

Date: 8 March 2017

Dear Councillor,

Finance and Management Committee

A Meeting of the **Finance and Management Committee** will be held in the **Council Chamber**, on **Thursday, 16 March 2017 at 18:00**. You are requested to attend.

Yours faithfully,



Chief Executive

To:- **Conservative Group**

Councillor Harrison (Chairman), Councillor Mrs Plenderleith (Vice-Chairman) and Councillors Atkin, Mrs Coe, Mrs Coyle, Hewlett, Smith, Watson and Wheeler

Labour Group

Councillors Rhind, Richards, Southerd and Wilkins

AGENDA

Open to Public and Press

- 1** Apologies and to note any substitutes appointed for the Meeting.

- 2** To receive the Open Minutes of the Meetings held on 12th January 2017 and 16th February 2017, and the Open Minutes of the Audit Sub-Committee Meeting held on 15th February 2017.
Finance and Management Committee 12th January 2017 Open Minutes **4 - 8**

Finance and Management Committee 16th February 2017 Open Minutes **9 - 12**

Audit Sub-Committee 15th February 2017 Open Minutes **13 - 16**

- 3** To note any declarations of interest arising from any items on the Agenda

- 4** To receive any questions by members of the public pursuant to Council Procedure Rule No.10.

- 5** To receive any questions by Members of the Council pursuant to Council procedure Rule No. 11.

- 6** Reports of Overview and Scrutiny Committee

- 7** CORPORATE PLAN 2016-21 PERFORMANCE REPORT **17 - 47**

- 8** BUDGET AND FINANCIAL MONITORING 2016-17 **48 - 64**

- 9** COMMITTEE WORK PROGRAMME REPORT **65 - 68**

Exclusion of the Public and Press:

- 10** The Chairman may therefore move:-
That in accordance with Section 100 (A)(4) of the Local Government Act 1972 (as amended) the press and public be excluded from the

remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraph of Part I of the Schedule 12A of the Act indicated in the header to each report on the Agenda.

- 11** To receive the Exempt Minutes of the Meetings held on 12th January 2017 and 16th February 2017, and the Exempt Minutes of the Audit Sub-Committee Meeting held on 15th February 2017.
Finance and Management Committee 12th January 2017 Exempt Minutes
Finance and Management Committee 16th February 2017 Exempt Minutes
Audit Sub-Committee 15th February 2017 Exempt Minutes
- 12** To receive any Exempt questions by Members of the Council pursuant to Council procedure Rule No. 11.
- 13** HERITAGE LOTTERY FUND TOWNSCAPE PROJECT - DIANA MEMORIAL GARDEN
- 14** SAFER HOMES SCHEME
- 15** PREMISES IN SWADLINCOTE
- 16** STAFFING AMENDMENTS – COMMUNITY AND PLANNING DIRECTORATE
- 17** THE TRANSFER OF CORPORATE SERVICES - MATTERS OUTSTANDING

FINANCE AND MANAGEMENT COMMITTEE: SPECIAL - BUDGET

12th January 2017

PRESENT:-

Conservative Group

Councillor Harrison (Chairman), Councillor Mrs Plenderleith (Vice-Chairman) and Councillors Atkin, Mrs Brown (substituting for Councillor Mrs Coe), Mrs Coyle, Hewlett, Watson and Wheeler

Labour Group

Councillors Rhind, Richards, Southerd and Wilkins

FM/105 **APOLOGIES**

Apologies were received from Councillor Mrs Coe (Conservative Group).

FM/106 **DECLARATIONS OF INTEREST**

The Chairman declared a personal and prejudicial interest in relation to Item 11 on the Agenda by virtue of being Chairman of the Melbourne Sporting Partnership.

FM/107 **QUESTIONS FROM MEMBERS OF THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE NO 10**

The Committee was informed that no questions from members of the public had been received.

FM/108 **QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO 11**

The Committee was informed that no questions from Members of the Council had been received.

FM/109 **REPORTS OF THE OVERVIEW AND SCRUTINY COMMITTEE**

There were no reports of the Overview & Scrutiny Committee to consider.

FM/110 **SERVICE BASE BUDGETS 2017/18**

The Director of Finance and Corporate Services presented the report to Committee, highlighting the Council's financial position, expenditure, additional costs, reductions, service provision, inflation, payments for concurrent functions to parish councils and risks. A summary of the main service areas together with the change in expenditure was highlighted in the report projecting additional expenditure of approximately £145,000 between 16/17 and the proposed figures for 17/18. It was reported that this was mainly due to incorporation of the pay award approved by the Committee for the next year 17/18 of 1% for staff, the [Page 4 of 68](#) implications of the pay and grading review approved last year, the loss of government contribution towards administration

of the Housing Benefits service and the inflation increase as per the contract with Northgate. It was noted that these factors had been included in the budget and any changes to service provision would be reported in a future Committee.

The Leader proposed that the level of increase in contributions to Parish Councils in 2017/18 for Concurrent Functions be 1% in line with that agreed for voluntary bodies by Housing and Community Services Committee and this was carried by the Committee.

RESOLVED:

1.1 That the proposed revenue income and expenditure for 2017/18 for the Committee's Services, as detailed in Appendix 1 to the Report, be considered and included in the consolidated proposals for the General Fund.

1.2 That the proposed fees and charges as detailed in Appendix 3 for 2017/18 are considered and approved.

1.3 That a 1% increase in contributions to Parish Councils in 2017/18 for Concurrent Functions be approved.

FM/111 **BUDGET REPORT 2017/18 INCORPORATING THE CONSOLIDATED BUDGET PROPOSALS AND MEDIUM TERM FINANCIAL PLAN TO 2022**

The Director of Finance and Corporate Services delivered the report to the Committee, clarifying the position entering the 2017/18 budget round, the updated General Fund position with the medium-term projections, identifying that action needs to be taken in order to alleviate the projected budget deficit of £800,000 in 2018/19. It was noted that the Council's Financial Settlement for 2017/18, along with those projected through to 2022, were less than initially anticipated, a reflection of the change in core funding, largely due to the reduction of the Revenue Support Grant and the New Homes Bonus being 'top-sliced' to fund adult social care.

It was reported that the government responded to the consultation on the New Homes Bonus by outlining their proposals to reduce legacy payments of the bonus from 6 to 4 years in 2018/19. The Director advised that there would be a transitional period for 2017/18 where this bonus would be for 5 years and then down to 4. The other main proposal confirmed by the government was to discount the first 0.4% of growth by considering it 'deadweight'. The Director clarified the principle of 'deadweight' related to the governments' view that an initial level of growth within any district would be inevitable. The original proposal was 0.25%, but citing levels of growth across the country and the requirement of funding for adult social care, the government confirmed that the first 0.4% of growth would be deemed 'deadweight' and therefore no longer qualify for the New Homes Bonus. The consultation also outlined proposals to introduce penalties for authorities where no Local Plan was in place meaning that new homes which were rejected at the application stage, but then overturned on appeal would receive no New Homes Bonus payment. In terms of total core funding, Committee were advised that the Council generated

£12.3m but is forecasted to decrease to £10.6m and reduce by 15% over the next five years.

The Director highlighted that growth within the District and subsequent cost pressures would affect income, not only council tax and new homes bonus, but also potentially impact the service base budget, for example, the provision of bins for new properties. The Director explained the recommendation to increase provision for growth and setting up a reserve, outside the general reserve, to specifically deal with the cost of growth would allow the Council to allocate and direct resources accordingly. The Director advised that the current expenditure would not be sustainable, that the cost of growth would need to be monitored and savings identified in order to address the £800,000 deficit.

The Chairman thanked officers for the comprehensive report and invited questions.

Councillor Southerd questioned whether the County Council had been approached to assist with bin provision. The Chief Executive and the Director responded that County had assisted in the past, but this was a unique circumstance relating to the closure of the Newhall and Bretby waste disposal facility.

Councillor Richards raised concerns regarding the potential loss of New Homes Bonus for planning applications rejected at Committee, but overturned on appeal.

RESOLVED:

- 1.1 That the estimates of revenue income and expenditure for 2017/18 for the General Fund as detailed in the report be approved.***
- 1.2 That a 1% increase in grants to voluntary bodies and payments to Parish Councils under concurrent functions be approved.***
- 1.3 That the Council Tax Base for 2017/18 of 31,647 (equivalent Band D) properties as detailed in Appendix 3 be approved.***
- 1.4 That a Council Tax Surplus of £500,000 is declared on the Collection Fund for 2016/17 and the Council's proportion of £55,000 be transferred to the General Fund in 2017/18.***
- 1.5 That a provisional increase of 1.95% in the rate of Council Tax for 2017/18 be noted and that the final rate be considered by the Committee at its meeting on 16th February 2017.***
- 1.6 That the updated 5-year financial projection on the General Fund to 2022, including associated assumptions and risks, as detailed in Appendix 1 to the Report, be approved.***
- 1.7 That the annual amount set-aside for Growth in the General Fund be increased from £100,000 to £200,000 per year from 2016/17.***

1.8 That a new Earmarked Reserve be established to fund service pressures relating to Growth.

1.9 That any unused sums each year set-aside in the General Fund regarding Growth and other Contingencies be transferred to the Earmarked Reserve in 1.8 above.

1.10 That a strategy and action plan be drawn up to generate budget savings of £800,000 on the General Fund ahead of 2018/19.

1.11 That the decisions made in recommendations 1.1 to 1.10 be used as the basis for consultation with local residents, businesses, voluntary and community groups, etc. and are subject to review by the Overview and Scrutiny Committee.

FM/112 **LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)**

RESOLVED:-

That, in accordance with Section 100(A)(4) of the Local Government Act 1972 (as amended), the press and public be excluded from the remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraphs of Part 1 of the Schedule 12A of the Act indicated in brackets after each item.

TO RECEIVE QUESTIONS FROM MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO. 11

The Committee was informed that no questions had been received.

CORPORATE SERVICES TRANSFER – TRANSITION UPDATE (Paragraphs 2 and 3)

Members approved the recommendations in the report.

ELECTORAL SERVICES – TEMPORARY POST (Paragraph 1)

Members approved the recommendations in the report.

Councillor Harrison left the Meeting at 7.00pm

MELBOURNE SPORTING PARTNERSHIP LOAN AGREEMENT (Paragraph 3)

Members approved the recommendations in the report.

The meeting terminated at 7.05pm.

COUNCILLOR J HARRISON

CHAIRMAN

FINANCE AND MANAGEMENT COMMITTEE: SPECIAL - BUDGET

16th February 2017

PRESENT:-

Conservative Group

Councillor Harrison (Chairman), Councillor Mrs Plenderleith (Vice-Chairman) and Councillors Atkin, Mrs Coe, Mrs Coyle, Mrs Hall (substituting for Councillor Smith) Hewlett, Watson and Wheeler

Labour Group

Councillors Richards, Southerd, Taylor (substituting for Councillor Rhind) and Wilkins

In Attendance

Councillor Swann (Conservative Group)

FM/117 **APOLOGIES**

Apologies were received from Councillor Smith (Conservative Group) and Councillor Rhind (Labour Group).

FM/118 **MINUTES**

The Open Minutes of the Meeting held on 1st December 2016 and of the Audit Sub-Committee Meeting held on 14th December 2016 were taken as read, approved as a true record and signed by the Chairman.

FM/119 **DECLARATIONS OF INTEREST**

The Chairman declared a personal and prejudicial interest in relation to Item 13 on the Agenda by virtue of being Chairman of the Melbourne Sporting Partnership.

FM/120 **QUESTIONS FROM MEMBERS OF THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE NO 10**

The Committee was informed that no questions from members of the public had been received.

FM/121 **QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO 11**

The Committee was informed that no questions from Members of the Council had been received.

FM/122 **REPORTS OF THE OVERVIEW AND SCRUTINY COMMITTEE**

Councillor Swann, as Vice-Chairman of the Overview & Scrutiny Committee delivered a verbal update to the Committee, noting its review of the budgetary matters presented comprehensively by the Director of Finance and Corporate

Services. He reported that the Committee had carefully considered the budget reports and acknowledged the potential financial challenges facing the Council, but no matters of significance from an overview and scrutiny perspective were cited for further investigation.

Councillor Swann left the Meeting at 6.05pm

FM/123 **TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS 2017/18**

The Director of Finance and Corporate Services presented the report to the Committee highlighting the Council's lending policy and counterparty list. It was reported that the lending list highlighted that most investment had been made with other local authorities and the Bank of England. Members were advised that the 'lending list' had changed over past twelve months where investments split between 'specified' (guaranteed financial return to the authority) and non-specified' (more risky but allowed), were explained. It was noted that due to credit ratings, that HSBC was the only named institution on the specified list. The Director advised Members that the 'lending list' is based on security and liquidity as a priority and then the best interest rate.

RESOLVED:

- 1.1 That the Treasury Management Strategy for 2017/18 be approved.***
- 1.2 That the Prudential Indicators and Limits for 2017/18 to 2021/22 as set out in Appendix 1 be approved.***
- 1.3 That the Investment Policy for 2017/18 including the associated counterparty (lending) list be approved.***

FM/124 **FINAL BUDGET PROPOSALS 2017/2018 and FINANCIAL PLAN to 2022**

The Director of Finance and Corporate Services presented the report updating Members on the position of the Council's final budget proposals for 2017/18 and medium term financial projections on its main revenue and capital accounts, these proposals will form the basis of setting the Council Tax for 2017/18 by Full Council on 1st March 2017. The Director updated Members that there was very little change to the proposed budgets and financial plan since that reported in January. The main potential change was that the valuation of the Derbyshire Pension fund had resulted in an increase of 1% in the council's contribution in order to address the underlying deficit. Members were advised that this extra cost would be offset by the earmarked reserve set aside to guard against this expected increase. It was noted that consultations through Area Forums had not raised any substantive issues relating to the final proposals or financial plan.

In relation to the Housing Revenue Fund, details and implications of the proposed reduction in rent level for 2017/18 were also outlined and Members were updated that Housing and Community Services Committee had approved the 1% reduction. The Director explained the main risks associated with the proposed financial plan for the HRA and in particular national rent policy after 2020. Otherwise, he confirmed that the 10-year plan was sustainable if the approved expenditure budgets were met.

The Director added that the provisional Financial Settlement had not been ratified by central government at this time, but advised that revisions would be unlikely.

The Chairman requested clarification on the impact of business rates and the New Homes Bonus. The Director explained that there is an element of risk related to the retention of business rates because the rate accounted is dependent on growth and sustainability/longevity of businesses. It was noted that the New Homes Bonus proposals had been ratified as per the previous Finance and Management Committee.

RESOLVED:

- 1.1 That a Council Tax increase of 1.95% for 2017/18 be recommended to Full Council on 1st March 2017.**
- 1.2 That estimated net General Fund Revenue Expenditure totalling £11,147,622 for 2016/17 (revised) and £11,456,426 for 2017/18 be recommended to Full Council on 1st March 2017.**
- 1.3 That the Medium-term Financial Plan to 2022 on the Council's General Fund Revenue Account as detailed in Appendix 1 be approved.**
- 1.4 That a strategy and action plan be drawn up to generate budget savings of £850,000 on the General Fund ahead of 2018/19.**
- 1.5 That the Financial Plan for the Housing Revenue Account (HRA) to 2027 as detailed in Appendix 2 be approved.**
- 1.6 That the 5-year capital investment and financing plan to 2022 as detailed in Appendix 3 be approved.**
- 1.7 That the Council's National Non-Domestic Rate Return (NNDR 1) for 2017/18, showing retained business rates (before the Tariff) of £9,413,649 for 2016/17 and £9,727,674 for 2017/18 be noted.**
- 1.10 That the report of the Council's Section 151 (Chief Finance) Officer under Section 25 of the Local Government Act 2003 be noted.**

FM/125 **COMMITTEE WORK PROGRAMME**

RESOLVED:-

Members considered and approved the updated work programme.

FM/126 **LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)**

RESOLVED:-

That, in accordance with Section 100(A)(4) of the Local Government Act 1972 (as amended), the press and public be excluded from the remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraphs of Part 1 of the Schedule 12A of the Act indicated in brackets after each item.

**TO RECEIVE QUESTIONS FROM MEMBERS OF THE COUNCIL
PURSUANT TO COUNCIL PROCEDURE RULE NO. 11**

The Committee was informed that no questions had been received.

**STAFFING AMENDMENTS – COMMUNITY AND PLANNING
DIRECTORATE (Paragraph 1)**

Members approved the recommendations in the report.

Councillor Harrison left the Meeting at 6.25pm

**MELBOURNE SPORTING PARTNERSHIP LOAN AGREEMENT
(Paragraph 3)**

Members approved the recommendations in the report.

The meeting terminated at 6.30pm.

COUNCILLOR J HARRISON

CHAIRMAN

AUDIT SUB-COMMITTEE

15th February 2017

PRESENT:-

Conservative Group

Councillor Grant (Chairman) and Councillor Ford.

Labour Group

Councillors Dunn and Shepherd.

AS/30 **APOLOGIES**

Apologies for absence from the Meeting were received on behalf of Councillor Mrs Wyatt (Conservative Group)

AS/31 **DECLARATIONS OF INTEREST**

Councillor Ford declared a personal interest in Item 7 on the Agenda by reason of being an acquaintance of Mr Steve Clark from the Council's auditors, Ernst and Young.

AS/32 **TO RECEIVE ANY QUESTIONS FROM MEMBERS OF THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE NO.10**

The Committee was informed that no questions from members of the public had been received.

AS/33 **TO RECEIVE ANY QUESTIONS FROM MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO.11**

The Committee was informed that no questions from Members of the Council had been received.

MATTERS DELEGATED TO SUB-COMMITTEE

AS/34 **CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT 2015/16**

The representative from the Council's external auditors, Ernst & Young, presented the report to Members, summarising the findings from their certification of the Housing Benefits Subsidy Claim for the Department for Work and Pensions (DWP), together with the Pooling of Housing Capital Receipts for the Department for Communities and Local Government.

The Chairman expressed concern that issues that had been previously highlighted remained to be resolved. The Director of Finance and Corporate Services explained that although this was disappointing, future processing has been brought back in-house so that the Council has direct operational responsibility for compliance and integrity of individual claims. The Chairman proposed that an interim report be presented to Committee in order to monitor and review the progress, this was carried by Committee. The Assistant Audit Manager advised Members that due to the timing of the report being late in the financial year, the issues identified are not able to be rectified until the following financial year.

RESOLVED:-

Members considered the Claims and Returns Report for 2015/16 and noted the actions outlined in Section 5 to the Auditor's Report. In addition Members approved that an interim progress report be referred to Committee in 6 months.

AS/35 **INTERNAL AUDIT PROGRESS REPORT**

The internal auditor presented the report to the Sub-Committee, updating Members that most audits were progressing according to the approved Internal Audit Plan. However, it was highlighted that some planned audits had been deferred due to additional resources being used to work on investigations. It was advised that the internal audit team were seeking agency cover to resolve this matter.

The Chairman requested clarification on the financial implications of recruiting agency staff. The internal auditor stated there would be no financial implications for the authority as the cost would be to the Central Midland Audit Partnership (CMAP).

Councillor Ford sought reassurance that the planned audits that had been deferred would be brought back into line. The internal auditor explained that with agency cover, audits would be completed in a timely manner.

RESOLVED:-

The report of the Audit Manager was considered and noted.

AS/36 **EXTERNAL AUDIT PLAN FOR THE YEAR ENDING 31ST MARCH 2017**

The Head of the Audit Partnership introduced the Senior Manager with Ernst and Young who presented this report to Members highlighting that the document outlined the approach to Audits undertaken and that this plan would

be similar to previous years. It was noted that in terms of Financial Statement risks, auditing standards prescribe that two particular risks be considered in every audit; the risk of fraud in revenue recognition and the risk of management overriding controls. The external auditor explained how the Audit Plan would address these risks. It was highlighted that a change to the presentation of financial statements would be required this year and that the external audit and finance team would work in collaboration on this. Members were also advised that any mis-statements greater than £230,000 would be reported to this Committee.

RESOLVED:-

That the proposed Audit Plan for the year ending 31st March 2017 be noted and the proposed approach to undertaking audit work for the year be approved.

AS/37

LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)

RESOLVED:-

That in accordance with Section 100 (A)(4) of the Local Government Act 1972 (as amended) the press and public be excluded from the remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraph of Part I of the Schedule 12A of the Act indicated in the header to each report on the Agenda.

EXEMPT QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO.11

The Committee was informed that no questions from Members of the Council had been received.

ADDENDUM - INTERNAL AUDIT PROGRESS REPORT (Paragraph 1)

Members approved the recommendations in the report.

ADDENDUM - EXTERNAL AUDIT PLAN FOR THE YEAR ENDING 31st MARCH 2017 (Paragraph 1)

Members approved the recommendations in the report.

The Meeting terminated at 5.10pm.

COUNCILLOR J GRANT

CHAIRMAN

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 7
DATE OF MEETING:	16th MARCH 2017	CATEGORY: DELEGATED
REPORT FROM:	CORPORATE MANAGEMENT TEAM	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (EXT. 5811)	DOC:
SUBJECT:	CORPORATE PLAN 2016-21: PERFORMANCE REPORT (OCT 1 – DEC 31 2016)	
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: G

1.0 Recommendations

1.1 That progress against performance targets is considered.

2.0 Purpose of Report

2.1 To report progress against the Corporate Plan for the period October 1 to December 31 2016 under the themes of People, Place, Progress and Outcomes.

3.0 Detail

3.1 The Corporate Plan 2016 – 2021 was approved following extensive consultation into South Derbyshire's needs, categorising them under four key themes: People, Place, Progress and Outcomes. The Corporate Plan is central to our work – it sets out our values and visions for South Derbyshire and defines our priorities for delivering high-quality services.

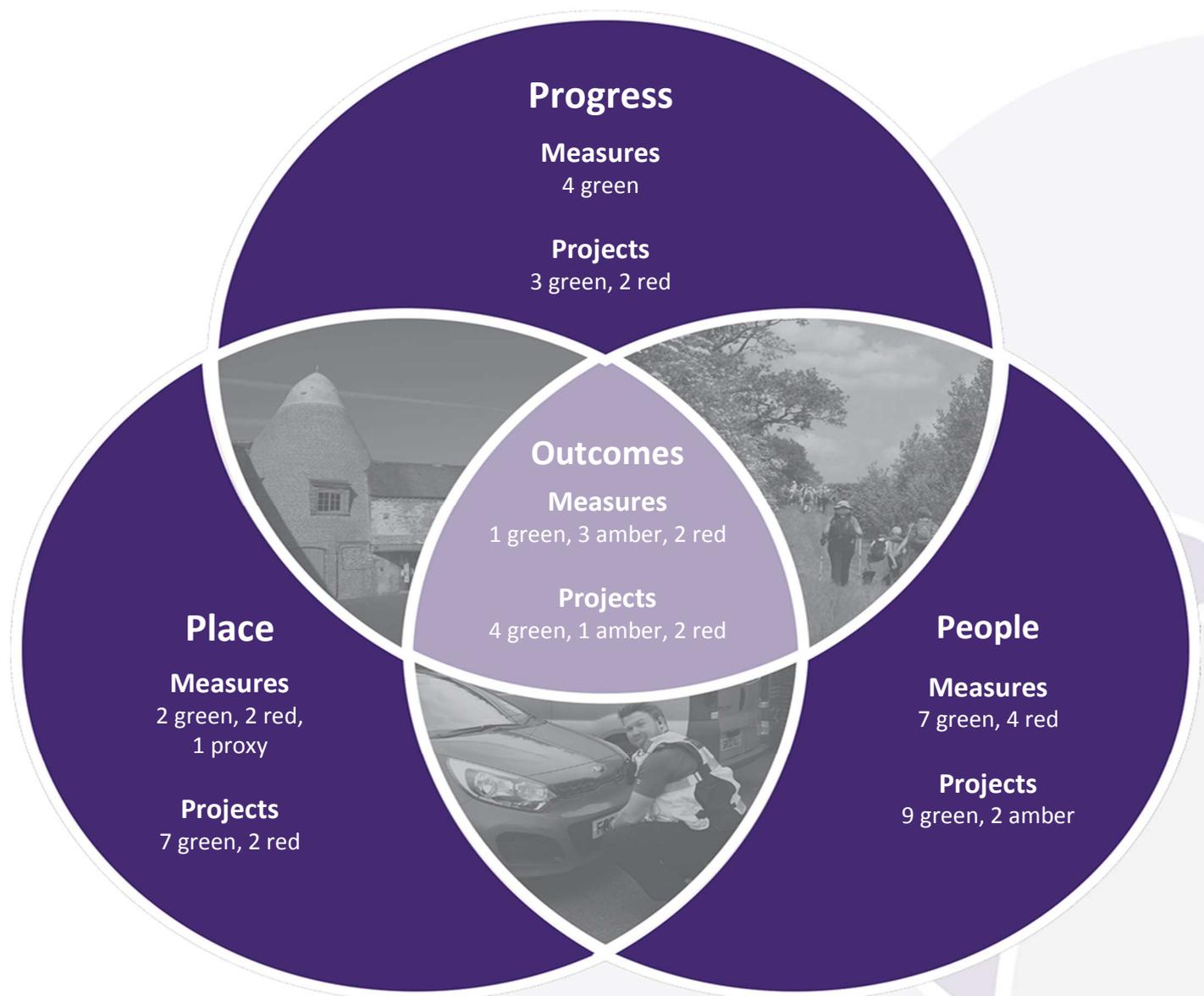
3.2 This Committee is largely responsible for overseeing the delivery of successful Outcomes. These are as follows:

- Maintain financial health
- Achieve proper Corporate Governance
- Maintain customer focus
- Be aware of and plan for financial, legal and environmental risks
- Promote and enable active democracy
- Enhance environmental standards
- Maintain a skilled workforce
- Promote inclusion

3.3 Of the 15 measures and projects under the jurisdiction of the Finance and Management Committee, six are showing green, four are annual targets and five are red.

3.4 More information can be found in the Performance Board in **Appendix A**. A detailed breakdown of focus areas is available in the Performance Action Plan document (**Appendix B**), while associated risks are contained in the risk registers in **Appendices C, D and E**.

4.0 Overall Council performance – Quarter three (October 1 to December 31, 2016)



5.0 Financial and Corporate Implications

5.1 None directly.

6.0 Community Implications

6.1 The Council aspires to be an “excellent” Council in order to deliver the service expectations to local communities. This report demonstrates how priorities under the People, Place and Progress and Outcomes themes contribute to that aspiration.

7.0 Appendices

- Appendix A – Performance Board
- Appendix B – Finance and Management: Performance Action Plan
- Appendix C – Chief Executive’s Risk Register
- Appendix D – Corporate Services Risk Register
- Appendix E – Strategic Risk Register

Appendix A – Performance Board

Quarter 3 (October 1 to December 31, 2016)

People Measures						
Action	Measure	Last quarter	Q3 target	Q3 actual	2016/17 target	Detail
PE1: Enable people to live independently						
Provide an efficient and well-targeted adaptation service	% of adapted properties allocated on a needs basis PE1.1	91.60% Target >90%	>90%	100%	>90%	16 adapted properties were allocated on a needs basis. H&CS
	% of residents very or fairly satisfied with the quality of their new home PE1.2	91% Target >88%	>88%	100%	>88%	30 residents responded to the survey, all of which were either very or fairly satisfied with the quality of their new home. H&CS
PE2: Protect and help support the most vulnerable, including those affected by financial challenges						
Maintain regular contact with tenants, with a focus on those identified as 'vulnerable'	Total number of tenancy audits completed PE2.1	500 Target 500	750 (Cumulative)	693	1,000	See Action Plan. H&CS
	% of successful introductory tenancies PE2.2	95.55% Target >85%	>85%	100%	>85%	31/31 Intro tenants were successfully transferred to secure tenancies. H&CS

Process Benefit claims efficiently	Average time for processing new Benefit claims PE2.3	17.59 days Target <18 days	<18 Days	22 Days	<18 days	See Action Plan. F&M
	Average time for processing notifications of changes in circumstances PE2.4	7.99 days Target <8 days	<8 days	11 Days	<8 days	See Action Plan. F&M

PE4: Increase levels of participation in sport, health, environmental and physical activities

Delivery of sport, health and physical and environmental activity opportunities	Number of sport, health, physical activity and play scheme participations PE4.1	13,394 Target 11,500	4,980	7,980	37,845	Thursday Night Project launched in Hilton and Netball in Melbourne with good attendance being maintained (launched late September) H&CS
	Number of Environmental Education participations PE4.2	2,523 Target 1,500	1,300	8,675	5,250	Over 6,400 are through grant-funded Sainsbury's outreach work in primary schools H&CS
	Number of Parklife opportunities PE4.3	1,650 Target 150	150	382	500	Well-attended sessions included a weekly buggy walk, over 50s tennis group and outdoor table tennis coaching. Events at Swadlincote Woodlands included a macro photography workshop. H&CS

PE5: Reduce the amount of waste sent to landfill

Minimise waste sent to landfill	Household waste collected per head of population PE5.1	120kgs Target <125kgs	<130kgs	94.3kgs	<510 kg	Continues to remain better than target. E&DS
	% of all collected waste recycled and composted PE5.2	53.70% Target >52%	>48%	43.4%	>50%	See Action Plan. E&DS

People Projects

Action	Last quarter	Q3 target	Q3 actual	2016/17 target	Detail
PE1: Enable people to live independently					
Support the voluntary and community sector to enable people to maintain living independently	Support offered to Goseley Festival and the Hatton Centre.	Support promotion of voluntary and community sector to Elected Members.	On track. See Detail Column.	Maintain SDDC grant funding to the voluntary and community sector. PE1.3	New SDDC Volunteer Policy and development plan approved at committee. Plan drawn up with CVS and includes actions to develop volunteer management within the Council and to celebrate volunteering in the community. F&M
Continue to contribute to the county wide review of Disabled Facilities Grants (DFGs)	SDDC allocated £336,000 for the DFGs.	Implementation of appropriate recommendations.	No Actions for Q3.	All recommendations implemented by April 1, 2017. PE1.4	No Actions for Q3. H&CS
Expand the use of Telecare services to increase independence	The Supported Housing Service was under review with external support.	Achieve accreditation from TSA.	See Detail Column.	Provide a value for money Supported Housing product. PE1.5	There is a 6-month wait for TSA accreditation visits owing to a new Telecare standard being introduced. SDDC's order has been placed but wait time prevented accreditation visit. H&CS

PE2: Protect and help support the most vulnerable, including those affected by financial challenges

<p>Approval and implementation of South Derbyshire as a Dementia friendly District</p>	<p>71 SDDC Staff/Elected Members became 'Dementia Friends'.</p>	<p>Deliver Elected Member and staff dementia awareness sessions.</p>	<p>On track. See Detail Column.</p>	<p>Work progressed towards Dementia Friendly Community status. PE2.5</p>	<p>113 SDDC Staff/Elected members have become 'Dementia Friends' to date. More sessions planned for Quarter 4. H&CS</p>
<p>Provide a service for homeless applicants which is nationally recognised as delivering 'best practice'</p>	<p>Good practice identified and implemented, including advice leaflets being issued.</p>	<p>Prepare submission for accreditation.</p>	<p>On track. See Detail Column.</p>	<p>To attain NPSS Standard for Homelessness PE2.6</p>	<p>Submission has been prepared H&CS</p>
<p>Develop a Community Champion Scheme through volunteer development</p>	<p>Initial scheme plan drawn up.</p>	<p>Develop volunteering scheme and consult with partners.</p>	<p>On track. See Detail Column.</p>	<p>Scheme to be approved. PE2.7</p>	<p>Scope of Community Champion Scheme agreed with CVS. South Derbyshire Day will have an increased focus on nominated volunteers to celebrate their contribution. H&CS</p>

PE3: Use existing tools and powers to take appropriate enforcement action

<p>Publish and annually review a single Enforcement Policy covering all SDDC regulatory activity</p>	<p>A final draft of the policy was produced following consultation.</p>	<p>Committee item seeking endorsement of the final draft Enforcement Policy.</p>	<p>On track. See Detail Column.</p>	<p>Develop and publish a Corporate Enforcement Policy. PE3.1</p>	<p>Approved by E&DS on Nov 17 and H&CS on Nov 24 H&CS/ E&DS</p>
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PE4: Increase levels of participation in sport, health, environmental and physical activities

<p>Develop a Healthy Communities approach for SD</p>	<p>Family 'Parklife' activities in development to support priority physical activity area.</p>	<p>Work with partners to deliver healthy communities plan.</p>	<p>On track. See Detail Column.</p>	<p>Work towards Healthy Communities Accreditation. PE4.4</p>	<p>Work started to support development of BNE1 Healthy Lifestyle section of the Supplementary Planning Document (SPD) of the Local Plan. Supports Urban Planning priority.</p> <p>H&CS</p>
<p>Develop a Sport, Health and Physical Activity Strategy</p>	<p>Research and data gathering undertaken.</p>	<p>Complete draft strategy.</p>	<p>On track. See Detail Column.</p>	<p>Strategy developed and implemented. PE4.5</p>	<p>Draft strategy completed and being reviewed by strategic partners. Area profiles underway to support strategy</p> <p>H&CS</p>

PE6: Develop the workforce of South Derbyshire to support growth

<p>Stage a careers fair for young people and jobseekers</p>	<p>Work underway on planning for 2017 event.</p>	<p>Start planning 2017 event.</p>	<p>On track. See Detail Column.</p>	<p>Deliver event, review and plan for 2017 fair. PE6.1</p>	<p>Planning is underway and the date set for the Jobs & Skills Fair - 6 April 2017</p> <p>E&DS</p>
<p>Increasing school engagement to raise aspirations</p>	<p>Raising Aspirations project update delivered at the July South Derbyshire Partnership Board.</p>	<p>Review SDDC involvement with Raising Aspirations Project.</p>	<p>On track. See Detail Column.</p>	<p>Schools agree to work with SDDC. PE6.2</p>	<p>SDDC supporting strategic and operational working groups. Raising Aspirations work now a priority for the Locality Children's Partnership Action Plan 2016/17.</p> <p>H&CS</p>

Place Measures

Action	Measure	Last quarter	Q3 target	Q3 actual	2016/17 target	Detail
PL1: Facilitate and deliver a range of integrated and sustainable housing and community infrastructure						
Increase the supply and range for all affordable housing provision	Increased supply of affordable homes. PL1.1	Homes delivered by Trent & Dove in Rose Hill, Woodville.	Proxy	11	Proxy	11 properties in Rowley Court, Swadlincote (including 1 DFG property) delivered by SDDC. 34 properties (including Stenson Fields and Boulton Moor) have been delivered by Derwent Living and Trent and Dove. We are still awaiting more information from some external organisations and will provide a final number for 16/17 at year end. H&CS/E&DS
Deliver Housing Asset Management Strategy	Deliver against targets set out in the Asset Management Strategy Action Plan. PL1.2	Asset Management Strategy approved by Committee.	Following review, no measures were developed. We will continue to monitor actions that emanate from the strategy.	All actions delivered	Targets to be finalised once strategy is adopted.	Asset data for the HRA Business plan published and the 5-year capital improvements programme produced. A self-help video to reduce mould was published and an external advisor appointed to facilitate new build and

						regeneration opportunities. An appraisal of all land in HRA and General Fund ownership for potential development opportunity or sale has been produced. H&CS
PL3: Help maintain low crime and anti-social behaviour levels in the District						
Deliver a programme of proactive interventions to reduce environmental crime	Downward trend in fly-tipping incidents. PL3.1	349 Target <338 (cumulative)	507 (cumulative)	536 (cumulative)	<676	See Action Plan. E&DS
PL4: Connect with our communities, helping them to feel safe and secure						
Reduce number of noise complaints	Reduce number of noise complaints. PL4.1	7.1 Target <5.5 complaints per 1,000 people.	<4.8 complaints per 1,000 people.	6.1	Q4 <4.6	See Action Plan. E&DS
PL6: Deliver services that keep the District clean and healthy						
Reduce contaminated risk rating of land	Number of contaminated land assessments. PL6.1	1 Target 1	One completed	1	Four contaminated land assessments completed.	Site assessed was Hunts View, Netherseal. This highlighted no significant constraints with regard to contaminated land and concluded the site is suitable for residential use without further investigatory action. E&DS

Place Projects

Action	Last quarter	Q3 target	Q3 actual	2016/17 target	Detail
PL1: Facilitate and deliver integrated and sustainable housing and community infrastructure					
Deliver an adopted South Derbyshire Local Plan, Parts 1 and 2	Draft consultation took place from June to August 2016.	Regulation 19 consultation of submission version of Local Plan Part 2.	On track. See Detail Column.	Plan adopted. PL1.3	Regulation 19 consultation undertaken in Quarter 3. E&DS
Increase the supply and range of affordable housing provision	Draft prepared, awaiting consultation alongside another Supplementary Planning Document (SPD).	Approval and consultation for SPD.	See Action Plan.	Framework to review rural housing needs developed. Develop affordable housing SPD. PL1.4	See Action Plan. H&CS
Consider the introduction of a Community Infrastructure Levy (CIL)	The drafting of the report was put on hold as Government announcements were awaited.	Conclusion of final report and submission to E&DS Committee.	See Action Plan.	Informed decision made. PL1.5	See Action Plan. E&DS/F&M
PL2: Enhance understanding of the planning process					
Support the development of Neighbourhood Plans	Grants Panel held on October 18. On track to meet annual target.	Provide support to interested parties.	On track. See Detail Column.	Level of support provided to interested parties. PL2.1	The screening report for the Repton Neighbourhood Plan in respect of the Habitats Regulations and Strategic Environmental Assessment consulted upon and responses received. The opinion will be published in Q4. No further update for Melbourne. E&DS

PL3: Help maintain low crime and anti-social behaviour levels

<p>Review, publish and deliver the Safer South Derbyshire Community Safety Partnership Plan</p>	<p>Summer Scheme diversionary activities funded in urban core. Public Space Protection Order (PSPO) on Swadlincote Town Centre went live.</p>	<p>Deliver the actions and objectives within the partnership plan.</p>	<p>On track. See Detail Column.</p>	<p>Plan published. Actions within the plan delivered. PL3.2</p>	<p>Actions delivered against all six priority themes. Education sessions held for parents and students on Child Sexual Exploitation and Drugs and Sexting. Other successes include domestic violence campaigns to promote local services and White Ribbon Day, the Safer Homes Scheme being extended to include domestic violence victims and tool marking operations being held.</p> <p>H&CS</p>
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PL5: Support provision of cultural facilities and activities

<p>Introduce and progress the Sport, Recreation and Open Space Facility Strategy</p>	<p>Project list in production and site plans being identified.</p>	<p>Commission site plans.</p>	<p>On track. See Detail Column.</p>	<p>Number of facilities enhanced. PL5.1</p>	<p>Initiation of Cockshut Lane site development plan for future pitch and facility developments in liaison with MSP and Hillside Recreation Ground, Findern (in partnership with Findern PC).</p> <p>H&CS</p>
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<p>Implement and manage the leisure facility capital build programme</p>	<p>Newhall Park Memorial Garden and Melbourne Sports Park officially opened.</p>	<p>Complete Cockshut Lane Recreation Ground Phase II.</p>	<p>On track. See Detail Column.</p>	<p>Facilities completed. External investment and grants brought to District. PL5.2</p>	<p>Building and site operational, supporting member clubs and new activities H&CS/F&M</p>
<p>Introduce and progress the District Cycle Plan, including an annual cycle event</p>	<p>Stakeholders identified and included. Plan adopted at Committee identifies five-year activity programme.</p>	<p>Trial community cycle event.</p>	<p>On track. See Detail Column.</p>	<p>Develop and implement action plan. Number of opportunities offered PL5.3</p>	<p>Findern, Linton and Belmont Primary Schools held Early Rider sessions. Format for community event trialled. Sustrans and Community Sports Trust committed to 'Cycle Sunday' events in new year. H&CS</p>
<p>PL6: Deliver services that keep the District clean and healthy</p>					
<p>Ensure that food, water, housing, land and air all meet designated standards for human health</p>	<p>Review of existing monitoring locations completed.</p>	<p>Publish a report for the Derbyshire Health Protection Board.</p>	<p>On track. See Detail Column.</p>	<p>Air Quality meets Directive 2008/50/EC and the Air Quality Strategy standard. PL6.2</p>	<p>Report taken to the Health Protection Board on Oct 10, 2016. E&DS</p>

Progress Measures

Action	Measure	Last quarter	Q3 target	Q3 actual	2016/17 target	Detail
PR2: Unlock development potential and ensure the continuing growth of vibrant town centres						
Delivery of Swadlincote Townscape project	Number of target buildings offered grants. PR2.1	0 Target 0	1	3	2	Grants Panel awarded three grants on October 24. E&DS
PR3: Work to maximise the employment, training and leisure uses of The National Forest by residents and increase the visitor spend to tourists						
Support the development of the tourism sector	Tourist centre enquiries handled. PR3.1	12,622 Target >5,000	>5,000	9,027	>20,000	9,027 enquiries handled in Q3. Autumn and Winter edition of 'What's On' Guide published. National Forest & Beyond 'Attractions Guide 2017' published. E&DS
PR5: Provide business support and promote innovation and access to finance, including in rural areas						
Maximise the prosperity of businesses in South Derbyshire through the delivery of the Better Business Regulation Partnership action plan	Number of food businesses which have a Food Hygiene Rating score of 5. PR5.1	82.80 Target >75%	>75%	83.9%	>75%	Solid upward trajectory. SDDC ranked in the top 20 in the country in terms of performance. Positive publicity received during the quarter. E&DS
	Number of registered food businesses active in the District PR5.2	805 Target >790	>790	837	>790	Reflects support provided to local food sector. This includes helping new businesses to understand requirements. E&DS

Progress Projects

Action	Last quarter	Q3 target	Q3 actual	2016/17 target	Detail
PR1: Work to attract further inward investment					
Launch new Economic Development Strategy	Strategy for period 2016-2021 adopted.	Adopt Strategy.	On track. See Detail Column.	New five-year strategy launched and actions from it delivered. PR1.1	The new Strategy was adopted by E&DS on 29 Sept and launched at a well-attended event at the Odeon Cinema on 17 Nov 2016. E&DS
PR2: Unlock development potential and ensure the continuing growth of vibrant town centres					
Delivery of Swadlincote Townscape Project	Consultation completed on Heritage Trail.	Engage with schools via at least three different education providers and deliver activities for Building Maintenance week.	On track. See Detail Column.	Delivery of Activity Plan. PR2.2	Two Townscape TV Sessions delivered to schools with Environmental Education Project Team and Burton TV. Two School Decision Days delivered by Environmental Studies Team DCC. E&DS
	Landscape architects appointed for Diana Memorial Garden.	Start enhancement works.	See Action Plan.	Enhancement of Diana Memorial Garden. PR2.2	See Action Plan. E&DS
Organise and/or support town centre events	Events held included Scarecrow Hunt and a Shopping Day.	Deliver environmental activities as part of Food Festival.	On track. See Detail Column.	Events delivered and/or supported. PR2.3	Events included Christmas Lights, International Food and Drink Festival and Xmas Mega Market E&DS

PR4: Help to influence and develop the infrastructure for economic growth

Review and update the Infrastructure Delivery Plan	Timetable amended in line with the submission of the Local Plan.	Publish plan.	See Action Plan.	Plan published. PR4.1	See Action Plan. E&DS
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Outcomes Measures

Action	Measure	Last quarter	Q3 target	Q3 actual	2016/17 target	Detail
O1: Maintain financial health						
Deliver a balanced general fund	5-year General Fund reserve balance is a minimum of £1m by 2021. O1.1	Annual target.	Annual target.	Annual target.	General Fund Reserve Balance at £6.2m as at 31 st March 2017.	Target as per the Financial Strategy. The longer-term target will be regularly monitored as part of the MTFP. F&M
	A balanced General Fund budget by 2018/19. O1.2	Annual target.	Annual target.	Annual target.	A strategy and savings plan agreed by the Council.	Target as per the Financial Strategy. The longer-term target will be regularly monitored as part of the MTFP. F&M
Maximising income	Generate income from New Homes Bonus, Business Rates and sweating of assets. O1.3	Annual target.	Annual target.	Annual target.	Income from Business Rates/New Homes Bonus is £6m at March 2017.	Target included in the MTFP. F&M
Maximise rental income to help the Council do more with less	Rent collected from current and former tenants as % rent due (excluding arrears b/f). O1.4	100.96% Target 99.9%	99.9%	100.06%	99.9%	Whilst still exceeding target, December's performance has dropped when compared to November. This is not unusual for the Christmas period and plans are underway to complete a week of action in January 2017. Rent and service charges due YTD £9,324,774.

						Total rent and service charges collected from current and former tenants, including housing benefit overpayments, YTD £9,330,356. H&CS/F&M
O3: Enhance environmental standards						
Strive to be more energy efficient.	Annual improvements in the energy consumption of public buildings. O3.1	2.78% increase Target 3%	3% reduction	4.27% increase	3% reduction	See Action Plan. E&DS
O4: Maintain a skilled workforce						
To strengthen measures and support employees to reduce absence due to sickness/ill-health and to promote a healthy workforce.	The average working days lost per employee is less than 8 days per year (2 days per quarter). O4.1	2.78 days Target <2 days	<2 days	2.59 days	<8 days	See Action Plan F&M

Outcomes Projects

Action	Last quarter	Q3 target	Q3 actual	2016/17 target	Details
O1: Maintain financial health					
Keep under review priorities into which available funds may be invested in communities	Annual target	Annual target	Annual target	Key priority areas evaluated and agreed by F&M. To be considered as part of 2017/18 Budget round. O1.5	To be considered as part of 2017/18 Budget Round in Q4. F&M
Explore potential commercialisation opportunities and identify areas for competing with the private sector	Draft timetable completed. Officer appointed and project office established.	Deliver reviews.	On track. See Detail Column.	Deliver process reviews O1.6	Charging conservation advice to other organisations progressed and Building Control services promoted through Business Breakfast to architectural firms to increase market share. All Committees
O2: Achieve proper corporate governance					
Maintain a proper Risk Management Framework	Updated registers shown as appendices to the Performance Board.	Update registers for next committee cycle.	On track. See Detail Column.	Strategic and service risk registers reviewed, updated and reported to Committees on a quarterly basis. O2.1	Updated registers shown as appendices to the Performance Board. All Committees
O3: Enhance environmental standards					
Maintain ISO 14001 certification in environmental management	Senior management review completed on September 7, 2016.	Prepare for and deliver external ISO 14001 certification.	On track. See Detail Column.	Achieve ISO 14001 certification O3.2	External surveillance audit due 23-25 January 2017. E&DS

O4: Maintain a skilled workforce					
Maintain a skilled workforce	N/A	Job competencies to be reviewed during Q2 and Q3 following review of current training and development programme.	See Action Plan.	Investors in People standard for staff development maintained. O4.2	See Action Plan. F&M
O5: Maintain customer focus					
Design and deliver a new website that allows customers to search and find information easily and quickly	Web Labs appointed as supplier.	Sign off design templates and hold briefings with staff and Elected Members. Work to start on preparing content, structure and online forms.	On track. See Detail column.	New website launched. O5.1	Design templates signed off. Icons also produced. More than 10 briefings held with staff from all departments. Content, structure and online forms progressing well. F&M
O6: Be aware of and plan for financial, legal and environmental risks					
Improve resilience to the local impacts of climate change and emergency responses.	A programme of climate change adaptation activity under development.	Produce and circulate for consultation a draft climate change mitigation and adaptation plan.	See Action Plan.	Deliver campaigns to mitigate and aid adaptation of climate change and flooding. O6.1	See Action Plan. E&DS

Measures and projects outlined in green are on track.

Measures and projects outlined in grey have a single, annual target and are not measured on a quarterly basis.

Measures and projects outlined in purple are proxy.

Actions being taken on indicators currently not on target (coloured in red and amber) are outlined in the Action Plan in Appendix C.

Appendix B



2.59

The average working days lost per employee due to sickness absence

Target 2

Theme - Outcomes. Action – The average working days lost per employee due to sickness absence

Target vs performance: 2.59 days actual compared to 2 days target

Trend (compared to last quarter) – Positive. The average working days lost in quarter two stood at 2.78.

Background – The small number of employees with long-term health issues has again affected the overall figure, although it is better compared to the second quarter of 2.78 days. The projected total for the year is currently 9.2 days compared to the annual target of eight days.

Key actions underway – Monthly directorate absence reports are circulated that enable a review of attendance to be completed to spot any trends or highlight any long-term absences that may need more formal action.

All managers/supervisors have access to ‘real time’ absence reports for staff who they manage.

Mandatory training is provided for all managers to ensure consistent application of the Council’s Attendance Management Procedure.

For the two main causes of absence, stress and musculoskeletal injuries, the HR team provided a rolling programme of training in stress management for managers and employees as well as manual handling.

Opportunities/risks: High absence levels not only impacts on service delivery but also places additional strain on the remaining workforce.

This could then lead to increased costs through the employment of additional staff and/or overtime payments to cover staff absences.



0

Consider the introduction of a Community Infrastructure Levy

Target 1

Theme - Place. Action – Consider the introduction of a Community Infrastructure Levy

Target vs performance - Target: Conclusion of final report and submission to Committee.

Performance: Delayed as we are awaiting a Government White Paper which could change policy on developer contributions and planning obligations.

Trend (compared to last quarter) – Quarter one was achieved, but unforeseen changes have influenced the outcomes of quarters two and three.

Key actions underway – The drafting of the report has been put on hold whilst Government announcements are awaited.

Risks: The risks are unknown without the information about Government policy.



22/11

Average time taken to process new Benefit claims and changes in circumstances

Target 18/8

Theme – People. Action – Average time taken to process new Benefit claims (PE2.3) and changes in circumstances (PE2.4)

Target vs performance – 22 days actual compared to 18 days target (new claims) and 11 days actual compared to 8 days (changes in circumstances)

Trend (compared to last quarter) - Negative. New Benefit claims were processed in an average of 17.59 days in quarter two, with changes in circumstances processed in an average of 7.99 days.

Background – Some delays occurred due to a backlog in claims arising from the processing of information to/from HMRC.

Key actions underway – After a period of stability and consistent performance over the last two years, this was the second quarter out of the last three where the target has not been met. Operational responsibility for processing Benefit claims was transferred back to the Council on February 1, 2017. A review of processing arrangements is being undertaken.

Opportunities/risks – The risk of delayed processing is that residents entitled to Benefits (especially new claimants) are not receiving payments in a timely manner.

With the transfer of services back to the Council, this presents an ideal opportunity to review processing arrangements without the additional responsibility of serving other clients.



0

To review job competencies and to retain the Investors in People (IIP) Standard.

Target 1

Theme – Outcomes. Action – Maintain a Skilled Workforce

Target vs performance – To review job competencies and to retain the Investors in People (IIP) Standard. No action undertaken.

Trend (compared to last quarter) – Not applicable.

Background – Job competencies are kept under review and updated in job specifications when vacant posts arise.

The national Standard for IIP has changed and it is now proposed to attain accreditation against the new standard later in 2017/18. It is anticipated that this process will follow any changes that may be required to deliver the level of budget savings approved by the Council.

Key actions underway – To be kept under review in liaison with the Council's assessor.

Opportunities/risks – The risk is that, potentially, the workforce of the Council is not developed. However, the new standard contains more stretching targets. This will help to gauge the Council's commitment to its workforce following a period of on-going change, together with the bedding-in of services and people that have recently transferred back to the Council from Northgate Public Services.

There are five actions for Finance and Management

Chief Executive's Risk Register

Theme/aim	Risk description	Likelihood	Impact	Risk Treatment	Mitigating action	Responsible officer
Outcomes/ Delivery of Service	Failure to meet statutory deadlines in relation to the licensing function, unable to process licences, leading to individuals unable to trade, legal issues, complaints	Low	Medium	Treat	<ul style="list-style-type: none"> Processes and procedures are in place to ensure all matters are processed within statutory time-frame Staff trained and aware of Authority's duties Keep under review 	Ardip Kaur
Outcomes/ Delivery of service	Failure to meet statutory deadlines and/or statutory functions during litigation, contractual matters, land sales/purchases, enforcement matters	Low	High	Treat	<ul style="list-style-type: none"> Qualified officers with professional training and experience Processes and procedures are in place to ensure compliance Case management reviews Keep under review 	Ardip Kaur
Outcomes/ Delivery of service	Non-performance of local government statutory duties at Committee and Council meetings	Low	Medium	Treat	<ul style="list-style-type: none"> Compliance with Council's Constitution Processes and procedures in place Strict adherence to timetable 	Ardip Kaur

Outcomes/ Delivery of service	Failure to meet statutory deadlines for the canvass and in compiling and publishing the Register	Low	High	Treat	<ul style="list-style-type: none"> • Processes and procedures in place • Experienced officers carry out process • Close Monitoring 	Ardip Kaur
Outcomes/ Delivery of service	Failure to meet statutory responsibilities, denying right of franchise at Election/ Referendum time	Low	High	Treat	<ul style="list-style-type: none"> • Processes and procedures in place • Strict adherence to statutory timetable • Assistance from Electoral Commission available, when needed • Support staff employed to assist • Close monitoring 	Ardip Kaur
Progress/ Work to maximise the employment, training and leisure uses of The National Forest by residents and increase the visitor spend by tourists	Failure of National Forest & Beyond tourism partnership leading to an adverse impact on businesses in local visitor economy	Low	Medium	Treat	<ul style="list-style-type: none"> • Proactive engagement in partnership and with individual partners • Commitment of Officer time and resources to partnership activities • Monitoring of projects and performance 	Mike Roylance
Progress/ People/ Place	Failure of the South Derbyshire Partnership leading to non- delivery of the community's vision and priorities as set out in the Community Strategy and Action Plan	Low	Medium	Treat	<ul style="list-style-type: none"> • Proactive support for partnership • Commitment of Officer time and resources to Partnership facilitation • Engagement of partners in policy making and project design and delivery 	Mike Roylance

<p>Progress/ Work to attract further inward investment</p>	<p>Downturn in the local economy leading to a loss of jobs, business failures, and a reduction in income to the Council (e.g. Business Rate income; Take-up of commercial properties, etc)</p>	<p>Medium</p>	<p>High</p>	<p>Treat</p>	<ul style="list-style-type: none"> • Monitoring of economic trends • Economic Development Strategy designed to increase robustness of local economy • Delivery of economic development activities including provision of South Derbyshire Business Advice Service 	<p>Mike Roylance</p>
<p>Progress/ Work to maximise the employment, training and leisure uses of The National Forest by residents and increase the visitor spend by tourists</p>	<p>Failure of Sharpe's Pottery Heritage & Arts Trust, leading to a loss of service to visitors and residents through the Tourist Information Centre</p>	<p>Medium</p>	<p>High</p>	<p>Treat</p>	<ul style="list-style-type: none"> • Officer advice and support available to Trust • Member involvement in Trust Board • Monitoring of services and performance 	<p>Mike Roylance</p>



Corporate Services Directorate Operational Risk Register

Theme/aim	Risk description	Likelihood	Impact	Risk Treatment	Mitigating action	Responsible officer
Protect and support the most vulnerable including those affected by financial challenges	On-going Welfare Reform and the impact of Universal Credit. Potential impact on the Directorate's resources.	High	Medium	Treat the risk	This risk is currently evident. However, Central Government funding is being used to improve systems and processes. Staff being trained and kept informed. Work commenced to help claimants access Benefits, including the provision of community points. Will be kept under review pending the introduction of further phases of Universal Credit.	Client Services Manager
Maintain financial health	A small discrete unit has responsibility for leading on this theme. The Unit is sensitive to a temporary change in resources.	Low	Medium	Treat the risk	Training and sharing knowledge across the Unit is essential to mitigate the risk and this is currently in place. The current structure of Financial Services was implemented in September 2015. All posts now occupied by suitably experienced and qualified people. Three trainee posts in place with post holders undergoing formal training programmes, both academically and practically. Training and development programme in place for all staff.	Director of Finance and Corporate Services

Growth and Regeneration	Potential impact on the Directorate's resources	High	Medium	Treat the risk	<p>In particular, this risk is currently evident in the Land Charges Unit with a steady increase in requests for personal searches and additional information required for conveyances. This is increasing turnaround times. In 2015, the Council approved additional resources and support is provided from within the Property Services Unit and the Corporate Administration team. Due to additional requirements of the Land Registry, together with a change in computer software, the Committee approved changes to job roles in December 2016 and this is currently being implemented.</p>	Corporate Asset Manager
Fraudulent activity and compliance	<p>With the transfer of the Council's fraud team to the DWP, there is a potential that fraud could go undetected and compliance is not consistently applied across all services</p>	Low	Medium	Treat the risk	<p>The Directorate is currently well-placed in mitigating this risk. Resources have been maintained to deal with corporate fraud and compliance. Although an appointment into a vacant post has been unsuccessful, the Council has worked in partnership with other Derbyshire authorities following the award of grant funding to detect and prevent fraud across the District. In addition, a Partnership arrangement with Derby City Council and the Audit Partnership was implemented on January 3 2017, following the appointment of a new and dedicated Fraud Unit.</p>	Director of Finance and Corporate Services

<p>Change in service delivery</p>	<p>The ending of the partnership with NPS will see the transfer of services back to the Council on 1st August 2017. There is a potential for some temporary disruption and shortfall in resources. ICT is considered a particular risk area. In addition, the transfer may also cause uncertainty amongst affected staff.</p>	<p>Medium</p>	<p>Medium</p>	<p>Treat the risk</p>	<p>As reported to the Finance and Management Committee on December 1 2016, the transfer date was brought forward to February 1 2017. Progress on transition and ICT was reported to the Committee on January 12. No major issues have arisen and the final outcome will be reported to the Committee in March.</p>	<p>Director of Finance and Corporate Services</p>
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Strategic Risk Register

Risk	Risk Indicators	Likelihood	Impact	Risk Treatment	Mitigating action / factors
A reduction in Core Spending Power	<p>The Council is aware of reductions over the period 2017/18 to 2019/20 as confirmed in the Government's 2016 budget. Budget savings are required in the medium-term.</p> <p>Lead officer: Director of Finance and Corporate Services</p>	High	Medium	Treat the risk	<p>The MTFP reflects projected resources and clearly sets out overall savings required.</p> <p>Current budgets are considered prudent with provisions for inflation and growth.</p> <p>Current reserves are healthy and will help to sustain reductions in the short-term.</p> <p><i>The updated position was reported fully to the Committee on January 12, 2017. The final position was reported to the Committee on February 16, 2017. The main recommendations are to achieve budget savings and to set resources aside to meet the potential costs associated with growth.</i></p>
The impact of the national economic situation locally	<p>Due to external factors, the economic outlook remains uncertain. Council Tax and Rent arrears have increased. Regeneration initiatives have slowed.</p> <p>Lead officers: Chief Executive and Director of Finance and Corporate Services</p>	Medium	Medium	Tolerate the risk, but keep under review.	<p>It is considered that the Council is undertaking as much action as is reasonably possible at this stage to mitigate the risk.</p> <p>On-going budgets for income from planning fees, land charges, etc. are set at levels below current actuals leaving some room for a downturn.</p> <p>The MTFP is not reliant on interest rates increasing from the current level to generate revenue.</p> <p>Debt is at fixed interest rates and is affordable within the HRA's financial plan.</p>

					<p>The Council continues to work with voluntary and community groups locally, to help vulnerable people.</p> <p>The Property Strategy has focused on ensuring the Council's assets are being positioned to react to local investment opportunities including land assembly and joint ventures. The redevelopment of William Nadin Way and the Council's Depot site has now commenced.</p> <p>On-going dialogue through the LEP to access funding and with developers to look at alternative options for regeneration.</p>
<p>Keeping pace with technology, together with management and security of data</p>	<p>The Council's ICT infrastructure and systems need to keep pace with existing and emerging technologies. Stricter regulations for managing and exchanging information in electronic form through the Public Services Network. Systems subject to virus attacks. Greater expectations through Data Protection to safeguard personal information. This includes processing of transactions through credit and debit cards to mitigate risk of fraud. Lead officer: Director of Finance and Corporate Services</p>	High	Medium	Treat the risk	<p>Significant investment has been made in upgrading the infrastructure and network in the last two to three years and this continues.</p> <p>An annual independent audit is undertaken each year to test the Council's compliance with the PSN network.</p> <p>An annual internal audit review tests the robustness of systems and the infrastructure with recommendations to strengthen the ICT environment being monitored by the Audit Sub-Committee.</p> <p>Regular training and briefings given to Members and Officers to raise awareness of data and security issues.</p> <p>Work is on-going with other Derbyshire authorities to detect and prevent fraud. In addition, the Council is set to buy-in resources to strengthen information governance and compliance. Following a malware virus in June 2016, additional measures have been implemented to restrict Internet access to certain sites, together with implementing additional monitoring controls to prevent direct virus attacks.</p> <p>Work continues to upgrade the Council's internet connection and to strengthen Disaster Recovery provisions.</p>
<p>Business Continuity and in particular the</p>	<p>Council services are predominantly managed from one administrative building with two</p>	Low	High	Treat the risk	<p>Business Continuity and Emergency Plans in place and regularly reviewed, supported by the internal Resilience Liaison Forum. Regular meetings also take place with other agencies.</p>

<p>loss of the main Civic Offices and ICT capability</p>	<p>external sites in close proximity.</p> <p>Lead officer: Director of Finance and Corporate Services</p>				<p>An ICT Disaster Recovery (DR) solution is in place off-site.</p> <p>All data and systems are backed-up and are stored in a secure off-site facility outside of the immediate region.</p> <p>Provision for home-working and remote access is in place.</p> <p>Comprehensive insurance in place with insurers providing support to secure temporary accommodation if required.</p>
<p>Capacity and resilience in service provision</p>	<p>Overall staff numbers have declined in recent years and further budget reductions may be required. This is set against a growing demand for some services.</p> <p>Lead officer: Chief Executive</p>	<p>Medium</p>	<p>Medium</p>	<p>Tolerate the risk, but keep under review.</p>	<p>It is considered that the Council is undertaking as much action as is reasonably possible at this stage to mitigate the risk.</p> <p>A training and development programme is in place for senior and aspiring managers.</p> <p>Recent restructures continue to mature and bed in.</p> <p>The third year of the current management development programme has commenced. This followed a review with the service provider to ensure that it will continue to meet the needs of the Council and to support the requirements of the updated Corporate Plan.</p>
<p>Reducing resources for partners in the community and voluntary sector who deliver services with or on behalf of the Council</p>	<p>These organisations have seen a reduction in overall funding.</p> <p>Lead officer: Director of Community and Planning Services</p>	<p>Medium</p>	<p>Medium</p>	<p>Tolerate the risk, but keep under review.</p>	<p>It is considered that the Council is undertaking as much action as is reasonably possible at this stage to mitigate the risk.</p> <p>The Council's current grant funding has been maintained and will be increased to recognise inflation in 2017/18 for all supported organisations.</p> <p>Spending can be refocused to meet external funding requirements and is project-based.</p> <p>Dedicated officer time in place to support the voluntary sector and local organisations. This includes direct secondment where necessary, for example, with Sharpe's Pottery during 2016.</p>

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 8
DATE OF MEETING:	16th MARCH 2017	CATEGORY: DELEGATED
REPORT FROM:	DIRECTOR OF FINANCE AND CORPORATE SERVICES	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (01283 595811) Kevin.stackhouse@south-derbys.gov.uk	DOC: u/ks/financial monitoring reports/2017/1 March
SUBJECT:	BUDGET and FINANCIAL MONITORING 2016/17	REF
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 08

1.0 Recommendation

1.1 That the latest budget and financial position for 2017/18 as detailed in the report is considered and approved.

2.0 Purpose of the Report

2.1 To provide progress on performance against budgets for the financial year 2016/17, together with an update on the Council's treasury management activities for the year.

2.2 Where applicable, the effects upon the Medium-Term Financial Plan (MTFP) are also noted.

2.3 The report details performance up to 31st January 2017 (unless stated otherwise) and is effectively a 3rd quarter update of income and expenditure for 2016/17.

2.4 The report covers:

- General Fund Income and Expenditure
- Collection Fund
- Housing Revenue Account
- Capital Expenditure and Financing
- Treasury Management
- Financial Performance – Council Tax collection and invoice processing

3.0 Detail

GENERAL FUND REVENUE ACCOUNT

3.1 Apart from Council Housing, day-to-day revenue income and expenditure on Council services is accounted for through the General Fund. The Net Expenditure is financed from the Council's Core Spending Power which contains:

- General Government Grant
- Retained Business Rates
- New Homes Bonus
- Council Tax

3.2 The Base Budget for 2016/17, which was approved by the Council in February 2016, estimated a budget surplus of £856,917 for 2016/17. The large surplus reflected an anticipated increase in core funding between 2015/16 and 2016/17 of approximately £450,000 and in particular New Homes Bonus, Retained Business Rates and Council Tax income.

3.3 In addition, the base budget for income from Planning Fees was increased by £150,000 to reflect the increase in planning applications. Gross expenditure overall, was estimated to remain fairly static between 2015/16 and 2016/17.

3.4 Following an update to the MTFP, which was reported to the Committee in October 2016, a revised budget was approved which reflected known and approved changes since February. Overall, this increased the estimated surplus to £947,590 and was mainly due to:

- A lower increase in the national pay award for employees.
- A lower cost of implementing the new Pay and Grading structure following Job Evaluation.
- Restructure of Direct Services.
- A reduction in the Leisure Management Contract Fee.

3.5 The revised budget for 2016/17 also allowed for the additional expenditure associated with the new Midway Community Centre, together with the restructure of Legal and Democratic Services.

3.6 The budget was again revised for known changes following the Annual Budget Round for 2017/18. This was to update the General Fund for:

- Additional income from Business Rates in 2016/17 (£352,000)
- Additional contribution to the costs associated with Growth (£100,000)

3.7 The net effect was that the estimated surplus was increased by £252,000 for 2016/17 as reported to the Committee in January. The updated forecasted surplus for 2016/17 of £1,198,868 is summarised in the following table.

Net Expenditure on Services	£11,126,668
Less - Depreciation and Capital Charges	-£718,738
Add - Minimum / Voluntary Revenue Provisions	£354,353
Add - Contingent Sums	£385,339
Total Estimated Spending	£11,147,622
Less - Financing	-£12,346,490
Estimated General Fund Surplus 2016/17	-£1,198,868

Position as at January 2017

3.8 A summary of the position to date and the projected position for the year compared to the Base Budget for each Policy Committee is shown in the following table.

£'s	ANNUAL			RESERVES	
	BUDGET	PROJECTED ACTUAL	PROJECTED VARIANCE	EARMARKED	GF/HRA
Environmental and Development	3,757,844	3,773,839	(15,995)	39,105	(55,100)
Housing & Community	2,333,655	2,050,659	282,996	200,797	82,199
Finance & Management	5,035,168	4,943,874	91,295	32,860	58,435
TOTAL	11,126,668	10,724,069	358,296	272,761	85,534

3.9 Although the above table shows that projected net expenditure is £358,296 lower than the base budget, approximately £272,000 is due to grant income and external contributions received mainly in Community Services, for on-going projects and capital schemes which stretch beyond 2016/17. This funding is transferred to specific reserves and drawn-down to finance expenditure when it is incurred.

3.10 Excluding transfers to earmarked reserves, the above table shows that based on current spending, there is a projected decrease in overall net expenditure across General Fund Services of approximately £85,000 compared to the base budget for the year.

3.11 This compares with smaller variances of £26,000 and £4,000 that were reported to the Committee in September and December 2016 respectively. An analysis by main service area is shown in the following table.

Summary by Main Service Area

£'s	ANNUAL			RESERVES	
	BUDGET	PROJECTED ACTUAL	PROJECTED VARIANCE	EARMARKED	GF/HRA
Economic Development	246,712	232,327	14,384	0	14,384
Environmental Services	504,922	491,143	13,779	0	13,779

Highways	27,150	6,278	20,872	0	20,872
Licensing and Land Charges	(31,608)	(47,099)	15,491	0	15,491
Planning	362,547	293,929	68,618	7,000	61,618
Town Centre	66,780	73,855	(7,075)	0	(7,075)
Waste Collection & Street Cleansing	1,653,097	1,874,800	(221,703)	0	(221,703)
Environmental Education	72,479	40,374	32,105	32,105	0
Transport Account	855,766	808,232	47,534	0	47,534
Community Development and Support	530,412	523,821	6,592	28,490	(21,898)
Leisure and Recreational Activities	179,924	190,264	(10,341)	0	(10,341)
Leisure Centres and Community Facilities	541,310	209,308	332,001	272,307	59,694
Parks and Open Spaces	701,474	675,566	25,908	0	25,908
Private Sector Housing	380,536	451,700	(71,164)	(100,000)	28,836
Central and Departmental Accounts	3,423,361	3,341,339	82,022	75,149	6,873
Revenues and Benefits	408,271	440,937	(32,666)	(42,289)	9,623
Electoral Registration	154,842	190,724	(35,882)	0	(35,882)
Corporate and Democratic Costs	637,722	598,914	38,808	0	38,808
Payments to Parish Councils	342,446	349,295	(6,849)	0	(6,849)
Concessionary Travel	0	(9,065)	9,065	0	9,065
Property and Estates	(147,811)	(216,255)	68,444	0	68,444
Pensions and Interest	216,337	247,984	(31,647)	0	(31,647)
TOTAL	11,126,668	10,768,372	358,296	272,761	85,534

Overview of Spending to date

3.12 The main reasons for the projected variance at this stage, with a comparison to previous quarters, are shown in the following table.

	£'000	Q3	Q2	Q1
Salary savings (vacancies, maternity etc.) - E&D		-110	-55	-45
Increased Planning Fee Income		-100	0	0
Salary savings (vacancies, maternity etc.) - F&M		-92	-67	-43
Lower Fuel Costs		-58	-15	0
Lettings from Industrial and Commercial Units (lower void levels)		-55	-55	0
Leisure Management Contract - Cost Reduction on Contract extension		-50	-50	-52
Salary savings (vacancies, maternity etc.) - H&C		-45	-28	-6
Direct Services Restructure Saving		-43	-43	-43
Elected Members Savings (expenses)		-25	-10	-5
Waste Less Save More Project - Contribution to Staffing Costs		-20	-20	-20
Savings on Utilities - New Tendered Contract in place		-11	-12	0
Additional Income Due to Contract Renewal		-10	-10	0
Increased Interest on Cash Deposits		-9	-2	-3
Food Safety Licensing Income		-7	-15	-15
Audit Fee Reduction		-4	-10	0
Cemetery Fees		-2	-4	-7

Trade Waste Reduced Disposal Costs	0	-13	0
Markets - Potential Loss of Income (issue has now been resolved)	0	14	0
R&M Melbourne Leisure Centre	5	5	5
Termination Costs (Depot Restructure)	6	6	6
Deficit on Parking Enforcement (off-street parking)	7	7	7
Contribution to Area Forum Costs	8	8	0
HMRC Tax Charge Unbudgeted	9	9	9
Bank Charges	10	3	-7
Interim Director of Housing	14	0	0
Waste Collection - Calendar Printing and Promotions	18	0	0
Recycling - Disposal Costs	30	30	0
Pension Deficit	42	36	36
Additional Bin Purchases due to Growth in residential properties	61	0	0
Building Control Reduced Income	65	60	50
Cost of Temporary Waste & Transport Manager	74	63	63
Agency and Temporary Staff	94	86	36
Vehicle Hire	113	90	55
Other Variances (net)	0	-4	5
TOTAL - OVERALL PROJECTED VARIANCE		-85	4
			26

3.13 Compared to previous quarters, further savings and income are projected, although additional costs continue to be incurred, in particular the cost of hired vehicles and the purchase of new bins in Direct Services.

3.14 Most variances have previously been reported. The preceding table shows that budget savings are currently being made from vacant posts, although these are generally being covered through temporary contracts and agency workers.

Purchase of Refuse Bins

3.15 The increase in the number of residential properties in the 12 months to October 2016 of approximately 750 properties, has meant a higher than normal use of stock and the need to purchase news bins (*generally 3 bins per property*).

Income from Planning Fees and Building Control

3.16 This is the main variance in income compared to previous quarters. Current income overall is now projected to be approximately £100,000 above that estimated in the base budget (£850,000 compared to a budget estimate of £750,000).

3.17 Conversely, income from Building Control continues to be below that estimated and is forecast to be approximately £65,000 below the base budget (£200,000 compared to £265,000).

Direct Services Restructure

- 3.18 The saving from the Direct Services Restructure of £43,000 is that approved by the Committee in February 2016. However, as previously reported, this saving will be offset by the additional costs of a temporary Waste and Transport Manager who is providing cover for a secondment to the Waste Less, Save More Project.
- 3.19 A sum of £20,000 has been secured (from Sainsbury's) as a contribution towards these costs. Given the estimated cost of the temporary manager (£63,000) the restructure savings of £43,000, together with the £20,000 contribution, were utilised by December 2016.
- 3.20 However, this Manager was employed for some additional weeks, at a total cost (over approximately 10 months) of £74,000.

Fuel

- 3.21 The cost of fuel continues to decrease compared to that estimated, with a forecasted actual of £232,000 for the year compared to a budget of £290,000. Although fuel prices have increased in recent weeks, this is being offset by more efficient use of the vehicles and forward planning of routes, etc.

Contingent Sums

- 3.22 As previously reported, the costs of the Council's pay and grading structure, together with the national pay award for 2016/17, have been allocated from the contingent sums set-aside, direct into base budgets. The contingent sums now remaining are shown in the following table.

£	
Inflation	85,339
Growth	200,000
Waste Collection and Recycling	100,000
	<u>385,339</u>

- 3.23 It is unlikely that these contingencies will be required in the remainder of the financial year. As approved by the Committee in January, the Growth and Waste Collection contingencies will be transferred to an earmarked reserve for Growth.
- 3.24 The inflation reserve will be transferred back to the General Reserve unless any unforeseen expenditure occurs in the remainder of the financial year.

Provisions

- 3.25 The following provisions were made in the Council's accounts in 2015/16 for liabilities due in 2016/17.

Provision For	£
Refund of Personal Land Searches	42,000
Planning Appeals	127,000
Early Termination Costs (Voluntary Redundancy)	9,000
TOTAL PROVISIONS	<u>178,000</u>

3.26 These provisions are being used in 2016/17.

Core Grants and Funding

3.27 The Council's central funding remains unchanged from that previously reported and besides Retained Business Rates, is now fixed as shown in the following table.

Core Grants and Funding 2016/17	£'000
Council Tax	4,747
Retained Business Rates	3,527
New Homes Bonus	2,855
Revenue Support Grant	1,202
Collection Fund Surplus	20
Total Core Funding 2016/17	<u>12,351</u>

THE COLLECTION FUND

3.28 The Collection Fund is the statutory account that records the collection of Council Tax and Business Rates and shows how that income has been distributed to the Government and Preceptors on the Fund, including this Council.

3.29 Any surplus or deficit on the Fund is transferred to the General Funds of the Preceptors, in proportion to precepts levied each year. The projected position on the Fund for 2016/17, based on transactions up to 31st January 2017, is detailed in **Appendix 1**.

3.30 This shows that the projected surplus balance on the Fund as at 31st March 2017 is currently £653,000 for Council Tax and £784,000 for Business Rates. In both instances, this is greater than estimated.

Council Tax

3.31 The projected balance at the year-end is £718,000 compared to the budget estimate of £447,000. This is mainly due to an increase in the tax base (number of properties) as reported to the Committee in January.

3.32 During the recent Budget Round for 2017/18, the Council declared a surplus on the Collection Fund of £500,000 for 2016/17, well within the projected surplus as highlighted above. This will ensure that a balance remains in the Fund and if this again increases during 2017/18, the Council can consider a further share in January 2018.

Business Rates

- 3.33 As previously reported, Business Rates incurred a deficit in 2015/16 due to a significant provision for appeals which were lodged by local businesses with the District Valuer, regarding their rateable value assessments. Consequently, this generated a deficit balance on the Collection Fund of £400,000 as at 31st March 2016.
- 3.34 During the budget round of 2016/17, the Council reported an estimated surplus on Business Rates for 2015/16 before the appeals position became known. This surplus (of £548,000) is being paid to preceptors in 2016/17. In addition, it was estimated that a further deficit would be incurred in 2016/17 of approximately £285,000.
- 3.35 Together, it was forecast that this would generate a deficit on the Collection Fund of approximately £1.2m as at March 2017. However, additional receipts in 2016/17 (compared to that estimated) are likely to create an in-year surplus and reduce the forecasted Fund deficit at the year-end to approximately £700,000.
- 3.36 The Council's share of approximately £280,000 will be deducted from the Business Rates Precept in 2017/18. This has been included in the Base Budget.

HOUSING REVENUE ACCOUNT (HRA)

- 3.37 The Council is required to account separately for income and expenditure in providing Council Housing.
- 3.38 The approved HRA Budget for 2016/17 was set with an in-year surplus projected at £968,000. This was increased to a surplus of approximately £1.5m in October 2016, following a reprofiling of capital expenditure covering 2015/16 and 2016/17 as previously reported to the Committee, together with the latest estimates for the letting of new properties.
- 3.39 The position on the HRA as at January 2017 is summarised in the following table.

Summary HRA 2016/17	BUDGET	PROJECTED	PROJECTED
	£000	ACTUAL £000	VARIANCE £000
Total Income	-12,989	-13,041	-52
Contribution to Capital & New Build	3,795	3,795	0
Responsive & Planned Maintenance	3,231	3,231	0
Interest on Debt	1,690	1,630	-60
Supervision & Management	1,788	1,765	-23
Supported Housing & Careline Services	802	831	29
Provision for Bad Debts	44	44	0
Contingent Sums	180	180	0
Surplus	-1,460	-1,565	-106

3.40 The above table shows that overall the HRA should out-turn a surplus approximately £106,000 above that budgeted, compared with £77,000 at the half-year stage. The main variances are shown in the following table.

£'000	Q3	Q2	Q1
Interest Payable	-60	-57	0
Salary Costs due to vacancies	-39	-40	4
Favourable Rental Income	-32	-22	-3
Professional Fees	-11	-30	-2
Rechargeable Repairs Income	-11	-6	1
Favourable Court Fee Income	-9	0	0
DLO underspend due to reduction in contractor use	-6	-6	-9
Utilities Savings	-2	-5	-5
Adverse Supporting People Grant	20	20	20
Agency Staff	48	65	13
Other Variances (net)	-4	4	-1
TOTAL - OVERALL PROJECTED VARIANCE	-106	-77	18

3.41 The variances are those previously reported. The main cost reduction is the interest payable on debt. The interest payable on the variable element (£10m) was running at 0.67% as at 30th September 2016, compared to that budgeted of 1.7%. This is due to the continuation of low interest rates.

CAPITAL EXPENDITURE and FINANCING 2016/17

3.42 The Capital Programme for 2016/17 was approved by the Committee in February 2016. This was then updated following the budget out-turn in 2015/16 to reflect expenditure and funding carried forward from 2015/16 due to slippage. It was then updated following the recent budget round to reflect the following:

- The deletion of the proposed New Build project at Yard Close, Swadlincote due to a change in estimated costs reducing the sustainability of the project.
- An increase in funding for Disabled Facility Grants.
- Slippage on several projects due to external funding and procurement being finalised. In particular, this relates to proposed schemes at Rosliston Forestry Centre (a new play area) Melbourne Assembly Rooms refurbishment and vehicle replacements.
- The addition of new projects, in particular the relocation of the Depot, together with some smaller schemes where external funding has been secured, for example, Swadlincote Town Hall and open space development (Newhall Skate Park).

3.43 Progress in 2016/17 across the main projects and schemes in the updated programme is shown in the following table.

Capital Spending 2016/17 (as at January 2017)	Approved Budget £	Quarter 3 £	Quarter 2 £	Quarter 1 £
Council House Capital Works	2,795,000	2,121,031	1,436,940	731,878
New Build Schemes - Phase 1	1,180,000	733,420	733,420	571,438
New Build - Phase 2 Acquisitions	1,725,000	1,207,155	1,196,510	0
Private Sector Housing Works	999,076	202,535	63,432	4,501
Environmental and Heritage Schemes	175,000	52,423	22,031	62
Swadlincote Woodlands Nature Reserve (<i>deferred until 17/18</i>)	0	0	0	0
Rosliston Forestry Centre - Play Project (<i>deferred until 17/18</i>)	0	0	0	0
Extreme Sports Active Zone/Cycling/Tennis	47,674	9,372	15,764	15,466
Community Partnership Scheme	77,211	42,359	17,391	5,560
Melbourne Leisure Centre (<i>main expenditure in 2017/18</i>)	10,000	1,080	0	0
Melbourne Sporting Partnership	1,025,320	1,025,512	980,269	684,496
Open Space Development Project (Newhall Skate Park)	23,100	24,495	21,954	21,954
Town Hall	21,600	0	0	0
Table Tennis Tables	12,000	10,303	0	0
Save More, Waste Less Project (<i>Externally funded</i>)	127,610	79,676	60,217	35,483
Vehicle Replacements	0	0	0	0
Property Maintenance, Development and Refurbishment	91,000	38,810	32,710	28,756
Relocation of the Depot	1,854,500	153,405	0	0
Total	10,164,091	5,701,574	4,580,638	2,099,594

Housing Capital Works and New Build

3.44 Works are substantially complete and final payments are being made during the remainder of the financial year.

Private Sector Housing Works

3.45 During the first quarter, there was a slight delay in committing works until funding was confirmed for Disabled Facility Grants from the County Council. This funding was subsequently confirmed and works have now been committed.

3.46 In addition, the Council has recently secured additional resources of £341,000. It is unlikely that this will be spent or even committed before 31st March 2017 and will therefore be carried forward.

Environmental and Heritage Schemes

3.47 This relates to the Swadlincote Town Centre Scheme following the award of funding earlier in the year. Detailed plans have recently been approved and it is expected that some spending to deliver approved projects will slip into 2017/18.

Vehicle Replacements

3.48 No major replacements are anticipated in 2017/18. A vehicle management strategy and future replacement programme was approved by the Environmental and Development Services Committee on 17th November 2016.

Relocation of the Council Depot

3.49 The budget in 2016/17 relates mainly to the purchase of the new units. Depending on final completion, these payments will be made on or around the year-end of March 2017. The refurbishment costs are then expected to be paid in 2017/18.

3.50 An update on the project is provided in a separate report in the exempt part of the Agenda.

Housing Capital Receipts

3.51 There had been 18 council house sales up to 31st January 2017 as shown in the following table.

	Sales	Gross Receipts £	Less Pooled £	Retained £	% Retained
Quarter 1	3	£183,030	-£96,246	£86,784	47%
Quarter 2	5	£274,840	-£107,224	£167,616	61%
Quarter 3	10	£638,098	-£78,613	£559,485	88%
Total	18	£1,095,968	-£282,083	£813,885	74%

3.52 The net amount retained of £813,885 has been transferred to the New Build Reserve.

3.53 There have been a further 4 sales since January making a total of 22 to-date in 2016/17.

General Capital Receipts

3.54 A receipt of £1m is expected in April 2017 from the final tranche of land sold as part of the development of William Nadin Way. This has previously been earmarked to finance the relocation of the Depot.

3.55 In addition, a ransom sum payment of £84,000 has been secured from land adjacent to the Pingle School. A further sum (still to be determined) is also due as an overage payment regarding the redevelopment of Chestnut Avenue, Midway. These amounts should be received before 31st March 2017.

TREASURY MANAGEMENT

3.56 An analysis of the Council's borrowing and bank deposits is summarised in the tables which follow below. These show the position at 28th February 2017.

3.57 Debt outstanding is split between the HRA and the General Fund and this represents the "two pool" approach adopted for debt management.

01/04/16 28/02/17 Change
£'000 £'000 £'000

Housing Revenue Account

Debt Outstanding (Average Rate 2.7%)	57,423	57,423	0
Capital Financing Requirement (CFR)	61,584	61,990	406
Statutory Debt Cap	66,853	66,853	0
Borrowing Capacity (Cap Less Debt o/s)	9,430	9,430	0

General Fund

Debt Outstanding	0	0	0
Capital Financing Requirement (CFR)	6,354	5,999	-355
Borrowing Capacity (CFR Less Debt o/s)	6,354	5,999	-355

Temporary Deposits and Short Term Borrowing

Temporary Bank and other Deposits	11,000	23,000	12,000
Less Parish Council Deposits	-28	-28	0
Total - Short-term Cash Position	10,972	22,972	12,000

Average Interest Rate	0.32%	0.31%	-0.01%
Average 7-Day Money Market Rate	0.50%	0.37%	-0.13%

Short-term Deposits

3.58 The money invested of £23m was spread over 11 deposits, 8 with other local authorities and 3 with the Government's Debt Management Office. The totals together with the average interest rate are shown in the following table.

Debt Management Office (DMO)	£5	0.15%
Other Local Authorities	£18m	0.37%

3.59 Money on deposit with other local authorities tends to be for longer periods of up to 364 days. Deposits with the DMO are for shorter periods to manage cash flow.

3.60 Total interest accrued to date on all deposits totals £56,000 and is projected to be approximately £70,000 for the year. This compares with a budget estimate of £47,000.

Lending Policy and Counterparty List

3.61 The Committee agreed an updated list and associated lending policy as part of the Treasury Management Strategy for 2017/18 in February. No changes are considered necessary at this stage, but the Counterparty List is kept under review and monitored by the Council's Treasury Advisors.

Financial Markets - Update

- 3.62 Since the Treasury Management report in February, no major issues have arisen in the financial markets. The value of Sterling against other major currencies remains reasonably stable. At the latest monthly meeting of the Bank of England's Monetary Policy Committee (MPC) it was agreed to maintain the current Base rate at 0.25%.
- 3.63 However, inflation continues to steadily rise with the CPI measure at 1.8% in January 2017, having increased from 1% in September 2016. This is having an impact on food and fuel prices in particular.
- 3.64 Many forecasters still expect inflation to rise further over the next year and may increase above the MPC's target of 2%. At this level, the MPC may have to consider increasing interest rates. Clearly, this would benefit the Council if it continues to have money on deposit.

FINANCIAL PERFORMANCE

- 3.65 Besides monitoring income and expenditure, together with treasury management indicators, progress and performance in local tax collection is also a key indicator of the Council's financial health. Overall collection rates, with a comparison to recent years, are shown in the following table.

Collection Rates as at February 2017	Council Tax	Business Rates
Actual 2013/14	97.80%	98.10%
Actual 2014/15	98.10%	98.30%
Actual 2015/16	97.80%	98.70%
Actual 2016/17 (to-date)	96.90%	93.50%
Forecast 2016/17	98.00%	98.70%

- 3.66 Performance is generally in line with that achieved in 2015/16. The 2015/16 rates for Council Tax were above average for shire districts and the Council's peer group, but slightly below average for Business Rates collection.
- 3.67 Actual performance for 2016/17, together with national comparisons, will be reported to the Committee later in the year.

Payments to Suppliers

- 3.68 Under the Public Contracts Regulations 2015, the Council is required to publish its speed in processing payments to suppliers. Under the Regulations, the Council should pay all undisputed invoices within 30-days of receipt.
- 3.69 Although there is no specific penalty if this regulation is not complied with, individual suppliers have the right, under Late Payments Legislation, to claim interest on late payments. The rate of interest is 8% above the prevailing Bank of England Base Rate (currently 0.25%).

3.70 The Council's performance in 2015/16, together with that to-date in 2016/17, is shown in the following tables.

	No of Invoices	No. Paid in 30 Days	% Paid in 30 days	No. Paid in 10 Days	% Paid in 10 days
Apr-15	623	614	98.56%	531	85.23%
May-15	538	533	99.07%	473	87.92%
Jun-15	481	474	98.54%	415	86.28%
Jul-15	649	639	98.46%	555	85.52%
Aug-15	431	423	98.14%	383	88.86%
Sep-15	514	507	98.64%	444	86.38%
Oct-15	419	412	98.33%	354	84.49%
Nov-15	493	489	99.19%	398	80.73%
Dec-15	447	443	99.11%	403	90.16%
Jan-16	416	410	98.56%	322	77.40%
Feb-16	418	412	98.56%	333	79.67%
Mar-16	514	508	98.83%	396	77.04%
	5,943	5,864	98.67%	5,007	84.25%

	No of Invoices	No. Paid in 30 Days	% Paid in 30 days	No. Paid in 10 Days	% Paid in 10 days
Apr-16	435	429	98.62%	373	85.75%
May-16	379	370	97.63%	299	78.89%
Jun-16	582	544	93.47%	428	73.54%
Jul-16	457	446	97.59%	365	79.87%
Aug-16	566	553	97.70%	408	72.08%
Sep-16	482	476	98.76%	402	83.40%
Oct-16	411	405	98.54%	333	81.02%
Nov-16	597	588	98.49%	494	82.75%
Dec-16	336	332	98.81%	295	87.80%
Jan-17	446	432	96.86%	304	68.16%
Feb-17	424	406	95.75%	310	73.11%
Mar-17					
	5,115	4,981	97.38%	4,011	78.42%

3.71 Standard benchmarks are 97.5% for all invoices to be paid within 30 days and 65% for 10-day payments. The Council did not receive any claims or make any payments for late interest in 2015/16 or to-date in 2016/17.

4.0 Financial Implications

4.1 As detailed in the report

5.0 Corporate Implications

5.1 None directly

6.0 Community Implications

6.1 None directly

7.0 Background Papers

7.1 None

APPENDIX 1

COLLECTION FUND MONITORING 2016/17 (as at 31st January 2017)

	Actual 2015/16 £'000	Estimated 2016/17 £'000	1st Qtr Projection 2016/17 £'000	2nd Qtr Projection 2016/17 £'000	3rd Qtr Projection 2016/17 £'000
COUNCIL TAX - INCOME & EXPENDITURE					
INCOME					
Council Tax Collectable	47,471	49,702	49,835	50,202	50,268
EXPENDITURE					
County Council Precept	34,295	36,109	36,109	36,109	36,109
Police and Crime Commissioner Precept	5,313	5,487	5,487	5,487	5,487
Fire and Rescue Authority Precept	2,137	2,206	2,206	2,206	2,206
SDDC Precept	4,599	4,747	4,747	4,747	4,747
SDDC Parish Precepts	668	679	679	679	679
Increase in Bad Debts Provision	248	258	259	552	553
Total Expenditure	47,260	49,486	49,487	49,780	49,781
Surplus for the Year	211	216	348	422	487
COUNCIL TAX BALANCE					
Opening Balance 1st April	696	407	407	407	407
Share of Previous Surplus to County Council	-364	-128	-128	-128	-128
Share of Previous Surplus to Police	-56	-20	-20	-20	-20
Share of Previous Surplus to Fire Authority	-23	-8	-8	-8	-8
Share of Previous Surplus to SDDC	-57	-20	-20	-20	-20
Surplus for Year (as above)	211	216	348	422	487
Closing Balance as at 31st March	407	447	579	653	718
BUSINESS RATES - INCOME & EXPENDITURE					
INCOME					
Business Rates Collectable	23,351	23,534	24,284	24,682	24,204
EXPENDITURE					
Central Government Precept	10,990	11,767	11,767	11,767	11,767
SDDC Precept	8,792	9,414	9,414	9,414	9,417
Derbyshire County Council Precept	1,978	2,118	2,118	2,118	2,118
Fire and Rescue Service Precept	220	235	235	235	235
Cost of Collection	92	91	91	91	91
Transitional Protection Payments	26	0	0	0	26
Increase in Bad Debts Provision	90	94	97	99	80
Provision for Appeals	1,489	100	100	100	234
Total Expenditure	23,677	23,819	23,822	23,824	23,968
Surplus / Deficit (-)	326	385	462	858	236

BUSINESS RATES BALANCE

Opening Balance 1st April	647	-400	-400	-400	-400
Transfer of Previous Year's Surplus (-) / Deficit	-361	-274	163	163	-274
Transfer of Previous Year's Surplus (-) / Deficit	-288	-220	130	130	-219
Transfer of Previous Year's Surplus (-) / Deficit	-65	-49	29	29	-49
Transfer of Previous Year's Surplus (-) / Deficit	-7	-5	3	3	-5
Surplus / Deficit (-) for the Year as above	-326	-285	462	858	236
Closing Balance as at 31st March	-400	-1,233	388	784	-712

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 9
DATE OF MEETING:	16th MARCH 2017	CATEGORY: DELEGATED
REPORT FROM:	DIRECTOR OF FINANCE AND CORPORATE SERVICES	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (EXT 5811)	DOC:
SUBJECT:	COMMITTEE WORK PROGRAMME	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: G

1.0 Recommendations

1.1 That the Committee considers and approves the updated work programme.

2.0 Purpose of Report

2.1 The Committee is asked to consider the updated work programme.

3.0 Detail

3.1 Attached at Annexe 'A' is an updated work programme document. The Committee is asked to consider and review the content of this document.

4.0 Financial Implications

4.1 None arising directly from this report.

5.0 Background Papers

5.1 Work Programme.

Finance and Management Committee – 16th March 2017
Work Programme 2016 onwards

Work Programme Area	Date of Committee meetings	Contact Officer (Contact details)
Reports Previously Considered By Last 3 Committees		
Communications Strategy 2016 - 2021 and Internal Communications Strategy 2016 -18	1 st December 2016	Keith Bull Head of Communications (01283 228705)
Corporate Plan: Performance Monitoring 2016/17 Quarter 2	1 st December 2016	Kevin Stackhouse Director of Finance and Corporate Services (01283 595811)
Budget and Financial Monitoring 2016/17	1 st December 2016	Kevin Stackhouse Director of Finance and Corporate Services (01283 595811)
Compliments, Complaints and Freedom of Information Requests April to September 2016	1 st December 2016	Kevin Stackhouse Director of Finance and Corporate Services (01283 595811)
Service Base Budgets 2017/18	12 th January 2017	Kevin Stackhouse Director of Finance and Corporate Services (01283 595811)
Budget 2017 (Incorporating Consolidated Base Budgets 2017/18 and the MTFP to 2022)	12 th January 2017	Kevin Stackhouse Director of Finance and Corporate Services (01283 595811)

Treasury Management Strategy and Prudential Indicators 2017/18	16 th February 2017	Kevin Stackhouse Director of Finance and Corporate Services (01283 595811)
Final Budget Proposals 2017/18 and Financial Plan to 2022	16 th February 2017	Kevin Stackhouse Director of Finance and Corporate Services (01283 595811)
Provisional Programme of Reports To Be Considered by Committee		
Corporate Plan: Performance Monitoring 2016/17 Quarter 3	16 th March 2017	Kevin Stackhouse Director of Finance and Corporate Services (01283 595811)
Budget and Financial Monitoring 2016/17	16 th March 2017	Kevin Stackhouse Director of Finance and Corporate Services (01283 595811)
Corporate Plan: Review of Work Plan 2017/18	27 th April 2017	Kevin Stackhouse Director of Finance and Corporate Services (01283 595811)
Provisional Budget Out-turn 2016/17	27 th April 2017	Kevin Stackhouse Director of Finance and Corporate Services (01283 595811)
Corporate Plan 2017/18: Priorities and Projects Updated	27 th April 2017	Keith Bull Head of Communications (01283 598705)

Corporate Services Budget 2017/18	27 th April 2017	Kevin Stackhouse Director of Finance and Corporate Services (01283 595811)
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