance capital improvements. It was also proposed that there should be no increase to the community hire charges for community rooms as usage remained low, and there was concern that increasing charges could reduce demand for the hire of the rooms further.

***RESOLVED -**

1. That for 2016/17 the level of individual social rents are based on the current National Social Rent Policy, giving a real rent decrease of 1.0% with effect from 4 April 2016.

2. That for 2016/17 and onwards, where a social rent property is re-let to a new or transferring tenant, the rent level is increased to the target rent for that property.

3. That for 2016/17 the level of individual affordable rents are based on the current National Social Rent Policy, giving a real rent decrease of 1.0% with effect from 4 April 2016.

4. That for 2016/17 and onwards, where an affordable rent property is re-let to a new or transferring tenant, that the rent level is set at 80% of the market rent for a similar property at the time of re-letting.

5. That from 1 April, 2016;

   I. there is no increase in the heating service charge for sheltered housing schemes.

   II. that garage rents are increased from £5.72 to £6.22 per week.

   III. that the annual rental charges for garage sites are increased as below:

      - Shale sites from £39 to £42.50

      - Asphalt sites from £49 to £53.50

- Other sites from £54 to £58.50

IV. that the charges for metered water supplies are increased by 2%.

V. that the weekly charges for the Garden Assistance Scheme are increased as below:

- Grass cutting and hedges from £3.95 to £4.45
- Grass only from £2.80 to £3.15
- Hedges only from £1.15 to £1.30

VI. that the sheltered scheme support charge is £8 per week.

VII. that the weekly charges for the Careline service (inclusive of equipment rental) are:

- Monitor only, £4.50
- Monitor and Response, £5.50
- Monitor, Response and weekly visit, £8

VIII. that there is no increase in the community hire charges for Community Rooms.

IX. that the weekly charge for communal staircase cleaning is increased from £1.66 to £1.74.

X. that the Tenant Home Contents Premium Tax increases from 6% to 9.5%.

REASONS FOR DECISIONS

To enable the Council to set the level of Council house rents in accordance with Government guidelines and to set service charges for 2016/17.

To contribute to the Council's Corporate Priority 'To improve the quality of life for local people'.

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 <u>ENVIRONMENTAL HEALTH FEES AND CHARGES 2016 -17</u>

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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JOINT CABINET AND EMPLOYMENT & GENERAL COMMITTEE

Tuesday, 15th December, 2015

Present:-

Councillor Burrows (Chair)

Councillors	T Gilby Huckle T Murphy Blank	Councillors	Simmons Davenport Dickinson A Diouf
Councillors	Brown Hollingworth Bagley	Councillors	J Innes Wall

*Matters dealt with under the Delegation Scheme

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

No declarations of interest were received.

29 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Elliott, Ludlow and Serjeant.

30 **MINUTES**

RESOLVED –

That the Minutes of the meeting of the Joint Cabinet and Employment and General Committee on 1 December, 2015 be approved as a correct record and signed by the Chair.

31 **LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF PUBLIC**

RESOLVED –

That under Regulation 21 (1)(b) of the Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2000, the public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in the following Paragraphs of Part 1 of Schedule 12A to the Local Government Act 1972 – Paragraphs 1 and 4, on the grounds that they contained information relating to individuals and to consultations or negotiations in connection with any labour relations matter arising between the authority and employees of the authority.

32 **CORPORATE MANAGEMENT TEAM RESTRUCTURE (R000)**

The Chief Executive submitted a report proposing a restructure of the Corporate Management Team in order to ensure the new Corporate Management Team integrated effectively with the Senior Leadership Team, Cabinet Members and the 4^{th} tier managers, to deliver the objectives in the Council Plan in the context of the challenges facing the Council.

At the time of the senior management restructure in 2014 it had been indicated that a review of the Corporate Management Team (CMT) would need to follow.

The Senior Leadership Team had developed a proposed new CMT structure to meet a number of objectives:

- to deliver the objectives in the council plan in the context of the challenges faced by the council;
- to put in place the right skills and competencies;
- to fit with the changes already made to the Senior Leadership Team and the break from silo working;
- to achieve the right mix of service specific and corporate responsibilities;
- to have a broadly comparable level of responsibility and workable management span;
- to collectively deliver net savings to the organisation.

Details of the current and proposed structures were attached as appendices to the report, with job descriptions for the new roles including a balance between corporate responsibilities and service-specific elements, focusing on behavioural competencies.

The new CMT roles and the new Director of Resources role had been evaluated by a senior adviser to the Local Government Association using the LGA Chief Officer method of job evaluation, and details of this process and the proposed salary bands were attached as an appendix to the report.

There had been consultation with the recognised trade unions, CMT, individually with each CMT member and with corporate Cabinet and individual Cabinet Members. There had been general support for the overall direction set out by the proposals, and key points raised through the consultation had been considered and reflected in the proposals. Details of comments received and responses were included in appendices to the report.

The report outlined the proposed recruitment approach for the new roles as agreed with trade union representatives, including identification of current postholders at risk, ringfencing arrangements and engagement of external support to provide the necessary capacity, expertise and independent challenge to the recruitment process.

The financial implications of the proposals were outlined in the report, along with an equalities impact assessment and an assessment of potential risks and proposed actions to mitigate these.

The report also outlined other options considered and the reasons for these not being pursued.

It was emphasised that this restructure would be an important part of equipping the Council with a management structure to face the challenges ahead.

It was confirmed that, once agreed, it was hoped to implement the new structure at the earliest opportunity, with the assessment process for internal candidates in January-February. It was expected that the level of financial savings would be higher initially (starting in 2016/17) than the predicted minimum level of savings.

Councillors Diouf and Davenport expressed concern at the limited time there had been to fully consider the proposals in advance of a review of the effectiveness of the previous senior management and service restructures. It was confirmed that the effectiveness of the previous senior management restructure would be reviewed following the first year of its operation early in 2016.

*** RESOLVED –**

(1) That the proposed new structure be approved and that the Chief Executive and Executive Directors be authorised to implement it in line with the approach set out in sections 8 and 11 of the report.

(2) That the savings of at least £83,000 p.a., in addition to those already delivered by the previous Senior Leadership Team restructure, be noted.

(3) That the new arrangements and their effectiveness in terms of meeting the objectives be reviewed after 12 months.

(4) That a budget provision of £25,000 be made available to spend within 2015/16 in order to cover the maximum anticipated costs of engaging external support for the recruitment process as outlined at paragraph 10.7 of the report.

REASONS FOR DECISIONS

To achieve the aim of establishing a new Corporate Management Team that integrates effectively with the Senior Leadership Team, Cabinet Members and the 4th tier managers, to deliver the objectives in the Council Plan in the context of the challenges facing the council.

JOINT CABINET AND EMPLOYMENT & GENERAL COMMITTEE

Tuesday, 9th February, 2016

Present:-

Councillor Burrows (Chair)

Councillors	T Gilby	Councillors	J Innes
	Brown		Blank
	Huckle		Elliott
	T Murphy		Simmons
	Hollingworth		Davenport
	Ludlow		A Diouf
	Bagley		Wall

*Matters dealt with under the Delegation Scheme

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

Councillor Ludlow declared an interest in Agenda Item 8 (A Review of the Careline and Support Service) as a relative of an employee of Careline and Support Services, she withdrew from the meeting for that item.

2 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Dickinson and Serjeant.

3 MINUTES

RESOLVED –

That the Minutes of the meeting of the Joint Cabinet and Employment and General Committee on 15 December, 2015 be approved as a correct record and signed by the Chair.

4 LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF PUBLIC

RESOLVED –

That under Regulation 21 (1)(b) of the Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2000, the public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in the following Paragraphs of Part 1 of Schedule 12A to the Local Government Act 1972 – Paragraphs 1, 3 and 4, on the grounds that it contained information relating to individuals, financial and business affairs and to consultations or negotiations in connection with any labour relations matter arising between the authority and employees of the authority.

5 REVIEW OF CCTV SERVICE

The Town Centre Operations Manager submitted a report recommending for approval new staffing arrangements for the CCTV service, the procurement of new CCTV equipment and the relocation of the CCTV service to the Town Hall basement.

The changes to staffing outlined in the report would see all current CCTV Operators keep their current hours. However, to reflect the needs of the service there would be a requirement for staff to work proportionately more shifts at the weekends. It was proposed to create two CCTV Operator posts on annualised contracts of 800 hours to provide necessary cover for holidays, sickness and training. The staffing efficiencies would result in a saving of £46,210.

The Council appointed Wired-Up Security Solutions in April 2015 to carry out an independent technical feasibility study on the existing CCTV infrastructure. The report proposed to install an open protocol system which would easily integrate with third party CCTV software, utilising separate software for CCTV management and back office reporting functions. The estimated cost of the system was £75k to £92k.

The building at 87 New Square where the service is currently housed had been identified by the Council’s Corporate Asset Management Plan as suitable for sale and could realise a capital receipt of around £250k. The report noted that by re-locating the CCTV Service to the Town Hall, it would benefit from being at one of the highest points in the town and have access to wireless equipment related to the CCTV system. The estimated budgetary price for relocating the service would be £95k to £110k.

The report noted that if the proposals in the report were implemented there would be a potential to earn additional income as the CCTV service would be operated to a high standard and in close partnership with the police providing assurance to new businesses.

***RESOLVED –**

1) That a new CCTV staffing rota be implemented as soon as possible.

2) That two annualised hours CCTV operator posts (800 hours per annum) be established to assist with the delivery of the service.

3) That the effectiveness of the new staff arrangements be reviewed after a 12 month period of operation.

4) That the recommendations contained within the technical feasibility report relating to existing cameras and connectivity, as outlined in paragraph 10.14 of the officer's report, be implemented by the Parking and CCTV Manager with the planned programme of improvements to the CCTV infrastructure.

5) That the existing CCTV recording and control equipment and management software be replaced by an open protocol system.

6) That a competitive tendering process, financed from the service' repairs and renewals fund, takes place to procure the open protocol system and be timed to coincide with the Town Hall restack.

7) That the CCTV monitoring room and associated offices be relocated from 87 New Square to the Town Hall basement, in accordance with the timetable for the Town Hall restack.

8) That the purchase of all equipment be subject to a competitive tendering process with the associated costs to be met from the service's repairs and renewals fund, and the GPGS project budget.

6 BUILDING CLEANING STAFFING

The Waste and Street Cleaning Manager submitted a report recommending for approval proposed changes to the staffing structure within Building Cleaning services to bring the establishment back into line with operational needs.

The report followed on from a review of agency staff within Greenspaces and Street Cleansing whereby numbers of agency staff were significantly reduced to reflect corporate policy. A similar review had been carried out in the Building Cleaning service that had identified that significant numbers of agency staff had been engaged to meet the demands of an increased workload.

The vacant positions equated to 7.6 FTEs. The report proposed to fill the vacant posts with contracted positions to replace the agency staff. The details of the posts were listed in the appendices to the officer's report. In addition, the report proposed to create a pool of part-time variable hour posts, with a guaranteed minimum number of annualised hours, to cover for leave and sickness absence and provide flexibility to cover peaks in demand.

The report outlined the human resources and the financial implications along with the potential risks moving to the new staffing proposals.

***RESOLVED –**

1) That the proposed changes to the staffing structure within Building Cleaning Services, as detailed within Appendix A of the officer's report, be approved in order to bring the establishment back into line with operational needs.

2) That the Interim Environmental Services Manager in consultation with the Executive Director and Human Resources be authorised to coordinate the appointment of staff to the revised structure having regard to the Council's policies and protocols.

7 TRANSFORMING BUILDING CONTROL IN DERBYSHIRE

The Development and Growth Manager submitted a report seeking approval to establish a separate trading company in partnership with Amber Valley District Council, Bolsover District Council, Derby City Council, Derbyshire Dales District Council and North East Derbyshire District Council; to deliver Approved Inspector Services.

The report noted that there had been an increase in competitor activity by Approved Inspectors which had resulted in a reduced market share for the Local Authority building control service; in addition, the competitor activity was likely to increase further in the future. The report proposed that a larger local authority building control unit would be equipped to compete with the other Approved Inspectors and be able to take advantage of the upturn of the economy and growth in the construction industry.

The building control service is currently delivered by BCN, a joint Local Authority stand-alone service comprised of Chesterfield Borough Council, North East Derbyshire District Council and Bolsover District Council. The report proposed to pool the building control capabilities of the six authorities in Derbyshire to create a single organisation that would be stronger, more sustainable and better equipped to create a positive economic contribution.

The report outlined the objectives of the business:

- To provide a blueprint for the commercial delivery of Authority services
- To deliver the Council's regulatory obligations
- To support skills and employment growth
- To provide a sustainable financial and resource position
- To reduce the cost of service
- To generate a surplus

The proposed staffing levels over five years were outlined in the report and it was noted that no staff would be made redundant and it was likely that the company would commence recruiting new staff as soon as it is formed. In addition, it was proposed that there would be the provision to take on graduates and apprentices that would diversify the largely ageing, highly-skilled workforce. Salary levels would be based on the current average salaries by grade and increases of 1% a year had been budgeted for.

A five year business plan was outlined in the report that included the financial implications of the proposals. An upfront investment loan of £250k, sourced from one of the shareholders, would be needed to start up the new business however this would be repaid within the five years of the business plan. In addition, the Council would see an immediate reduction in their contribution to the cost of the building control service and it was projected that a surplus of £0.42m would be created in the fifth year of the partnership. It was noted that the financial model had been stress tested under a variety of scenarios and the projections in the report were conservative and reflected the genuine beliefs of the building control team.

The report outlined the Human Resources, Legal implications and risks involved with ways to mitigate these. The report also outlined alternative options and the reasons why these were not being pursued.

It was emphasised that the proposals provided the opportunity for building control to operate more commercially and deliver a surplus making business that would contribute to the General Fund.

***RESOLVED –**

1) That authority be delegated to the Development and Growth Manager, in consultation with the Chief Finance Officer, Chief Executive Officer and Leader of the Council, to:

    I. Agree the final business case and finalise the arrangements for Chesterfield Borough Council to enter into new legal agreements setting out the terms of the partnership company

    II. Undertake the transfer of staff under TUPE, to provide building control services to Derbyshire and beyond.

2) That authority be delegated to the Development and Growth Manager, in consultation with the Chief Finance Officer, to undertake the necessary procurements on behalf of the new company in order to support the transition to a new building control partnership.

3) That a separate trading company be established to deliver Approved Inspector Services outside of the boundary of the Local Authorities involved.

4) That the necessary arrangements for the establishment of the separate trading company be put in place by the Development and Growth Manager in consultation with the Chief Executive Officer and the other Local Authorities included in the new building control partnership.

8 A REVIEW OF THE CARELINE AND SUPPORT SERVICE

The Housing Service Manager – Customer Division submitted a report recommending for approval changes to the staffing structure of the Careline and Support Service in order to mitigate the effects of the substantial reductions in Derbyshire County Council funding and move towards a financially self-sustaining service.

From April 2016 the Council would lose £265,600 in funding. The report outlined that by implementing the proposed changes the funding shortfall could be mitigated.

The report proposed that the role of Sheltered Scheme Manager be deleted and the new post of Social Inclusion Officer be created to organise, facilitate and co-ordinate activities across the schemes and in the outlying community rooms managed by the Housing Service. In addition, the report proposed to merge the roles of Careline Operator and Response Officer into one role. This would allow for more flexibility and the ability to reduce staffing numbers when there is less demand for services. It was emphasised that the new service would offer a more individual support service based on the service user's needs.

The report proposed to create a new post of Publicity and Marketing Officer with the responsibility to promote the service with a focus on generating extra business and income.

The current and proposed staffing structures, job descriptions and person specifications were attached to the officer's report.

Consultation with affected staff and their trade unions had been undertaken and details of this process were included in the report.

The report outlined the human resources and the financial implications, along with the potential risks inherent in moving to the new staffing structure and proposed actions to mitigate these.

***RESOLVED –**

1) That the proposed changes to the Careline and Support Service staffing structure be approved.

2) That the Housing Service Manager – Customer Division be authorised to implement the proposed changes to the staffing structure.

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OVERVIEW AND PERFORMANCE SCRUTINY FORUM

Tuesday, 10th November, 2015

Present:-

Councillor Slack (Chair)

Councillors	Borrell	Councillors	P Gilby
	Callan		Miles
	Catt		Perkins
	V Diouf		Sarvent
	Derbyshire		Simmons
	T Gilby +		
	Blank ++		

Anita Cunningham, Policy and Scrutiny Officer
James Drury, Executive Director +++
Martin Elliott, Committee and Scrutiny Co-ordinator
Donna Reddish, Policy Manager ++++
Michael Rich, Executive Director +

+ Attended for Minute No.29 and 30
++ Attended for Minute No. 31
+++ Attended for Minute Nos. 28, 29, 30 and 31
++++ Attended for Minutes Nos. 28, 29 and 31

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

No declarations were received.

27 APOLOGIES FOR ABSENCE

Apologies were received from Councillors J Barr and Dyke.

28 CABINET MEMBER FOR HEALTH AND WELLBEING - CHESTERFIELD BOROUGH COUNCIL'S NEW HEALTH AND WELLBEING GROUP

The Policy Manager attended to provide an update on the progress in establishing a Health and Wellbeing group for Chesterfield Borough Council and to clarify the role and remit of the group and how it links into the Chesterfield Health and Wellbeing Partnership.

The Policy Manager advised that the health profile of Chesterfield Borough continues to be an issue of significant concern to Chesterfield Borough Council. In response to this the Council Plan 2015 – 2019 identified a clear outcome to improve the health and wellbeing of people in the borough. In order to achieve this outcome the council has had an active role in the Derbyshire Health and Wellbeing Board. This board leads and advises on work to improve the health and wellbeing of the people of Derbyshire through the development of improved and integrated health and social care services.

Chesterfield Borough Council Borough Council currently makes a significant contribution to improving the health and well-being of local communities through both partnership and direct contributions, in order to maximise outcomes and reduce duplication the Chesterfield Borough Council Health and Wellbeing Group was established in October 2015 and includes officers from key service areas including housing, environmental health, environmental services, sport and leisure, development and growth, town centre and culture and arvato. The Policy Manager outlined the group's responsibilities and objectives as well as the group's achievements since its formation which included:

- Working on the council's bid to the Healthy Cities programme.

- Contributing to the council's application to become an affiliate member of the Healthy Communities Network.

- Coordinating mapping of the Indices of multiple deprivation data to avoid duplication of effort and ensuring consistency between services.

- Promoting learning and development opportunities including mental health awareness training and healthy workplaces champion training.

- Establishing a working group for the Healthy Workplaces initiative

Members noted with concern the Indices of multiple deprivation data, and asked whether deprivation was worsening in Chesterfield or if other areas were improving. The Policy Manager advised that deprivation levels were increasing nationally but the rate of increase in deprivation in Chesterfield was happening at a more rapid rate. Members asked why this was and were advised that there were great inequalities in health and income levels across the borough. Welfare Reform may also have impacted on some communities.

Members asked whether other areas in Derbyshire had also suffered with worsening deprivation. The Policy Manager advised that all Derbyshire districts had seen increased levels of deprivation apart from Bolsover, Derbyshire Dales and South Derbyshire. Members noted with concern the impact of welfare reform and the bedroom tax on the working age population of the borough.

The Policy Manager did note that while there were areas of worsening deprivation in Chesterfield there were a great many areas that were average with regard to the Indices of multiple deprivation, and some areas that were performing extremely well.

Members thanked the Policy Manager for attending and providing the progress report.

RESOLVED –

1. That the progress report be noted.

2. That a further progress report on the Chesterfield Borough Council Health and Wellbeing group be received at the May 2016 meeting of the Overview and Performance Scrutiny Forum.

3. That Health and Wellbeing and how we can work with the County Council on health, is considered as part of future Overview and Scrutiny work programming.

29 DEPUTY LEADER AND CABINET MEMBER FOR PLANNING - COUNCIL PLAN AND PERFORMANCE

The Deputy Leader and Cabinet Member for Planning, Executive Director, Michael Rich and the Policy Manager attended to provide a progress report on the implementation on the Council Plan during quarter 2 and discussed the development of the 2016/17 key Council Plan deliverables and the influencing factors.

The new framework had been designed to ensure that all services and employees; are clear about what projects are due to be achieved; ensure increased awareness and ownership of how projects are progressing; and focus resources and actions on the right outcomes. The Policy Manager noted that the new plan had the benefit of highlighting areas of performance that needed improvement “in year” so that improvement actions could be taken in a timely manner to improve performance before the year end.

The Policy Manager outlined the progress of current projects. During 2015-16 there were 34 Council Plan projects to be delivered. At the end of the second quarter, 8 of the 34 projects had been completed, 25 were rated as green, 7 as amber and 2 as red.

It was noted that projects rated as amber or red were subject to current or potential complications which could delay implementation. The project for the development of the regeneration plans for Staveley and Rother Valley Corridor had moved from green to amber rated during the second quarter due to the size and complexity of the project and the amount of stakeholder engagement and negotiation required in order to deliver them. The Great Place, Great Service transformation programme project had remained at amber rated however the programme had been thoroughly reviewed and refreshed during 2015 and a revised plan had been drafted for Cabinet approval.

The Policy Manager noted that during 2015/16 the large “Are You Being Served” residents’ satisfaction survey was undertaken and while there had not been a full data analysis as yet, levels of satisfaction with the council and council services remained high. The Policy Manager however noted that with cuts to local government budgets it would become more challenging going forward to maintain these levels of satisfaction.

The Policy Manager and the Executive Director noted that the key projects for 2016/17 update of the plan were currently being identified and developed, and that these priorities would be set with regard to performance and satisfaction data, data from the Indices of multiple deprivation as well as with regard to the councils emerging budget position.

Members asked several questions on specific projects in the council plan. Regarding Stand Road Park, it was asked why the project was included in the Council Plan whilst other similar projects were not. The Executive Director explained the reason related to the project being reliant on external funding. Regarding the redevelopment of the Queen's Park Sport Centre site and the public consultation on the site's redevelopment, Members questioned whether the red rating given should be reviewed.

Members also expressed concern that the customer satisfaction data showed a decline in resident's belief that they were able to influence decisions taken regarding their local area and questioned whether residents knowledge regarding community assemblies could be increased. The Policy Manager acknowledged that awareness amongst residents regarding community assemblies was low, with 75% of residents stating that they had never heard of the assemblies. It was noted however that this lack of awareness of community engagement was not unique to Chesterfield, but was an area of concern nationally.

Members thanked the Deputy Leader and Cabinet Member for Planning, Executive Director, Michael Rich and the Policy Manager for attending to provide the progress report.

RESOLVED –

1. That the progress report be noted.

2. That a further progress report on the Council Plan be received at the May 2016 meeting of the Overview and Performance Scrutiny Forum.

30 CABINET MEMBER FOR BUSINESS TRANSFORMATION - PUBLIC, PRIVATE PARTNERSHIP (CORPORATE SERVICES) PROGRESS REPORT

The Executive Director, James Drury presented a report to update members on the performance of the PPP (Public, Private Partnership) contracts with arvato and Kier between October 2014 and September 2015.

The Executive Director highlighted key areas of achievement and improvement for members to note including:

- An increase in housing tenants paying their rent by direct debit.
- Improved Council Tax collection rates.
- The smooth integration of changes introduced by welfare reform.
- The awarding of Customer Service Excellence accreditation.
- ICT progress in the rollout of flexible working solutions.
- High occupancy rates of commercial properties.

The progress report also looked at developments over the next six months including the Town Hall restack, the opening of the new Queen's Park Sports Centre and the implementation a new corporate website and how arvato and Kier would be involved with delivering these projects.

The Executive Director advised that a good working relationship existed between the council, arvato and Kier, which would be critical as the council rolls out its transformation programme and continues to operate in an increasingly fluid and financially restricted context. It was noted that arvato and Kier had increased the amount of work they delivered for other local authorities but that it must be ensured this is not to the detriment of the services provided to the council and to its customers.

Members asked how the rollout of flexible working arrangements was progressing. The Executive Director advised that the technology was working well and that the staff involved in using the technology had responded well to the new working arrangements.

Members asked several questions about the progress of the town hall restack and when service areas would be relocating. The Executive Director advised that Environmental Services and Support Services would be the first to move in order to enable the registrar's office to move into the ground floor of the town hall.

Members noted despite the move from town centre to out of town and internet shopping that town centre occupancy rates remained above the national average. Executive Director, Michael Rich advised that maintaining this level of occupancy was an on-going challenge and that when shop lets were renegotiated they were often on much less favourable terms for the council, bringing in less income. Members expressed concern on how the town centre is shifting towards Markham Road and the Markham retail park and away from areas such as Knifesmiths Gate and the Victoria Centre. Members hoped that the redevelopment of the Coop building would lead to further regeneration in that area of the town centre.

Members were pleased to see progress with these key performance indicators. Members thanked the Executive Director for attending and providing the progress report.

RESOLVED –

1. That the progress report, and the comments of the committee, be noted.

2. That a further progress report be brought to the November, 2016 meeting of the Overview and Performance Scrutiny Forum.

31 **CABINET MEMBER FOR GOVERNANCE - CORPORATE REVIEW OF OVERVIEW AND SCRUTINY: STAGE 2 COMPLETION REPORT**

The Cabinet Member for Governance, the Policy Manager and Executive Director James Drury presented a report outlining the findings of Stage 2 of the Overview and Scrutiny Review and recommended actions to continue to improve the Overview and Scrutiny function. The second stage of the review focussed on areas for improvement that were identified in stage 1 in February 2015.

The Policy Manager advised that stage 1 of the review had identified the need for enhanced learning and development for members and officers which needed to include clarity on Scrutiny processes, requirements, roles, responsibilities and expectations. It also highlighted that a cultural change would be required to allow Scrutiny to be viewed as a partner in improving services and decision making, and that there would be a need to prepare for Scrutiny's role in the emerging devolution agenda. The development of an increased presence of Overview and Scrutiny on the Intranet and Internet would also be a key focus during the end of 2015/16 and start of 2016/17.

The Policy Manager noted the excellent feedback in the report regarding scrutiny pre agenda meetings with officers welcoming the opportunity to clarify what will be expected of them at the scrutiny committee meetings and Chairs having the opportunity to request a particular focus of an officer's report.

The review had raised concerns about the current work programming approach, where it was noted that there should be more focus on quality rather than quantity of Scrutiny activities, linking the timetable scrutiny work to the forward plan, policy development as well as identifying policy areas where Scrutiny could lead. Centre for Public Scrutiny (CFPS) and Local Government Information Unit guidance suggested a programme should not contain too many reviews and should be timetabled in a way to fit with executive decision-making schedules in order to allow scrutiny to intervene for maximum impact.

The CFPS guidelines also highlighted the importance of setting aside a time to decide on some key issues for Scrutiny to investigate the following year and suggested holding away days for Scrutiny members to review performance data, emerging issues, public consultation data and Council priorities, and then collaboratively develop a draft work plan.

The Cabinet Member for Governance and members of the committee agreed that it was important that the profile of scrutiny needed to be raised so that residents could be more engaged with, and understand better the scrutiny process. Members noted that the public could become more involved in scrutiny if an annual work programme for scrutiny was published in order that they could see in advance when areas of work that interested them were be due to be considered. The Executive Director noted that if there was an annual work plan, the launch of the plan would provide a good opportunity to engage with residents, especially if the plan was available on the council website. Members also agreed that there should be a focus on pre-decision scrutiny as it was this type of work that allowed scrutiny members to contribute to council policies and actions.

Members noted that with regard to planning a work programme it would be beneficial to focus on fewer work programme items in order to ensure a high quality of scrutiny activity, as well as of the subsequent outcomes of scrutiny work. The Executive Director advised that as the Council Plan was looking forward and planning for the long term that it was important that if scrutiny was to be effective that it also took the same longer term view to planning its work programme.

Members agreed that both members and officers would benefit from more training on the council's scrutiny function. The Cabinet Member for Governance noted that it would be beneficial if members and officers had training together so as to understand how the roles linked together with regard to scrutiny work. The Policy and Scrutiny Officer advised that draft training plans for members and officers had been created and that much of the proposed training programme would be delivered to both members and officers, where appropriate.

Members thanked the Cabinet Member for Governance, the Policy Manager and the Executive Director for attending and providing the progress report.

RESOLVED –

1. That the proposed member development programme for Overview and Scrutiny be supported.

2. That the proposed officer development programme for Overview and Scrutiny be supported.

3. That the opportunities to increase Scrutiny presence on the Intranet, Internet, public meetings and publications are pursued during 2015/16 and early 2016/17 and that Intranet new features should be utilised where possible to aide Scrutiny project working.

4. That the proposal that the Policy Manager and Democratic Services Manager review Scrutiny staff roles and responsibilities to strengthen resilience and to respond to emerging issues be supported.

5. That the work programme actions outlined at section 6 of the officer's report be considered at work programme planning day in February, 2016.

32 FORWARD PLAN

The Forward Plan was considered by the Committee.

RESOLVED -

That the Forward Plan be noted.

33 SCRUTINY MONITORING

The Committee considered the Implementation Monitoring Form for Scrutiny Committee Recommendations.

RESOLVED -

1. That the Monitoring Report be noted.

2. That the recommendation at OP5 should be amended to:

   That the Council recognises and values the varied and specialist knowledge required to support the Council's ICT needs and requirements and that a sum of money equivalent to one full time equivalent post is put aside for this purpose.

3. That the recommendation at OP5 be rescheduled for a progress report in 6 months.

34 SCRUTINY PROJECT GROUP PROGRESS UPDATES

The Committee and Scrutiny Coordinator provided members with an update on the work of the project group looking at the council's approach to providing concessions on fees and charges.

It was noted that the project group had requested that there be an extra meeting of the Overview and Performance Scrutiny Forum held in December to enable the project group's report to be considered in time for the report to be submitted to Cabinet on January 12, 2016. This would then enable the group's recommendations to be incorporated into department's budget setting processes.

RESOLVED -

1. That the update be noted.

2. That the request to hold an extra meeting of the Overview and Performance Scrutiny Forum be considered under the work programme item on the agenda.

35 WORK PROGRAMME FOR THE OVERVIEW AND PERFORMANCE SCRUTINY FORUM

The Work Programme for the Overview and Performance Scrutiny Forum was considered.

RESOLVED -

1. To approve the Work Programme.

2. That an extra meeting of the Overview and Performance Scrutiny forum should be held on 8 December, 2015 to enable Forum members to consider budget reports and the project group report on Concessions on Fees and Charges.

3. That a progress report on the External and Internal Communication Strategies be added to the agenda for the next ordinary meeting of the Overview and Performance Scrutiny Forum.

4. That a progress report on the implementation of Public Space Protection Orders be added to the agenda for the next ordinarymeeting of the Overview and Performance Scrutiny Forum.

36 JOINT OVERVIEW AND SCRUTINY

Councillor Borrell provided members with an update on the work of the Joint Scrutiny Panel with Bolsover and North East Derbyshire District Councils. At the last meeting of the panel it had been resolved that due to the reduced number of shared services between the authorities that meetings of the panel would only be called when there was business for the panel members to consider.

RESOLVED -

That the update be noted.

37 OVERVIEW AND SCRUTINY DEVELOPMENTS

Councillor Tricia Gilby advised forum members that as Chesterfield Borough Council's representative of the Sheffield City Region (SCR) Scrutiny Panel she had recently attended a meeting where a presentation had been given on the latest situation with regard to devolution to the SCR. It was noted that the devolution bill would place a requirement for the combined authorities to have a scrutiny function.

RESOLVED -

That the Committee and Scrutiny Coordinator circulate the presentation to all scrutiny members for their information.

38 MINUTES

The Minutes of the meeting of the Overview and Performance Scrutiny Forum held on 8 September, 2015 were presented.

RESOLVED -

That the Minutes be approved as a correct record and be signed by the Chair.

OVERVIEW AND PERFORMANCE SCRUTINY FORUM

Tuesday, 8th December, 2015

Present:-

Councillor P Gilby (Chair)

Councillors	J Barr	Councillors	Dyke
	Borrell		Miles
	Callan		Sarvent
	V Diouf		Simmons
	Derbyshire		Slack
	T Murphy +		T Gilby ++
	Hollingworth +		

Alison Craig, Housing Services Manager - Business Planning and Strategy +
Anita Cunningham, Policy and Scrutiny Officer
Barry Dawson, Chief Finance Officer ++
Martin Elliott, Committee and Scrutiny Coordinator

\+ Attended for Minute No. 41
++ Attended for Minute No. 42

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

No declarations were received.

40 APOLOGIES FOR ABSENCE

Apologies were received from Councillors Catt and Perkins.

41 CABINET MEMBER FOR HOUSING - IMPACT OF THE SUMMER BUDGET ON THE HOUSING SERVICE

The Cabinet Member for Housing, the Assistant Cabinet Member for Housing and the Housing Services Manager (Business Planning and Strategy) attended to present a report on the implications of the summer budget on the Housing Revenue Account. The Cabinet Member for

Housing noted that additional policies announced in the Comprehensive Spending Review Autumn Statement could further exacerbate the implications of the summer budget on the Housing Revenue Account.

The Housing Services Manager (Business Planning and Strategy) outlined the following policies that were included in the Welfare Reform and Work Bill:

- A Freeze on working age benefits for 4 years from 2016-17 to 2019-20.

- The removal of automatic entitlement to housing support from April 2017 for new claims for Universal Credit from 18-21 year olds who are out of work.

- A reduction in rents in social housing by 1% a year for 4 years from April 2016.

The Housing Services Manager provided a summary of the Housing and Planning bill, and outlined the following points to members.

- An extension of the Right to Buy to Housing Association tenants.

- From April 2017 Local Authorities with a Housing Revenue Account would be required ‘to make a payment to the Government for a financial year, reflecting the market value of high value housing likely to become vacant during that year less costs, whether or not receipts are realised’..

- Social Housing Tenants with household incomes of £30,000 and above would be required to ‘Pay to Stay’ by paying a market rent or near market rent. The policy could result in Right to Buy becoming more attractive to tenants.

- Lifetime tenancies in social housing would be reviewed to limit their use. The review would only affect new tenants to social housing and it was noted that there would be no change to existing tenants remaining in their current homes.

The Comprehensive Spending Review Autumn Statement had stated that the amount of rent that Housing Benefit would cover in the social sector would be capped to the relevant Local Housing Allowance and that

Housing Benefit would no longer fully subsidise households to live in social housing. This change would only however apply to tenancies signed after 1 April 2016, with Housing Benefit entitlement changing from 1 April 2018.

The Housing Services Manager informed members that work to assess the impact of these changes was on-going, but that initial analysis had shown the changes would have significant and adverse implications for the Housing Revenue Account Business Plan.

The introduction of the 1% rent reduction over four years would mean a loss of £10 million in rental income in real terms and over the life of the Business Plan the loss would be £172.4 million in rental income. This would mean that for the council to continue delivering services and investing in the housing stock as planned it would result in borrowing up to the debt cap of £155.6 million by 2018/19 and that even with increased borrowing there would still be a significant shortfall for the Housing Capital Programme

The Cabinet Member for Housing and the Housing Services Manager advised members that as this situation was financially unsustainable work had begun to make changes within the HRA Business Plan in order to reach a long term sustainable position and that a series of reports are being prepared which would be presented to Cabinet early next year.

The members of the forum were unanimous in expressing extreme concern regarding the implications of these changes for the Housing Revenue Account Business Plan, and the subsequent impacts on current as well as future tenants of council properties.

Members asked several specific questions on details of the proposed legislation including the decrease of rents, the introduction of financial assessments and the differentials between social and commercial rent levels. Members also asked whether these changes could legally be made following the self-financing agreement that was made in 2012. The Housing Services Manager advised that the Local Government Association had looked at the potential of challenging the change to this agreement but that any potential action had yet to be taken.

Members noted with dismay the changes to housing benefit that would mean the amount paid would not cover the entire rent amount for tenants and asked if this could result in increased levels of evictions. The Housing

Services Manager advised that unfortunately it would and that the provision in the business plan for the amount of bad debt could need to be increased.

Members expressed unease at how the changes to the financing of social housing would affect people's welfare, health and wellbeing and viewed these changes as an attack on social housing forcing people into potentially more expensive and lower quality private rented property. There was also concern that the changes could result in the council having empty properties as people would be unable to afford to live in them.

The Cabinet Member for Housing and the Housing Services Manager reassured members that despite the significant challenges that these changes presented, officers had plans on how to adapt the Housing Revenue Business Plan to reflect the changes, but that unfortunately this could mean improvements to housing stock as well as estate environmental improvements could have to be delayed or rescheduled.

Members thanked the Cabinet and Assistant Cabinet Member for Housing and the Housing Services Manager for attending and providing the report.

RESOLVED -

1. That the report on the impact of the Summer Budget on the Housing Revenue Account be noted.

2. That the Overview and Performance Scrutiny Forum notes its extreme concern regarding the changes announced in both the Government's Summer Budget and in the Comprehensive Spending Review Autumn Statement and the negative impact that these changes will have on social housing tenants.

3. That the Overview and Performance Scrutiny Forum supports the Local Government Association in any action it takes with regard to challenging the changes to the self-financing agreements that were made in 2012.

4. That Cabinet be recommended to write to the Local Government Association and local MP's raising the concerns of the Overview and Performance Scrutiny Forum regarding the impact of the Summer Budget and the Comprehensive Spending Review Autumn

Statement on the Housing Revenue Account Business Plan, and the subsequent impact on the borough and its residents.

42 GENERAL FUND REVENUE AND CAPITAL BUDGET MONITORING REPORT AND UPDATED MEDIUM TERM FINANCIAL FORECAST – SECOND QUARTER 2015/16

The Deputy Leader and the Chief Finance Officer attended to provide members with an update on the Council’s current budgetary situation.

The Chief Finance Officer advised that currently deficits were being forecasted in 2015/16, 2016/17, and 2017/18. It was noted that the current years’ deficit could be reduced by tight budgetary control throughout the remainder of the year, and that any residual deficit could be met from reserves. The Chief Finance Officer advised however that the use of reserves was not a sustainable situation and that the focus should be on providing longer term solutions.

The Deputy Leader informed members that at a recent meeting of the Corporate Cabinet a number of measures had been looked at to tackle the possible deficits in the short and medium-term, including vacancy control and a moratorium on non-essential expenditure. It was also noted however that attention should be maintained on the medium term where the scale of the forecast deficits was such that significant budgetary savings would need to be considered and implemented.

The Chief Finance Officer advised members that unfortunately the recent spending review announcements from the government were not quantified and lacked detail so that a great deal of uncertainty still remained in many areas of local government funding such as the future of the New Homes Bonus and the Council Tax Freeze grant. The Chief Finance Officer also noted that a wide ranging review of local government finance could mean a realignment of resources towards adult social care, and that this could consequently result in further reductions in funding for district councils. Members were informed that there could potentially be changes made to give more flexibility to authorities’ use of capital receipts; however there would be conditions applied to this.

The Chief Finance Officer confirmed that there would be 100% Business Rates retention for authorities by 2020, but again there would be conditions attached, and that as the Treasury wanted the change to be fiscally neutral it was not yet clear how this change would affect local authority finances. The Chief Finance Officer also provided information to members on the latest situation regarding Business Rates appeals and the consequent uncertainty that this created with regard to budget setting and planning.

The Deputy Leader and the Chief Finance Officer noted that some local authorities were very near the edge of financial viability and were under severe financial stress. Members expressed concern at the government's apparent belief that local authorities had huge cash reserves they were not using. The Chief Finance Officer advised that while the council did have reserves these were declining and that they were also earmarked against planned liabilities.

The Chief Finance Officer noted that details of the provisional settlement for local government would be released on 16 or 17 December, but that details regarding the medium term could be later.

Members asked several questions about specific aspects regarding proposed changes to Business Rates and how this could affect the Council's finances. Members also asked about the performance of the Council's investments. The Chief Finance Officer advised that investments were currently providing very low returns, and that the way in which the Council's investments were made may have to be reviewed.

The Chair noted the important role that scrutiny members could play in the budget setting process and advised that there would be a member development session in the new year on the budget setting process and on how members could become involved in the process.

Members thanked the Deputy Leader and the Chief Finance Officer for attending and providing the update on the Council's current budgetary situation.

RESOLVED -

1. That the update on the Council's current budgetary situation be noted.

2. That a further progress report on the setting of the budget be brought to the January 2016 meeting of the Overview and Performance Scrutiny Forum.

3. That the Overview and Performance Scrutiny Forum request the opportunity to look at the draft budget when available.

4. That during the budget setting process all Council members are kept up to date as more information becomes available.

5. To note that some learning and development on the budget setting process is planned to take place during that time.

43 **SCRUTINY PROJECT GROUP REPORT ON CONCESSIONS ON FEES AND CHARGES**

The Scrutiny Project Group report and recommendations on Concessions on Fees and Charges were presented by Councillor Jeannie Barr, the Project Group leader.

It was reported that Chesterfield Borough Council offered concessions on fees and charges made on chargeable services and that the review had examined the consistency, fairness and objectives in the provision and application of concessions across the council's services.

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

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

Councillor Barr outlined the report's recommendations and how they had been formulated in order to address numerous issues in the current way concessions on fees and charges were offered by the council. The report stated that the way concessions were currently offered did not meet the council's commitment to equalities, nor the Council Plan objectives of becoming financially self-sufficient by 2020 and being able to provide sustainable services to residents of the borough. The report also stated that services needed to have a thorough and detailed understanding of all costs involved in the service provision. This would ensure decisions taken on pricing and concessions of individual services were well informed and were made as part of an overall charging and concessions policy that resulted in service costs of a being covered and subsidies reduced.

Members noted that targeted concessions did encourage some people to access services such as theatres and leisure centres who otherwise would not if a concession was not offered.

Members did express some concern about the group's recommendation that concessions should not be offered to those aged over 60 on a basis of age. Councillor Barr and other members who had been on the project group acknowledged these concerns but noted that anyone aged over 60 who was financially disadvantaged would still be able to receive a discount based on one of the other concessionary categories. It was also noted that offering a discount based solely on being aged 60 or over was not compatible with the council's equalities statement and that by offering this concession the council could be perceived as creating inequalities with regard to accessing services. However it was accepted the offering of this concession could still be considered for specific market driven reasons.

The Committee expressed their thanks to Councillor Barr and the members of the Project Group for their work and to the Committee and Scrutiny Co-ordinator, Martin Elliott, the Cabinet Member for Governance, the Cabinet Member for Environment, the Cabinet for Town Centre and Visitor Economy and to all the other officers who had been involved for assisting the Project Group in their review. The Project Group were also congratulated on the way they had kept Cabinet Members abreast of the scrutiny work underway.

RESOLVED -

1. That the recommendations of the Scrutiny Project Group as detailed below are approved.

2. That the Overview and Performance Scrutiny Forum now report the following recommendations to Cabinet for consideration:

I. That concessions made on fees and charges should be used as part of a dynamic and agile pricing approach for services, where the overall objective is that total costs are covered.

II. That the concession on bulky waste and pest control services be reduced from 50% to 20%.

- This would bring the concession into line with the concessions offered by leisure services (average 16% concession) and by theatres (between 10 – 20% concession), and thereby help to make these services more financially sustainable.

III. That the cost of providing concessions along with the provision of less popular or costly services should be supported by higher demand and popular services, along with revenue generated from services paid for at the full rate.

IV. That Leisure Services and Theatres should continue to have the freedom to vary the rate of concessions offered to manage demand. The project groups notes with approval the approach taken by these services to offering concessions and their focus on the overall cost of providing all services.

V. That services should establish the unit cost of providing a service before setting a price. The costing of services should include all possible applicable costs, both fixed and variable involved in delivering a service such as buildings, staff, materials and IT.

VI. That where appropriate, services should only advertise that concessions are available rather than listing all concessionary categories at the point of a service being enquired about. Also, that those services should only grant concessions after entitlement of eligibility has been confirmed.

VII. That the concessionary categories for all services should be updated to include the categories of:

i. Universal credit, with no earned income

ii. Universal Credit with a housing element included to reflect the changes to benefit delivery created by the introduction of Universal Credit.

VIII. That the Sports and Leisure Manager should review the published list of categories giving entitlement to concessionary rates so that the list is shorter, clearer and easier to understand by service users.

IX. That concessions should not be offered on the basis of being aged 60 or over. The project group notes that in the current climate of local government cuts, this category of concession is neither sustainable nor fair. Anyone who is financially disadvantaged who is 60 or over would still receive a concession based on one of the other concessionary categories.

X. That a member and officer working group be established to develop a corporate policy on concessions.

- To produce a corporate policy on concessions that managers should use when setting concessionary rates for their services so that a corporate approach is taken when setting concessions

- A corporate policy on the application of concessions would ensure greater consistency and fairness in the application of discounts, and greater transparency on the extent to which service costs are covered by the charges.

- That a corporate policy on concessions on fees and charges includes all the recommendations made by the project group.

- That the members of the scrutiny project group on concessions on fees and charges be included in the member and officer working group.

3. That Councillor Jeannie Barr should present the report on Concessions on Fees and Charges to Cabinet.

4. That Community Assembly members who participated in the consultation are informed of the report's submission to Cabinet.

5. That a Member Development session is held on 7 January, 2016 on how scrutiny reports are progressed to Cabinet after they have been approved by the scrutiny committee.

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OVERVIEW AND PERFORMANCE SCRUTINY FORUM

Tuesday, 12th January, 2016

Present:-

Councillor P Gilby (Chair)

Councillors	J Barr	Councillors	Ludlow++
	Borrell		Miles
	Burrows+		Perkins
	Catt		Sarvent
	V Diouf		Simmons
	Derbyshire		Slack

Anita Cunningham, Policy and Scrutiny Officer
Barry Dawson Chief Finance Officer+++
Martin Elliott, Committee and Scrutiny Co-ordinator
John Fern, Communications and Marketing Manager++++
Rachel Lenthall, Committee and Scrutiny Co-ordinator
Esther Thelwell, Senior Environmental Health Officer++

+ Attended for Minutes Nos. 46 and 47
++ Attended for Minute No. 48
+++ Attended for Minute No. 46
++++ Attended for Minute No. 47

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

No declarations were received.

45 APOLOGIES FOR ABSENCE

Apologies were received from Councillors Dyke and Callan.

46 LEADER AND CABINET MEMBER FOR REGENERATION - BUDGET PREPARATION PROGRESS REPORT (VERBAL)

The Leader and Cabinet Member for Regeneration and the Chief Finance Officer attended to provide members with a progress report on the Council's latest budget situation.

The Chief Finance Officer reported that the current position was behind where the Council would normally be in the budget setting process. The provisional local government finance settlement was announced in December 2015 which included the grant settlement for the Council for 2016/17 of £4.9m, £265k better than predicted. However, the Chief Finance Officer advised that there would be a funding cut of 36% between 2015/16 and 2020/21 and outlined proposals to achieve the savings needed. There would be no tax freeze on Council Tax for 2016/17 however it was noted that Local Authorities in the lowest quartile could increase Council Tax by £5 a year; Chesterfield is currently one place outside of the lower quartile group so does not qualify this time, but could qualify in future years if government offered it again. In addition, the New Homes Bonus was not set to change in 2016/17 and should bring in £902K. However there was uncertainty over the future income from the New Homes Bonus as it was planned to reduce the period of entitlement from 6 years to 4 years which would result in the loss of £300k; it was not clear how quickly it would be brought in but a staged introduction was preferable.

The Chief Finance Officer reported that there would be a relaxation of the conditions on Capital receipts that allowed them to be used on revenue expenditure to make revenue savings, for example they could be used to fund the Great Place: Great Service programme.

Members asked if using money from Capital reserves was dangerous particularly if it forced the Council to sell off assets. The Chief Finance Officer responded that part of the incentive was to sell off assets and use the money to fund programmes that made revenue savings. The Leader added that the Council needed to be responsible and identify the assets least useful to the Council and sell those first.

The Chief Finance Officer confirmed that there would be 100% Business Rates retention for authorities by 2020, but again there would be conditions attached, and that as the Treasury wanted the change to be fiscally neutral it was not yet clear how this change would affect local authority finances. The Chief Finance Officer also provided information to members on the latest situation regarding Business Rates appeals and the consequent uncertainty that this created with regard to budget setting and planning.

Members asked if the retention of business rates was good news for commuters and Chesterfield. The Chief Finance Officer advised that the retention of business rates would work well for the Council, however backdated appeals create a significant risk. The deferral of updating the Rating List by two years, means that an appeal can impact over 7 years rather than the usual 5 years of a register.

The Chief Finance Officer advised that £150k savings still needed to be made by the end of this financial year. Around £300k savings had been made by service managers over the last few weeks and there was hope that more savings could be made and the deficit should be covered by the end of the year. However, the Chief Finance Officer advised that the next year, 2016/17, could be worse and was worried about what the deficit in future years could be, particularly if backdated payments for business rate reliefs and landfill sites were made. For 2016/17 a deficit of £1.5-£2m was predicted but a political cabinet and workshop day is to take place to produce more precise figures and generate savings proposals.

Members asked questions about how the Council's budget would be affected by having a unitary authority. The Leader responded that though there would be a financial advantage there would also be disadvantages. He suggested that there was a risk that a unitary authority could be created without the Council's consent and advised members that it would be beneficial for the Council to look to create a unitary authority rather than have it imposed, if that were to happen. At the current time the Leader had no desire to form a unitary authority.

Members thanked the Leader and Chief Finance Officer for presenting the progress report and answering their questions.

RESOLVED –

That the progress report on the Budget for 2015/16 be noted.

47 <u>LEADER AND CABINET MEMBER FOR REGENERATION - INTERNAL AND EXTERNAL COMMUNICATIONS PROGRESS REPORT</u>

The Leader and Cabinet Member for Regeneration and the Communications and Marketing Manager presented a progress report on delivering the external and internal communications strategies.

The progress report on the external communications strategy included results from the bi-annual survey of residents which measured progress towards reaching the targets set in the strategy by 2017. Two targets had been met ahead of schedule and a further three had shown progress in line with expectations. However, three results were slightly down on the 2013 residents' survey results and there was no indication from comments received of particular problems or areas of concern. Work had started on the 2016/17 team and service plans and the opportunity would be taken to see what actions could be taken to improve the scores.

Members asked why the 2017 target for the percentage of neutral or positive media stories about the council remained lower than the December 2015 results. The Communications and Marketing Manager advised that the target was set as part of the strategy. The aim would be to maintain the current figure but the nature of council business and the potential for negative stories meant that it would be a challenge to set the target any higher. It was also noted that the impact of cuts had started to appear through the residents' survey. Members also raised concerns about the lack of comments from residents, particularly on the results that had decreased. The Communications and Marketing Manager advised that the data needed to be looked at as a whole and the lack of comments suggested that there were no major problems.

The Communications and Marketing Manager gave members a tour of the new Council website which would be launched in March 2016 and would be fully accessible for smart phones and tablets. It was also noted that videos are published regularly on social media with some videos receiving around 3500 views. Members enquired about how the local press contributed to the sharing of the Council's videos by social media. The Communications and Marketing Manager advised that the local press (e.g. Derbyshire Times) and Destination Chesterfield have shared some of the Council's videos on their social media accounts and these were the ones that got the higher number of views.

The Communications and Marketing Manager informed that the progress on measures in the internal communications strategy would include the results of the employee survey and would be provided at the forum's meeting in June 2016. The Communications and Marketing Manager provided members with a tour of the new Intranet page scheduled to go live in February 2016. Users would have access to the Intranet through personal devices and the content would be based on user needs and include an updated, user friendly phone directory. It was noted that due to the content of the Intranet, users would need a username and password to log on. However, it was noted that the new Intranet would be a key factor in improving internal communications and allow for file sharing between teams to improve cross-team working.

The Communications and Marketing Manager advised members that the Council's two Executive Directors had carried out Back to the Floor style visits to different teams within the Council to consult with staff in order to improve two way communications between staff and managers. In addition, the visits allowed senior managers to experience the reality of working in different roles and they received feedback from staff on what had worked well and what could be improved.

The Leader and Cabinet Member for Regeneration noted that the launch of the new Intranet and Internet sites would bring the Council into the professional arena. The Leader explained that the Council needed to keep up with the moving internet market and learn to use the internet presence in a professional way. The Leader noted the benefits of having a professional part of the organisation for communications which included the ability to inform the public directly rather than relying on other publications.

Members thanked the Leader and the Communications and Marketing Manager for providing the progress report and answering their questions.

RESOLVED

1. That the progress report be noted.

2. That a progress report on the implementation of the internal and external strategies be requested for the June 2016 meeting of the Overview and Performance Scrutiny Forum.

48 <u>CABINET MEMBER FOR HEALTH AND WELLBEING - PUBLIC SPACE PROTECTION ORDERS PROGRESS REPORT</u>

The Cabinet Member for Health and Wellbeing and the Senior Environmental Health Officer presented a progress report on the review of

Dog Control Orders and provided information on Public Space Protection Order (PSPO's).

The Senior Environmental Health Officer informed members that PSPO's were a new power under the Anti-Social Behaviour, Crime and Policing Act 2014 (The Act). PSPO's are intended to deal with a particular nuisance or problem in a particular geographical area by imposing conditions on the use of that area which apply to everyone. The PSPO differs from a Dog Control Order as they could be made on any public space and have restrictions and requirements that could be targeted against particular behaviours by particular groups at specific times with more than one restriction being included within the PSPO. The PSPO would deal with a wider range of behaviours than the orders and by-laws it would replace. In addition, the breach of a PSPO is a criminal offence and enforcement officers could issue Fixed Penalty Notices. PSPO's could be in place for a maximum of three years, though they could be renewed, and are designed to be flexible and responsive to need.

Members raised concerns about the lack of wording on the current signage. The Senior Environmental Health Officer advised that new posters had been designed, in conjunction with the Communications and Marketing Manager and the Scrutiny Project Group on Dog Fouling, and were ready for printing. The new signage would be re-usable and removable and would also be available on the Council's website for the public to download and use. Members also asked if the current signs were checked regularly and how frequently patrols took place as members had concerns that re-occurring issues were being missed. The Senior Environmental Health Officer advised that when the signs were initially put up the locations were not recorded however a member of the enforcement team has begun looking for out of date signs. She added that there are 3 officers that patrol during the daytime and if a member of the public noticed an issue they could contact the enforcement team with the details.

Members commented that they had received positive feedback from park users following the introduction of the Dog Control Order on Eastwood Park, Hasland. Members asked if the Council had provided feedback to the lady who submitted the petition for Eastwood Park. The Committee and Scrutiny Co-ordinator advised that as part of the petition process a formal response would have been sent to the lady on receipt of the petition. It was also noted that Environmental Services had communicated with the lady on other occasions but it was not clear of her views on the outcome.

The Senior Environmental Health Officer noted that, provided there would be no changes to the list of existing Dog Control Orders, they would automatically transfer to PSPOs within three years. Any amendments to the existing list of Dog Control Orders would require consultation with the Police, other agencies, partners and local communities. The Senior Environmental Health Officer also noted that the legal implications would mean that should any changes be made to the existing list of Dog Control Order's, the implementation of the PSPO could be challenged by any interested person within 6 weeks of the making of the Order. It was also advised that financial costs would be incurred due to providing signage for PSPO control zones. The Senior Environmental Health Officer suggested that as enforcement officers would be allowed to issue Fixed Penalty Notices for breaches of PSPOs, a review should be considered across the whole Council to source which staff have enforcement powers. She also noted that some staff may need refresher training.

The Senior Environmental Health Officer advised members that though the new Orders would be more flexible and wide ranging, the Council would need to be satisfied on reasonable grounds that the need for a PSPO is evidence based and fulfils the legalities.

Members raised concerns about dogs on Country Parks, particularly where dogs are allowed onto football pitches and playgrounds used by children. The Senior Environmental Health Officer advised Members that dog walkers can be looked at under Dog Control Orders. The Cabinet Member for Health and Wellbeing commented that dogs' fouling on football pitches was a countrywide issue and to tackle the problem members of the public needed to contact the Council to report issues. The Cabinet Member for Health and Wellbeing added that Neighbourhood Rangers could be enforcement officers however they can be reluctant to issue fines as they try to build a relationship with the community; however the Cabinet Member noted that there was a greater need for a consistent approach.

Members thanked the Cabinet Member and the Senior Environmental Health Officer for attending and answering their questions.

RESOLVED –

1. That the progress report be noted.

2. That Holmebrook Valley Park be put forward for consideration for a PSPO.

3. That the Overview and Performance Scrutiny Forum recommends the future variation, renewal or introduction of PSPO's be considered as part of the Constitution review, and that delegation to the lowest appropriate decision making level be supported.

4. That the Policy and Scrutiny Officer notes, for the scrutiny work programme planning session, consideration of the need for a holistic review of PSPO's to help facilitate people working together better.

5. That a training session on PSPOs be included on the Member development programme.

6. That the Cabinet Member and Senior Environmental Health Officer note concerns raised about signs and notices at Langer Field.

49 FORWARD PLAN

The Committee and Scrutiny Co-ordinator, Martin Elliott, proposed the use of a link to the forward plan rather than including the whole document in the agenda pack, this would allow members to view the most recent version of the plan.

The forward plan was considered by the committee.

RESOLVED -

1. That the proposed link to the forward plan be accepted and used on subsequent agendas.

2. That the Forward Plan be noted.

50 SCRUTINY MONITORING

Consideration was given to the Implementation Monitoring Form for Scrutiny Committee Recommendations.

RESOLVED -

That the Monitoring Report be accepted.

51 SCRUTINY PROJECT GROUP PROGRESS UPDATES

The project group's report on concessions on fees and charges was considered by Cabinet today (12 January, 2016). Cllr J Barr reported back that there had been a good response to the report from Cabinet and a lengthy discussion. Members noted that the work done by the project group had uncovered more areas that needed to be developed and there was a need to re-visit issues that some members had conflicted on. It was proposed to create a working group with representatives from the scrutiny project group to continue the work particularly with a focus on the development of a consistent approach across departments and to look ahead to where the council needed to be going.

The Chair thanked the project group for the work they had done and commented that it provided a benchmark for how scrutiny reports are written.

RESOLVED -

1. That the update be noted.

2. That a working group be created to continue looking at concession on fees and charges and to include representatives of the scrutiny project group in the working group.

52 WORK PROGRAMME FOR THE OVERVIEW AND PERFORMANCE SCRUTINY FORUM

The Work Programme for the Overview and Performance Scrutiny Forum was considered. The Chair noted that the programme had reduced in content in anticipation of the work programming scheduled for February 2016.

RESOLVED -

To approve the Work Programme.

53 OVERVIEW AND SCRUTINY DEVELOPMENTS

The scrutiny training session for Members scheduled to take place 07 January, 2016 was cancelled. The Policy and Scrutiny Officer would re-arrange the session and inform Members of the new date.

The Policy and Scrutiny Officer informed the committee that arrangements had begun for the Work Programming 'Away Day' on 16 February, 2016.

RESOLVED -

That the updates be noted.

54 JOINT OVERVIEW AND SCRUTINY

The minutes of the Joint Scrutiny Panel meeting on 26 October, 2015 were presented to the committee.

RESOLVED -

That the Minutes be noted.

55 MINUTES

The Minutes of the meeting of the Overview and Performance Scrutiny Forum held on 10 November, 2015 were presented.

RESOLVED -

That the Minutes be approved as a correct record and signed by the Chair.

COMMUNITY, CUSTOMER AND ORGANISATIONAL SCRUTINY COMMITTEE

Tuesday, 24th November, 2015

Present:-

Councillor Slack (Chair)

Councillors	Borrell	Councillors	Sarvent
	Simmons		J Barr
	Miles		

Councillor Brady ++

Anita Cunningham, Policy and Scrutiny Officer
Kate Harley, HR Manager +
Brian Offiler, Committee and Scrutiny Coordinator
Andy Pashley, Leisure and Amenities Manager ++
Michael Rich, Executive Director +

+ Attended for Minute No. 25
++ Attended for Minute No. 26

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

No declarations of interest were received.

24 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Dyke and Parsons.

25 CABINET MEMBER FOR BUSINESS TRANSFORMATION - WORKFORCE STRATEGY

The Cabinet Member for Business Transformation submitted a report presenting the draft 2015-2019 Workforce Strategy.

The Council’s 2012-2015 Workforce Strategy had been agreed in March 2012 and a report had been presented to the Community, Customer and

Organisational Scrutiny Committee in January 2015 providing updates on achievements.

A strategy had now been developed through the Workforce Strategy Group for 2015-19, building on the successes of the 2012-2015 strategy and using data from the Investors in People review, Employee Survey results, Workforce Planning Diagnostic, the Council Business Plan and Great Place Great Service plan to identify priorities for inclusion. A copy of the draft 2015-19 strategy and prioritised action plan was attached to the report.

The revised strategy was set out under the following headings as it was recognised that many of the ensuing actions were cross cutting and would achieve multiple aims:

- Pay and Reward
- Leadership, skills and capabilities
- Talent Management
- Employee engagement
- Health and Wellbeing

In response to questions from Members it was confirmed that the revised strategy represented a significant development, including greater priority being given to the health and wellbeing of staff, employee engagement and the development of skills to enable the delivery of services in the most cost-effective way.

It was hoped to encourage greater use of apprenticeships, particularly given the current age profile of the workforce. It was recognised that the process for gathering and recording information from exit interviews required further development to enable any trends to be identified.

It was confirmed that trade union representatives had been involved in, and contributed to, the development of the strategy, which it was hoped would be finalised through the Workforce Strategy Group later that week and then approved by Cabinet for implementation in the New Year.
It was suggested that a progress report on implementation of the strategy be provided to the Community, Customer and Organisational Scrutiny Committee six months after its approval.

RESOLVED –

(1) That the report be noted and the content of draft Workforce Strategy be supported.

(2) That a progress report on implementation of the strategy be provided to the Community, Customer and Organisational Scrutiny Committee six months after its approval.

26 SCRUTINY MONITORING

Locking of Park Gates

The Cabinet Member for Health and Wellbeing submitted a progress monitoring report on the Scrutiny Committee's recommendation to review the decision to stop locking park gates at night (reference CCO1 on the scrutiny committees' Monitoring Form).

The report outlined the background to the original decision to reduce the locking of park gates at some sites in 2014 and the issues which had been considered as part of the review of this decision following the first full summer of operation, particularly in respect of issues which had arisen at Eastwood Park and Queen's Park.

It was noted that it was difficult to compare the costs of dealing with anti-social behaviour before and after the changes, due to a lack of baseline data, the unpredictability of trends of anti-social behaviour and the uncertainty of the reasons for this. It was suggested that the issues of partnership working, the use of Public Place Protection Orders, more targeted enforcement, diversionary activities and the potential for a community locking scheme would need to be considered in addition to the locking of gates.

Councillor Brady attended as a local Member to update the Committee on subsequent issues which had arisen at Eastwood Park and the further decision to re-lock the gates for a trial period. It was noted that some of the anti-social behaviour had now transferred to other locations in the vicinity. Residents were concerned that some of the problems would recur if the gates were again left unlocked, particularly during summer.

It was noted that there had been differing approaches at different sites, depending on the particular circumstances, such as Friends groups locking gates at Holmebrook Valley Park and Stand Park, targeted enforcement action (e.g. for littering and warning letters).

The report included an options appraisal of the advantages and disadvantages of continuing with the decision of not locking some park gates as taken in 2014, or just locking gates at Eastwood Park and Queen’s Park or installing self-closing gates at Eastwood Park and possibly Queen’s Park.

Having considered the issues raised within the report and at the meeting, Members recognised that the circumstances at each location needed to be considered to determine the most appropriate combination of interventions in each case. In respect of Eastwood Park, they were of the view that continuing to lock the gates should be part of a combined approach to minimise the risk of the recurrence of anti-social behaviour and that the situation be further reviewed in the summer.

Community Engagement Strategy principles

In respect of the monitoring of the recommendations on the consideration of Community Engagement Strategy principles throughout corporate projects (reference CCO2 on the scrutiny committees’ Monitoring Form), it was noted that progress could not be monitored at this stage as there had not recently been a major consultation exercise, to which the recommendations could be applied.

RESOLVED –

(1) That the Cabinet Member for Health and Wellbeing take the views of the Committee into account when the final recommendations are produced and decision made in respect of future arrangements for the locking of park gates.

(2) That monitoring of the recommendations on the consideration of Community Engagement Strategy principles throughout corporate projects be retained on the Monitoring Form for monitoring following an appropriate major consultation exercise.

27 BRIEFING NOTE ON PROGRESS RE ARRANGEMENTS FOR PATIENTS OF THE FORMER HOLYWELL MEDICAL GROUP

Councillor Tricia Gilby, Chair of Enterprise and Wellbeing Scrutiny Committee, submitted a briefing note on progress of the arrangements for patients of the former Holywell Medical Group, further to her briefing note to the Committee on 7 July, 2015.

The North Derbyshire Clinical Commissioning Group (CCG) was consulting residents in Barrow Hill, particularly those who were registered at the Surgery, and local Councillors had expressed their views to the CCG regarding the consultation and continuity of service. A consultation meeting in Barrow Hill was scheduled for 10 December, 2015.

The CCG intended to consult on one option to go out to tender on one contract for general medical services based at three sites: Rectory Road Staveley, The Grange at Grangewood Farm and at Inkersall near the Green.

It was expected that the CCG would attend a meeting of the Derbyshire County Council statutory Health Scrutiny Committee when plans had been developed.

RESOLVED –

That the report be noted.

28 FORWARD PLAN

RESOLVED –

That the Forward Plan be noted.

29 WORK PROGRAMME FOR THE COMMUNITY, CUSTOMER AND ORGANISATIONAL SCRUTINY COMMITTEE

The Committee considered a list of items raised to date for its Work Programme.

The Chair suggested that the Outside Market Reconfiguration item be rescheduled for the January meeting.

RESOLVED –

That the work programme be approved and a report on the Outside Markets Reconfiguration be considered at the January meeting of the Committee.

30 OVERVIEW AND SCRUTINY DEVELOPMENTS

The Scrutiny and Policy Officer reported that the Annual Scrutiny Report had been published and was being promoted, and that copies were being made publicly available via the Community Assemblies.

It was noted that the Member Development Work Programme had been supported by the Overview and Performance Scrutiny Forum and that training would be scheduled for Scrutiny Members.

RESOLVED –

That the update be noted.

31 MINUTES

The Minutes of the meeting of the Community, Customer and Organisational Scrutiny Committee held on 15 September, 2015 were presented.

RESOLVED –

That the Minutes be approved as a correct record and signed by the Chair.