



**F. McArdle**  
**Chief Executive**

Civic Offices, Civic Way,  
Swadlincote, Derbyshire DE11 0AH

[www.south-derbys.gov.uk](http://www.south-derbys.gov.uk)

**Please ask for: Democratic Services**

Phone: (01283) 595722 / 595848

Minicom: (01283) 595849

DX 23912 Swadlincote

Email :

[democraticservices@south-derbys.gov.uk](mailto:democraticservices@south-derbys.gov.uk)

Date: 26 February 2015

Dear Councillor,

**Council**

A Meeting of the **Council** will be held in the **Council Chamber**, on **Monday, 02 March 2015** at **18:00**. You are requested to attend.

Yours faithfully,

Chief Executive

To:- **Conservative Group**

Councillor Murray (Chairman) Councillor Atkin (Vice-Chairman) and Councillors Bale, Mrs. Brown, Ford, Mrs. Hall, Harrison, Hewlett, Mrs. Hood, Jones, Lemmon, Mrs. Patten, Mrs. Plenderleith, Roberts, Smith, Stanton, Mrs. Watson, Watson and Wheeler.

**Labour Group**

Councillors Bambrick, Bell, Chahal, Dunn, Frost, Mrs. Heath, Mrs. Mead, Mulgrew, Pearson, Rhind, Richards, Shepherd, Southerd, Stuart, Taylor, Tilley, and Wilkins.

## AGENDA

### Open to Public and Press

- 1 Apologies
- 2 To confirm the Open Minutes of the Meeting held on 09.02.2015 (CL/104-CL/119).  
Open Minutes **5 - 8**
- 3 To receive any declarations of interest arising from any items on the Agenda
- 4 To receive announcements from the Chairman, Leader and Head of Paid Service.
- 5 To receive any questions by members of the public pursuant to Council Procedure Rule No.10.
- 6 To receive any questions by Members of the Council pursuant to Council procedure Rule No. 11.
- 7 COUNCIL TAX SETTING 2015-16 **9 - 26**
- 8 EVALUATION OF GENERAL FUND RESERVE AND OPTIONS FOR UTILSATION **27 - 38**

The report will consider the scope of utilising uncommitted general reserves and options for its utilisation to cover:

- Increasing investment in the Community Partnership Scheme.
- Options for relieving the burden of Council Tax, short of a reduction in Band D rate.
- Allocating funds for bids for projects benefitting the community.

•Council efficiency to reduce costs and hence future pressure on the level of Council Tax.

This is in accordance with a resolution from the Finance and Management Committee on 19th February 2015 following consideration of the final budget proposals and Council Tax Rate for 2015/16.

- |           |  |                |
|-----------|--|----------------|
| <b>9</b>  | <b>LOCAL PLAN PART 1 - HOUSING REQUIREMENT</b>   | <b>39 - 43</b> |
| <b>10</b> | To receive and consider the Open Minutes of the following Committees:-   |                |
|           | Environmental & Development Services Committee(Special Budget) 08.01.2015 (EDS/66-EDS/73)                          | <b>44 - 46</b> |
|           | Housing & Community Services (Special Budget) 13.01.2015 (HCS/51-HCS/58)   | <b>47 - 49</b> |
|           | Finance & Management (Special Budget) 15.01.2015 (FM/89-FM/97)   | <b>50 - 54</b> |
|           | Overview & Scrutiny 21.01.2015 (OS/30-OS/40)   | <b>55 - 58</b> |
|           | Environmental & Development Services 29.01.2015 (EDS/74-EDS/85)  | <b>59 - 63</b> |
| <b>11</b> | To review the compositions of Committees, Sub-Committees & Working Panels for the remainder of the municipal year. |                |
| <b>12</b> | To review the composition of Substitute Panels.  |                |
| <b>13</b> | To review representation on Outside Bodies.  |                |

**Exclusion of the Public and Press:**

- 14** The Chairman may therefore move:-
- That in accordance with Section 100 (A) of the Local Government Act 1972 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.

- 15** To receive any Exempt questions by Members of the Council pursuant to Council procedure Rule No. 11.
- 16** To confirm the Exempt Minutes of the Meeting of the Council held on 09.02.2015 (CL/120-CL/123).  
Exempt Minutes
- 17** RISK BASED VERIFICATION FRAMEWORK AND POLICY

MINUTES of the MEETING of the  
SOUTH DERBYSHIRE DISTRICT COUNCIL  
held at the Civic Offices, Civic Way, Swadlincote  
on Monday 9<sup>th</sup> February 2015  
at 6.00 p.m.

**PRESENT:-**

**Conservative Group**

Councillor Murray (Chairman), Councillor Atkin (Vice Chairman) together with Councillors Mrs Brown, Ford, Mrs Hall, Harrison, Hewlett, Jones, Lemmon Mrs Patten, Mrs Plenderleith, Roberts, Smith, Stanton, Watson, Wheeler.

**Labour Group**

Councillors Bambrick, Bell, Chahal, Dunn, Frost, Mrs Heath, Mulgrew, Pearson, Rhind, Richards, Shepherd, Southerd, Stuart, Taylor, Tilley, Wilkins.

CL/104 **APOLOGIES**

Apologies were received from Councillors Bale, Mrs Hood, Mrs Watson and Mrs Mead.

CL/105 **MINUTES OF THE COUNCIL**

The Open Minutes of the Council meeting held on 22nd January 2015 (Minute Nos. CL/85- CL/99) were approved as a true record.

CL/106 **DECLARATIONS OF INTEREST**

No declarations of interest were received.

CL/107 **ANNOUNCEMENTS FROM THE CHAIRMAN, LEADER AND CHIEF EXECUTIVE**

The Chairman of the Council informed Council he had been very busy since the last Council meeting. He advised the Vice Chairman was very supportive to his role.

The Chief Executive confirmed a new Director of Housing and Environmental Services had been appointed and thanked the Members of the Finance and Management Sub-Committee that had been involved in the recruitment process. The Chief Executive informed Council Swadlincote Market had won a place in the national finals of the BBC Food and Farming Awards. The Chief Executive expressed his thanks to Gail Archer, the Council's Tourist Information Centre Manager.

CL/108 **QUESTIONS BY MEMBERS OF THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE NO. 10**

Council were informed no questions had been received.

CL/109 **QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO. 11**

Council were informed that no questions had been received.

CL/110 **NOTICE OF MOTION**

In accordance with Council Procedure Rule No. 12, Councillor Ford had given notice of the following motion:

“I bring to Council’s attention the health and safety dangers to both people, property and livestock of the increasing use of Chinese Lanterns. The motion I am proposing, which I wish adopting by members is to ban the launch of these lanterns from SDDC owned land and to make a similar recommendation to all Parish Councils, at the same time, requesting the local Chamber of Trade to discourage its Members from offering them for public sale”.

Members debated the motion, and an amendment was proposed and seconded for the motion to read, as follows;

“I bring to Council’s attention the health and safety dangers to both people, property and livestock of the increasing use of Chinese Lanterns. The motion I am proposing, which I wish adopting by members is to ban the launch of these lanterns from SDDC owned land, which has open public access, and to make a similar recommendation to all Parish Councils, at the same time, requesting the local Chamber of Trade to discourage its Members from offering them for public sale”.

The amendment was debated.

The amendment, and the motion was then put to a vote.

**RESOLVED:-**

***That the motion, as amended, be carried.***

CL/111 **DERBY & DERBYSHIRE (D2) COMBINED AUTHORITY**

The Chief Executive presented a report prepared by Derbyshire County Council which was being considered by local authorities in Derbyshire. Members were asked to consider the report and decide if they wish to resolve in principle to support the establishment of a Derby and Derbyshire (D2) Combined Authority. Members were advised there were no financial implications for the District Council beyond the transfer of the Council’s current contribution to the Derbyshire Economic Partnership to the proposed Derby & Derbyshire (D2) Combined Authority. In 2014/15 this contribution was £15,000.

Leaders of both Groups expressed their support of the recommendation set out in the report.

**RESOLVED:-**

***That Members agree in principle to support the establishment of a Derby & Derbyshire (D2) Combined Authority.***

CL/112 **OPEN REPORTS**

Council received and considered the open minutes of its committees.

**RESOLVED:-**

***That the open minutes of the following Committees are approved as a true record:-***

***Planning Committee 18.11.2014 (PL104-PL/119)***

***Licensing & Appeals Sub-Committee 02.12.14 (LAS/76-LAS/78)***

***Planning Committee 16.12.2014 (PL120-PL/137)***

**Area Forums**

***Linton 02.09.14 (LA/13-LA/21)***

***Repton 03.09.14 (RA/13 – RA/21)***

***Etwall 11.09.14 (EA/13-EA/22)***

***Melbourne 18.09.14 (MA/13-MA/21)***

***Swadlincote 23.09.14 (SA/13-SA/23)***

***Newhall 30.09.14 (NA/13 –NA/21)***

CL/113 **THE COMPOSITION OF COMMITTEES, SUB-COMMITTEES & WORKING PANELS FOR THE MUNICIPAL YEAR**

Council were informed no changes had been made to the composition of Committees, Sub-Committees and working panels for the municipal year.

CL/114 **COMPOSITION OF SUBSTITUTE PANELS**

Council were informed that no changes had been made to the composition of the substitute panels since its last meeting.

CL/115 **REPRESENTATION ON OUTSIDE BODIES**

Council were informed that no changes had been made to the Council's representation on outside bodies since its last meeting.

CL/116 **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 for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined under the paragraphs of Part 1 of Schedule 12A of the Act as indicated in the reports of Committees.*

CL/117 **EXEMPT MINUTES OF THE COUNCIL**

The Exempt Minutes of the Council, held on 22<sup>nd</sup> January 2015, (Minute Nos. CL/100-CL/103) were approved as a true record.

CL/118 **EXEMPT QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NUMBER 11**

Council were informed that no questions had been received.

CL/119 **TO RECEIVE AND CONSIDER THE EXEMPT REPORTS OF THE FOLLOWING COMMITTEES**

Council received and considered the Exempt Minutes of its committees.

**RESOLVED:-**

*That the Exempt Minutes of the following Committees are approved as a true record:-*

*Planning Committee 18.12.14 (PL118-PL/119)*

*Licensing & Appeals Sub Committee 02.12.14 (LAS/79-LAS/80)*

*Licensing & Appeals Sub Committee 17.12.14 (LAS/84-LAS/85)*

The meeting terminated at 6:50pm

P. MURRAY

CHAIRMAN OF THE DISTRICT COUNCIL



<b>REPORT TO:</b>	<b>COUNCIL</b>	<b>AGENDA ITEM: 7</b>
<b>DATE OF MEETING:</b>	<b>2nd MARCH 2015</b>	<b>CATEGORY:</b>
<b>REPORT FROM:</b>	<b>DIRECTOR OF FINANCE &amp; CORPORATE SERVICES</b>	<b>OPEN</b>
<b>MEMBERS CONTACT POINT:</b>	<b>KEVIN STACKHOUSE (01283 595811)</b> <a href="mailto:kevin.stackhouse@south-derbys.gov.uk">kevin.stackhouse@south-derbys.gov.uk</a>	<b>DOC:</b> u/ks/council tax and precepts/council tax setting/report 15-16
<b>SUBJECT:</b>	<b>COUNCIL TAX SETTING 2015/16</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE:</b>

## **1.0 Recommendations**

- 1.1 That the formal Council Tax resolutions for 2015/16 at **Appendix 1** are approved.
- 1.2 That the report of the Section 151 (Chief Finance) Officer at **Appendix 3** is noted.
- 1.3 That the Prudential Indicators governing Treasury Management as detailed in **Appendix 4** are approved.

## **2.0 Purpose of the Report**

- 2.1 To set out the statutory resolutions to enable the Council to calculate and set the Council Tax for 2015/16. This is in accordance with regulations under the Local Government Finance Act 1992, as amended by the Localism Act 2011.
- 2.2 In addition, the report also sets out a statement under Section 25 of the Local Government Act 2003 by the Section 151 (Chief Finance) Officer. This gives an overall opinion on the robustness of the estimates included in approved budgets and the adequacy of Council Reserves.
- 2.2 The Section 25 report was considered and noted by the Finance and Management Committee on 19th February 2015.
- 2.3 The report also sets out the Prudential Indicators required under the Code for Capital Finance including the Council's Statutory Borrowing Limit under Section 3 (1) of the Local Government Act 2003.

- 2.4 These indicators are those recommended by the Finance and Management Committee from its meeting on 19th February 2015. They form part of the Treasury Management (Borrowing and Investment) Strategy also approved by that Committee for 2015/16.
- 2.5 The Council Tax for District (South Derbyshire) Services is based on budgeted spending levels for 2015/16, as recommended by the Finance & Management Committee on 19th February 2015. That Committee have recommended a Council Tax freeze for 2015/16, which has been reflected in the resolutions for approval.
- 2.6 The report is set out in the following sections / appendices:
- **Section 3: Executive Summary** – summarising the proposed Council Tax level for South Derbyshire residents including charges set by other precepting authorities, together with an explanation of the technical resolutions.
  - **Appendix 1:** The formal Council Tax resolution to meet statutory requirements.
  - **Appendix 2:** The detailed Tax Base, Precept and Band D rates for Parish Councils, together with the level of Council Tax Reduction Scheme Grant allocated to Parish Councils.
  - **Schedules A to C:** These detail the level of Council Tax by preceptor and by band, aggregated for each part of the District.
  - **Appendix 3:** The report of the Section 151 (Chief Finance) Officer under Section 25 of the Local Government Act 2003.
  - **Appendix 4:** The Prudential Indicators as recommended by Finance and Management Committee which will govern the Council's Treasury Management activities for 2015/16.

### **3.0 Executive Summary**

- 3.1 The Council is required to calculate a Council Tax Requirement (CTR) for the forthcoming financial year, 2015/16. Not only is this the basis for the local Council Tax rate, the CTR is used to test whether an increase in Council Tax from year to year is excessive in accordance with criteria laid down by the Secretary of State.

#### **Precepts**

- 3.2 The precept levels of other precepting bodies have been received and these are detailed below.

#### **Parish Councils**

- 3.3 Parish Council precepts for 2015/16 as notified to the Council under Section 41 of the Local Government Finance Act 1992 are detailed in **Appendix 2** and total £667,940

#### **Derbyshire County Council**

- 3.6 Derbyshire County Council met on 3rd February 2015 and set their precept at £34,295,159. This results in a Band D Council Tax of £1,120.46 for 2015/16 (£1,098.71 in 2014/15).

#### **Police and Crime Commissioner for Derbyshire**

- 3.7 The Derbyshire Police and Crime Commissioner confirmed the precept on 23rd February 2015 at £5,313,855. This results in a Band D Council Tax of £173.61 (£170.22 in 2014/15).

#### **Derbyshire Fire and Rescue Service**

- 3.8 Derbyshire Fire and Rescue Authority met on 19th February 2015 and set their precept at £2,136,438. This results in a Band D Council Tax of £69.80 (£68.45 in 2014/15).

#### **Overall Council Tax Level 2015/16**

- 3.9 The recommendations of the Finance and Management Committee for District Council services are set out in the formal Council Tax Resolution in **Appendix 1**. If this resolution is approved, the total Band D Council Tax for 2015/16 will be as follows:

<b>Overall Band D Council Tax</b>	<b>2014 /15 £:p</b>	<b>2015 /16 £:p</b>	<b>Increase £:p</b>	<b>Increase %</b>
South Derbyshire District Council	150.25	150.25	0.00	0.00%
Derbyshire County Council	1,098.71	1,120.46	21.75	1.98%
Police and Crime Commissioner for Derbyshire	170.22	173.61	3.39	1.99%
Derbyshire Fire and Rescue Service	68.45	69.80	1.35	1.97%
<b>Sub-total</b>	<b>1,487.63</b>	<b>1,514.12</b>	<b>26.49</b>	<b>1.78%</b>
All Parish Councils (Average)	28.45	29.29	0.84	2.97%
<b>TOTAL</b>	<b>1,516.08</b>	<b>1,543.41</b>	<b>27.33</b>	<b>1.80%</b>

## The Resolutions

3.10 An explanation of the resolutions in **Appendix 1** is provided below.

### Resolution 1 - Council Tax Base

3.11 This is the District Council's Tax Base, which was approved by the Finance and Management Committee at its meeting held on the 15th January 2015. The Tax Base was set at **30,608** and is known as **Item T**.

### Resolution 2 – The Council Tax Requirement (CTR)

3.12 This is the amount of revenue expenditure to be met from Council Tax. It is the Council's Band D rate (excluding Parishes) multiplied by its Council Tax Base, as follows:

$$£150.25 * 30,608 = \underline{\underline{£4,598,852}}$$

### Resolution 3 (a)

3.13 This is the Council's estimated gross expenditure for 2015/16 including the Housing Revenue Account and Parish Precepts and totals £48,720,464.

### Resolution 3 (b)

3.14 This is the Council's estimated income for 2015/16. It includes all fees and charges, together with housing rents, specific government grants, contributions from reserves and any estimated surplus on the Collection Fund. The total is £43,453,672.

### Resolution 3 ©

3.15 This is the difference between 3 (a) and 3 (b), i.e. £5,266,792 and is known as **Item R**. It represents the CTR for the year of £4,598,852 (Resolution 2) together with Parish Precepts of £667,940.

### **Resolution 3 (d)**

- 3.16 This is the basic amount of Council Tax for 2015/16, including Parish Precepts and is item R divided by item T. i.e.

$$£5,266,792 / 30,608 = \underline{\underline{£172.07}}$$

### **Resolution 3 (e)**

- 3.17 This is the total amount of Parish Precepts as detailed in Appendix 2, i.e. £667,940.

### **Resolution 3 (f)**

- 3.18 This is the basic amount of Council Tax for areas where no Parish Precept applies, i.e.

$$£172.07 - (£667,940 / 30,608) = \underline{\underline{£150.25}}$$

### **Resolutions 4 and 5**

- 3.19 These confirm the precepts levied by Parish Councils together with those notified to the Council by the County, Police/Crime Commissioner and Fire authorities. The equivalent tax rates by property band are shown in **Schedules A and B**.

### **Resolution 6**

- 3.20 This is the aggregate amount of Council Tax for South Derbyshire as detailed in **Schedule C**.

### **Resolution 7**

- 3.21 Schedule 5 of the Localism Act 2011, makes provision for a referendum to be held if an authority increases its Council Tax by an amount exceeding principles determined by the Secretary of State.

- 3.22 The Secretary has determined that for 2015/16, a Council Tax will be deemed excessive if, compared with 2014/15 the increase is at, or exceeds **2%**, for South Derbyshire District Council (excluding other preceptors).

- 3.23 As shown in the table in **paragraph 3.9**, the District's Council Tax rate will not increase following the recommendation of the Finance and Management Committee on 19th February 2015, to freeze the current rate.

- 3.24 Therefore, under the principles set out by the Secretary of State, the Council's increase **is not** deemed excessive.

- 3.25 It should be noted that Parish Councils are not subject to these restrictions for 2015/16.

**The Council is recommended to resolve as follows:**

1. It be noted that on 15<sup>th</sup> January 2015, the Finance and Management Committee calculated the Council Tax Base 2015/16:
  - (a) For the whole area as 30,608 (Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended by the Localism Act 2011).
  - (b) For dwellings in those parts of its area to which a Parish Precept relates as 20,763.
2. Calculate that the Council Tax Requirement for the Council's own purpose for 2015/16 (excluding Parish Precepts) is £4,598,852.

3. That the following amounts be calculated for the year 2015/16 in accordance with Sections 31 and 36 of the Localism Act 2011:

(a) £48,720,464

Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act taking into account all precepts issued to it by Parish Councils.

(b) £43,453,672

Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.

(c) £5,266,792

Being the amount by which the aggregate of 3(a) above exceeds the aggregate of 3(b) above, calculated by the Council in accordance with Section 31A (4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).

(d) £172.07

Being the amount at 3(c) above (Item R) all divided by Item T (1a above) calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish Precepts).

(e) £667,940

Being the aggregate amount of all Parish Precepts referred to in Section 34 (1) of the Act.

(f) £150.25

Being the amount at 3 (d) above less the result given by dividing the amount at 3 (e) above by Item T (1a above) calculated by the Council in accordance with Section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish Precept relates.

4. To note that Parish Councils have issued precepts to the Council in accordance with Section 41 of Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in **Schedule A** of this Appendix.
5. To note that the County Council, the Police and Crime Commissioner and the Fire and Rescue Service for Derbyshire, have issued Precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in **Schedule B** of this Appendix.
6. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in **Schedule C** of this Appendix, as the amounts of Council Tax for 2015/16 for each part of its area and for each of the categories of dwellings, this being the aggregate of Schedules A and B.
7. That in accordance with Section 52 (ZB) of the Local Government Finance Act 1992, the Council determines that the amount of council tax shown at 3 (f) above of £150.25 being unchanged from 2014/15 **is not** excessive and therefore there is no requirement for a local referendum.

## ANALYSIS OF PARISH PRECEPTS, TAX BASE AND BAND D RATES

Parish	Precept 2014/15 £	Precept 2015/16 £	Tax Base 2014/15	Tax Base 2015/16	Band D 2014/15 £	Band D 2015/16 £	LCTR Grant 2014/15 £	LCTR Grant 2015/16 £
Aston-on-Trent	28,060	30,000	673	676	41.69	44.38	1,317	1,317
Barrow-on-Trent	8,800	9,360	234	234	37.61	40.00	452	452
Bretby	3,673	3,000	406	408	9.05	7.35	73	73
Burnaston	12,613	10,000	680	687	18.55	14.56	148	148
Castle Gresley	18,389	18,389	471	485	39.04	37.92	2,876	2,876
Church Broughton	7,000	7,000	235	233	29.79	30.04	151	151
Coton-in-the-Elms	6,482	6,482	256	269	25.32	24.10	989	989
Dalbury Lees	1,500	1,500	120	122	12.50	12.30	102	102
Egginton	9,715	9,909	257	259	37.80	38.26	199	199
Elvaston	10,820	10,820	698	699	15.50	15.48	210	210
Etwall	37,094	36,891	987	985	37.58	37.45	2,751	2,751
Findern	18,000	18,000	622	624	28.94	28.85	1,135	1,135
Foston & Scropton	8,567	8,567	241	247	35.55	34.68	433	433
Hartshorne	7,800	7,800	1,027	1,057	7.59	7.38	1,783	1,783
Hatton	30,600	31,200	806	838	37.97	37.23	2,100	2,100
Hilton	132,000	165,000	2,590	2,584	50.97	63.85	5,484	5,484
Linton	30,545	30,545	626	641	48.79	47.65	3,325	3,325
Melbourne	40,960	63,026	1,818	1,875	22.53	33.61	2,568	2,568
Netherseal	9,300	9,540	319	319	29.15	29.91	1,141	1,141
Newton Solney	4,400	4,400	281	278	15.66	15.83	171	171
Overseal	26,000	27,000	771	787	33.72	34.31	2,801	2,801
Repton	14,472	14,746	1,011	1,007	14.31	14.64	693	693
Rosliston	5,950	5,950	255	256	23.33	23.24	378	378
Shardlow & Great Wilne	15,269	16,668	413	418	36.97	39.88	1,399	1,399
Smisby	3,858	4,190	122	122	31.62	34.34	164	164
Stenson Fields	3,350	3,350	1,085	1,094	3.09	3.06	736	736
Ticknall	11,500	11,850	290	294	39.66	40.31	822	822
Walton-on-Trent	5,649	5,649	297	298	19.02	18.96	607	607
Weston-on-Trent	12,500	13,000	473	474	26.43	27.43	535	535
Willington	36,608	36,608	858	878	42.67	41.69	4,392	4,392
Woodville	45,000	47,500	1,522	1,615	29.57	29.41	3,692	3,692
<b>TOTAL PRECEPTS / AVERAGE BAND D</b>	<b>606,474</b>	<b>667,940</b>	<b>20,444</b>	<b>20,763</b>	<b>28.45</b>	<b>29.29</b>	<b>43,627</b>	<b>43,627</b>



### **Section 25 Report (under the Local Government Act 2003)**

1. In their role as the Council's Section 151 (Chief Finance) Officer, the Director of Finance and Corporate Services, is required to provide an overall opinion on the robustness of the estimates included in budgets and the adequacy of Council reserves. Their commentary is set out in the sections that follow.

#### **Comments of the Chief Finance Officer**

2. Budget Reports have highlighted the risks and uncertainties surrounding the Council's financial plans and in particular, future Government Grant levels.
3. It is considered that estimates of expenditure are prudent in that they provide for inflation and other known variations, together with provisions that recognise both current cost pressures, together with potential costs associated with growth of the District. The Budget for 2015/16 and forward projections are based on the most up-to-date economic forecasts for inflation and interest rates, etc.
4. In addition, a realistic but prudent view has been taken regarding projected income levels from fees, charges and short-term investments. This also includes the likely effects of future funding in the form of Retained Business Rates and the New Homes Bonus.
5. The compilation of detailed budgets has been undertaken in conjunction with service managers, including wherever possible, a zero based approach to compiling budgets. It is recognised that the Council has well established performance and budget monitoring arrangements in place to help ensure that Council finances are monitored effectively. This includes quarterly reports to the Finance and Management Committee.
6. The Council's Financial Strategy directs the Council to plan its spending over a 5-year rolling period for the General Fund and 10 years for the Housing Revenue Account. This provides an indication of the sustainability of spending plans and allows sufficient time in which remedial action can be implemented to address any issues in a planned and timely manner.
7. The following table shows the projected level of revenue reserves over this planning period, 2015 to 2020.

#### **Projected Level of Revenue Reserves**

Revenue Reserves	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
General Fund	5,858	5,068	4,733	4,117	3,281	2,160
Earmarked Reserves	3,410	3,332	1,818	1,768	2,093	2,118
HRA	1,100	1,200	1,200	3,600	6,000	9,300
<b>Estimated Balances</b>	<b>10,368</b>	<b>9,800</b>	<b>7,751</b>	<b>9,485</b>	<b>11,374</b>	<b>13,578</b>

8. The Council, based on the recommendation of the Chief Finance Officer, has approved to set a minimum (contingency) level of General Reserves of £1m on both the General Fund and Housing Revenue Accounts. This meets the requirements of the Local Government Act 2003.

### **General Fund**

9. The previous table shows that the level of reserves on the General Fund is currently healthy compared to the minimum target of £1m and are sustainable over the life of the MTFP.
10. Although the financial projection allows for on-going spending to be financed, the Council will need to be mindful of the projected budget deficit from 2017/18 and the potential to place an over reliance on using reserves to finance an on-going deficit.
11. Based on this latest projection, General Fund expenditure is still greater than income into the medium to longer term.
12. The Council does have a history of under spending on its General Fund. This is reviewed each year and budgets adjusted accordingly. However, future under spends are not guaranteed and therefore, should not be relied upon
13. As a growth area, income from planning fees, etc. are expected to increase. However, this cannot be guaranteed and this income can fluctuate significantly from year to year. Therefore, the base budget should be reviewed when the impact of growth that arises from the development of the Local Plan in particular, is known.
14. Future projections for core funding in the Business Rates Retention System, have taken into account the latest forecasts for national control totals. This will now be influenced by the performance of the Derbyshire Pool, which clearly could be positive.
15. Even with anticipated increases in New Homes Bonus and Business Rates income, overall funding is expected to reduce until 2018/19 in accordance with forecasts from the *Office of Budget Responsibility*.
16. Overall therefore, a cautious approach has been recommended pending the outcome of the next spending review, expected later in 2015/16.

### **Housing Revenue Account (HRA)**

17. The overall financial position on the HRA continues to remain positive. If the financial plan regarding debt management and repayment, together with the approved rent policy in particular is followed, then the HRA should remain sustainable and deliver an initial New Build programme.

18. The increasing level of the General Reserve from 2017/18 reflects the surpluses being generated in order to set-aside amounts as a provision for debt repayment in accordance with the maturity profile.
19. Under self-financing, the HRA is less influenced by external factors unless there was to be a significant change to this framework. Financial risks are lower if fixed budgets for repairs and capital investment are met.
20. It is noted that funding provided to the HRA for Supported Housing may come under pressure and this will need to be kept under review. As with the General Fund, the 10-year plan allows for issues and remedial action to be addressed if there is any significant change.

### **Earmarked Reserves**

21. The Council also maintains several reserves that are used to meet one-off/known commitments or to defray expenditure over a number of years, for example, ICT upgrades, vehicle replacements, community development projects and grounds maintenance.
22. It is considered that current reserves will remain sufficient overall to meet commitments over the life of the current MTFP. Reserves held to finance on-going community and sports development spending, will need to be kept under careful review if external and partnership contributions significantly reduce.
23. A list of all other reserves and funds has been reported during the recent Budget Round showing current balances.

### **Risk Analysis**

24. The following table summarises the key risks and issues highlighted during the recent Budget Round; it assesses the potential impact upon the Council's reserves as projected in the updated MTFP.

<b>Factor</b>	<b>Issue</b>	<b>Mitigation</b>	<b>Likely effect on Financial position</b>
<b>Core Funding</b>	<ul style="list-style-type: none"> <li>• Further reductions in RSG and possible changes to redistribution systems.</li> </ul>	<ul style="list-style-type: none"> <li>• Current national trends anticipated in the MTFP.</li> </ul>	<p><b>High</b></p> <p>Cumulatively, a 1% variance in core funding equates to around £300,000 over the MTFP.</p>
<b>Council Tax and the Collection Fund Balance</b>	<ul style="list-style-type: none"> <li>• Collection rates reduce due to the economic climate.</li> <li>• Demand for Council Tax Support increases when resources</li> </ul>	<ul style="list-style-type: none"> <li>• "In built" surplus in the Collection Fund.</li> <li>• Local growth is continuing and even at a moderate pace is</li> </ul>	<p><b>Medium</b></p> <p>Only 11% of the Balance is transferred to the Council's General Fund. In addition, effect is not</p>

	<p>are fixed.</p> <ul style="list-style-type: none"> <li>• Empty properties increase reducing New Homes Bonus.</li> </ul>	<p>beneficial.</p> <ul style="list-style-type: none"> <li>• Council will become a member of a Derbyshire Pool from 2015/16 for retention of growth receipts.</li> </ul>	<p>immediate and costs can be spread.</p>
<b>Growth</b>	<ul style="list-style-type: none"> <li>• A key factor influencing future levels of grant funding under the business rates redistribution system and NHB.</li> <li>• The number of local businesses declines which reduces base income.</li> <li>• Affects Council Tax income and other income streams such as Development Control (Planning).</li> </ul>	<ul style="list-style-type: none"> <li>• The MTFP projects growth at 2% per year for Business Rates and 1% for the Council Tax Base; these rates are considered realistic and prudent based on recent years.</li> <li>• Future budgets for planning, land charges income, etc. are currently within actual levels for 2014/15.</li> </ul>	<p><b>High</b></p> <p>This could affect the MTFP either way. Growth is a determining factor for the Council's income and expenditure – and is subject to external factors. This will directly impact on the General Fund.</p>
<b>Budget Overspend</b>	<ul style="list-style-type: none"> <li>• Underlying cost pressures due to growth yet to surface.</li> <li>• Unexpected costs. There are on-going cost pressures as identified in the Base Budget review for 2015/16.</li> </ul>	<ul style="list-style-type: none"> <li>• Current level of general and specific reserves is healthy and MTFP allows contingencies for inflation and growth, etc.</li> <li>• The base budget has been scrutinised and monitoring arrangements in place allow early identification of issues.</li> </ul>	<p><b>Medium</b></p>
<b>General Economic Conditions</b>	<ul style="list-style-type: none"> <li>• Higher price increases on key costs such as fuel and utilities.</li> <li>• Interest rates affect investment returns and debt payments.</li> </ul>	<ul style="list-style-type: none"> <li>• Central inflation contingency for price increases.</li> <li>• The General Fund is currently “debt free” and not subject to movement in interest rates.</li> <li>• Sufficient balances</li> </ul>	<p><b>Low</b></p>

		<p>allow “internal borrowing” if required.</p> <ul style="list-style-type: none"> <li>• Budgeted income from short-term investments is relatively low.</li> </ul>	
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## Consultation and Provision of Information

25. The information and broad budget proposals, together with details on where the Council spends its money, have been presented across the District. Specifically, this has been undertaken via:
- Local Area Forums
  - Consultation with local businesses, together with the Community and Voluntary Sector, including a presentation at the South Derbyshire Partnership on 27th January 2015.
26. In addition, the proposals have been subject to the Council’s scrutiny process and the Overview and Scrutiny Committee reported back during the Budget Round.
27. Although there were questions and queries, no substantive issues were raised. A record of all discussions has been minuted at each Area Forum, at the Overview and Scrutiny Committees on 21st January and 11<sup>th</sup> February 2015, together with the South Derbyshire Partnership on 27<sup>th</sup> January.

## LIST OF PRUDENTIAL INDICATORS 2014/15 TO 2019/20

Estimated Capital Expenditure	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
General Fund	2,558,673	5,742,600	548,404	592,285	478,731	504,580
HRA	5,812,000	11,031,000	10,295,000	5,943,000	6,092,000	4,595,000
<b>TOTAL</b>	<b>8,370,673</b>	<b>16,773,600</b>	<b>10,843,404</b>	<b>6,535,285</b>	<b>6,570,731</b>	<b>5,099,580</b>

Financed By						
Grants	1,448,143	1,548,637	456,000	446,000	446,000	446,000
Major Repairs Reserve	943,000	6,670,000	1,800,000	2,686,000	2,679,000	402,000
External / Partnership	134,394	771,076	0	0	0	0
Revenue Contributions	4,270,320	3,745,000	2,705,000	2,842,000	3,063,000	3,105,000
Earmarked Reserves	913,920	2,556,174	445,404	499,285	382,731	409,580
Capital Reserves	476,897	980,713	0	0	0	0
Loan	0	0	5,375,000	0	0	737,000
General Reserve	183,999	477,000	62,000	62,000	0	0
Sinking fund	0	25,000	0	0	0	0
<b>TOTAL</b>	<b>8,370,673</b>	<b>16,773,600</b>	<b>10,843,404</b>	<b>6,535,285</b>	<b>6,570,731</b>	<b>5,099,580</b>

Expected Capital Financing (CFR)	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
CFR b/fwd	69,475	68,123	67,958	67,603	67,256	66,918
Add Net Financing	0	200	0	0	0	0
Less MRP	-242	-233	-223	-215	-206	-198
Less VRP	-110	-132	-132	-132	-132	-132
Less Loan Repayments	-1,000	0	0	0	0	0
<b>CFR c/fwd</b>	<b>68,123</b>	<b>67,958</b>	<b>67,603</b>	<b>67,256</b>	<b>66,918</b>	<b>66,588</b>
General Fund Proportion	6,540	6,375	6,020	5,673	5,335	5,005
HRA Proportion	61,583	61,583	61,583	61,583	61,583	61,583

External Debt	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Debt 1st April	58,457	57,450	57,450	57,450	57,450	57,450
New Debt	0	0	0	0	0	0
Maturing Debt	-1,007	0	0	0	0	0
<b>Debt 31st March</b>	<b>57,450</b>	<b>57,450</b>	<b>57,450</b>	<b>57,450</b>	<b>57,450</b>	<b>57,450</b>
Annual Change in Debt	-1,007	0	0	0	0	0
Long-term Investments	0	0	0	0	0	0
Short-term Investments	7,456	6,456	5,456	4,456	3,456	2,456
Estimated Usable Reserves	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
General Fund	5,858	5,068	4,733	4,117	3,281	2,160
Earmarked Reserves	3,410	3,332	1,818	1,768	2,093	2,118
HRA	1,100	1,400	1,200	3,600	6,000	9,300
Capital Receipts	5,429	6,345	4,810	4,263	4,040	3,088
<b>TOTAL</b>	<b>15,797</b>	<b>16,145</b>	<b>12,561</b>	<b>13,748</b>	<b>15,414</b>	<b>16,666</b>

Limits compared to Actual Debt	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Authorised Limit - General Fund	6,540	6,375	6,020	5,673	5,335	5,005
Authorised Limit - HRA	66,853	66,853	66,853	66,853	66,853	66,853
Financing Requirement	68,123	67,958	67,603	67,256	66,918	66,588
Operational Boundary	62,423	62,423	62,423	62,423	62,423	62,423
Gross Debt	57,450	57,450	57,450	57,450	57,450	57,450
Debt Less Investments	49,994	50,994	51,994	52,994	53,994	54,994

General Fund - Net Indebtedness	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
CFR	6,540	6,375	6,020	5,673	5,335	5,005
Estimated Reserves	9,268	8,400	6,551	5,885	5,374	4,278
<b>Net Indebtedness</b>	<b>-2,728</b>	<b>-2,025</b>	<b>-531</b>	<b>-212</b>	<b>-39</b>	<b>727</b>

HRA Limit on Indebtedness	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
HRA Debt Cap	66,853	66,853	66,853	66,853	66,853	66,853
HRA CFR	61,583	61,583	61,583	61,583	61,583	61,583
Difference	5,270	5,270	5,270	5,270	5,270	5,270
HRA Debt	57,423	57,423	57,423	57,423	57,423	57,423
<b>Borrowing Headroom</b>	<b>9,430</b>	<b>9,430</b>	<b>9,430</b>	<b>9,430</b>	<b>9,430</b>	<b>9,430</b>

Financing Ratios	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
<b>General Fund</b>						
Council Tax Income	£4,465,881	£4,598,852	£4,736,806	£4,878,438	£5,023,840	£5,173,108
Net Interest	<b>-£38,517</b>	<b>-£28,833</b>	<b>-£45,175</b>	<b>-£66,425</b>	<b>-£61,000</b>	<b>-£61,000</b>
<b>Proportion</b>	<b>-0.86%</b>	<b>-0.63%</b>	<b>-0.95%</b>	<b>-1.36%</b>	<b>-1.21%</b>	<b>-1.18%</b>
<b>HRA</b>						
Rent Income	12,390,000	12,591,000	13,131,000	13,658,000	14,038,000	14,420,000
Net Interest	£1,861,000	£1,669,000	£2,006,000	£2,094,000	£2,186,000	£2,204,000
<b>Proportion</b>	<b>15.02%</b>	<b>13.26%</b>	<b>15.28%</b>	<b>15.33%</b>	<b>15.57%</b>	<b>15.28%</b>

Cost of Servicing Debt	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Net Interest Received - Gen Fund	<b>-£38,517</b>	<b>-£28,833</b>	<b>-£45,175</b>	<b>-£66,425</b>	<b>-£61,000</b>	<b>-£61,000</b>
Estimated Band D Properties (per MTFP)	29,723	30,608	30,908	31,208	31,508	31,808
<b>Cost per Band D Property</b>	<b>-£1.30</b>	<b>-£0.94</b>	<b>-£1.46</b>	<b>-£2.13</b>	<b>-£1.94</b>	<b>-£1.92</b>
Estimated Interest - HRA	£1,861,000	£1,669,000	£2,006,000	£2,094,000	£2,186,000	£2,204,000
Estimated Dwellings	2,989	3,024	3,059	3,054	3,041	3,028
<b>Annual Cost per Dwelling</b>	<b>£623</b>	<b>£552</b>	<b>£656</b>	<b>£686</b>	<b>£719</b>	<b>£728</b>

## SCHEDULE A - DISTRICT COUNCIL TAX 2015/16

<u>Part of Council's area:</u> <u>Parish of</u>	<u>Valuation Band and Proportion to Band D</u>							
	A	B	C	D	E	F	G	H
	6/9 £:p	7/9 £:p	8/9 £:p	1.00 £:p	11/9 £:p	13/9 £:p	15/9 £:p	18/9 £:p

Aston - on - Trent	129.75	151.38	173.00	194.63	237.88	281.13	324.38	389.26
Barrow - on - Trent	126.83	147.97	169.11	190.25	232.53	274.81	317.08	380.50
Bretby	105.07	122.58	140.09	157.60	192.62	227.64	262.67	315.20
Burnaston	109.87	128.19	146.50	164.81	201.43	238.06	274.68	329.62
Castle Gresley	125.45	146.35	167.26	188.17	229.99	271.80	313.62	376.34
Church Broughton	120.19	140.23	160.26	180.29	220.35	260.42	300.48	360.58
Coton - in - the - Elms	116.23	135.61	154.98	174.35	213.09	251.84	290.58	348.70
Dalbury Lees	108.37	126.43	144.49	162.55	198.67	234.79	270.92	325.10
Egginton	125.67	146.62	167.56	188.51	230.40	272.29	314.18	377.02
Elvaston	110.49	128.90	147.32	165.73	202.56	239.39	276.22	331.46
Etwall	125.13	145.99	166.84	187.70	229.41	271.12	312.83	375.40
Findern	119.40	139.30	159.20	179.10	218.90	258.70	298.50	358.20
Foston and Scropton	123.29	143.83	164.38	184.93	226.03	267.12	308.22	369.86
Hartshorne	105.09	122.60	140.12	157.63	192.66	227.69	262.72	315.26
Hatton	124.99	145.82	166.65	187.48	229.14	270.80	312.47	374.96
Hilton	142.73	166.52	190.31	214.10	261.68	309.26	356.83	428.20
Linton	131.93	153.92	175.91	197.90	241.88	285.86	329.83	395.80
Melbourne	122.57	143.00	163.43	183.86	224.72	265.58	306.43	367.72
Netherseal	120.11	140.12	160.14	180.16	220.20	260.23	300.27	360.32
Newton Solney	110.72	129.17	147.63	166.08	202.99	239.89	276.80	332.16
Overseal	123.04	143.55	164.05	184.56	225.57	266.59	307.60	369.12
Repton	109.93	128.25	146.57	164.89	201.53	238.17	274.82	329.78
Rosliston	115.66	134.94	154.21	173.49	212.04	250.60	289.15	346.98
Shardlow and Great Wilne	126.75	147.88	169.00	190.13	232.38	274.63	316.88	380.26
Smisby	123.06	143.57	164.08	184.59	225.61	266.63	307.65	369.18
Stenson Fields	102.21	119.24	136.28	153.31	187.38	221.45	255.52	306.62
Ticknall	127.04	148.21	169.39	190.56	232.91	275.25	317.60	381.12
Walton - on - Trent	112.81	131.61	150.41	169.21	206.81	244.41	282.02	338.42
Weston - on - Trent	118.45	138.20	157.94	177.68	217.16	256.65	296.13	355.36
Willington	127.96	149.29	170.61	191.94	234.59	277.25	319.90	383.88
Woodville	119.77	139.74	159.70	179.66	219.58	259.51	299.43	359.32
All other parts of the Council's area	100.17	116.86	133.56	150.25	183.64	217.03	250.42	300.50



## SCHEDULE B - PRECEPTING AUTHORITIES COUNCIL TAX 2015/16

### Valuation Band and Proportion to Band D

Precepting Authority	A 6/9 £:p	B 7/9 £:p	C 8/9 £:p	D 1.00 £:p	E 11/9 £:p	F 13/9 £:p	G 15/9 £:p	H 18/9 £:p
Derbyshire County Council	746.97	871.47	995.96	1,120.46	1,369.45	1,618.44	1,867.43	2,240.92
Police and Crime Commissioner for Derbyshire	115.74	135.03	154.32	173.61	212.19	250.77	289.35	347.22
Derbyshire Fire and Rescue Service	46.53	54.29	62.04	69.80	85.31	100.82	116.33	139.60

## SCHEDULE C - AGGREGATED COUNCIL TAX FOR SOUTH DERYSHIRE 2015/16

### Valuation Band and Proportion to Band D

<u>Part of Council's area:</u>	A	B	C	D	E	F	G	H
<u>Parish of</u>	6/9	7/9	8/9	1.00	11/9	13/9	15/9	18/9
	£:p	£:p	£:p	£:p	£:p	£:p	£:p	£:p
Aston - on - Trent	1,038.99	1,212.17	1,385.32	1,558.50	1,904.83	2,251.16	2,597.49	3,117.00
Barrow - on - Trent	1,036.07	1,208.76	1,381.43	1,554.12	1,899.48	2,244.84	2,590.19	3,108.24
Bretby	1,014.31	1,183.37	1,352.41	1,521.47	1,859.57	2,197.67	2,535.78	3,042.94
Burnaston	1,019.11	1,188.98	1,358.82	1,528.68	1,868.38	2,208.09	2,547.79	3,057.36
Castle Gresley	1,034.69	1,207.14	1,379.58	1,552.04	1,896.94	2,241.83	2,586.73	3,104.08
Church Broughton	1,029.43	1,201.02	1,372.58	1,544.16	1,887.30	2,230.45	2,573.59	3,088.32
Coton - in - the - Elms	1,025.47	1,196.40	1,367.30	1,538.22	1,880.04	2,221.87	2,563.69	3,076.44
Dalbury Lees	1,017.61	1,187.22	1,356.81	1,526.42	1,865.62	2,204.82	2,544.03	3,052.84
Egginton	1,034.91	1,207.41	1,379.88	1,552.38	1,897.35	2,242.32	2,587.29	3,104.76
Elvaston	1,019.73	1,189.69	1,359.64	1,529.60	1,869.51	2,209.42	2,549.33	3,059.20
Etwall	1,034.37	1,206.78	1,379.16	1,551.57	1,896.36	2,241.15	2,585.94	3,103.14
Findern	1,028.64	1,200.09	1,371.52	1,542.97	1,885.85	2,228.73	2,571.61	3,085.94
Foston and Scropton	1,032.53	1,204.62	1,376.70	1,548.80	1,892.98	2,237.15	2,581.33	3,097.60
Hartshorne	1,014.33	1,183.39	1,352.44	1,521.50	1,859.61	2,197.72	2,535.83	3,043.00
Hatton	1,034.23	1,206.61	1,378.97	1,551.35	1,896.09	2,240.83	2,585.58	3,102.70
Hilton	1,051.97	1,227.31	1,402.63	1,577.97	1,928.63	2,279.29	2,629.94	3,155.94
Linton	1,041.17	1,214.71	1,388.23	1,561.77	1,908.83	2,255.89	2,602.94	3,123.54
Melbourne	1,031.81	1,203.79	1,375.75	1,547.73	1,891.67	2,235.61	2,579.54	3,095.46
Netherseal	1,029.35	1,200.91	1,372.46	1,544.03	1,887.15	2,230.26	2,573.38	3,088.06
Newton Solney	1,019.96	1,189.96	1,359.95	1,529.95	1,869.94	2,209.92	2,549.91	3,059.90
Overseal	1,032.28	1,204.34	1,376.37	1,548.43	1,892.52	2,236.62	2,580.71	3,096.86
Repton	1,019.17	1,189.04	1,358.89	1,528.76	1,868.48	2,208.20	2,547.93	3,057.52
Rosliston	1,024.90	1,195.73	1,366.53	1,537.36	1,878.99	2,220.63	2,562.26	3,074.72
Shardlow and Great Wilne	1,035.99	1,208.67	1,381.32	1,554.00	1,899.33	2,244.66	2,589.99	3,108.00
Smisby	1,032.30	1,204.36	1,376.40	1,548.46	1,892.56	2,236.66	2,580.76	3,096.92
Stenson Fields	1,011.45	1,180.03	1,348.60	1,517.18	1,854.33	2,191.48	2,528.63	3,034.36
Ticknall	1,036.28	1,209.00	1,381.71	1,554.43	1,899.86	2,245.28	2,590.71	3,108.86
Walton - on - Trent	1,022.05	1,192.40	1,362.73	1,533.08	1,873.76	2,214.44	2,555.13	3,066.16
Weston - on - Trent	1,027.69	1,198.99	1,370.26	1,541.55	1,884.11	2,226.68	2,569.24	3,083.10
Willington	1,037.20	1,210.08	1,382.93	1,555.81	1,901.54	2,247.28	2,593.01	3,111.62
Woodville	1,029.01	1,200.53	1,372.02	1,543.53	1,886.53	2,229.54	2,572.54	3,087.06
All other parts of the Council's area	1,009.41	1,177.65	1,345.88	1,514.12	1,850.59	2,187.06	2,523.53	3,028.24

<b>REPORT TO:</b>	<b>COUNCIL</b>	<b>AGENDA ITEM:</b>
<b>DATE OF MEETING:</b>	<b>2nd MARCH 2015</b>	<b>CATEGORY: RECOMMENDED</b>
<b>REPORT FROM:</b>	<b>DIRECTOR OF FINANCE and CORPORATE SERVICES</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>KEVIN STACKHOUSE ( 01283 595811)</b> <a href="mailto:kevin.stackhouse@south-derbys.gov.uk">kevin.stackhouse@south-derbys.gov.uk</a>	<b>DOC:</b> u/ks/budgets/budget 201516/reserve options
<b>SUBJECT:</b>	<b>EVALUATION OF GENERAL FUND RESERVE AND OPTIONS FOR UTILSATION</b>	<b>REF:</b>
<b>WARD (S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE:</b>

## **1.0 Recommendations**

- 1.1 That the options detailed in the report for utilising a proportion of the unallocated General Fund Reserve are considered.
- 1.2 If any specific proposals are approved in principle, any further detailed implications and process arrangements are reported to the Finance and Management Committee on 19<sup>th</sup> March 2015 prior to implementation.

## **2.0 Purpose of the Report**

- 2.1 Following consideration of the final budget proposals for 2015/16 and the Medium Term Financial Plan to 2020, the Finance and Management Committee, at its meeting on 19<sup>th</sup> February 2015, agreed that a further report should be considered by the Council at the earliest opportunity.
- 2.2 This was in response to the current level of the General Fund Reserve. In accordance with the proposal agreed at the Finance and Management Committee, this report sets out options for utilising some of the uncommitted General Reserve.
- 2.3 The report firstly provides an indicative amount that can prudently be set-aside to fund any proposals. The report then details options for "*returning excess reserve funds to the Council Tax payers either as one-off projects or otherwise*" as proposed at the Finance and Management Committee."

## **3.0 Detail**

- 3.1 The updated medium term financial projection was considered and approved by the Finance and Management Committee on 19<sup>th</sup> February 2015. This followed the conclusion of the [2015/16 Budget Round](#) and the proposal to freeze the level of Council Tax for the forthcoming financial year.

3.2 The overall projected position is summarised in the following table.

**General Fund: Medium-Term Projection as at December 2014**

Year	Budget Deficit / Surplus (-)	Sums Earmarked against Reserve	Balance of General Reserve
Base Budget 2014/15	-£149,586	£202,000	-£5,857,676
Proposed Budget 2015/16	-£91,189	£881,000	-£5,067,865
Projection 2016/17	-£84,724	£420,000	-£4,732,589
Projection 2017/18	£526,904	£90,000	-£4,115,685
Projection 2018/19	£814,773	£20,000	-£3,280,912
Projection 2019/20	£1,101,315	£20,000	-£2,159,597

3.3 Effectively, the General Fund has a budget surplus for 2015/16 and 2016/17 based on current projections. A deficit is then forecast from 2017/18 as expected reductions in core government funding take effect.

3.4 In the meantime, the balance on the General Reserve remains healthy and after allowing for the deficit in the 3 years after 2016/17, the projected level is £2.1m, above the minimum contingency level of £1m.

**Key Financial Points**

3.5 When approving the Budget for 2015/16 and the medium term financial projection, the Committee noted the report of the Chief Finance Officer under Section 25 of the Local government Act 2003.

3.6 This highlighted that the greatest risks to the financial plan were considered to be the degree of future reductions in core government funding, together with underlying cost pressures. As reported, this will largely depend on the next spending review of the public finances expected after the next Parliament, later in 2015/16.

3.7 The Report also noted the impact of growth, which is steadily increasing across much of the District and this is realising additional income. It is important that further cost pressures associated with this growth and therefore increased demand for services, are kept under review.

3.8 The Report also highlighted that the overall financial position has been steadily improving over the last 2 years due to budget savings, together with positive out-turn positions compared to base budgets. Reserves should be further supplemented by the estimated underspend in 2014/15 (as reported in December 2014) although this has not been included in the MTFP at this stage as it is still to be confirmed.

- 3.9 The Budget continues to make on-going provision for some growth in expenditure and annual inflation. In addition, separate reserves are maintained to meet specific one-off costs.
- 3.10 However, it was stressed that the Council should remain cautious in the short-term, until the future funding position for local authorities is more certain and to remain flexible to meet any additional spending pressures. Future budget deficits are still projected based on increasing expenditure for current service provision, together with a reduction in core funding.

### **General Reserve Balance**

- 3.11 In the meantime, the General Fund does carry a sufficient balance which could allow some **one-off** investment only. Although the reserve balance could be used to fund future budget deficits (and the projection assumes this) in practice, this is not considered to be a sustainable solution and some remedial action would need to be taken to protect the financial base.
- 3.12 Although the current level of the General Reserve is actually around £5.9m, the projected balance by 2020 is £2.1m due to potential commitments against this reserve over the financial planning period.
- 3.13 This is the key figure and compares with a minimum target as set out in the Financial Strategy of £1m. A minimum level of £1m is still considered to be prudent, being approximately 8% of net revenue expenditure.

### **Updated Position and Potential Resources Available**

- 3.14 Following the approval of the Budget for 2015/16, the Finance and Management Committee also approved that a further sum of £100,000 be set-aside to fund the implementation of the Pay and Grading Review. This would reduce the projected General Reserve balance from 2.1m to £2m.
- 3.15 Potentially, a sum of £1m is available for one-off investment. However, in the event that the Council wish to proceed, it is recommended that a much lower sum is considered at this stage to remain cautious in the short term, due to the factors highlighted above.
- 3.16 Therefore, it is considered that a maximum amount of £250,000 is set-aside; this would leave a projected reserve balance of £1.75m by 2020, £3/4m above the recommended minimum level.

### **Potential Options**

- 3.17 The Finance and Management Committee put forward several areas that should be considered. Effectively, these covered further investment in capital projects or by "*relieving the burden of Council Tax, short of a reduction in the Band D rate.*" Given this, the various options are considered below.

## **Spending Options**

- 3.18 The Committee proposed that options be investigated to consider the scope to meet one-off projects or for other investment to benefit the community. It was proposed that this could be achieved by either providing additional leisure facilities or improving Council efficiency to reduce costs and hence future pressure on the level of Council Tax.
- 3.19 An investment of £250,000 could provide some essential one-off funding into service areas that have been identified as needing resources but are not considered high priority against the Corporate Plan.
- 3.20 These areas include corporate based infrastructure projects which would help to increase efficiency. Broadly, the main options overall are considered to be:
- To supplement current capital projects
  - To provide funding for maintenance of public buildings
  - To upgrade the IT infrastructure
  - To fund improvements to Customer Access
  - To provide other support to residents by supplementing other funding pots

## **Supplement Current Capital Projects**

- 3.21 During the recent 2015/16 Budget Round, the Council approved new capital investment of approximately £650,000 into new community based capital projects which were considered priorities against the Corporate Plan. These projects, such as the Community Partnerships Scheme identified by the Finance and Management Committee, could be supplemented further to enhance the scope of that investment.
- 3.22 Other existing capital projects could also benefit from an additional investment of £250,000 and enhance the current scope of those projects. This could include Disabled Facility Grants or to support approved schemes where funding is currently being secured. In particular, projects for redeveloping Grove Hall, enhancing Etwall Leisure Centre or to support the Melbourne Sporting Partnership could be considered.
- 3.23 All of these projects are designed to benefit local communities.

## **Maintenance of Public Buildings**

- 3.24 Several repair budgets for the Council's leisure and community facilities were increased during the 2015/16 Budget Round to reflect the increasing costs of maintaining these facilities. Any further investment at this stage would potentially help to ease future cost pressures and liabilities.
- 3.25 Other public buildings, in particular the Civic Offices and Town Hall, could benefit from some major improvements. Although this would not directly benefit the community, it would potentially reduce potential liabilities that are increasingly being incurred by maintaining these ageing assets.

## **Upgrading the IT Network**

- 3.26 It has also been recognised in the Council's ICT development plan for 2015/16, that the connectivity within the Civic Offices should be improved. Due to insufficient resources, the current strategy is to replace the most vulnerable parts of the network on a piece-meal basis in accordance with annual budgets.
- 3.27 The risk of this strategy is that as hardware and systems become more sophisticated and ICT volumes increase, the capability of the network structure becomes weaker. It is also more susceptible to outages.
- 3.28 To fully replace and upgrade the network (which is effectively the wiring, network ports and switches within the Civic Offices) to modern day standards would cost in excess of £100,000. It is unlikely that current IT budgets could support this amount of one-off investment.

## **Customer Access**

- 3.29 The Council's Customer Access and Paperlite strategies have identified the implementation of a full electronic post and mailroom system for all council services (electronic document management is currently used in Revenues and Benefits) subject to identifying resources.
- 3.30 This would require an investment of approximately £200,000 as previously reported to the Finance and Management Committee. This would also allow the archiving of current paper records.
- 3.31 Future efficiency savings could be realised by reducing administrative work and through better utilisation of work space. However, the outline cost benefit analysis previously undertaken showed that the payback period for the initial investment could take several years. To-date, external or other financing has not been identified.
- 3.32 In addition, a recent report by the Overview and Scrutiny Committee identified that the reception and customer contact area in the Civic Offices could benefit from a redesign. This would supplement some of the developments, such as payment machines, being introduced into the customer contact service.
- 3.33 To enable this, it is estimated that capital works of £100,000 would be required.

## **Supporting Local Residents**

- 3.34 This could be achieved by supplementing the current Discretionary Housing Budget. This is used to temporarily support vulnerable people adversely affected by current welfare reform to pay their rent.
- 3.35 The support is intended to provide short term financing to "bridge a gap" and is resourced by a funding allocation from the Government. The Council has the power to increase the Budget up to a maximum so that the Council's contribution is no greater than 60% of overall expenditure (including the

Government's allocation). The Council operates within the Government allocation only.

- 3.36 The Council has to apply strict criteria as this Budget does not always meet demand. The Budget was reduced in 2014/15 from £102,000 to approximately £90,000 and is being reduced further to £70,000 in 2015/16, based on indicative allocations.
- 3.37 It is difficult to estimate future demand due to the eventual outcome of the welfare reform changes although current indications suggest that current demand is on-going.
- 3.38 The Council could also consider providing extra support to its grant aided voluntary and community groups such as the CAB and CVS. Subject to agreement over how funding would be utilised, this could potentially enable those organisations to enhance the support currently provided, in partnership with the Council, to residents in the local community.

### **Overall Spending Options**

- 3.39 There may be other options that the Council may wish to explore and take the opportunity to undertake some one-off community project or initiative with the resources available.
- 3.40 In the event that any of the above options are progressed, the Council should be satisfied that the expenditure at this time is a proper use of resources and will provide value for money.

### **Reducing the Burden of Council Tax**

- 3.41 Several authorities have in the past reduced their basic level of Council Tax on an on-going basis. Although the Council's current position is well placed, this is not recommended for the Council as it could lead to significant financial pressures in later years.
- 3.42 This is due to the fact that the approved Financial Plan highlights future budget deficits, coupled with the risk around core funding. This was acknowledged by the Finance and Management Committee which effectively proposed that the Band D rate of Council Tax approved should not be reduced.
- 3.43 Other than this mechanism, it is rare for councils to refund or rebate Council Tax through any other means. Councils are generally constrained by the Local Government Finance Act 1992 as regards rebates and refunds.
- 3.44 Discretion does exist in subsequent regulations whereby discounts can be given. However, this is specifically aimed at the Council Tax Reduction Scheme (for those on Benefits) or other Section 13A discounts to support eligible households to meet their Council Tax liability in specific circumstances.



3.45 These discounts are discrete and any general discount would be subject to potential legal and administrative difficulties, including devising and consulting on proposals.

3.46 Such discounts also have to be agreed as part of the Council Tax setting process and approved by the Council by 31<sup>st</sup> January in any given year.

### **Reductions**

3.47 Some authorities provide lump sum reductions for prompt payments and to encourage direct debit take-up. Other authorities have refunded Council Tax payers on a one-off basis.

3.48 This has been achieved through an "Efficiency Dividend" whereby budget savings have been returned to local residents by making a contribution to a monthly Council Tax instalment for its local residents.

3.49 In this instance, a flat rate sum (*£50 to £100 has been a typical value*) has been credited to the Council Tax account of all households in that area on a one-off basis.

3.50 Other authorities have given "cash back" to Council Tax payers during the year, due to a financial windfall. Again, this has been through a flat rate payment of typically £50 per household. However, this amount has just been paid over to the household and not directly credited to the Council Tax account.

3.51 Based on what other authorities have achieved, in all cases, certain eligibility criteria has firstly been laid down and approved. For example, consideration would need to be made on the following matters:

- The date on which the reduction applied. In other authorities, to ease administration, it applied to households on the Council Tax register on a particular date. If the resident left the next day, they still received the reduction; conversely, new residents after the appointed day did not qualify.
- Does anyone exempt from Council Tax receive a reduction?
- The treatment of Council Tax payers in arrears.
- If any household's liability was less than the reduction, would they only receive a lower amount so that their liability effectively reduces to zero?
- With a "cash back" arrangement, money could be credited (in the Council's case) straight to the 27,000 Council Tax payer's bank account where they pay by direct debit. However, how would the reduction be credited to cash payers, standing orders and deductions from salaries and wages? In addition, if there are no cash payment facilities at the Council offices, what separate provision could be made? One authority used a voucher system to overcome these issues but this could be difficult and costly to administer.

- Would a flat rate amount apply irrespective, or alternatively, a set percentage taken off the Council Tax bill of each household? This would result in higher banded properties receiving more in cash terms compared to those properties in lower bands.

### **Impact on Individual Households/Residents**

3.52 On the basis that there is potentially £250,000 available in the General Reserve, it is possible to reasonably estimate the impact on each household/resident in the District of a dividend or cash back payment.

### **Percentage Payment**

3.53 The Council would need to achieve this in a way that did not contravene regulations under the Local Government Finance Act 1992. The percentage reduction would need to be applied to each household's total bill or net liability (after applying any discounts) but including the Council Tax charges of all other preceptors, including Parishes.

3.54 An amount of £250,000 would equate to 0.5% of each household's liability. Households subject to a 100% liability at each of the standard Council Tax Bands would benefit by the following amounts.

Band A	£5.05
Band B	£5.89
Band C	£6.73
Band D	£7.57
Band E	£9.25
Band F	£10.93
Band G	£12.62
Band H	£15.14

3.55 These amounts will vary where Parish Precepts apply. Approximately 40% of all properties within the District would receive a lower (pro-rata) payment in the relevant Band, due to discounts.

3.56 50% of all Council properties are within Bands A and B, with a further 33% in Bands C and D. 17% of properties are within the higher Bands of E to H.

## Flat Rate Payment

- 3.57 If all properties on the current Council Tax register were eligible under the Council's criteria (when determined) £250,000 would be shared amongst 41,100 properties. At a flat rate across each household, this would equate to £6 each.
- 3.58 If exempt, empty properties and those not liable to Council Tax (currently around 4,000 properties) were excluded, this would increase for all other households liable to Council Tax to £6.75 each. This would apply to all those households whatever their banding and liability.
- 3.59 In percentage terms, the £6.75 would be greater for lower banded properties as shown in the following table. *The percentages in the table have been calculated on the District Council's share only of the overall Council Tax liability.*

Band A	6.7%
Band B	5.8%
Band C	5.1%
Band D	4.5%
Band E	3.7%
Band F	3.1%
Band G	2.7%
Band H	2.2%

- 3.60 On average, £6.75 equates to 5.4% of the District Council's share of the Council Tax.

## Operational Considerations

- 3.61 The payment of a dividend or cash back arrangement is achievable. It is anticipated that the lead in time to allow for system changes and other administrative arrangements is 3 months. However, there would be additional costs incurred as detailed below.

## System Changes

- 3.62 The Council uses one of the recognisable Revenue IT systems. This is developed and maintained for any authority to use as the administration of Council Tax is consistent across all billing authorities. Therefore, the system is not bespoke and is effectively an "off the shelf" package.

- 3.63 As the Council is one of approximately a hundred authorities across the country that uses this particular system, it benefits from competitive pricing and economies of scale from development. However, this means that any bespoke development is priced at a premium.
- 3.64 To administer a dividend or cash back arrangement, would require the software house to write in specific programme changes as the facility required is not available within the standard database.
- 3.65 The cost of doing this is estimated at £20,000 (to include testing). This would be slightly lower with a cash back arrangement and by paying a flat rate rather than applying a percentage. However, it is still estimated that the minimum cost would be in the region of £15,000.

### **Staffing Costs**

- 3.66 It is not anticipated that additional costs would be incurred. However, it would be prudent to set-aside some provision to cover out of hours testing as this is outside normal operating arrangements.

### **Rebilling**

- 3.67 If a dividend was paid and applied to a Council Tax instalment, this would require (under statute) the Council to re-issue the original Council Tax bill to reflect the change and notify the Council Tax payer of a change in a monthly instalment. The cost of doing this is mainly in additional stationery, postage and banking costs. These are estimated at £17,500.

### **Other Administrative Costs**

- 3.68 Experience from other authorities highlights that good publicity and communication is required to reduce the number of queries associated with the payment of a dividend or cash back. Some costs could be incurred.
- 3.69 It is considered that some additional contact should still be expected from residents querying payment changes. Although this may not incur any further direct costs, it could potentially divert staff resources.
- 3.70 There could be additional administrative issues with a cash back payment. The main advantage firstly, compared to a credit payment to offset the Council Tax liability, is that there would be no requirement to reissue bills.
- 3.71 It was highlighted earlier that money could be credited straight to the Council Tax payer's account where they pay by direct debit because the Council has their bank details. However, refunding people who pay by cash, standing order or have deductions from salaries and wages would be more problematic.
- 3.72 Experience elsewhere shows that vouchers have been issued which people cashed in. However, the logistics and cost of doing this is difficult to estimate and there is a risk that vouchers are lost or misused, etc.

3.73 Approximately 65% of Council Tax payers in the District pay by Direct Debit. Consequently, this would leave 35% or approximately 14,400 (including 4,000 households who currently do not pay if they are included) households to reach in order to apply the cash back payment.

3.74 The eventual cost of doing this could be greater than re-issuing bills under a dividend arrangement where Council Tax accounts are credited directly.

### **Total Costs**

3.75 In total, it is estimated that a Council Tax dividend would cost approximately £40,000 to implement and administer. This could be greater with a cash back arrangement. There is currently no budget to meet this amount.

3.76 Clearly, there are technical and administrative issues to be considered with a dividend or cash back arrangement.

3.77 However, the Council would also need to be satisfied that it has passed 4 key tests. These tests relate to:

- Legality
- Affordability
- Process
- Value for Money.

### **Legality**

3.78 Other authorities have used the general power of competence under Section 1 of the Localism Act 2011. In using this power, the Council would need to be satisfied that the dividend or cash back is in the bounds of:

*“The power to do anything those individuals of full legal capacity may do, to give authorities the power to take reasonable action they need for the benefit of the authority, its area or persons resident or present in its area.”*

### **Affordability**

3.79 Although the Council’s current level of General Reserves is healthy, the Council should be aware of potential budget deficits in future years as highlighted earlier in the report.

### **Process**

3.80 The Council would need to adhere to its own governance arrangements to ensure that final proposals are considered and approved by the relevant Committee. In addition, relevant and clear communication should take place on the reasons for a dividend or cash back payment and how it will affect individual households/residents.

## **Value for Money**

3.81 The Council would need to be satisfied that the use of resources in this manner provides value for money in the current economic climate, compared to other investment options.

## **Accounting Arrangements**

3.82 Where a dividend is credited to individual Council Tax accounts to reduce liability, this would leave a shortfall (of £250,000) in the Collection Fund. This would require a transfer from the General Fund to comply with regulations under the 1992 Local Government Finance Act. This transfer would need to be actioned in the month that any dividend is paid to keep the Collection Fund in balance.

## **External Audit**

3.83 Due to the exceptional nature and relatively large amount in total, this would require additional disclosure in the Council's accounts. As with any exceptional transaction, this would be examined closely by the Council's External Auditor.

3.84 In particular, it is expected that they would examine the use of Council resources in this manner against the 4 tests highlighted above.

## **Effect on other Preceptors**

3.85 Although the dividend would be applied to the total Tax liability of each household, the Council would need to make it clear that the dividend does not impact on the precepts or Council Tax rates of other preceptors. This would need to be made clear in communications and on reissued bills to specify that this was a South Derbyshire reduction only.

3.86 The Precepts set by the other authorities would be paid as normal from the Collection Fund.

## **4.0 Financial Implications**

As detailed in the report

## **5.0 Corporate Implications**

As detailed in the report

## **6.0 Community Implications**

As detailed in the report

## **7.0 Background papers**

None

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<b>REPORT TO:</b>	<b>FULL COUNCIL</b>	<b>AGENDA ITEM: 9</b>
<b>DATE OF MEETING:</b>	<b>2<sup>nd</sup> MARCH 2015</b>	<b>CATEGORY:</b>
<b>REPORT FROM:</b>	<b>DIRECTOR OF COMMUNITY and PLANNING</b>	<b>OPEN PARAGRAPH NO:</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>NICOLA SWOROWSKI (EXTENSION 5983) nicola.sworowski@south-derbys.gov.uk</b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>LOCAL PLAN PART 1 – HOUSING REQUIREMENT</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>DISTRICT</b>	<b>TERMS OF REFERENCE:</b>

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## **1.0 Recommendations**

- 1.1 To agree with increasing the housing target in the Local Plan Part 1 (2011-2028) in the range of 12,539 – 12,618 dwellings (an increase of 198 – 277 dwellings).

## **2.0 Purpose of Report**

- 2.1 The report is being submitted to bring Members up to date with the latest position on the Local Plan Part 1 and to seek endorsement on an increased housing requirement to be met in South Derbyshire from 2011 – 2028.

## **4.0 Detail**

### **Background**

- 4.1 South Derbyshire's Local Plan was submitted to the Secretary of State on the 8<sup>th</sup> August 2014 and Ms Kingaby was appointed as the Inspector to test the Plan shortly afterwards. Ms Kingaby set dates for an examination in public that started on the 25<sup>th</sup> November 2014 and concluded on the 5<sup>th</sup> December 2014.
- 4.2 As Members are aware, South Derbyshire has worked alongside Amber Valley Borough Council (AVBC) and Derby City Council (DCC) as part of the Derby Housing Market Area (HMA). This working arrangement has been in place since 2009.
- 4.3 It is essential that under the duty to cooperate regulations that were introduced as a legal duty through the Localism Act 2011 that authorities in the context of strategic cross boundary matters engage and continue to engage constructively.
- 4.4 This duty to cooperate is particularly important for the Derby HMA in regard to housing requirements. Derby City is not able to meet all of its housing needs within its boundary and as its neighbours as part of the HMA, AVBC and South Derbyshire have agreed to meet the remaining requirement. Derby's need has been assessed as 16,388 but is only able to provide sites for 11,000 dwellings.

- 4.5 During the examination a joint HMA housing session was held that was headed by Ms Kingaby and Mr Foster who is AVBC's Inspector. This was to consider further the objectively assessed need for the Derby HMA.
- 4.6 Following the close of the examination, the Inspectors have written to the HMA authorities concluded that the most appropriate housing need for the Derby HMA is 33,388 dwellings over the period 2011 - 2028. Ms Kingaby wrote separately to the Council to ask for further information on viability, five year supply and infrastructure requirements on site.
- 4.7 The Derby HMA are currently in a position of being unable to demonstrate where all of the 33,388 dwellings required across the HMA are to be located. There are 396 dwellings that are currently unaccounted for.
- 4.8 This shortfall has occurred due to AVBC's change in housing target since the South Derbyshire Plan was submitted. During Amber Valley's hearings their Inspector asked that the HMA undertake some sensitivity testing on the GL Hearn work on housing requirement. This work led to AVBC's Inspector increasing the HMA housing requirement by 1,474 dwellings.
- 4.9 AVBC were put into a period of suspension to allow for this additional housing to be found amongst other specific AVBC issues including a lack of a five year supply. Following HMA discussions, it was agreed that AVBC would find sites to accommodate all of the additional growth and also help to correct their five year supply position. After having consulted twice on new sites, it was concluded by AVBC that not all the sites were appropriate which meant a reduction in their target from 10,060 to 9,651 dwellings.
- 4.10 This change in target for AVBC along with a minor change in Derby City (additional 13 dwellings to round to 11,000) led to this current position of 396 dwellings being unaccounted for. At the point that Members made their decision to submit the Local Plan it was on the basis that the HMA requirement was being fully met.
- 4.11 Also, in the letter written by both Inspectors to the HMA authorities was the request for further information in regard to the split of Derby's unmet needs between AVBC and South Derbyshire. This work will be undertaken on a HMA basis rather than individually through each of the existing Sustainability Appraisal's (SA).
- 4.11 The previous report to Full Council on the 3<sup>rd</sup> July 2014 reasoned that any further growth was no longer mutually beneficial to South Derbyshire given that it was already providing 2,736 dwellings of Derby's needs plus meeting its own needs. This position has not significantly changed but in order to allow the progression of any of the three HMA Local Plans these remaining 396 dwellings must be accounted for across the HMA.
- 4.12 Therefore, the recommended approach for South Derbyshire is to:
- Agree to a share of the 396 dwellings based on a range including the current (55%) and historical (70%) split between AVBC and South Derbyshire of Derby's unmet needs. This would mean South Derbyshire's housing target rising to a requirement in the range of 12,539 – 12,618 dwellings.
- 4.13 This option will require decisions to be made at a later point as it is most likely that new sites will be required in order to meet the additional requirement and to provide a



five year supply as required upon adoption of the Local Plan. The approach is subject to the completion of the SA work.

- 4.14 At the time of writing there is no guarantee from either of the other two HMA authorities to address the remaining amount but if recommended for approval then it allows for further discussions to be held. As further work is required and therefore further Member approval will be needed, should the HMA position change then there will be opportunity for Members to consider it further.

## **5.0 Financial Implications**

- 5.1 None arising directly from this report.

## **6.0 Corporate Implications**

- 6.1 There is a risk of further delay to the Local Plan process without the full amount of housing required in the period 2011 – 2028 across the HMA being addressed. A lack of an up to date Local Plan has the potential to impact on themes within the Corporate Plan as the Local Plan sets out development requirements up to 2028.

## **7.0 Community Implications**

- 7.1 An adopted Local Plan will ensure that development across the District is achieved in as sustainable manner as possible and in a way that provides the infrastructure of community facilities for both the new residents but also existing residents.

## **8.0 Background Papers**

- 8.1 Submission Local Plan Part 1

### Appendix

- A Letter from Ms Kingaby & Mr Foster confirming the HMA housing requirement

Email: programme.officer@south-derbys.gov.uk  
Tel: 07969 631930

*Address for correspondence*  
c/o Council Chamber  
South Derbyshire District Council  
Civic Offices  
Civic Way  
Swadlincote  
Derbyshire  
DE11 0AH

Date: 10 December 2014

Mr S Batchelor  
Director of Community and Planning  
South Derbyshire District Council  
Civic Offices  
Civic Way  
Swadlincote  
Derbyshire  
DE11 0AH

Dear Mr Batchelor

### **Objectively Assessed Housing Need for the Derby Housing Market Area (HMA)**

Following the joint session for housing held on the first day of hearings for the examination of South Derbyshire Local Plan Part 1, we have reached the following position. After seeking sensitivity testing of the demographic projections and housing requirement forecasts by GL Hearn in March 2014 Roy Foster concluded that 33,388 new homes represented the best estimate of objectively assessed housing need (OAN) for the Derby HMA, 2011-2028. Jill Kingaby, having reviewed the written evidence and having heard the oral evidence for the South Derbyshire Local Plan examination, concurs with that position. We have taken account of the Review of Objectively Assessed Housing Need in the light of 2012-based Subnational Population Projections (GL Hearn November 2014). We are satisfied that this Review, based on the most recent national population data and taking account of advice on methodology in the national Planning Practice Guidance, demonstrates that the housing requirement figures do not need to be increased.

We also note that appropriate margins of comfort in following the March 2014 estimate are provided by the slightly lower estimates of November 2014 and the feasible outcome of Derby's supply exceeding its currently assessed capacity.

Our outstanding concern relates to the matter of apportioning the HMA's requirement between the three Local Authorities. The Authorities have agreed that Derby City's contribution is capacity-capped. The reasoning behind this is apparent, but the apportionment between Amber Valley and South Derbyshire of the remaining housing is more difficult to understand. Whilst all Authorities have indicated their support for the planned distribution, the justification for the agreed numbers is not clear. No evidence has been provided to show whether any alternative distributions were considered formally, or that sustainability appraisal to justify the selected apportionment between the Authorities was undertaken.

Ideally, this work would have been carried out at an early stage in plan-making to give a credible and robust starting-point for each Authority's housing numbers.

However, in view of the assurance offered by the Authorities that they are prepared to co-operate in meeting the full OAN, we now advise the Councils to re-examine their planned apportionments of OAN and carry out a fresh joint sustainability appraisal of this matter.

Please let us know your thoughts on this proposed course of action, and if the additional work is to be carried out, advise how long you would require to complete it.

While writing, we note the clarity now provided by the decision of the Secretary of State in the case of APP/H1840/A/13/2199085 at Droitwich. The appropriate buffer to the 5-year land supply is to be applied to the sum of the raw 5-year figure and any shortfall accumulated since the base date of the plan.

Yours sincerely

*Jill Kingaby* and Roy Foster

Inspectors

ENVIRONMENTAL AND DEVELOPMENT SERVICES COMMITTEE

8<sup>th</sup> January 2015

**PRESENT:-**

**Conservative Group**

Councillor Watson (Chairman) and Councillors Roberts, Mrs Brown, Ford, Mrs Hall, Mrs Patten and Stanton

**Labour Group**

Councillors Chahal, Frost, Mulgrew, Stuart, Taylor and Tilley

**In Attendance**

Councillor Atkin and Councillor Mrs Plenderleith (Conservative Group)

EDS/66 **APOLOGIES**

They were no apologies for absence received for the Meeting. The Chairman invited Angela Edwards, Senior Legal Officer to introduce the new Democratic Services Officer Tove Cecilia Lindgren.

EDS/67 **DECLARATIONS OF INTEREST**

The Committee was informed that no Declarations of Interest had been received from its members relating to any of the items on today's agenda.

EDS/68 **QUESTIONS FROM MEMBERS OF THE PUBLIC UNDER COUNCIL PROCEDURE RULE NO 10**

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

EDS/69 **QUESTIONS FROM MEMBERS OF THE COUNCIL UNDER COUNCIL PROCEDURE RULE NO 11**

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

EDS/70 **REPORTS OF THE OVERVIEW & SCRUTINY COMMITTEE**

The Committee was informed that there were no Overview & Scrutiny Committee reports for it to consider.

**MATTERS DELEGATED TO COMMITTEE****EDS/71 SERVICE BASE BUDGETS 2015 / 16**

The Director of Finance and Corporate Services presented a report which informed Members of the Committee's about the proposed base budget for 2015/16 in comparison to the current year, 2014/15. This included an overview of the Committee's main spending areas. It was proposed that the estimated income and expenditure was included in the consolidated budget of the Council for 2015/16 subject to the Council's overall medium-term financial position. The report also set out proposals for the level of fees and charges under the responsibility of this Committee for the next financial year, including a summary of the Committee's existing capital investment programme.

The Committee is also responsible for services where substantial amounts of income are generated for the Council, which contributes to the cost of services. These include Licensing, Trade Waste Collections, together with Building Regulation Applications, Land Charges and Local Planning Applications. Consequently, these income streams can have a big impact on the Council's overall financial position and are considered to be a risk in the Council's Medium-Term Financial Plan (MTFP), which was reviewed and updated in October 2014. This showed that the General Fund has built up a good level of reserves, mainly due to budget underspends. Much of this had been due to one-off factors such as staffing vacancies and additional income, some base budgets prudently increased, the Net increase was £125k.

Two particular outgoings were highlighted, Waste & Street Cleansing to the cost of £60k, mainly due to a continuous need for cover staff of these crucial services, and Vehicle Repairs at £40k, due to the age of some vehicles requiring substantial repair. Other financial risks associated with the Committee's services were Planning Income, Staffing Levels in Planning, and Costs of the Local Plan, Agency Income, Recycling and Growth of the District. There were areas which have made savings i.e. Local Plans had fallen to £29k, and Highway Maintenance reduced to £30k by delivering this service in-house.

A detailed review of fees and charges had been undertaken and some costs had been increased to reflect inflation and demand for these services, as it is principal that we continue to cover costs. An appendix was provided which showed a schedule of the proposed levels of fees and charges that would operate from 1st April 2015, together with a comparison to the existing charge. Key points relating to fees and charges were highlighted within the report and included details on Collection of Trade Waste, Land and Property Charges, Charges under the Licensing and Gambling Acts of 2003 and 2005, Animal Licensing, Private Hire Licensing, Other Licenses, Pest Control Charges, Planning Services and, Fees for Building Regulations.

**RESOLVED:**

***(1) The Committee welcomed and approved the proposed revenue income and expenditure for 2015/16 for the Committee's Services, as detailed in Appendix 1, and referred it to the Finance and Management Committee for approval.***

***(2) The Committee approved the proposed fees and charges, as detailed in Appendix 3, for 2015/16.***

EDS/72 **EXEMPT QUESTIONS FROM MEMBERS OF THE COUNCIL UNDER COUNCIL PROCEDURE RULE NO 11**

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

The meeting terminated at 18:25pm

COUNCILLOR P. WATSON

CHAIRMAN

HOUSING AND COMMUNITY SERVICES COMMITTEE

13<sup>th</sup> January 2015

**PRESENT:-**

**Conservative Group**

Councillors Hewlett (Chairman), Smith (Vice Chairman) and Councillors Ford, Harrison, Murray

**Labour Group**

Councillors Frost, Mulgrew, Rhind, Richards and Shepherd

**In attendance**

Councillor Atkin (Conservative Group)

HCS/51 **APOLOGIES**

Apologies for absence were received from Councillor Dunn, Councillor Mrs. Hood, was substituted by Councillor Mrs Hall and Councillor Lemmon, substituted by Councillor Mrs. Watson.

HCS/52 **DECLARATIONS OF INTEREST**

The Committee was informed that no Declarations of Interest had been received.

HCS/53 **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.

HCS/54 **QUESTIONS FROM MEMBERS OF COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO 11**

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

HCS/55 **REPORTS OF THE OVERVIEW AND SCRUTINY COMMITTEE**

There were no Overview and Scrutiny Reports to be submitted.

HCS/56 **SERVICE BASE BUDGETS 2015 - 2016**

The Director of Finance and Corporate Services presented a report which informed Members of the Committee's about the proposed base budget for

2015/16 in comparison to the current year, 2014/15, As part of the annual financial planning cycle, the report details the Committee's proposed base budget for 2015/16, with a comparison to the current year, 2014/15. This includes an overview of the Committee's main spending areas.

It is proposed that the estimated income and expenditure is included in the consolidated budget of the Council for 2015/16 subject to the Council's overall medium-term financial position. This will be considered by the Finance and Management Committee during the coming month. The report also sets out proposals for the level of fees and charges under the responsibility of this Committee for the next financial year. A summary of the Committee's existing capital investment programme is also included. The Committee is responsible for some large spending areas, in particular on leisure, recreational facilities, community development and private sector housing. A large part of the Committee's annual spending on community development, crime prevention, together with sport, health and homelessness prevention, is delivered in partnership with other agencies. Expenditure is financed in part from their contributions which can in turn be reliant on specific central government funding. This funding is not necessarily available from year to year. The Council maintains specific reserves which hold funding awarded in previous years and is drawn down to meet projects and costs on a yearly basis. Some of this funding is not always replaced each year and expenditure is adjusted accordingly.

In recent budget rounds some Council posts have been mainstreamed into the Base Budget. This has confirmed on-going resources in supporting local community partnerships, environmental education, together with costs associated with maintaining Swadlincote Woodlands. Although the Council still has access to longer term funding, this is finite unless replaced. Consequently, some services could again come under pressure in future years and this will be kept under review. Furthermore, expenditure of approximately £80,000 per year on parks and maintenance of open spaces is supplemented by drawing down commuted sums received as part of residential developments. Although current funds will support expenditure for several more years, this funding is also finite and will eventually end if not replaced. This will also need to be kept under review.

The Council's Medium Term Financial Plan (MTFP) was reviewed and updated in October 2014. This showed that the General Fund has built up a good level of reserves, mainly due to budget underspends. Much of this has been due to one-off factors such as staffing vacancies and additional income. Whilst in recent years, this has been a familiar pattern, it cannot be guaranteed in future years. Current spending is still projected to be greater than income as costs are expected to increase and overall core funding reduces. Consequently, there is an underlying budget deficit and this is still a key factor for financial planning. The



Finance and Management Committee will consider the detail of the overall financial position on 15<sup>th</sup> January 2015, including proposals from this Committee. Therefore, it is important that this Committee scrutinises its spending base closely to identify potential budget savings and carefully examines any areas where there are any proposals to increase spending.

**RESOLVED:-**

- (1) That the proposed revenue income and expenditure for 2015/16 for the Committee's Services, as detailed in Appendix 1, be considered and referred to the Finance and Management Committee to be approved.***
- (2) The proposed fees and charges, as detailed in Appendix 3, for 2014/15 was considered and approved.***
- (3) That the grants to voluntary bodies be increased by 2.3% in 2015/16.***

HCS/57 **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 would be 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.***

**Exempt Items**

HCS/58 **ANY EXEMPT QUESTIONS RECEIVED BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO 11**

The Committee was informed that no exempt questions from elected members had been received.

The meeting terminated at 6:25p.m.

COUNCILLOR J. HEWLETT

CHAIRMAN

FINANCE AND MANAGEMENT COMMITTEE

15th January 2015

**PRESENT:-**

**Conservative Group**

Councillor Mrs Watson (Chairman), Councillor Jones (Vice-Chairman) and Councillors Hewlett, Murray, Smith, Watson and Wheeler

**Labour Group**

Councillors Bell, Rhind, Richards, Southerd, Taylor, Wilkins,

**In Attendance**

Councillors Atkin, Harrison and Mrs. Plenderleith (Conservative Group).

FM/89 **APOLOGIES**

No Apologies for absence were received

FM/90 **DECLARATIONS OF INTEREST**

The Committee was informed that no Declarations of Interest had been received.

FM/91 **QUESTIONS FROM MEMBERS OF THE PUBLIC UNDER COUNCIL PROCEDURE RULE NO 10**

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

FM/92 **QUESTIONS BY MEMBERS OF THE COUNCIL UNDER COUNCIL PROCEDURE RULE NO 11**

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

**MATTERS DELEGATED TO COMMITTEE**

FM/93 **CUSTOMER SERVICES AND PAYMENT FACILITIES**

A report was submitted which informed members that the Finance and Management Committee considered a report in October 2014, introducing cash machines into the Civic Offices to enable people to pay bills and money owing to the Council. The report also considered the need to provide a better experience for people contacting the Council and visiting the offices with queries and looking for information. Following consideration, the Committee agreed that the matter of payment facilities should be reviewed by the

Overview and Scrutiny Committee and that it should also examine Customer Services given the increasing demand for people contacting the Council.

Following site visits to Derby City Council and the reception area at South Derbyshire District Council, Members provided a feedback report to the Overview and Scrutiny Committee on 10th December 2014. The cost of implementing two payment machines is approximately £16,000, with on-going maintenance of approximately £1,000 per year. The capital cost includes set-up, support for implementation and training. Some minor works may be required in the reception area depending on the style of machine and their location. It is anticipated that total capital costs would not exceed £20,000 and this could be funded from the IT Reserve, which is set aside for investment in technology. A total redesign of the Customer Services area is estimated to cost approximately £60,000 due to the scale of the building works required.

If approved, an implementation date of 1st April 2015 is recommended to allow sufficient communications to be made, transition and training, etc. Location and sign posting would need to be planned carefully given the limited space in the customer services area. Communication and support for people to start using the machines would also need to be provided.

**RESOLVED:**

***The Committee approved the implementation of two payment machines at the Civic Offices to process all cash income payments.***

FM/94 **SERVICE BASE BUDGETS 2015/16**

A report was submitted which informed Members of the proposed base budget for 2015/16, with a comparison to the current year 2014/15. It provided an overview of the Committee's main spending areas. It was proposed that the estimated income and expenditure be included in the consolidated budget for the Council for 2015/2016, subject to the Council's Overall Medium Term Financial Position (MTFP) which was updated and reviewed in October 2014. The report also set out proposals for the level of fees and charges under the responsibility of this Committee for the next financial year. A summary of the Committee's existing Capital Investment Programme was also included.

An overview was provided which explained the Committee's responsibility for some large spending areas, the functions delivered and those in partnership with Northgate Public Services. The Council's overall financial position was then reported and a summary of expenditure given in a table within the report. The net expenditure is estimated to increase overall between 2014/15 and 2015/16 by £134,173. The main changes were the increase in costs due to the provision made for the District Council Election in May 2015, together with a reduction in Housing Benefit Administration Grant.

Appended to the report were a summary of the Committee's budgets at cost centre level and an analysis of the changes between 2014/15 and 2015/16 for each cost centre. The detail of the report included sections on zero based

budgeting, inflation and the general basis of the 2015/16 base budget. Also reported were concurrent functions with contributions to parish councils and the position of the capital investment programme.

The main financial risk identified for the Committee is the payment and recovery of Housing Benefit. The total amount administered and paid in respect of Rent Allowances and Rent Rebates is approximately £18.5m per year. Of this, 98.5% will be recharged to the DWP. Given the amounts involved, this is sensitive to small variations; if reimbursement is not maximised, every ½ % reduction equates to almost £100,000.

The Director of Finance & Corporate Services issued an additional paper under this agenda item which reported on the progress of the Service and Financial Planning Working Group to assess proposals for new capital investment. Subsequently, bids were submitted by Council officers and assessed against the approved evaluation framework. The Group met on 12th January 2015 to score the bids against the corresponding scoring criteria, twelve separate bids were submitted. A sum of £300,000 in the General Fund Reserve has been earmarked for new investment.

**RESOLVED:-**

- (1) That the proposed revenue income and expenditure for 2015/16, as detailed in Appendix 1, be considered and included in the consolidated proposals for the General Fund.***
- (2) The proposed fees and charges, as detailed in Appendix 3, for 2015/16 was considered and approved.***
- (3) That the contributions to Parish Councils in 2015/16 be increased by 2.3% under Concurrent Functions.***

FM/95 **BUDGET REPORT 2015/16 INCORPORATING THE CONSOLIDATED BUDGET PROPOSALS AND MEDIUM TERM FINANCIAL PLAN TO 2020**

A report was submitted giving details of the Council's overall financial position following a detailed review of current income and expenditure on the General Fund. Effectively, it builds on the financial plan and strategy approved in October 2014 and is the detailed budget report for 2015/16. The report covers the following:

- Confirmation of the Council's financial settlement from central government for 2015/16.
- The Council's current spending and proposed base budget position for 2015/16 including proposed spending by policy committees.
- The proposed Council Tax Base for 2015/16 and Collection Fund position, 2014/15.
- Options for Council Tax levels in 2015/16.

- The overall impact on the General Fund's 5-year financial projection.

The updated medium term financial projection was considered and approved by the Committee on 16th October 2014. This set out the projected level of net revenue expenditure on the General Fund, together with the level of the General Reserve to 2020, the overall projected position at that time, was summarised in a tabled set within the report.

The balance on the General Reserve remains healthy and after allowing for the deficit in the 3 years after 2016/17, the projected level is £2.8m, well above the minimum contingency level of £1m. However, the largest changes are due to additional income from growth and in particular the Council Tax base, which consequently has a beneficial impact on the New Homes Bonus allocation. The surplus on the Collection Fund during 2013/14 and to-date in 2014/15 has been confirmed and built into the on-going Base Budget.

Following the base budget review, net expenditure on services is now projected to decrease by approximately £200,000 in 2015/16 compared to 2014/15. Cumulatively, this adds resources into the MTFP of approximately £1.1m over 5-years, and follows the review of base budgets by Policy Committees. The main change relates to additional income in Planning, Environmental Services and Leisure. The MTFP continues to assume a year on year increase in Council Tax of 2% from 2015/16. However, the Government have once again offered incentives for councils to freeze their Council Tax for 2015/16 and the effects of this have been shown in the updated MTFP projections. As in previous years, the scheme will reimburse councils "lost" revenue to the equivalent of a 1% increase in Council Tax.

**RESOLVED:**

- (1) That the estimates of revenue income and expenditure for 2015/16 for the General Fund be considered and a level of income and expenditure be approved.***
- (2) That grants to voluntary bodies and payments to Parish Councils under concurrent functions be increased by 2.3% in 2015/16.***
- (3) That the Council Tax Base for 2015/16 of 30,608 (equivalent Band D) properties, as detailed in Appendix 5, be approved.***
- (4) That a Surplus of £500,000 be declared on the Collection Fund for 2014/15 and the Council's proportion of £57,000 be transferred to the General Fund in 2015/16.***
- (5) That consideration be given to the principle of a Council Tax freeze for 2015/16 in accordance with the offer of specific grant from the Government.***
- (6) That the updated 5-year financial projection on the General Fund to 2020, as detailed in Appendix 1, including associated assumptions and risks as set out in the report, be approved.***

***(7) That the decisions made in recommendations 1.1 to 1.6 be used as the basis for consultation with local residents, businesses, voluntary and community groups, etc. and be subject to review by the Overview and Scrutiny Committee.***

FM/96 **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.***

FM/97 **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.

The meeting Terminated at 6.35pm

COUNCILLOR MRS. A. WATSON

CHAIRMAN

OVERVIEW AND SCRUTINY COMMITTEE

21<sup>st</sup> January 2015

**PRESENT:-**

**Conservative Group**

Councillor Mrs. Plenderleith (Chairman), Councillor Atkin (Vice-Chairman), and Councillor Mrs Patten.

**Labour Group**

Councillor Bambrick and Mrs Heath.

OS/30 **APOLOGIES**

Apologies for absence were received from Councillor Mrs. Hood (Conservative Group), Councillor Mrs Mead and Councillor Pearson (Labour Group).

OS/31 **DECLARATIONS OF INTEREST**

The Committee were informed that no declarations of interest from Members of the Council had been received.

OS/32 **QUESTIONS RECEIVED BY MEMBERS OF THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE NO. 10**

The Committee were informed that no questions from members of the Public had been received.

OS/33 **QUESTIONS RECEIVED BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO. 11**

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

OS/34 **CUSTOMER SERVICES AND PAYMENT FACILITIES**

This report was discussed in detail at the last Committee Meeting; the item was therefore noted accordingly.

OS/35 **SERVICE BASE BUDGETS 2015 / 2016**

The Committee received a copy of the budget report for 2015/16, which had recently been considered by the Finance and Management Committee. This was accompanied by a presentation from the Director of Finance & Corporate Services, who initially took Members through the recommendations approved at the earlier Policy Committee. The presentation focused on summarising the

Council's proposed Base Budget for 2015/16, with a comparison to the current year, 2014/15. This included an overview of the Committee's main spending areas. It was proposed that the estimated income and expenditure be included in the consolidated budget of the Council for 2015/16, subject to the Council's overall medium-term financial position.

The report set out proposals for the level of fees and charges under the responsibility of this Committee for the next financial year, including a summary of the Committee's existing capital investment programme.

**RESOLVED:-**

***(1) That the report be noted.***

OS/36 **CONSOLIDATED BUDGET REPORT 2015/16 – CONSULTATION UPDATE**

The Committee received the consolidated Budget Report 2015/16. This was accompanied by a presentation from the Director of Finance & Corporate Services where he reported the Council's overall financial position following a detailed review of current income and expenditure on the General Fund. The presentation covered the following items:

- Confirmation of the Council's financial settlement from central government for 2015/16;
- The Council's current spending and proposed base budget position for 2015/16 including proposed spending by policy committees;
- The proposed Council Tax Base for 2015/16 and Collection Fund position for 2014/15;
- Options for Council Tax levels in 2015/16; and
- The overall impact on the General Fund's 5-year financial projection.

The Committee was informed that the updated medium term financial projection had been considered and approved by the Finance & Management Committee on 16<sup>th</sup> October 2014, This set out the projected level of net revenue expenditure on the General Fund, together with the level of the General Reserve to 2020. As part of the annual budget round, the Council's base budget had been reviewed in detail. This confirmed some additional cost pressures, although, it was noted, there had also been further budget savings and additional income identified, The General Fund had a budget surplus for 2015/16 and 2016/17 based on current projections. A deficit would then be forecast from 2017/18 as expected reductions in core government funding would take effect. The proposed decrease in Council Tax income was based on a Council Tax freeze for 2015/16 (subject to Council approval). Planned reductions in spending from 2014/15 had been confirmed, together with other reductions in spending as part of the annual base budget review. The largest changes were due to additional income from growth and in particular the Council Tax base, which consequently had a beneficial impact on the New



Homes Bonus allocation. The surplus on the Collection Fund during 2013/14 and to-date in 2014/15 had been confirmed and built into the on-going Base Budget.

It was explained that the overall financial position had been steadily improving over the last 2 years due to budget savings, together with positive out-turn positions compared to base budgets. Reserves should be further supplemented by the estimated underspend in 2014/15 (as reported in December 2014) although this had not been included in the MTFP at this stage and will need to be confirmed.. The Budget will continue to make on-going provision for some growth in expenditure and annual inflation and, separate reserves will be maintained to meet specific one-off costs.

The members discussed the report in detail and asked questions on the projection of figures, fees and changes to the Base Budget.

**RESOLVED:-**

- (1) That the report be noted.**
- (2) That the Committee raised no substantive issues.**

OS/37 **REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) – INSPECTION, POLICY & GUIDANCE DOCUMENT AND QUARTERLY REPORT**

The Committee received a report regarding the Council's Inspection by the Office of Surveillance Commissioners to approve the Council's Regulation of Investigatory Powers Act 2000 Policy and Guidance document, as set out in Appendix A. The Committee were asked to note the report on the Council's use of the Regulation of Investigatory Powers Act 2000 since 1st August 2014.

**RESOLVED:-**

- (1) That the Council's Regulation of Investigatory Powers Act 2000 ('RIPA') Policy and Guidance document, in light of recommendations following the Inspection by Assistant Surveillance Commissioner HH Norman Jones QC of the Office of Surveillance Commissioners, be approved,**
- (2) To note the internal report on the Council's use of the Regulation of Investigatory Powers Act 2000 in the last quarter**

OS/38 **REVIEW OF LEISURE PROVISION - (VERBAL REPORT)**

The Director of Community and Planning Services delivered a verbal presentation on Leisure Services Provision in the District. His presentation focused on the following issues:-

- Current Facility Provision;
- Sport England Planning Facility Model;
- Leisure Centre User Statistics;

- Leisure Centre Programming;
- Access to Sport and health Across the District; and
- Non User Surveys.

The Committee were informed that these were commercially driven programmes with local objectives built on historical, strategy and needs surveys led by information gathered from Market Knowledge, Girls and Women Participation, Young People, Family Participation and Capacity.

It was reported that the District had a good level of Outreach Provision with items such as, 'Get Active In The Forest', 'Village Games', 'Playschemes', 'Sport and Health' and 'Active Nation'. However, it was recognised that the Council would make efforts to try and involve elderly people more in the future. A Survey will be conducted with both elderly and young people that will drive the new 2015 Leisure Provision Programme.

OSC/39 **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 was 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.***

OSC/40 **EXEMPT QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE No 11.**

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

MRS. A. PLENDERLEITH

CHAIRMAN

The Meeting terminated at 6.55 p.m.

ENVIRONMENTAL AND DEVELOPMENT SERVICES COMMITTEE

29<sup>th</sup> January 2015

**PRESENT:-**

**Conservative Group**

Councillor Watson (Chairman) and Councillors Roberts, Mrs Brown, Ford, Mrs Patten and Stanton

**Labour Group**

Councillors Chahal, Frost, Mulgrew, Stuart, Taylor and Tilley

EDS/73 **APOLOGIES**

Apologies for absence from the Meeting were received from Councillor Mrs. Hall, whom was substituted by Councillor Atkin.

EDS/74 **DECLARATIONS OF INTEREST**

The Committee was informed that no Declarations of Interest had been received from its Members relating to any of the items on today's agenda.

EDS/75 **QUESTIONS FROM MEMBERS OF THE PUBLIC UNDER COUNCIL PROCEDURE RULE NO 10**

The Committee was informed that no questions from Elected Members had been received.

EDS/76 **QUESTIONS BY MEMBERS OF THE COUNCIL UNDER COUNCIL PROCEDURE RULE NO 11**

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

EDS/77 **REPORTS OF THE OVERVIEW & SCRUTINY COMMITTEE**

The Committee was informed that there were no Overview & Scrutiny Committee reports for it to consider.

**MATTERS DELEGATED TO COMMITTEE**

EDS/78 **LOCAL PLAN - PART 1**

A report was submitted which informed Members on the Local Plan Part 1 following the examination of the document in November 2014 – December

2014. The Local Plan Part 1 was submitted to the Secretary of State for examination on 8th August 2014. Initial questions from the Inspector, Ms Kingaby were received on 22nd September to which the Council responded on 7th October. The examination in public ran from 25th November to 5th December for 6 days. The main areas for discussion were around all elements of housing, employment, viability, education and transport. There was much discussion around all of the sites proposed to be allocated for development and those sites that were not selected. As part of the examination a joint hearing session was held with Amber Valley and Derby City regarding the assessed housing need for the Derby Housing Market Area (DHMA) and the distribution of Derby City's unmet need

As agreed through the examination South Derbyshire's Local Plan will now consider the period 2011 – 2028 and a housing target of 12,341 dwellings which will meet the District's objectively assessed need of 9,605 dwellings and provide 2,736 dwellings for helping Derby meets its housing needs. During the examination the Inspector asked for the five year supply to be updated according to the discussion during the examination but also to recalculate it using two methodologies. Based on the first methodology the Council can demonstrate a five year supply but using the second methodology it cannot. One of the most prominent assessments of a Local Plan is the ability to demonstrate a five year supply upon adoption, which the Inspector has declared South Derbyshire cannot do currently. A further re-assessment of the supply is therefore required.

**RESOLVED:**

- (1) That Members note the content of the report.**
- (2) That the Committee agreed the continuation of the Local Plan Part 1 and the additional work as required, in agreement with the Chair of this Committee and the Director of Community and Planning Services.**

EDS/79 **MELBOURNE NEIGHBOURHOOD DEVELOPMENT PLAN**

A report was submitted to draw Members attention to the requirements placed upon the Council within the Town and Country Planning Act 1990 (as amended) re supporting the Neighbourhood Planning process and specifically the need to designate the Melbourne Neighbourhood Areas to enable this process. Under the Town and Country Planning Act 1990 (as amended) the Council has a statutory duty to assist communities in the development of Neighbourhood Development Plans. Within this it was necessary for the Council as Local Planning Authority to consider the designation of Neighbourhood Areas. In order for a community to proceed with the production of a Neighbourhood Development Plan the specific neighbourhood needs to be identified and designated. The application to South Derbyshire District Council to designate a Neighbourhood Area from Melbourne Parish Council under Regulation 5 has been publicised on the

Council's website and via public notice within the parish of Melbourne for the appropriate 6 week period as identified by regulation 6.

No representation had been received by the deadline on 16<sup>th</sup> January 2015.. There were no planning. The appropriate regulations had been followed and there is no reason to not designate a Neighbourhood Area.

**RESOLVED:**

***That the Committee formally designate the Melbourne Neighbourhood Area in accordance with the application from Melbourne Parish Council.***

EDS/80 **NEW GOVERNMENT POLICY: SECTION 106 CONTRIBUTIONS**

A report was submitted to inform Members of the change in Government policy in respect of Section 106 contributions for small scale developments effective from 28 November 2014 which would necessitate a change in policy previously set by the Committee. The National Planning Policy Guidance changed to exclude developments of 10 dwellings or less and which have a maximum combined gross floor space of no more than 1000sqm from making tariff style contributions under Section 106 of the Town and Country Planning Act 1990. This has a direct impact on the Council's adopted policy which currently seeks contributions at 5 dwellings or more. The Council's threshold for affordable housing contributions as set out in Policy H20 in the emerging Local Plan is developments of 15 or more dwellings and therefore it was not affected by this change to government policy. The main impact on Council planning policy is therefore the continued implementation of adopted policy set out in the document 'Section 106 Agreements – a Guide for Developers' which seeks contributions to recreational open space, education, healthcare, national forest planting and River Mease contributions from all new residential development over 4 dwellings. As a result, it is proposed that with immediate effect any outstanding planning applications for a development of ten dwellings or fewer and which have a maximum combined gross floor -space of no more than 1000sqm, (which would tend to exclude sites of larger detached houses which may still be caught) there will no longer be a requirement to enter into a S106 agreement.

**RESOLVED:**

***That the Council's 'Policy' be amended to reflect the latest government guidance.***

EDS/81 **ADOPTION OF BYELAWS FOR ACUPUNCTURE, TATTOOING, SEMI-PERMANENT SKIN-COLOURING, COSMETIC PIERCING AND ELECTROLYSIS**

A report was submitted to advise Members of the outcome of a consultation in relation to the new Byelaws for Acupuncture, Tattooing, Semi-Permanent Skin-Colouring, Cosmetic Piercing and Electrolysis. Also to provide Members with the necessary information to be able to give full consideration to the recommendation contained in this report.

In December 1982, the Council resolved to adopt sections 14-17 of the Local Government (Miscellaneous Provisions) Act 1982 (“the 1982 Act”) which required everyone offering acupuncture, tattooing, ear piercing and electrolysis to register with the Council. Following the resolution, Byelaws regulating these activities were prepared and sealed on 13th December 1984 and confirmed by the Secretary of State for Social Services on 13th June 1985. The Byelaws came into operation on 1st August 1985. In 2003, the Government introduced the Local Government Act 2003 which amended the current provisions of the 1982 Act to include cosmetic piercing and semi-permanent skin-colouring. These proposals will provide a clear framework for anyone wishing to start their own business which will contribute directly to the corporate vision to make South Derbyshire a better place to live, work, and visit, and to the theme of sustainable growth and opportunity.

**RESOLVED:-**

***That the existing Byelaws for Tattooing adopted in 1985 be revoked and the new Byelaws for Acupuncture, Tattooing, Semi-Permanent Skin-Colouring, Cosmetic Piercing and Electrolysis be adopted.***

EDS/82 **WORK PROGRAMME**

The Committee was asked to consider the updated work programme.

**RESOLVED:-**

***That the Committee considered and approved the updated work programme.***

EDS/83 **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 would be 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.***

EDS/84 **EXEMPT QUESTIONS FROM MEMBERS OF THE COUNCIL UNDER  
COUNCIL PROCEDURE RULE NO 11**

The Committee were informed that no exempt questions from elected members had been received

The meeting terminated at 6:50pm

COUNCILLOR P. WATSON

CHAIRMAN