

Date: 16 August 2023

Dear Councillor,

**Finance and Management Committee**

A Meeting of the **Finance and Management Committee** will be held at **Council Chamber**, Civic Offices, Civic Way, Swadlincote, DE11 0AH on **Thursday, 24 August 2023 at 18:00**. You are requested to attend.

Yours faithfully,



Chief Executive

To:- **Labour Group**  
Councillor R Pearson (Chair), Councillor L Singh (Vice-Chair)  
Councillors S Harrison, M Mulgrew, G Rhind, B Stuart, S Taylor and N Tilley.

**Conservative Group**  
Councillors D Corbin, M Fitzpatrick, M Ford and S Meghani

**Liberal Democrats**  
Councillor G Andrew

## AGENDA

### Open to Public and Press

- 1 Apologies and to note any Substitutes appointed for the Meeting.
- 2 To receive the Open Minutes of the Audit Sub-Committee Meetings held on:  
21 June 2023 **4 - 8**
- 3 To note any declarations of interest arising from any items on the Agenda
- 4 To receive any questions by members of the public pursuant to Council Procedure Rule No.10.
- 5 To receive any questions by Members of the Council pursuant to Council procedure Rule No. 11.
- 6 Reports of Overview and Scrutiny Committee.
- 7 CORPORATE PLAN 2020-24 PERFORMANCE REPORT (2023-2024 QUARTER 1 - 1 APRIL TO 30 JUNE) **9 - 60**
- 8 Q1 BUDGET MONITORING 2023-24 **61 - 87**
- 9 TREASURY MANAGEMENT UPDATE 2023-24 **88 - 110**
- 10 COMMENTS, COMPLIMENTS, COMPLAINTS AND FREEDOM OF INFORMATION REQUESTS 01 OCTOBER 2022 TO 31 MARCH 2023 **111 - 116**
- 11 ELECTIONS - PUBLIC ENGAGEMENT STRATEGY UPDATE **117 - 131**
- 12 SHARED PROSPERITY FUND **132 - 139**
- 13 COMMITTEE WORK PROGRAMME **140 - 145**

### **Exclusion of the Public and Press:**

**14** The Chairman may therefore move:-

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

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

**16** WRITE OFF- COUNCIL TAX, BUSINESS RATES, BENEFIT OVERPAYMENT

**17** ACTIVE COMMUNITIES AND HEALTH STAFFING 2023

**18** PARK ROAD ACQUISITIONS

AUDIT SUB-COMMITTEE

21 June 2023

**PRESENT:**

**Non-Grouped**

Councillor A Wheelton (Chair)

**Labour Group**

Councillors A Jones, D Shepherd and A Tilley.

**Conservative Group**

Councillor N Atkin

**In Attendance**

Councillor R Pearson

AS/01 **APOLOGIES**

The Sub-Committee was informed that no apologies had been received.

AS/02 **TO RECEIVE THE OPEN MINUTES**

The Open Minutes for Sub-Committee Meetings held on, 16 March 2022, 22 June 2022, 07 September 2022, 07 December 2022 and 08 March 2023 were taken as read, approved, and signed by the Chair.

It was noted that the representatives from Central Midlands Audit Partnership be referred to as Audit Manager and Group Auditor and that future minutes reflected the presenter's title accordingly.

AS/03 **DECLARATIONS OF INTEREST**

The Sub-Committee was informed that no declarations of interest had been received.

AS/04 **TO RECEIVE ANY QUESTIONS FROM MEMBERS OF THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE NO.10**

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

AS/05 **TO RECEIVE ANY QUESTIONS FROM MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO.11**

The Sub-Committee was informed that no questions from Members of the Council had been received. [Page 4 of 145](#)

**MATTERS DELEGATED**

AS/06 **INTERNAL AUDIT ANNUAL REPORT 2022/23**

The report was presented to the Sub-Committee by the Audit Manager highlighting the statement of internal audit standards. The report concluded with a satisfactory status for the authority and there were no issues identified in a summary of 77 items.

Members raised questions regarding the Careline assurance rating. The Audit Manager confirmed that this had been an advisory consultancy piece of work requested by the Head of Service and used for Housing strategies. There was no internal audit on this piece of work and therefore no assurance rating or recommendations.

**RESOLVED:**

***1.1 The Sub-Committee considered and noted the Annual Internal Audit Opinion for 2022/23 as per Appendix 1 to the report.***

AS/07 **INTERNAL AUDIT PROGRESS REPORT 2022/23**

The report was presented to the Sub-Committee by the Group Auditor highlighting the dashboard and progress chart within the report and the numbers of completed items and ratings. It was noted that some additional responses had been received from Officers since the publication of the report and the Group Auditor provided a summary of key audits and recommendations in the report.

The Chair thanked the Group Auditor for the report and noted that outstanding recommendations from the last meeting would be submitted to the Finance and Management Committee and the Strategic Director (Corporate Resources) confirmed that Heads of Service would be invited to attend the next meeting to report their updates.

Councillor Atkin sought clarification regarding the status of the Electoral Services audit and the sign off for the Returning Officer fees. The Group Auditor confirmed that the status related to visibility of evidence that a recommendation had been implemented and did not necessarily indicate that the item had not been completed. The Monitoring Officer informed the Committee that the Returning Officer fee would be set by statute or by internal calculation based on fees from other local authorities. Fees would be authorised by the Elections Manager and the Chief Executive.

Councillor A. Tilley requested clarity on the communication of further Member training sessions. The Chair noted that attendance at training courses should

be encouraged through the Group Leaders and the Monitoring Officer confirmed that the updated Member Code of Conduct had been adopted at the meeting of Annual Council on 18 May 2023. The Strategic Director (Corporate Resources) confirmed that a monthly newsletter would provide notification of all training sessions with dates. The Chair noted that attendance registers should be made available to Group Leaders to track Member training.

Councillor A. Tilley raised a query regarding the risks reported in the Grounds Maintenance audit.

The Chair informed Members that as the Head of Service for the area was not present a request for further information would be submitted through the Strategic Director (Corporate Resources). Members agreed that follow-up information should be provided by the Head of Operational Services.

The Group Auditor confirmed that the risk rating for the Grounds Maintenance audit was due to the weakness of the current paper based system.

Councillor A. Tilley requested further information about the Rosliston Lease. The Group Auditor responded that the consultancy period had started for a new lease for a period of 30 years. The Chair clarified that the consultation results would be presented to the appropriate Committee.

**RESOLVED:**

- 1.1 The Sub-Committee considered the report of the Audit Manager, as per Appendix 1 to the report and issues identified were to be subject to a follow-up report as appropriate.***
- 1.2 The Committee approved a request for follow-up information on all outstanding risks for Grounds Maintenance from the Head of Operational Services.***

AS/08 **LOCAL CODE OF CORPORATE GOVERNANCE REVIEW**

The Monitoring Officer presented the report to the Sub-Committee confirming that there were no changes to the Corporate Governance Review report.

**RESOLVED:**

- 1.1 The Sub-Committee approved the updated Local Code of Corporate Governance as detailed in Appendix 1 to the report.***
- 1.2 The Sub-Committee approved progress regarding on-going work to maintain sound governance as detailed in the report.***

AS/09 **DRAFT ANNUAL GOVERNANCE STATEMENT 2022-23**

The Monitoring Officer presented the draft document which had been updated following last year's Annual Governance Statement. The Sub-Committee was asked to approve the current year's draft document and to note that last year's document had been published.

**RESOLVED:**

***The Sub-Committee approved for Audit the Draft Annual Governance Statement for 2022/23 , as per Appendix 1 of the report.***

AS/10 **COMMITTEE WORK PROGRAMME**

The Strategic Director (Corporate Resources) presented the work programme and informed the Sub-Committee that it would be updated to include the completion of accounts and the number of audit days.

The Strategic Director (Corporate Resources) confirmed that the audit would take place in August with sign-off expected in December/January for 2021-2022. It was clarified that the accounts for 2022-2023 had not been published due to outstanding information from third parties and that the publication date was expected to be mid-July and a notice had been issued to that effect.

Members raised a query regarding the public inspection of the accounts. The Strategic Director (Corporate Resources) confirmed that the accounts would be available for inspection at the Civic Offices for a period of 28 days after publication.

**RESOLVED:**

***The Sub-Committee considered and approved the updated work programme.***

AS/11 **LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)**

**RESOLVED:**

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

AS/12 **EXEMPT QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO.11**

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

The Meeting terminated at 17:10 hours

COUNCILLOR A WHEELTON

CHAIR



<b>REPORT TO:</b>	<b>FINANCE AND MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM: 7</b>
<b>DATE OF MEETING:</b>	<b>24 AUGUST 2023</b>	<b>CATEGORY: DELEGATED</b>
<b>REPORT FROM:</b>	<b>LEADERSHIP TEAM</b>	<b>OPEN DOC:</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>DR JUSTIN IVES (EXT. 5700)</b> <b>TRACY BINGHAM (EXT. 5811)</b>	
<b>SUBJECT:</b>	<b>CORPORATE PLAN 2020-24: PERFORMANCE REPORT (2023-2024 QUARTER ONE 1 APRIL TO 30 JUNE)</b>	
<b>WARD (S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: G</b>

## 1.0 Recommendations

- 1.1 That the Committee approves progress against performance targets set out in the Corporate Plan 2020 - 2024.
- 1.2 That the Risk Register for the Committee's services are reviewed.

## 2.0 Purpose of the Report

- 2.1 To report progress against the Corporate Plan under the priorities of Our Environment, Our People and Our Future.

## 3.0 Executive summary

- 3.1 The Corporate Plan 2020 – 2024 was approved following extensive consultation into South Derbyshire's needs, categorising them under three key priorities: Our Environment, Our People and Our Future. The Corporate Plan is central to the Council's work – it sets out its values and vision for South Derbyshire and defines its priorities for delivering high-quality services.
- 3.2 This Committee is responsible for overseeing the delivery of the key priorities and the following key aims:

### **Our People**

- *Supporting and safeguarding the most vulnerable*
- *Deliver excellent services*



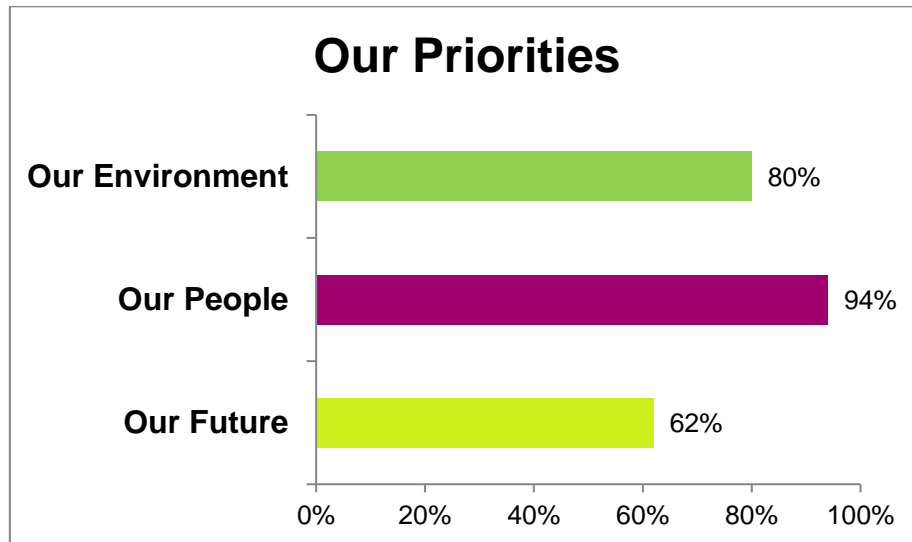
## Our Future

- *Transforming the Council*

### 4.0 Performance Detail

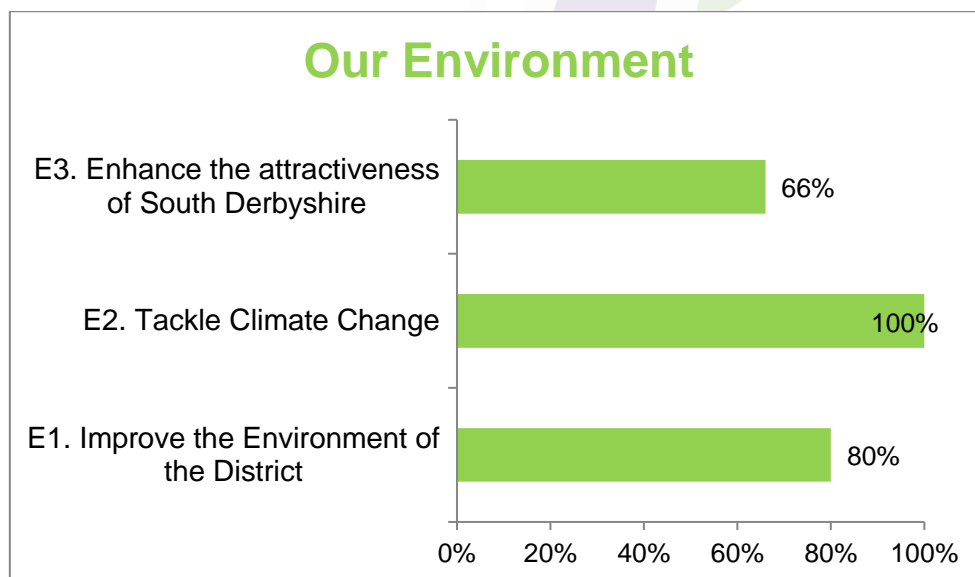
#### 4.1 Overall Council performance against the priorities– Quarter one 2023-2024.

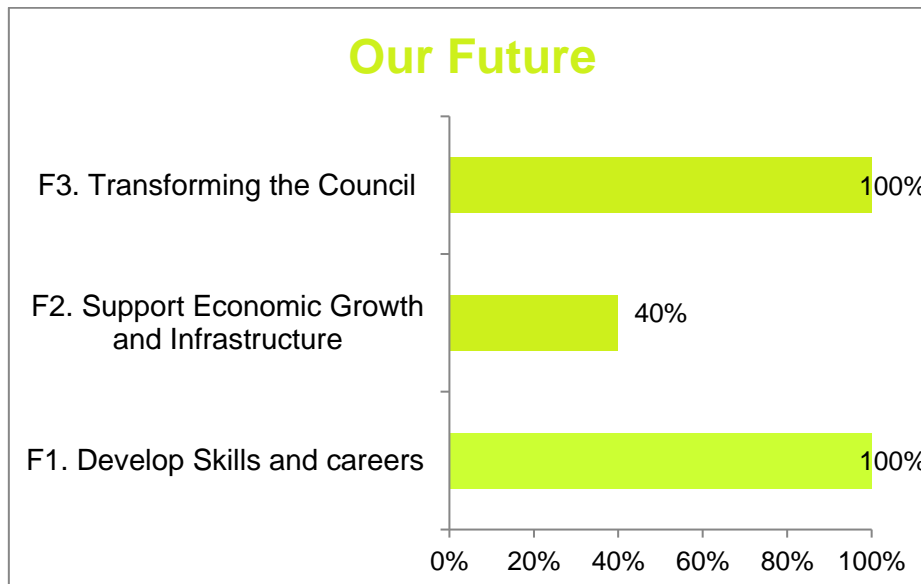
The below chart provides an overview for the percentage of measures that are on track to achieve the annual target.



#### 4.2 Overall Council performance against key aims – Quarter one, 2023-2024.

The below charts provide an overview for the percentage of measures that are on track to achieve the annual target within each key aim of the Corporate Plan.





4.3 Of the 35 measures which support the progress of the Corporate Plan 20-24, 24 are green, two are amber, six are red and three are grey.

Overall, 83% of the key aims within the Corporate Plan are on track. As at quarter one, 80% of indicators are on track for Our Environment, 94% are on track for Our People and 62% are on track for Our Future.

4.4 This Committee is responsible for overseeing the delivery of eleven Corporate measures.

Below outlines the 11 (100%) measures for this Committee that are on track (green, amber or grey) for the quarter:

- Develop and deliver the Public Buildings programme over four years.
- Increase the number of customers who interact digitally as a first choice.



- Reduce face-to-face contact to allow more time to support those customers who need additional support.
- Number of customer telephone calls answered by Customer Service.
- Increase digital engagement (Twitter, Instagram, Facebook.)
- Increase the level of staff engagement.
- Average number of staff days lost due to sickness.
- Deliver against the Transformation Action Plan.
- Develop our approach towards the commercialisation of services.
- Number of apprenticeships.
- The Council has a positive health and safety culture.

4.5 There are no measures for this Committee that are not on track (red) for the quarter.

For more detailed information please refer to **Appendix B**, Performance Measure Report Index.

4.6 An overview of performance can be found in the Performance Dashboard in **Appendix A**. A detailed update of the quarterly outturn of each performance measure including actions to sustain or improve performance is included in the detailed Performance Measure Report Index in **Appendix B**.

4.7 Questions regarding performance are welcomed from the Committee in relation to the Corporate performance measures that fall under its responsibility and are referenced in the detailed Performance Measure Report Index in **Appendix B**

## 5.0 **Financial and Implications**

None directly.

## 6.0 **Corporate Implications**

### 6.1 **Employment Implications**

None directly.

### 6.2 **Legal Implications**

None directly.

### 6.3 **Corporate Plan Implications**

This report updates the Committee on the progress against the key measures agreed in the Corporate Plan and demonstrates how the Council's key aims under the priorities, Our Environment, Our People and Our Future contribute to that aspiration.



## 6.4 Risk Impact

The Risk Register for the Committee's services is detailed in **Appendix C** Chief Executive Risk Register and **Appendix D** Corporate Risk Register. This includes the register, risk mitigation plans and any further actions for the relevant departmental risks. Each risk has been identified and assessed against the Corporate Plan aims which are considered to be the most significant risks to the Council in achieving its main objectives. The Risk Register details a risk matrix to summarise how each identified risk has been rated.

The following risks have been updated for quarter one in the Corporate Risk Register:

- CR1 - Universal Credit (UC). Mitigating action for recruitment has been updated to confirm the Customer Services Advisor post has been recruited and a new mitigating action has been added in relation to the DWP UC migration notices.
- CR16 – Business Continuity. The mitigating actions have been updated to confirm the Elected Member Plan and Continuity Plan is available.
- CR17 – Capacity and Resilience. The further actions have been updated to confirm the People Strategy is under development.
- CR22 – Climate Emergency. The bid to Midlands Net Zero Hub for £2.1 million funding has been confirmed as successful.
- CR26 – Supply Chain. (Operational Services update) Two vacant posts remaining which have been advertised during quarters one and two. The continuation of additional payments for HGV drivers and mechanics will be reviewed in quarter three. (Housing Services update) The mitigating actions have been updated to advise materials price increases have stabilised although not reduced. Overall costs are still increasing as skilled labour costs are increasing due to overall scarcity, further renegotiation of prices has been requested by NOVUS. A new mitigating action has been added to advise the re-procurement of the repairs and maintenance service has begun and efforts continue to secure additional contractor capacity.
- CR27 – The likelihood and impact of the risk has been reviewed and increased from 6 (amber) to 12 (red). The further actions have been updated to advise that the Council will establish an appropriate working relationship with the Council's audit partner to progress the audits of the Councils financial statements.

There have been no changes to the Chief Executive Risk Register in quarter one.

## 7.0 Community Impact

### 7.1 Consultation

None required.

### 7.2 Equality and Diversity Impact

Not applicable in the context of the report.



### **7.3 Social Value Impact**

Not applicable in the context of the report.

### **7.4 Environmental Sustainability**

Not applicable in the context of the report.

### **8.0 Appendices**

Appendix A – Performance Dashboard 2020-2024

Appendix B – Performance Measure Report

Appendix C – Chief Executive Risk Register

Appendix D – Corporate Risk Register



Priority	Key Aim	Outcome	Ref	How success will be measured	2019-2020 (baseline) Outturn	Q4 2020-2021: Apr - Mar	Q4 2021-2022: Apr - Mar	Q4 2022-2023: Apr - Mar	Q1 2023-2024: Apr - Mar	Plan Target 2020-2024	Head of Service	Strategic Lead	Committee		
Our Environment	Keeping a clean, green District for future generations	E1. Improve the environment of the District	E1.1 Reduce waste and increase composting and recycling	E1.1A	Household waste collected per head of population	Cumulative (Apr-Mar) 404 kgs Q4 (Dec-Mar) 90kgs	460kgs	416kgs	395kgs	118kgs	Sustain during Y1 and Y2. See a downward trend in Yrs. 3 and 4	Gary Charlton, Head of Operational Services	Heidi McDougall, Strategic Director, Service Delivery	E&DS	
			E1.1B	% of collected waste recycled and composted	Cumulative (Apr-Mar) 45% Q4 (Jan-Mar)39%	47%	46%	43%	50%	Sustain during Y1 and Y2. See an upward trend in Y3 and Y4	Gary Charlton, Head of Operational Services	Heidi McDougall, Strategic Director, Service Delivery	E&DS		
			E1.2 Reduce fly tipping and litter through education, engagement and zero tolerance enforcement action where appropriate	E1.2A	Number of fly tipping incidents	714 (total figure for 2019/20)	1003	604	590	119	Downward trend over four years	Matt Holford, Head of Environmental Services	Heidi McDougall, Strategic Director, Service Delivery	E&DS	
			E1.2B	Improve the quality of the District through the Local Environmental Quality Survey	The first survey was completed in January 2020 the result was 89.67% above grade C+. Committee report being prepared. Some service PIs developed to assist overall performance.	Report in Q1 21/22	93.79% of streets meet grade B or higher	96.65% Grade B or above	96.65% Grade B or above	>95% (Grade B or above)	Gary Charlton, Head of Operational Services	Heidi McDougall, Strategic Director, Service Delivery	E&DS		
		E1.3 Enhance biodiversity across the District	E1.3A	% of eligible new homes and commercial developments to achieve net gain in Biodiversity by a minimum of 10% compared to the sites pre development baseline.	Not possible to provide as outputs not held in software until April 2020. Monitoring underway and baseline data to be provided Q1 and Q2.	66.7%	66.7%	0	0	85%	Steffan Saunders, Head of Planning and Strategic Housing	Heidi McDougall, Strategic Director, Service Delivery	E&DS		
		E2. Tackle climate change	E2.1 Strive to make South Derbyshire District Council carbon neutral by 2030	E2.1A	Reduce South Derbyshire District Council carbon emissions	No update required for Q4. First update to be provided Q1 2020-21.	Achieved	Achieved	Achieved	Achieved	Reduce CO2 emissions through the achievement of actions in the South Derbyshire Climate and Environment Action Plan 2020-24 (C&EAP)	Matt Holford, Head of Environmental Services	Heidi McDougall, Strategic Director, Service Delivery	E&DS	
			E2.2 Work with residents, businesses and partners to reduce their carbon footprint	E2.2A	% of new homes to meet water efficiency targets as set out in the Part G optional standard of 110 litres of potable water usage per person per day	Baseline figure of 50% based on 18 qualifying decisions in Q4.	100%	75.6%	86%	89.5%	85%	Steffan Saunders, Head of Planning and Strategic Housing	Heidi McDougall, Strategic Director, Service Delivery	E&DS	
		E3. Enhance the attractiveness of South Derbyshire	E3.1 Enhance the appeal of Swadlincote town centre as a place to visit	E3.1A	Increase Swadlincote Town Centre visitor satisfaction	49% of respondents would recommend Swadlincote Town Centre - May 2019. No update required for Q4. First update to be provided Q2 2020-21	55%	60%	66%	66%	National small towns average 72%. Target to be above the National average by 2023/24	Mike Roylance, Head of Economic Development and Growth	Dr Justin Ives, Chief Executive	E&DS	
			E3.2 Improve public spaces to create an environment for people to enjoy	E3.2A	The number of Green Flag Awards for South Derbyshire parks	2	Achieved	3	3	3	Increase from two green flag park awards to four by 2024	Sean McBurney, Head of Cultural and Community Services	Heidi McDougall, Strategic Director, Service Delivery	H&CS	
			E3.2B	Proportion of good quality housing development schemes	92%	Out turn unavailable	Out turn unavailable	Out turn unavailable	Out turn unavailable	90% of schemes which score high	Steffan Saunders, Head of Planning and Strategic Housing	Heidi McDougall, Strategic Director, Service Delivery	E&DS		
		Future needs of the District	P1. Engage with our communities	P1.1 Support and celebrate volunteering, community groups and the voluntary sector	P1.1A	Number of new and existing Community Groups supported	36	153 groups	160 groups	216	65	Year 1 -2(Proxy)- collate baseline data. Year 3-4 we will show an increase on the average over two years (>157)	Sean McBurney, Head of Cultural and Community Services	Heidi McDougall, Strategic Director, Service Delivery	H&CS
				P1.2 Help tackle anti-social behaviour & crime through strong and proportionate action	P1.2A	Number of ASB interventions by type	2,893 ASB reports	Minimal	Moderate	Moderate	Moderate	Performance to be rated as 'High' or 'Moderate'	Matt Holford, Head of Environmental Services	Heidi McDougall, Strategic Director, Service Delivery	H&CS
			P2. Supporting and safeguarding the most vulnerable	P2.1 With partners encourage independent living and keep residents healthy and happy in their homes.	P2.1A	Number of households prevented from Homelessness	103 cases	265 cases	261 cases	182 cases	47 cases	Proxy Measure to show service activity	Paul Whittingham, Head of Housing	Heidi McDougall, Strategic Director, Service Delivery	H&CS
					P2.1B	Continue to undertake interventions per year to keep families out of fuel poverty	Numbers of interventions in 2019/20 were not recorded	276	210	198	45	>160 interventions during 2023-2024 640 interventions over the four-year Plan	Matt Holford, Head of Environmental Services	Heidi McDougall, Strategic Director, Service Delivery	E&DS
P2.2 Promote health and wellbeing across the District	P2.2A			Deliver the objectives identified in the South Derbyshire Health & Wellbeing Group	Not applicable for Q4	Ongoing delivery of plan	Delivery of Health and Wellbeing Action Plan over 2021-22	Delivery of Health and Wellbeing Action Plan over 2022-23	Action plan for 2023/24 in development to be adopted.	100% of actions identified delivered	Sean McBurney, Head of Cultural and Community Services	Heidi McDougall, Strategic Director, Service Delivery	H&CS		
P2.3 Improve the condition of housing stock and public buildings.	P2.3A			Deliver the Planned Maintenance Housing programme over four years	£2,717,193.80	114.10% (£2,377,625)	89.1% (£2,116,365.65)	89.29% - £1,721,162.36 against total budget for 2022-2023.	22.67% £415,879.94	100% spend against the planned maintenance budget	Paul Whittingham, Head of Housing	Heidi McDougall, Strategic Director, Service Delivery	H&CS		
	P2.3B			Develop and deliver the Public Buildings programme over four years	Project Plan for 2020-21 developed	29 surveys	44 surveys	38 surveys	7 surveys	100% of surveys undertaken	Steve Baker, Head of Corporate Property	Tracy Bingham, Strategic Director, Corporate Resources	F&M		
	P2.3C			Average time taken to re-let Council homes	Q4 157 days YTD 122 days	200 days	156 days	169 days	199.91 days	Median Quartile Performance (Benchmark via Housemark)	Paul Whittingham, Head of Housing	Heidi McDougall, Strategic Director, Service Delivery	H&CS		
P2.4 Support social mobility to ensure people have the opportunity to access skilled jobs, higher and further education.	P2.4A	Deliver the objectives identified in the Supporting Aspirations Plan	Ranked >311 in the Social Mobility Commission's Social Mobility Index	Research and data analysis	Supporting Aspirations Action Plan adopted.	Achieved	Reported annually in Q4	Deliver the objectives identified in the Supporting Aspirations Plan	Mike Roylance, Head of Economic Development and Growth	Dr Justin Ives, Chief Executive	E&DS				

P3. Deliver Excellent Services	P3.1 Ensuring consistency in the way the Council deal with service users	P3.1A	Increase the number of customers who interact digitally as a first choice	1,219 Covid-19 business grants forms, 1,282 council tax & benefits forms and 12,343 online web form submissions. 14,844 in total (annual figure).	Total: 22,242	Total: 24,405	Total: 25,856	Total: 5,864	2023-2024 - Upward Trend on 2019/20 baseline data	Catherine Grimley, Head of Customer Services	Tracy Bingham, Strategic Director, Corporate Resources	F&M	
	P3.2 Have in place methods of communication that enables customers to provide and receive information.	P3.2A	Reduce face-to-face contact to allow more time to support those customers who need additional support	2,463 enquiries dealt with at Customer Services Desk. Visitors to office 4,490. Please note this was up to 20 March 2020, when offices closed due to Covid 19. Quarter 4 figures.	0	744 self serve and 115 face to face	8,253	2,092	Downward trend <8253	Catherine Grimley, Head of Customer Services	Tracy Bingham, Strategic Director, Corporate Resources	F&M	
	P3.3 Ensuring technology enables us to effectively connect with our communities.	P3.3A	Number of customer telephone calls answered by Customer Service	Total Calls 26,280 (21,350 calls handled & 4,930 automated call payments). Quarter 4 figures.	Total: 98,099	Total: 99,165	85,197	21,142	Downward Trend <85,197	Catherine Grimley, Head of Customer Services	Tracy Bingham, Strategic Director, Corporate Resources	F&M	
		P3.3B	Increase digital engagement (Twitter, Instagram, Facebook)	Total FACEBOOK fans: 22,440, total TWITTER followers: 11,448, No Instagram account yet, total ALL SOCIAL MEDIA fans: 33,888. Social Media queries: 287	43,850	49,181	52,682	55,781	Upward Trend	Fiona Pittam, Head of Organisational Development & Performance	Tracy Bingham, Strategic Director, Corporate Resources	F&M	
	P3.4 Investing in our workforce	P3.4A	Increase the level of staff engagement	No Q4 Update. First Staff survey to take place in 20/21.	Survey postponed until 21-22	Target not achieved		167 staff attended staff briefing sessions	Collate baseline data – proxy measure	Fiona Pittam, Head of Organisational Development & Performance	Tracy Bingham, Strategic Director, Corporate Resources	F&M	
		P3.4B	Number of apprenticeships	4 (1.2% of head count)	5 (1.5% of head count)	6 (1.84% of head count)	9 (2.47% of workforce)	8 (2.1% of head count)	>2.3% of head count	Fiona Pittam, Head of Organisational Development & Performance	Tracy Bingham, Strategic Director, Corporate Resources	F&M	
		P3.4C	Average number of staff days lost due to sickness	3.58	12.93	10.28	9.64	2.11	Downward Trend	Fiona Pittam, Head of Organisational Development & Performance	Tracy Bingham, Strategic Director, Corporate Resources	F&M	
		P3.4D	The Council has a positive health and safety culture	No Q4 update for 19/20. First Staff survey to take place in 20/21.	Postponed until early 22/23	Postponed until early 22-23	81%	72%	Annual upward trend in Health and Safety mandatory training delivered (%) and up to date health and safety policy	Fiona Pittam, Head of Organisational Development & Performance	Tracy Bingham, Strategic Director, Corporate Resources	F&M	
	F1. Develop skills and careers	F1.1 Attract and retain skilled jobs in the District	F1.1A	Increase the number of employee jobs in South Derbyshire	32,000	32,000 Impacted by Covid-19	31,000 Impacted by Covid-19	34,000	34,000 Reported annually in Q4	Upward Trend	Mike Roylance, Head of Economic Development and Growth	Dr Justin Ives, Chief Executive	E&DS
		F1.2 Support unemployed residents back into work	F1.2A										
F2. Support economic growth and infrastructure		F2.1 Encourage and support business development and new investment in the District	F2.1A	Annual net growth in new commercial floorspace (sqm)	2,885 sqm	4,140 sqm	1,665 sqm	28,174 sqm net growth	28,174 sqm net growth Reported annually in Q4	Net annual growth in commercial floorspace over the four year plan - 49,078 sqm net growth	Mike Roylance, Head of Economic Development and Growth	Dr Justin Ives, Chief Executive	E&DS
		F2.2 Enable the delivery of housing across all tenures to meet Local Plan targets	F2.2A	Speed of decision on discharging conditions on housing applications	80%	100%	60.9%	78%	80%	90% within 8-13 weeks or as agreed with the applicant	Steffan Saunders, Head of Planning and Strategic Housing	Heidi McDougall, Strategic Director, Service Delivery	E&DS
			F2.2B	% of planning applications determined within the statutory period	93%	98%	90.50%	83%	70.50%	>90%	Steffan Saunders, Head of Planning and Strategic Housing	Heidi McDougall, Strategic Director, Service Delivery	E&DS
F2.3 Influence the improvement of infrastructure to meet the demands of growth.		F2.3A	Secure new facilities and contributions through Section106 to mitigate impacts of development. Achieve all necessary highway, education, healthcare, and recreation contributions	No Q4 update for 19/20. New indicator, data will be collected from April 2020 onwards as retrospective data is not possible to collect.	94%	100%	90%	Reported annually in Q4	90%	Steffan Saunders, Head of Planning and Strategic Housing	Heidi McDougall, Strategic Director, Service Delivery	E&DS	
F3. Transforming the Council		F3.1 Provide modern ways of working that support the Council to deliver services to meet changing needs.	F3.1A	Deliver against the Transformation Action Plan	No Q4 update for 19/20. Transformation plan to report from Q1 onwards	On target	85%	On target	On target	Deliver 100% against action plan	Anthony Baxter, Head of Business Change and ICT	Tracy Bingham, Strategic Director, Corporate Resources	F&M
		F3.2 Source appropriate commercial investment opportunities for the Council	F3.2A	Develop our approach towards the commercialisation of services which include grants, sponsorship, fees and charges and operating models and increase the income generated from these activities	Preliminary discussion between Operational Services and Finance have taken place, working group and action plan not yet established					An Operational Services Commercialisation Plan will be produced which will set out the aims and objectives of the commercialisation of the service for the next three years.	Gary Charlton, Head of Operational Services	Heidi McDougall, Strategic Director, Service Delivery	F&M



# Corporate Plan 2020-2024

## Performance Measure Report

### Finance and Management Committee

**Team: Organisational Development and Performance**

**Date: August 2023**

Quarter 1, 2023-2024

# Performance Measure Report Index

## Corporate Plan 2020-2024

### Summary

The Corporate Plan 2020-2024 has 35 Corporate Measures which underpin the Council's three priorities Our Environment, Our People, Our Future.

The following Committees are responsible for overseeing the delivery of the following key aims and outcomes:

**Environmental and Development Services Committee (E&DS) are responsible for 17 Corporate measures under the key aims:**

- E1. Improve the environment of the District
- E2. Tackle climate change
- E3 Enhance the attractiveness of South Derbyshire
- P2. Supporting and safeguarding the most vulnerable
- F1. Develop skills and careers
- F2. Support economic growth and infrastructure

**Housing and Community Services Committee (H&CS) are responsible for seven Corporate measures under the key aims:**

- E3. Enhance the attractiveness of South Derbyshire
- P1. Engage with our communities
- P2. Supporting and safeguarding the most vulnerable

**Finance and Management Committee (F&M) are responsible for 11 corporate measures under the key aims:**

- P2. Supporting and safeguarding the most vulnerable
- P3. Deliver Excellent Services
- F3. Transforming the Council

# Finance and Management Committee (F&M) are responsible for the following 11 corporate measures

## Our People

### Measure

- Develop and deliver the Public Buildings programme over four years
- Increase the number of customers who interact digitally as a first choice
- Reduce face-to-face contact to allow more time to support those customers who need additional support
- Number of customer telephone calls answered by Customer Services
- Increase digital engagement (Twitter, Instagram, Facebook)
- Increase the level of staff engagement
- Number of apprenticeships
- Average number of staff days lost due sickness
- The Council has a positive health and safety culture

## Our Future

### Measure

- Deliver against the Transformation Action Plan
- Develop an approach towards the commercialisation of services which include grants, sponsorship, fees and charges and operating models and increase the income generated from these activities.

**Priority: Our Future**

**F3.1 Provide modern ways of working that support the Council to deliver services to meet changing needs.**

<b>Measure and Reference</b>	<b>F3.1A Deliver against the Transformation Action Plan</b>	<b>Committee</b>	F&M		
<b>Definition</b>	In order to deliver services to meet the needs of the organisation, the Council needs a robust plan to identify areas of improvement, evaluate and benchmark a target operating model and map a route to achieving our ambitions	<b>Why this is Important</b>	The Transformation Plan provides a focal point for major change in the organisation, evaluating conflicting priorities, allocating resources, escalating problem and above all else, manage core programmes of work by documenting progress.		
<b>What Good Looks Like</b>	Each year the Head of Business Change, ICT & Digital will present a workplan for adoption, outlining projects, milestones and resources needed to achieve the objectives set by the Corporate Plan.				
<b>History of this Indicator</b>	The Council is committed to improving outcomes and outputs for its stakeholders as is evident in the Corporate Plan.				
<b>2019/20 Baseline Data</b>	Not applicable				
<b>Reporting Year</b>	<b>Annual Target</b>	<b>Quarter 1</b>	<b>Quarter 2</b>	<b>Quarter 3</b>	<b>Quarter 4</b>
2020/21	Deliver 100% against action plan	On target	On target	On target	On target
2021/22	Deliver 100% against action plan	On target	Quarterly target not achieved	Continue to deliver the annual transformation plan including the emerging Future Service Delivery programme	85%
2022/23	Deliver 100%	On target	On track	On track	Complete

	against action plan				
2023/24	Deliver 100% against action plan	On target			

Performance Overview - Quarterly Update	Actions to sustain or improve performance
<p>This quarter has seen the continuation of projects identified last year into new stages of delivery. Existing programmes have committed a running total of five major projects, these are broken down into sub projects and stages. There are also two new projects being supported which are contributing towards improvement in service areas of Legal and Democratic (to improve efficiency in file management and administration time) and Environmental Health (to build a business case and specification ready to procure a fit for purpose platform in 2024-25).</p> <p>The Digital team also have an internal project to support where required on the completion of the new Council Plan. The annual work programme remains in draft form following organisation / personnel changes in the first quarter of the year.</p>	n/a

Priority: Our Future

F3.2 Source appropriate commercial investment opportunities for the Council

<b>Measure and Reference</b>	<b>F3.2A Develop our approach towards the commercialisation of services which include grants, sponsorship, fees and charges and operating models and increase the income generated from these activities</b>	<b>Committee</b>	F&M		
<b>Definition</b>	Using Council assets wisely, trading services with others across the public and private sectors and selling commodities to generate income.	<b>Why this is Important</b>	As funding shrinks exploring new ways to maximise our income is essential, in order to protect valuable frontline services and ensure positive outcomes for our local communities.		
<b>What Good Looks Like</b>	Year 1 to form a working group and define the action plan Year 2 to 4 deliver 100% against the action plan and sustain an upward trend in income generation				
<b>History of this Indicator</b>	New indicator				
<b>2019/20 Baseline Data</b>	Baseline data to be collated during 20-21				
<b>Reporting Year</b>	<b>Annual Target</b>	<b>Quarter 1</b>	<b>Quarter 2</b>	<b>Quarter 3</b>	<b>Quarter 4</b>
2020/21	Year 1 to form a working group and define the action plan	On target	On target	On target	On target
2021/22	deliver 100% against the action plan and sustain an upward trend in income generation	Quarterly outcome not achieved	Quarterly outcome not achieved	No change from last quarter	No change from last quarter
2022/23	A corporate action plan collating Council department strands of commercialisation is to be drafted by the end of Quarter four.	No change from last quarter	No change from last quarter		

2023/24	An Operational Services Commercialisation Plan will be produced which will set out the aims and objectives of the commercialisation of the service for the next three years.		
<b>Performance Overview - Quarterly Update</b>		<b>Actions to sustain or improve performance</b>	
<p>The Leadership Team will be drafting a corporate approach to commercialisation as part of the review of the Council Plan 2024-2028.</p> <p>An Operational Services Commercialisation Plan will be submitted to EDS and F&amp;M Committees in September 2023. The plan is currently being drafted and will set out the aims and objectives of the commercialisation of the service for the next three years (2023/24 to 2025/26) including target markets, necessary staff resources, and the projected potential income to be generated over the lifetime of the Plan. The restructure necessary to implement the Plan has started with staff being appointed in December and January.</p>		<p>The Operational Services draft action plan will cover areas of potential commercialisation.</p>	

**Priority: Our People**

**P2.3 Improve the condition of housing stock and public buildings.**

<b>Measure and Reference</b>	<b>P2.3B Develop and deliver the Public Buildings programme over four years</b>	<b>Committee</b>	F&M		
<b>Definition</b>	The purpose of the Performance Indicator is to measure progress in the completion of condition surveys and a Planned Maintenance Programme over the term of the Corporate Plan.	<b>Why this is Important</b>	Completion of Public Buildings condition surveys and a planned maintenance programme will ensure the Council's buildings are fit for purpose, with repairs undertaken in a proactive, efficient and prioritised manner.		
<b>What Good Looks Like</b>	The portfolio contains 149 Public Building Assets. 100 % of the portfolio will be surveyed over the life of the Corporate Plan				
<b>History of this Indicator</b>	No historical monitoring of this indicator				
<b>2019/20 Baseline Data</b>	Not applicable				
<b>Reporting Year</b>	<b>Annual Target</b>	<b>Quarter 1</b>	<b>Quarter 2</b>	<b>Quarter 3</b>	<b>Quarter 4</b>
2020/21	25% of assets to be surveyed and the planned maintenance programme for phase one to be created	Software tested and calibrated	Condition surveys on the five largest assets have been completed	Carry out further surveys on 12 more of the Public Buildings portfolio.	29 surveys
2021/22	30% of surveys to be undertaken.	11 surveys	22 surveys	33 surveys	44 surveys
2022/23	25.5% (38 surveys undertaken)	10 surveys	20 surveys	20 surveys	38 surveys
2023/24	Undertake condition surveys on all assets	7 surveys			
<b>Performance Overview - Quarterly Update</b>		<b>Actions to sustain or improve performance</b>			
Some refinement of the portfolio list has been carried out due to some of the assets		The portfolio list has been refined during quarter one			



having been demolished. The Council have completed condition surveys for 118 of the 149 assets (Council's public buildings) over the first 3 years of the Corporate Plan and a further 7 surveys were undertaken during 2023-2024, quarter one. 85% of assets have had condition surveys completed to date. This measure is on track to achieve the target to undertake condition surveys on all assets by year end.

**Priority: Our People**

**P3.1 Ensuring consistency in the way the Council deal with service users**

<b>Measure and Reference</b>	<b>P3.1A Increase the number of customers who interact digitally as a first choice</b>	<b>Committee</b>	F&M		
<b>Definition</b>	Increase number of customers who interact/raise service requests with the Council using online forms, web chat, and integrated social media, versus alternative methods (phone, face-to-face etc).	<b>Why this is Important</b>	The Council has an ambition to enable online interaction, to reduce the cost-of-service transaction and increase customer satisfaction. This will provide more time to support those who need additional support by telephone or face-to-face.		
<b>What Good Looks Like</b>	Increased number of customers who choose to raise service requests digitally with the Council – whether through the Council’s Customer Relationship Management (CRM) platform, web chat, integrated social media or supporting digital systems (such as council tax, planning and housing systems).				
<b>History of this Indicator</b>	The Council has not yet adopted a centralised digital platform to enable true online interactions, however, has been adopting improved forms and new forms to boost digital interactions until a new CRM is in place.				
<b>2019/20 Baseline Data</b>	During 2019/20 there were 1,282 council tax and digital forms submitted, 13,912 general website forms via the website and 287 social media enquiries. Total 15,481.				
<b>Reporting Year</b>	<b>Annual Target</b>	<b>Quarter 1</b>	<b>Quarter 2</b>	<b>Quarter 3</b>	<b>Quarter 4</b>
2020/21	Upward trend	Total: 5,693	Total: 11,393	Total: 17,322	Total: 23,461
2021/22	Upward trend	Total: 5,301	Total: 10,491	Total: 15,379	Total 24,405
2022/23	Upward trend	Total: 6,021	Total: 16,334	Total 21,245	Total:25,856
2023/24	Upward trend on 2019/20 baseline data>15,481.	Total: 5,864			
<b>Performance Overview - Quarterly Update</b>			<b>Actions to sustain or improve performance</b>		
The introduction of online waste forms continues to have a positive impact on the			We intend to further promote online waste forms on our website in the coming		

<p>number of digital interactions. More customers are now reporting Waste and Cleansing issues online themselves than over the telephone with Customer Services.</p> <p>Performance in 2023/24 is predicted to be lower than in the previous three financial years due to the number of Covid-19 or Energy Rebate specific online applications that were administered between April 2020 through to October 2022. During these dates, approximately 19,000 Covid 19 or one-off energy rebate specific applications were received.</p> <p>It is proposed that 2023/2024 performance therefore is measured against the 2019/2020 baseline data as this is the last year where the figures are a true reflection of contact made where it has not been enhanced by one-off applications by customers due to Covid grant applications or the Energy Rebate Scheme.</p>	<p>months, so they are more visible and accessible for customers. The 'My South Derbyshire' project will implement an online forms, workflow, and case management solution allowing a more streamlined customer experience where progress of requests can be tracked and managed. The current timeframe is to implement My South Derbyshire in February 2024.</p> <p>The solution will assist in managing customer contact, expectations and requests when dealing with the Council, whilst providing modern ways of working and releasing efficiency and financial commitments.</p> <p>A further group of web forms will also be developed for the highest volume contact areas so they can be included in the My South Derbyshire account homepage.</p>
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**Priority: Our People**

**P3.2 Have in place methods of communication that enables customers to provide and receive information.**

<b>Measure and Reference</b>	<b>P3.2A Reduce face-to-face contact to allow more time to support those customers who need additional support</b>	<b>Committee</b>	F&M		
<b>Definition</b>	Decrease the number of face-to-face interactions, by offering enhanced alternative methods of contact (phone and online) to enable the Council to provide a better service to those customers who need additional support.	<b>Why this is Important</b>	The Council has an ambition to enable online interaction and to enhance telephone support services available. This will enable the Council to better support those customers who need more personalised support face-to-face.		
<b>What Good Looks Like</b>	To see a downward trend in the number of face-to-face customers through Customer Services.				
<b>History of this Indicator</b>	The Council has already seen a decrease in numbers of face-to-face visitors since the introduction of the Council's website, which provides answers to a variety of basic queries and the payment kiosk, which supports self-service payments.				
<b>2019/20 Baseline Data</b>	31,986 face to face enquiries (2018/2019) Q4 (Jan-Mar) 6,953 (2,463 enquiries dealt with at Customer Services Desk. Visitors to office 4,490)				
<b>Reporting Year</b>	<b>Annual Target</b>	<b>Quarter 1</b>	<b>Quarter 2</b>	<b>Quarter 3</b>	<b>Quarter 4</b>
2020/21	Downward trend	No visitors due to Covid-19	No visitors due to Covid-19	No visitors due to Covid-19	0
2021/22	Downward trend (based on pre-Covid-19)	0	0	0	744 self-serve and 115 face to face
2022/23	Downward trend (based on pre-Covid-19 levels <31,986)	2470	4496	6359	8253
2023/24	Downward trend <8253	2092			

<b>Performance Overview - Quarterly Update</b>	<b>Actions to sustain or improve performance</b>
<p>Of the 2,092 visitors who attended the Civic Offices in quarter one, 1,569 of these were dealt with by Reception, a Customer Service Advisor spoke to 452 of them via the telephone booth and 71 of them required a face-to-face interaction with a Customer Service Advisor. Therefore, 84% of customers who attended the Civic Offices to speak to a Customer Service Advisor could have alternatively done so via the telephone or online instead.</p>	<p>We are continuing to review our correspondence with customers, so they are fully aware of the access channels available to them when contacting the Council. It has been noticed that a large number of visits are to provide hard copies of evidence required for claims for benefit, or for housing applications when this isn't always required.</p>

**Priority: Our People**

**P3.3 Ensuring technology enables us to effectively connect with our communities.**

<b>Measure and Reference</b>	<b>P3.3A Number of customer telephone calls answered by Customer Service</b>	<b>Committee</b>	F&M
<b>Definition</b>	The Council has an ambition to handle an increased number/variety of customer calls at first point of contact, vs transferring to back-office teams. Initially this will result in an increase of calls into the contact centre, which will reduce over time, in parallel with the introduction of increased online tools.	<b>Why this is Important</b>	The Council has an ambition to enable customers who wish to interact online with the council to do so, and better support those customers who need more personalised support by phone or face to face.
<b>What Good Looks Like</b>	Initially an increase in numbers of calls/variety of calls into the contact centre is anticipated, followed by a decrease in overall calls, following the introduction and roll out of digital tools.		
<b>History of this Indicator</b>	The Council has already seen a decrease in numbers of telephone calls following the introduction of the Council's website which provides answers to a variety of basic queries and some online forms.		
<b>2019/20 Baseline Data</b>	95,896 telephone calls received (2019/20). 76,804 calls handled & 19,092 automated call payments.		

<b>Reporting Year</b>	<b>Annual Target</b>	<b>Quarter 1</b>	<b>Quarter 2</b>	<b>Quarter 3</b>	<b>Quarter 4</b>
2020/21	Downward trend <95,896	Total: 22,387	Total: 44,701	Total: 69,812	Total: 98,099
2021/22	Downward trend <98,099	Total: 26,756	Total: 51,866	Total: 74,981	Total: 99,165
2022/23	Downward trend <99,165	Total: 22,872	Total: 45,412	Total: 66,188	Total: 85,197
2023/24	Downward trend <85,197	Total: 21,142			

<b>Performance Overview - Quarterly Update</b>	<b>Actions to sustain or improve performance</b>
Call volumes continue to decrease through the success of the implementation of the	Additional online forms will be created in the coming months enabling customers to

online self-service forms. IVR telephony improvements continue to be a huge success with a 71% reduction in abandoned calls for quarter one against the same period last year.

contact us at a day and time convenient with them, further reducing the volume of telephone calls received.

**Priority: Our People**

**P3.3 Ensuring technology enables us to effectively connect with our communities.**

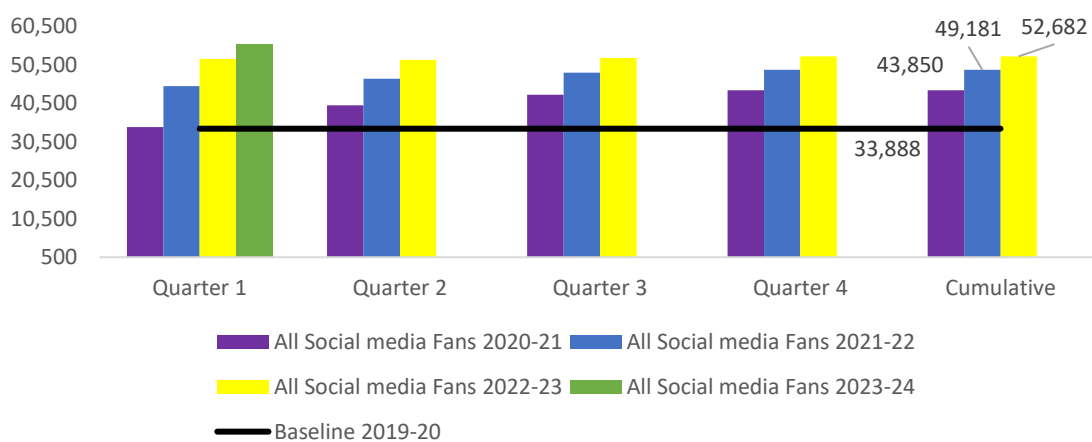
<b>Measure and Reference</b>	<b>P3.3B Increase digital engagement (Twitter, Instagram, Facebook)</b>	<b>Committee</b>	F&M		
<b>Definition</b>	To increase the volume and quality of social media interaction with residents and customers on all Council social media platforms.	<b>Why this is Important</b>	Social media captures customers who are already digitally engaged/aware and more likely to engage with the Council digitally and acts as a good springboard to digital service delivery.		
<b>What Good Looks Like</b>	Increase number of proactive social media engagement from the Council through the Communications team, result in an increased number of engaged citizens.				
<b>History of this Indicator</b>	The engagement rate, sentiment and follower/fan base on our social media accounts has significantly evolved since 2017. The creation of the central Facebook page in 2017 and a more strategic approach – more residents are now choosing this method.				
<b>2019/20 Baseline Data</b>	Number of Facebook (central and departmental) fans and Twitter (central and departmental) followers.33,888. Commentary of the nature of these queries (this is already included in the monthly social media dashboard reports)				
<b>Reporting Year</b>	<b>Annual Target</b>	<b>Quarter 1</b>	<b>Quarter 2</b>	<b>Quarter 3</b>	<b>Quarter 4</b>
2020/21	Upward trend	34,340	39,924	42,723	43,850
2021/22	Upward trend	44,989	46,853	48,409	49,181
2022/23	Upward trend	51,990	51,762	52,232	52,682
2023/24	Upward trend	55,781			
<b>Performance Overview - Quarterly Update</b>			<b>Actions to sustain or improve performance</b>		
The total number of social media followers has increased from 52,682 in quarter four (2022/23) to 55,781 in quarter one (2023/24).			Continue to monitor social media trends. Work with service areas to identify key campaigns which will provide engaging content.		



During the quarter, traffic was generated on social media through the promotion of events including the Festival of Leisure, which took place in June 2023, the council elections, which took place in May 2023 and some high-profile court cases including an animal welfare case in June 2023.

In addition, the council's corporate Facebook and Twitter accounts received a total of 85 enquires, the majority of which were signposted to Customer Services or to appropriate agencies.

**P3.3B - Increase digital engagement (Twitter, Instagram, Facebook etc) target - to see an upward trend**



**Priority: Our People**

**P3.4 Investing in our workforce**

<b>Measure and Reference</b>	<b>P3.4A Increase the level of staff engagement</b>	<b>Committee</b>	F&M		
<b>Definition</b>	This indicator is designed to measure the level of staff engagement and how satisfied staff are working for the Council. Satisfaction will be measured using the Council's annual employment survey and two pulse surveys. In addition to staff briefing sessions.	<b>Why this is Important</b>	Employee engagement is a workplace approach resulting in the right conditions for all staff to give of their best each day, committed to the Council's Corporate Plan and values. An engaged workforce supports the achievement of our key priorities.		
<b>What Good Looks Like</b>	An annual upward trend in return rates and satisfaction.  This measure to be based on the results from the Employment Survey and Pulse Surveys. In addition to, the staff briefing sessions.				
<b>History of this Indicator</b>	New indicator – No recent history available				
<b>2019/20 Baseline Data</b>	New Indicator - first survey to take place in 2020				
<b>Reporting Year</b>	<b>Annual Target</b>	<b>Quarter 1</b>	<b>Quarter 2</b>	<b>Quarter 3</b>	<b>Quarter 4</b>
2020/21	No target for year 1	Reported annually in Q4	Reported annually in Q4	Survey postponed until 21-22	Survey postponed 22-23
2021/22	Annual Increase in the % of Staff completing the survey	Survey postponed 22-23	Survey postponed 22-23	254 staff attended staff briefing sessions in September 2021	Target not achieved
2022/23	Proxy Measure - Establish Baseline Data	Corporate methodology for pulse surveys approved and submitted	246 staff attended staff briefing sessions on Flexible Working Policy in July 2022	182 people responded to staff Flexible Working consultation	N/A
2023/24	Collate baseline data	167 staff attended staff			

	- proxy measure	briefing sessions
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<b>Performance Overview - Quarterly Update</b>	<b>Actions to sustain or improve performance</b>
<p>167 employees attended 11 employee briefing sessions to meet the council's new Chief Executive, Dr Justin Ives. These sessions were held via Microsoft TEAMS and allowed engagement between the Chief Executive and staff.</p> <p>Items discussed at the sessions included: key priorities for the council in the future, employee benefits, car parking and flexible working.</p> <p>Work to hold an employee survey in the autumn has been progressed.</p>	<p>The employee survey will be launched in the autumn, following the collation of the results an action plan will be collated to inform the delivery of work streams with the Leadership Team and Heads of Service to improve employee satisfaction.</p>

**Priority: Our People**

**P3.4 Investing in our workforce**

<b>Measure and Reference</b>	<b>P3.4B Number of apprenticeships and expenditure against the apprenticeship levy</b>		<b>Committee</b>	F&M	
<b>Definition</b>	The number of apprenticeships posts or expenditure against the apprenticeship levy is defined as the number of posts established for apprentices or where existing employees can access funding from the apprenticeship levy. This will be a numerical outcome showing a positive increase trend from the previous year.		<b>Why this is Important</b>	To invest in the Council's current and future workforce through the provision of entry level posts and access to further academic qualifications that will support succession planning and build resilience across the Council.	
<b>What Good Looks Like</b>	The purpose of this PI is to see an increased trend over four years leading to full expenditure of the Apprenticeship Levy for a financial year (April – March each year).				
<b>History of this Indicator</b>	In the last financial year (April 2019 to March 2020), we spent approximately 34% of our levy funds (total input into the levy was £27,479, spend was £9,263.11).				
<b>2019/20 Baseline Data</b>	1.2% (4 apprentices)				
<b>Reporting Year</b>	<b>Annual Target</b>	<b>Quarter 1</b>	<b>Quarter 2</b>	<b>Quarter 3</b>	<b>Quarter 4</b>
2020/21	>2.3% of head count	4 (1.2% of head count)	4 (1.2% of head count)	5 (1.5% of head count)	5 (1.5% of head count)
2021/22	>2.3%	3 (0.9% of head count)	6 (1.84% of head count)	6 (1.84% of head count)	6 (1.84% of head count)
2022/23	>2.3% of head count	6 (1.84% of head count)	6 (1.82% of head count)	6 (1.82% of head count)	9 (2.47% of workforce)
2023/24	>2.3% of head count	8 (2.1% of head count)			
<b>Performance Overview - Quarterly Update</b>			<b>Actions to sustain or improve performance</b>		
The Council has seen one qualification from an apprenticeship since the last quarter which has taken the number of apprentices slightly below the target rate, but with this role plus two new roles being			Further engagement with current apprentices is anticipated, including networking and learning events. This is intended to support current apprentices, increase apprenticeship engagement and		

<p>advertised in the coming months the target is on track to be met by quarter four.</p> <p>Eight colleagues are currently on apprenticeships - this comprises of six entry-level positions specifically designed for apprentices and two higher level apprenticeships being undertaken by existing colleagues.</p> <p>Apprenticeships continue to be advertised regularly. The second quarter will see this mentioned as part of the Personal Development Review process, whereby all colleagues will be asked during their PDR meetings whether an apprenticeship may benefit their career development. Likewise, the cohort on the Leadership and Management programme will be asked at the end of their programme, in quarter two, to consider whether a leadership or coaching apprenticeship may be of benefit to their further development.</p> <p>Spending:</p> <p>Current levy funds: £79,141</p> <p>Total levy in Q1: £10,630.40 Spend Q1: £6,020.67 Expired Q1: £2,461.52</p>	<p>awareness with all colleagues, and to allow us to advertise these opportunities to improve our standing as an employer of choice when we advertise our apprenticeships and work with our partner organisations.</p> <p>As mentioned, the PDR and Leadership programmes will be used as advertising opportunities in order to further apprenticeships with existing colleagues as well as new starters. With PDRs, HR Officers are supporting apprenticeship initiatives in their meetings with Heads of Service by encouraging these as development opportunities.</p> <p>The Council continues to support work experience placements to ensure we are recognised as an employer of choice when applicants seek full-time opportunities.</p> <p>Customer Services will add two apprentices to the Council's total over the coming two quarters.</p>
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**Priority: Our People**

**P3.4 Investing in our workforce**

<b>Measure and Reference</b>	<b>P3.4C Average number of staff days lost due to sickness</b>	<b>Committee</b>	F&M		
<b>Definition</b>	The measure is designed to monitor the levels of employee absence from work due to ill-health. The target of eight days is in line with targets/performance nationally.	<b>Why this is Important</b>	Reducing the number of absences will provide an indication of the health and wellbeing of the workforce and reduce the impact on service delivery, resulting in savings arising from the payment of Occupational and Statutory Sick Pay and any secondary costs		
<b>What Good Looks Like</b>	To see a downward trend in the average number of working days lost per employee over four years and be in line with the rates for comparable sized district/borough Councils.				
<b>History of this Indicator</b>	This indicator has formed part of the corporate performance indicator set for a number of years. (2018/19 -11.38, 2017/18 -11.63)				
<b>2019/20 Baseline Data</b>	2018/19 - 11.38 days 2019/20 10.65 days				
<b>Reporting Year</b>	<b>Annual Target</b>	<b>Quarter 1</b>	<b>Quarter 2</b>	<b>Quarter 3</b>	<b>Quarter 4</b>
2020/21	Downward trend	3.68	8.01	11.6	12.93
2021/22	Downward trend	2.11	4.79	7.55	10.28
2022/23	Downward trend	2.47	4.41	7.10	9.64
2023/24	Downward trend	2.11			
<b>Performance Overview - Quarterly Update</b>		<b>Actions to sustain or improve performance</b>			
The first quarter outturn figure is lower than the previous quarter (2.11 for quarter 1 and 2.54 at quarter 4). The predicted end of year outturn figure is 2.00 days lower than the previous year at 7.64 days per employees compared to 9.64 in 2022/23. The number of employees on long term sick has remained consistent over the		With the support provided by HR, the cases of long-term absences and a review of repeated short terms absences are being managed in line with the Attendance Management Procedure (AMP).  Training is provided in stress awareness and mental health along with a range of			

<p>quarter with actions taken to enable employees to return to work as soon as possible. The number of long-term absences has exceeded the number of days lost to short term absence.</p> <p>All cases are being managed in line with the Attendance Management Procedure and each case has a dedicated HR Officer supporting the Manager. Monthly reports on levels of absences, reasons and trends are completed and provided to Leadership Team.</p>	<p>supporting materials made available for managers and employees. Training is also provided in managing absences from work for managers and supervisors.</p> <p>Events were held as part of mental health awareness week to support and provide additional information for employees and their families to promote the benefits of taking personal action to improve and sustain positive mental health levels as well as signposting different channels and resources.</p> <p>Health and wellbeing interventions will also continue to be made available to staff. This will include training, videos and materials; raising awareness of the importance of physical health and reminding all employees to seek support should they need it. Additional on-site Occupational Health clinics or referrals will also be made to provide professional, independent medical advice on any cases before decisions are taken on the employees continued employment. Work will continue on progressing new ways of flexible working that will enable services to continue to be delivered remotely where possible subject to meeting the needs of customers. The impact on levels of employee attendance is expected to be positive and this will be kept under review.</p>
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**Priority: Our People**

**P3.4 Investing in our workforce**

<b>Measure and Reference</b>	<b>P3.4D The Council has a positive health and safety culture</b>		<b>Committee</b>	F&M	
<b>Definition</b>	The purpose of this performance indicator is to see an increased trend in the delivery of health & safety training and to ensure the Council's Health & Safety Policy is robust and up to date.	<b>Why this is Important</b>	The Council has statutory duties under the Health and Safety at Work Act 1974 to ensure the health and safety of the workforce. This measure will indicate how well the statutory duties and other non-statutory activities are being implemented.		
<b>What Good Looks Like</b>	Annual upward trend in the delivery of Health and Safety mandatory training and up to date health and safety policy.				
<b>History of this Indicator</b>	New indicator – No previous history available				
<b>2019/20 Baseline Data</b>	New Indicator - No baseline data				
<b>Reporting Year</b>	<b>Annual Target</b>	<b>Quarter 1</b>	<b>Quarter 2</b>	<b>Quarter 3</b>	<b>Quarter 4</b>
2020/21	Upward trend	Reported annually in Q4	Reported annually in Q4	Reported annually in Q4	Postponed until early 22/23
2021/22	Upward trend	Postponed until early 22/23	Postponed until early 22/23	Postponed until early 22-23	Postponed until early 22-23
2022/23	Proxy - establish baseline	27 employees trained	N/a	Postponed 22-23	81%
2023/24	Annual upward trend in the delivery of Health and Safety mandatory training (>81%) and an up-to-date health and safety policy	72%			



<b>Performance Overview - Quarterly Update</b>	<b>Actions to sustain or improve performance</b>
<p>An initial review of the Health and Safety Policy has commenced with further action to be progressed during the year.</p> <p>Training for Health and Safety has continued with four courses held in quarter one with 31 delegates in Spill Kit training.</p> <p>The level of performance has dropped from the previous quarter due to a number of existing employees that have completed the training but now need to attend refresher training. Some courses scheduled during the quarter have been postponed due to the absence of the H&amp;S Officer</p> <p>In the next quarter 2 (2023/24) a number of training sessions are scheduled with attendees already booked onto the training so it is anticipated this trend (a decrease from 81% in quarter four 2022-23 to 72% in quarter one) should be reversed. Another internal resource has been identified to deliver this training.</p> <p>In addition to the mandatory Health and Safety training course, three attendance management training sessions were held for front line workers with 45 delegates; Lone Worker training with 6 delegates, refresher training for Mental Health First Aiders with 7 delegates; Environmental Awareness with 7 delegates and a mental health awareness session with 8 delegates. In addition, health and safety inductions have been provided and a review of the e-learning health and safety induction module has commenced.</p> <p>Two employees have completed their First Aid at Work accredited course.</p> <p>To support employees whilst at work, ergonomic assessments and the provision of equipment has continued during the quarter with support requested from Access to Work as appropriate. Two employees have needed more specialist equipment.</p> <p>A review of the lone working device, SoloProtect has been completed with</p>	<p>The employee survey has been postponed until early 2023/24.</p> <p>The Health and Safety Action Plan for 2023/24 has been presented to the Health and Safety Committee at its meeting held on 19 April 2023 and is then reviewed quarterly by the Health and Safety Committee.</p> <p>A review of the Health and Safety Policy has commenced and is scheduled to be completed by the end of Quarter 3, 2023/24.</p> <p>Recruitment is being progressed to fill the post of the Health and Safety Officer following the resignation of the current postholder. Interim arrangements have been put in place to continue the provision of internal health and safety training for staff and Elected Members. This includes the engagement of an external company to provide health and safety training for managers and supervisors being rolled out in Quarter 3.</p>

additional training and resources now available to staff. The use of the devices remains part of the lone working arrangements in place across all different service areas supplemented by the continued updating and sharing of a Potentially Violent Person Register.

Support has been provided for the completion of risk assessments in different service areas include the holding of external events, use of bicycles and a maternity risk assessment.

# Quarter 1, 2023-2024 Chief Executive Risk Register

REF	RISK TITLE & DESCRIPTION	RISK CAUSE	RISK IMPACT	RISK CATEGORY <i>Strategic, Resource Operational Financial Knowledge management Compliance, Partnership</i>	Current Risk Rating (See table below for guidance)			CONTROLS IN PLACE TO MITIGATE THE RISK	Risk Rating after mitigations (See table below for guidance)			FURTHER ACTION REQUIRED	SUMMARY OF CHANGE SINCE LAST QUARTER	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING			
CE1	Economic development partnerships	Failure of economic development partnerships	Leading to an adverse impact on businesses and local economy	Partnership	2	2	4	<ul style="list-style-type: none"> <li>Proactive engagement in partnerships and with individual partners.</li> <li>Commitment of officer time and resources to partnership activities.</li> </ul>	1	2	2	<ul style="list-style-type: none"> <li>Monitoring of projects and performance.</li> </ul>	No change in Q1.	Head of Economic Development and Growth
CE2	South Derbyshire Partnership working	Failure of the South Derbyshire Partnership	Leading to non-delivery of the community's vision and priorities set out in the Community Strategy	Partnership / Strategic	2	3	6	<ul style="list-style-type: none"> <li>Proactive support for partnership.</li> <li>Commitment of officer time and resources to partnership facilitation.</li> <li>Engagement of partners in policy making and project design and delivery.</li> </ul>	1	3	3	<ul style="list-style-type: none"> <li>Monitoring of projects and performance by Strategic Co-ordinating Group.</li> </ul>	No change in Q1.	Head of Economic Development and Growth
CE4	Effectively manage the election process and canvassing.	Failure of joined up Council approach	Leading to a failed election process	Strategic	2	2	4	<ul style="list-style-type: none"> <li>Elections Project Team in place and meets as necessary with representatives from all services involved.</li> <li>Arrangements in place for an Election to be called at short notice.</li> <li>Arrangements in place for Referenda/By-Elections to be called.</li> </ul>	1	2	2	<ul style="list-style-type: none"> <li>Monitoring of service delivery under review consistently</li> </ul>	No change in Q1.	Head of Legal and Democratic Services

## Risk Matrix Template

The table below outlines how the impact and likelihood of the risk is scored using the threshold and description as guidance.

Impact	Very High (4)	4	8	12	16	<div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: red; margin-right: 5px;"></div> 12-16  <div style="width: 15px; height: 15px; background-color: orange; margin-right: 5px;"></div> 6-9  <div style="width: 15px; height: 15px; background-color: green; margin-right: 5px;"></div> 1-4                 </div>	<b>Significant Risk</b>  <b>Medium Risk</b>  <b>Low Risk</b>
	High (3)	3	6	9	12		
	Medium (2)	2	4	6	8		
	Low (1)	1	2	3	4		
		Remote (1)	Possible (2)	Probable (3)	Highly Probable (4)		
		Likelihood					

Impact	Thresholds and Description
1 – Low	Limited impact on service objectives if any, section objectives unlikely to be met, financial loss less than £10,000, no media attention
2 – Medium	Slight delay in achievement of service objectives, minor injuries, financial loss over £50,000, adverse local media attention, breaches of local procedures
3 – High	Significant threat to Council objectives. Non-statutory duties not achieved, permanent injury, financial loss over £100,000, negative national media attention, litigation expected, serious issues raised through inspection, breakdown of confidence of partners.
4 – Very high	Objectives cannot be delivered. Statutory duties not achieved, death, financial loss over £500,000, adverse national media attention, litigation almost certain, prosecutions, breaches of law, inspection highlights inadequate service, Council unable to work with partner organisation
Likelihood	Thresholds and Description
1 – Remote	May occur only in exceptional circumstances (e.g. once in 10 years)
2 – Possible	Unlikely to occur but could at some time (e.g. once in three years)
3 – Probable (in two years)	Fairly likely to occur at some time or under certain circumstances (e.g. once in two years)
4 – Highly probable (in 12 months)	Will probably occur at some time or in most circumstances (e.g. once in 12 months)

## Corporate Risk Matrix

The below table summarises the risk likelihood and impact for risks after controls have been put in place to mitigate the risk.

Impact	Very High (4)				
	High (3)	CE2			
	Medium (2)	CE1, CE4			
	Low (1)				
		Remote (1)	Possible (2)	Probable (3)	Highly Probable (4)
		Likelihood			

CE1	Economic development partnerships	Failure of economic development partnerships
CE2	South Derbyshire Partnership working	Failure of the South Derbyshire Partnership

CE4	Effectively manage the election process and canvassing.	Failure of joined up Council approach
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# Quarter 1, 2023-2024 Corporate Risk Register

REF	RISK TITLE & DESCRIPTION	RISK CAUSE	RISK IMPACT	RISK CATEGORY  Strategic Resource Operational Financial Knowledge management Compliance, Partnership	Current Risk Rating (See table below for guidance)			CONTROLS IN PLACE TO MITIGATE THE RISK	Risk Rating after mitigations (See table below for guidance)			FURTHER ACTION REQUIRED	SUMMARY OF CHANGE SINCE LAST QUARTER	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING			
CR1	Universal Credit (UC)	Ongoing changes to the welfare system and Universal Credit impact on resources in Benefits and Customer Services.	Resources allocated to the team are not in line with workload demands.	Financial and Resource	4	1	4	<ul style="list-style-type: none"> <li>The Local Council Tax Reduction Scheme has been redesigned to improve the customer experience and make it easier/more efficient to administer. The new scheme was adopted by the Council in February 2022 and is now in place for 2022-2023.</li> <li>A service review will ensure the team is flexible and can adapt to changes in workload in future years.</li> <li>Following a major system upgrade, improved document management functions, the introduction of a linked CRM system and automation are being explored to increase productivity within the team and improve interaction with customers.</li> <li>The Customer Service Advisor post has been recruited and is due to join the team in August.</li> <li>DWP UC migration notices will begin to be issued to tax credit (CTC/WTC) only claimants in South Derbyshire from August 2023.</li> </ul>	2	1	2	Continually monitor the workload and resources allocated to the team.	<p>The mitigating action for recruitment has been updated to confirm the Customer Service Advisor post has been recruited.</p> <p>An additional action has been added for DWP UC migration notices.</p>	Head of Customer Services
CR2	Fraudulent activities	The possibility of fraud being undetected.	National studies show fraud leads to a significant loss of resources within the Public Sector as a whole.	Financial and Reputational	4	3	12	<ul style="list-style-type: none"> <li>The Council has a Shared Service Arrangement with Derby City Council which supports the delivery of the Council's Anti-Fraud &amp; Corruption Plan, which aims to introduce stronger anti-fraud processes across council tax, business rates, benefits, Right to Buy, social housing, supported accommodation and wider service areas. The unit also delivers fraud awareness training across the Council. This agreement was extended for 2022-2023.</li> <li>Public agencies such as the DWP and HMRC increasingly share data with local authorities on a real-time basis. This allows compliance checks to take place to spot and eliminate the potential for fraud and error in a timely manner.</li> <li>Single Person Discount checks on Council Tax are also regularly undertaken.</li> </ul>	2	2	4	The Fraud Unit have an annual work programme which is considered and approved by the Audit Sub-Committee. Outcomes are also reported to the Audit Committee.	No change in Q1	Head of Customer Services
CR3	Procurement Services	Limited resources to enable good quality advice and support for Services.	The Council does not have its own procurement department	Resource	3	3	9	<ul style="list-style-type: none"> <li>The Council is part of a Shared Service Arrangement with other Derbyshire Agencies and has access to a wider pool of resources for support and advice.</li> </ul>	1	3	3	Continue to review the SLA with the Lead Partner.	No change in Q1.	Interim owner - Head of Finance (Corporate Resources, Strategic Director)

REF	RISK TITLE & DESCRIPTION	RISK CAUSE	RISK IMPACT	RISK CATEGORY  Strategic Resource Operational Financial Knowledge management Compliance, Partnership	Current Risk Rating (See table below for guidance)			CONTROLS IN PLACE TO MITIGATE THE RISK	Risk Rating after mitigations (See table below for guidance)			FURTHER ACTION REQUIRED	SUMMARY OF CHANGE SINCE LAST QUARTER	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING			
CR4	Public Building	Ensuring public buildings are safe and have adequate repair budgets to ensure they remain fit for purpose.	Funding available within the budget provisions to deliver the planned maintenance programme.	Financial and Compliance	2	3	6	<ul style="list-style-type: none"> <li>The additional repairs reserve has addressed the risk in the short term.</li> <li>Condition surveys are being undertaken with a view to preparing a planned maintenance programme and comparing estimated costs against available budgets.</li> <li>The safety measures identified within the Covid-19 risk assessments have been implemented.</li> </ul>	2	2	4	Continually monitor and review the repair budgets to ensure adequate funding is available for the Planned Maintenance Programme going forward.	No change in Q1.	Head of Corporate Property
CR7	Payroll Service	There is no additional capacity or expertise within the team to cope with any down time.	Employees and members not receiving payments due is significant.	Resource	4	4	16	<ul style="list-style-type: none"> <li>A report was approved in August 2021 for the approval to look into a new system or provide additional resources.</li> <li>There is a support function for payroll provision available to the Council from the supplier of the payroll software which can be utilised in an emergency.</li> <li>Discussions regarding cover of the payroll service are currently underway with the software supplier to make the detail more formal.</li> </ul>	1	2	3		No change in Q1.	Head of Finance
CR9	Transformation Compliance	Committing to already allocated resources or finances of projects outside the annual work programme for ICT and Business Change	The Council has signed up to a Transformation Roadmap which would be adversely affected and not delivered therefore failing the corporate plan target.	Strategic	4	2	8	<ul style="list-style-type: none"> <li>Ensure all Heads of Service are aware of the roadmap and the implications of adding additional projects.</li> <li>Ensure Transformation Steering Group members understand when they are involved in other work how that affects the ability to deliver critical transformation projects.</li> <li>Key TSG members feeding back any discussions or ongoing work relating to unauthorised projects as soon as possible.</li> </ul>	3	2	6		No change in Q1	Head of Business Change, ICT, Digital

REF	RISK TITLE & DESCRIPTION	RISK CAUSE	RISK IMPACT	RISK CATEGORY  Strategic Resource Operational Financial Knowledge management Compliance, Partnership	Current Risk Rating (See table below for guidance)			CONTROLS IN PLACE TO MITIGATE THE RISK	Risk Rating after mitigations (See table below for guidance)			FURTHER ACTION REQUIRED	SUMMARY OF CHANGE SINCE LAST QUARTER	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING			
CR10	Banking and Counterparty Limits	Authorised signatories being unavailable, Internet failure resulting in no access to the bank accounts.	Result in a breach of the approved counterparty limits set by the Council.	Resource	4	3	12	<ul style="list-style-type: none"> <li>Annual leave and meetings of both approvers and administrative functions are monitored by the team to ensure any potential risks are mitigated.</li> <li>5 administration staff have responsibility for setting up transfers of cash therefore any external internet failure is mitigated by having at least 2 other staff to take over the process.</li> <li>There are 3 approvers for banking transactions, 2 of which are the S151 and Deputy S151 Officers. At least 1 of these officers is always available for approvals.</li> <li>Cash flow forecasts are updated daily, and any known transfers are set up in advance.</li> <li>The risk of the Internet failure is mitigated through risk CR23.</li> </ul>	1	1	1		No change in Q1.	Head of Finance
CR11	Failure of systems external to Finance	The Academy system interfaces data for Housing Benefit, Council Tax and Business Rates daily. The AIM system interfaces cash files daily.	Impacts of Customer accounts and financial statements not being up to date with cash paid and the FMS not including all assets and liabilities resulting in potential qualification of the Financial Statements.	Compliance and reputational	2	3	6	<ul style="list-style-type: none"> <li>An annual maintenance fee is paid to the system providers for system support and disaster recovery.</li> <li>Daily reconciliations of cash are completed by the Finance team to ensure that any failure is recognised immediately. To prevent any reputational issues, a major failure would result in debt collection reminders being delayed.</li> <li>Bank accounts are also reconciled daily, and any missing cash files would be manually transferred into the FMS to ensure the Debtor position is correct.</li> <li>Council Tax, Business Rates and Housing Benefit interface files are reconciled monthly but the processing of the interface files is a manual task so any failure of file generation would be recognised immediately and reported to the IT Helpdesk.</li> <li>An upgrade to the Academy system has taken place.</li> </ul>	1	1	2		No change in Q1.	Head of Finance



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					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING			
CR12	Government Funding - a reduction in core funding	As a growth area, the Council's proportion of core (Government) funding is heavily reliant on the New Homes Bonus (NHB) and Business Rates, and this has started to reduce.	The Council's core funding was reduced by £418,000 between 2021/22 to 2022/23 and by a further £100,000 in 2023/24.  If this trend continues, then the Council will need to review its income and expenditure ahead of the MTFP.	Financial	4	3	12	<p><b>Financial Planning</b></p> <ul style="list-style-type: none"> <li>The Council plans its finances over five years for the General Fund and 10 years for the Housing Revenue Account. Its financial target of achieving a minimum level of contingency balance on a rolling five-year basis allows for a planned and timely approach to address any financial difficulties.</li> <li>The Medium-Term Financial Plan (MTFP) is regularly reviewed, updated, and reported to the Finance and Management Committee on a quarterly basis.</li> </ul> <p><b>Current Financial Position</b></p> <ul style="list-style-type: none"> <li>Overall, the General Fund currently shows a healthy position due to the level of reserves, although the medium-term projection forecasts an increasing deficit in future years as it highlights increasing expenditure to meet the population growth, but a reduction in Government funding.</li> <li>Projected budget deficits could be financed from reserves if required, although this would become unsustainable after 2025/26.</li> <li>The Council has approved that no new revenue spending, over and above that approved by the Council in February 2023, is committed until the medium-term situation becomes clearer.</li> </ul>	4	3	12	The Medium-Term Financial Plan is being kept under review and reported to the Finance and Management Committee on a quarterly basis.	No change in Q1.	Interim owner – Head of Finance (Strategic Director, Corporate Resources)
CR13	The Economy - the impact of the national economic situation locally.	Rising inflation and a gap in the supply of materials, services, and labour.	Rising costs, the availability of materials and pressure on recruitment and retention.	Financial	4	3	12	<p><b>Support for Local Businesses</b></p> <ul style="list-style-type: none"> <li>The Government has provided various funding and support for local businesses and residents to help them overcome the impact of Covid-19 and more latterly, with support for energy bills and the cost of living.</li> </ul> <p><b>Regeneration</b></p> <ul style="list-style-type: none"> <li>In addition, major residential development has largely continued and following an initial downturn in planning applications in April 2020, they have since shown a strong and sustained upward turn.</li> <li>The Finance and Management Committee approved a new capital investment programme of approximately £4 million on 8 October 2020 which is providing resources for investment in regeneration and community projects.</li> </ul>	3	3	9	Keep under review through quarterly reporting.	No change in Q1.	Interim owner – Head of Finance (Strategic Director, Corporate Resources)



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					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING			
								completed annually by all Officers with access to Council systems and equipment. <ul style="list-style-type: none"> <li>The Council's Data Protection Officer has direct access to the Leadership Team on matters concerning Information Governance.</li> <li>Whilst staff have been working remotely communications have been sent to remind of the dangers of cyber-attacks. The security in place is the same for end users regardless of location therefore hardware and software need no special arrangements in response to COVID working practices, however staff are the first, last, strongest, and weakest chain in our defences. A mandatory Cyber Security e-learning package must be completed annually. A number of procedures and policies are also in place that mandate more secure ways of working such as no use of personal email addresses and devices, information classification and encryption.</li> <li>The Council is currently upgrading its telephone infrastructure to enable full compliance with the Payment Card Industry (PCI) regulations. The implementation of actions to strengthen security and the safeguarding of data subject to PCI, are being monitored by the Audit Sub-Committee.</li> </ul>				the Head of BC&ICT to confirm the % of staff who have completed the E learning training.		
CR16	Business Continuity	Flu Pandemic Fuel Shortage Loss of Buildings ICT Failure	Loss of Service provision	Operational	3	4	12	<ul style="list-style-type: none"> <li>Some aspects of this risk can be transferred as business interruption cover is in place as part of the Council's Property Insurance Policy.</li> <li>Business Continuity and Emergency Plans are in place and regularly reviewed in accordance with the Civil Contingencies Act. The Council buys in support from Derbyshire County Council to ensure that the Council's plans remain up to date.</li> <li>Risk assessments and action plans are in place and resources made available to provide employees with the equipment to work from home wherever possible as well as access to resources to support their physical and mental health and wellbeing.</li> <li>The Council continues to deliver all of its services. This is being undertaken within national guidelines and in conjunction with other agencies in Derbyshire. Guidance is being provided to staff and the public regarding on-going services and to help protect health and well-being.</li> <li>A new Flexible Working Policy was implemented on Friday 1<sup>st</sup> July. This allows staff to work remotely and at different sites</li> </ul>	4	2	8	Mitigating actions updated to advise the Elected member Plan and Business Continuity Plan is available.	Interim owners Head of Organisational Development and Performance & Head of Corporate Property (Strategic Director, Corporate Resources)	

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					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING			
								within the needs of customers and the Service. Regularly review of the Flexible Working Policy undertaken. <ul style="list-style-type: none"> <li>• Reports submitted to F&amp;M Committee in January and February 2023 on the implementation of the Flexible Working Policy,</li> <li>• Elected Member Plan and Business Continuity plan is available.</li> </ul>						
CR17	Capacity and Resilience	Recruitment/retention of difficult to recruit/retain posts.	The Council will be unable to deliver the key priorities set out in the Corporate Plan and in addition services will be severely impacted upon	Operational	4	3	12	<ul style="list-style-type: none"> <li>• Market Value supplements is being explored and a report will be presented to Committee for consideration.</li> <li>• Job Evaluation Framework is being reviewed and a report will be presented in 2023/24.</li> </ul>	3	2	6	<ul style="list-style-type: none"> <li>• People Strategy is being developed</li> </ul>	Further actions updated to advise the People Strategy is being developed.	Head of Organisational Development & Performance
CR18	Terrorism and potentially violent situations	As a public body there is a potential for the Council and its workforce to become a target.	From time to time, members of the workforce do face individual threats while undertaking their duties.	Operational	3	4	12	<ul style="list-style-type: none"> <li>• Lone working systems in place including a 'Solo-Protect' warning and call for assistance system.</li> <li>• A Potentially Violent Persons Policy and Risk Register are in place.</li> <li>• Alarms and warning system in place in the Civic Offices.</li> </ul>	3	3	9	Monitoring and review of systems in place; learn from incidents and near misses.	No change in Q1.	Interim owners Head of Organisational Development and Performance & Head of Corporate Property (Strategic Director, Corporate Resources)
CR19	Statute and Regulation	Failure to meet requirements.	There is no recent evidence to suggest any significant issues; the impact would depend on the nature of the failure.	Compliance	2	3	6	<ul style="list-style-type: none"> <li>• This applies to many Council services. In general, the necessary skills and resources are in place to ensure that the Council meets its statutory duties. In addition, the Council's Constitution, policies and procedures aim to support strategic and regulatory delivery.</li> </ul> <p><b>Note:</b> Some aspects of this risk can be transferred as the Council has insurance cover in place. If the failure rises due to an action of an employee during the normal course of their duties, it is covered under the Official Indemnity (accidental or negligent act) or Professional Indemnity (breach of professional duty) Policies.</p>	1	3	3	Keep under review. Continue training and awareness for staff.	No change in Q1.	Interim owner Head of Legal and Democratic Services and Monitoring Officer (Strategic Director, Corporate Resources)

REF	RISK TITLE & DESCRIPTION	RISK CAUSE	RISK IMPACT	RISK CATEGORY  Strategic Resource Operational Financial Knowledge management Compliance, Partnership	Current Risk Rating (See table below for guidance)			CONTROLS IN PLACE TO MITIGATE THE RISK	Risk Rating after mitigations (See table below for guidance)			FURTHER ACTION REQUIRED	SUMMARY OF CHANGE SINCE LAST QUARTER	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING			
CR20	Health and Safety	The potential to contravene Health and safety procedure, practice and legislation through non-adherence to safe systems of work, risk assessments and associated work practices.	Serious harm through incidents and near misses	Compliance	4	4	16	<ul style="list-style-type: none"> <li>The Council employs a Health and Safety Officer.</li> <li>All employees are provided with the relevant training, resources and PPE required for their role.</li> <li>An on-going training programme is in place for all staff and for parts of the workforce where there is a greater risk of an accident.</li> <li>Incidents and near misses are logged, reported and reviewed corporately and any major incidents are investigated to review procedures.</li> <li>Risk assessments are regularly undertaken, and procedures updated when necessary.</li> <li>Monthly and quarterly meetings are held to review health and safety performance and compliance.</li> <li>An independent review of the Councils Health and Safety Culture and Behaviour is planned to be completed early 23/24</li> </ul>	3	2	6	Monitoring and review of incidents and near misses.	No change in Q1.	Head of Organisational Development & Performance
CR21	Managing the environmental impact of incidents across the district	Incidents arising directly from actions by the Council in the provision of its services. For example, an oil spill which contaminates land or water courses	Impacts on environment and economy; increased risk of major events: potential for litigation; reputational damage.	Strategic	2	3	6	<ul style="list-style-type: none"> <li>The Council has plans in place through Emergency Planning to manage the environmental impact of any incidents across the district.</li> <li>The Council is accredited to the prestigious international ISO 14001 standard for Environmental Management.</li> <li>The Council has also declared a "Climate Emergency" and has a Corporate Steering Group to oversee an action plan to reduce the Council's carbon footprint and become carbon neutral as an organisation by 2030. (<i>See Risk below</i>)</li> </ul>	2	2	4	A review of the Local Resilience Forum (LRF) at Derbyshire County Council during 2023 may require change to local emergency management arrangements	No change in Q1.	Head of Environmental Services
CR22	Climate Emergency	The failure of the Council to achieve carbon neutrality for its operations by 2030 and carbon neutrality for the district by 2050.	Impacts on environment and economy; increased risk of major events: potential for litigation; reputational damage.	Strategic	4	3	12	<ul style="list-style-type: none"> <li>Achievement of the carbon reduction ambitions are mainly vested in our <b>Climate and Environment Strategy</b> and <b>Climate &amp; Environment Action Plan</b>.</li> <li>The Action Plan contains planned and programmed actions and will be reviewed annually. It will quantify the estimated net financial costs and net carbon savings associated with the contents of the Plan. The Plan will calculate the contribution of the Plan to the carbon reduction trajectory, along with the calculated shortfall in carbon reductions. Attaining the targets in the Plan is one of the Corporate Plan Key Performance Indicators. Whilst the action plan has been agreed it does contain several actions where funding has not been committed.</li> <li>The Strategy and Plan have identified the main carbon emissions sources. The Council will be alive to the many and various windfall opportunities for interventions in between the annual Plan revisions</li> </ul>	4	3	12	Annual monitoring and review of the Climate and Environment Action Plan. Next Plan Aug 2023. Carbon Emissions Report for 2022/23 to be published in Aug 2023.	Mitigating actions updated to confirm the bid to Midlands Net Zero Hub for £2.1 million funding confirmed as successful.	Head of Environmental Services

REF	RISK TITLE & DESCRIPTION	RISK CAUSE	RISK IMPACT	RISK CATEGORY  Strategic Resource Operational Financial Knowledge management Compliance, Partnership	Current Risk Rating (See table below for guidance)			CONTROLS IN PLACE TO MITIGATE THE RISK	Risk Rating after mitigations (See table below for guidance)			FURTHER ACTION REQUIRED	SUMMARY OF CHANGE SINCE LAST QUARTER	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING			
								where these are considered likely to make significant impacts on reducing emissions. <ul style="list-style-type: none"> <li>Emerging statute is expected to exert significant influence over the Council's operations and indirect influence in relation to climate change.</li> <li>Bid to MNZH (Midlands Net Zero Hub) for £2.1 million funding confirmed as successful.</li> </ul>						
CR23	Internet Connection	The effects of the internet connection becoming unavailable for a length of time would be a major incident.	Most applications whether they are onsite or hosted will need the Council's internet connection to be active for their use.  There is only one ISP in Swadlincote. Therefore, if the cable is damaged or the service is disrupted, no internet connection will be available.	Strategic	2	4	8	<ul style="list-style-type: none"> <li>New RA02 Circuits are being procured which have been specified with a resilient line. Although full resilience isn't proved due to a single supplier, the lines are coming from different exchanges so both would have to be out of service for a total loss of connection.</li> <li>There are options to make some services available over alternative connections, be that personal or business, if needed.</li> <li>Smartphone users can use the mobile data connection to access outlook and teams, etc.</li> </ul>	2	3	6		No change in Q1	Head of Business Change, ICT, Digital
CR24	Technical Resource	The Council relies on a small pool of technical specialists and support operatives to keep the organisation operational	Availability of resource to conduct and support Council meetings.  Availability of resource to support day to day operations and projects.		3	3	9	<ul style="list-style-type: none"> <li>The COVID-19 Fund is being used to finance an agency resource. The introduction of the post has offered relief for first line calls and Committee meetings.</li> <li>The agency resource is more expensive than an established post and is not a permanent solution.</li> </ul>	3	2	6	ICT structure will be reviewed in-line with corporate employment and operating model.  Continually review and monitor support tickets	No change in Q1	Head of Business Change, ICT, Digital
CR26	Supply Chain	National shortage of drivers to undertake HGV driving.	Changes to IRS rules have led many agency drivers to take permanent positions.		4	3	12	<ul style="list-style-type: none"> <li><b>National shortage of HGV drivers/production of new vehicles:</b> Training opportunities for existing employees are still in place. There are two vacant driver posts which have been advertised in quarters one and two, three have been recruited.</li> <li>2<sup>nd</sup> year of driver salary supplement agreed.</li> <li><b>New apprentice scheme for HGV mechanics, one apprentice to start each academic year and provide a continual stream of qualified mechanics for the service.</b></li> <li>£10k salary enhancement agreed for HGV mechanics, to support recruitment and retention of staff.</li> </ul>	4	3	12	HGV apprenticeships are an option if driver training is not taken up by existing staff.  Management is in constant discussions with local agency driver suppliers to secure additional cover.	(Operations) Mitigating actions updated for the recruitment of vacant posts. A report on the continuation of additional	Head of Operational Services

REF	RISK TITLE & DESCRIPTION	RISK CAUSE	RISK IMPACT	RISK CATEGORY  Strategic Resource Operational Financial Knowledge management Compliance, Partnership	Current Risk Rating (See table below for guidance)			CONTROLS IN PLACE TO MITIGATE THE RISK	Risk Rating after mitigations (See table below for guidance)			FURTHER ACTION REQUIRED	SUMMARY OF CHANGE SINCE LAST QUARTER	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING			
		There is fast becoming a global shortage of microchips and some vehicle manufacturers have suspended production of new vehicles,	Could potentially impact fleet purchases and the supply of computer equipment.					<ul style="list-style-type: none"> <li>A report on the continuation of additional payments for HGV drivers and Mechanics was approved by Committee in Oct 2022 and March 2023.</li> <li><b>Global shortage of microchips:</b> No immediate concerns over purchase of new vehicles, if situation deteriorates then the Team will look to source ex-demonstrator vehicles or nearly new/used vehicles. Short-term hire will also be considered where appropriate.</li> </ul> <p>The shortage of semiconductors, a key component part in almost all modern electronics, is having a large effect on production of many products. Cars and computer equipment are high profile products to suffer supply chain problems. The only way to combat this problem in relation to purchase of new equipment is to order early and allow up to six months for delivery. Where practical and financially viable orders can be made before the need arises. A good example could be purchase of a new laptop after members approve the post rather than after the candidate has accepted the post and will be starting in a matter of weeks.</p> <ul style="list-style-type: none"> <li>NOVUS and other contractors have been able to secure alternative supplies/products. The shortage of materials has now translated into an increase in materials prices of between 20-25%. This will likely be reflected in having to renegotiate rates for some repair and maintenance works.</li> </ul>				30 weeks lead period for new RCV's.	<p>payments for HGV drivers and mechanics will be reviewed for Qtr3 23/24.</p> <p>No change in Q1 (ICT)</p> <p>(Housing) Mitigating actions updated to include additional contractor capacity for void properties has now been secured.</p>	<p>Head of Business Change, ICT, Digital</p> <p>Head of Housing</p>

REF	RISK TITLE & DESCRIPTION	RISK CAUSE	RISK IMPACT	RISK CATEGORY  Strategic Resource Operational Financial Knowledge management Compliance, Partnership	Current Risk Rating (See table below for guidance)			CONTROLS IN PLACE TO MITIGATE THE RISK	Risk Rating after mitigations (See table below for guidance)			FURTHER ACTION REQUIRED	SUMMARY OF CHANGE SINCE LAST QUARTER	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING			
							6	<ul style="list-style-type: none"> <li>Materials price increases have stabilised although not reduced. Overall costs are still increasing as skilled labour costs are increasing due to overall scarcity – further renegotiation of prices has been requested by NOVUS.</li> <li>SDDC have procured additional repair material provider (Travis Perkins) to provide certainty of supply, higher risk now of skilled labour shortage.</li> <li>Re procurement of repairs and maintenance services has started</li> <li>New rates have been agreed for repair and maintenance work streams.</li> <li>An additional contractor has now been procured through the Efficiency East Midlands Framework to complete work on voids properties.</li> </ul>			12		<p>Continuing efforts to secure additional contractor capacity.</p> <p>Re procurement of repairs contracts has begun.</p>	
CR27	External audit of the Council's accounts	Increased length in time for the external audit of the Council's accounts.	Making decisions, managing finance challenges, and planning for the future with limited assurance about the underlying financial position.	Financial and Compliance	2	3	6	<ul style="list-style-type: none"> <li>The Council's accounts and outturn position is reported annually in July.</li> <li>Annual reporting satisfies stewardship and accountability for public resources.</li> <li>Government returns are completed quarterly and annually giving comparators to previous years, which highlights major discrepancies.</li> <li>Government/CIPFA recommendations for improvements to the service to be kept under review.</li> </ul>	3	4	12	Establish appropriate working relationship with the Council's audit partner to progress the audits of the Council's financial statements.	Further actions updated to advise the Council will establish an appropriate relationship with the Council's audit partner to progress the audits of the Council's financial statements.	Head of Finance



## Risk Matrix Template

The table below outlines how the impact and likelihood of the risk is scored using the threshold and description as guidance.

<b>Impact</b>	<b>Very High (4)</b>	4	8	12	16	<table border="1" style="margin-left: 20px;"> <tr><td style="background-color: #FF0000; color: white; text-align: center;">12-16</td></tr> <tr><td style="background-color: #FFD700; text-align: center;">6-9</td></tr> <tr><td style="background-color: #008000; color: white; text-align: center;">1 - 4</td></tr> </table>	12-16	6-9	1 - 4
	12-16								
	6-9								
	1 - 4								
<b>High (3)</b>	3	6	9	12	<b>Significant Risk</b>				
<b>Medium (2)</b>	2	4	6	8	<b>Medium Risk</b>				
<b>Low (1)</b>	1	2	3	4	<b>Low Risk</b>				
		<b>Remote (1)</b>	<b>Possible (2)</b>	<b>Probable (3)</b>	<b>Highly Probable (4)</b>				
		<b>Likelihood</b>							

<b>Impact</b>	<b>Thresholds and Description</b>
1 – Low	Limited impact on service objectives if any, section objectives unlikely to be met, financial loss less than £10,000, no media attention
2 – Medium	Slight delay in achievement of service objectives, minor injuries, financial loss over £50,000, adverse local media attention, breaches of local procedures
3 – High	Significant threat to Council objectives. Non-statutory duties not achieved, permanent injury, financial loss over £100,000, negative national media attention, litigation expected, serious issues raised through inspection, breakdown of confidence of partners.
4 – Very high	Objectives cannot be delivered. Statutory duties not achieved, death, financial loss over £500,000, adverse national media attention, litigation almost certain, prosecutions, breaches of law, inspection highlights inadequate service, Council unable to work with partner organisation
<b>Likelihood</b>	<b>Thresholds and Description</b>
1 – Remote	May occur only in exceptional circumstances (e.g. once in 10 years)
2 – Possible	Unlikely to occur but could at some time (e.g. once in three years)

3 – Probable (in two years)	Fairly likely to occur at some time or under certain circumstances (e.g. once in two years)
4 – Highly probable (in 12 months)	Will probably occur at some time or in most circumstances (e.g. once in 12 months)

## Corporate Risk Matrix

The below table summarises the risk likelihood and impact for risks after controls have been put in place to mitigate the risk.

<b>Impact</b>	<b>Very High (4)</b>			<b>CR27</b>	
	<b>High (3)</b>	<b>CR3, CR19</b>	<b>CR23,</b>	<b>CR13, CR14, CR18</b>	<b>CR12, CR22, CR26</b>
	<b>Medium (2)</b>	<b>CR7, CR8,</b>	<b>CR2, CR4, CR21</b>	<b>CR9, CR17, CR20, CR24</b>	<b>CR16</b>
	<b>Low (1)</b>	<b>CR10, CR11, CR15</b>	<b>CR1</b>		
		<b>Remote (1)</b>	<b>Possible (2)</b>	<b>Probable (3)</b>	<b>Highly Probable (4)</b>
		<b>Likelihood</b>			

CR1	Universal Credit (UC)	Ongoing changes to the welfare system and Universal Credit impact on resources in Benefits and Customer Services.
CR2	Fraudulent activities	The possibility of fraud being undetected.
CR3	Procurement Services	Limited resources to enable good quality advice and support for Services.
CR4	Public Building	Ensuring public buildings are safe and have adequate repair budgets to ensure they remain fit for purpose.
CR7	Payroll Service	There is no additional capacity or expertise within the team to cope with any down time so the risk of.
CR8	Payroll Software Contract Expiry	The contract expires in May 2025.

CR9	Transformation Compliance	Committing to already allocated resources or finances of projects outside the annual work programme for ICT and Business Change
CR10	Banking and Counterparty Limits	Authorised signatories being unavailable, Internet failure resulting in no access to the bank accounts.
CR11	Failure of systems external to Finance	The Academy system interfaces data for Housing Benefit, Council Tax and Business Rates daily. The AIM system interfaces cash files daily.
CR12	Government Funding	A reduction in core funding
CR13	The Economy	The impact of the national economic situation locally.
CR14	Technology, Data and Security - keeping pace with developments in IT, together with the management and security of data	There is a potential security risk for running outdated or unsupported systems. Employees not following due process in relation to IT and data security
CR15	Technology and Data – quality of performance data.	Inaccurate monitoring and reporting of performance data
CR16	Business Continuity	Flu Pandemic, Fuel Shortage, Loss of Buildings, ICT Failure
CR17	Capacity and Resilience	Service demand and loss of skills
CR18	Terrorism and potentially violent situations	As a public body there is a potential for the Council and its workforce to become a target.
CR19	Statute and Regulation	Failure to meet requirements.
CR20	Health and Safety	the potential to contravene regulations through bad practice.
CR21	Managing the environmental impact of incidents across the district	Incidents arising directly from actions by the Council in the provision of its services. For example, an oil spill which contaminates land or water courses
CR22	Climate Emergency	The failure of the Council to achieve carbon neutrality for its operations by 2030 and carbon neutrality for the district by 2050.
CR23	Internet Connection	The effects of the internet connection becoming unavailable for a length of time would be a major incident.
CR24	Technical Resource	The Council relies on a small pool of technical specialists and support operatives to keep the organisation operational
CR26	Supply Chain	EU shortage of materials to manufacture coloured plastic. National shortage of agency drivers to undertake HGV driving. There is fast becoming a global shortage of microchips and some vehicle manufacturers have suspended production of new vehicles,
CR27	External audit of the Council's accounts	Increased length in time for the external audit of the Council's accounts.



<b>REPORT TO:</b>	<b>FINANCE AND MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM: 8</b>
<b>DATE OF MEETING:</b>	<b>24 AUGUST 2023</b>	<b>CATEGORY: DELEGATED</b>
<b>REPORT FROM:</b>	<b>STRATEGIC DIRECTOR (CORPORATE RESOURCES)</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>CHARLOTTE JACKSON</b> <a href="mailto:charlotte.jackson@southderbyshire.gov.uk">charlotte.jackson@southderbyshire.gov.uk</a>	<b>DOC:</b> s/finance/committee/2023-24/Aug
<b>SUBJECT:</b>	<b>Q1 BUDGET MONITORING 2023-24</b>	
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: FM08</b>

## **1.0 Recommendations**

- 1.1 That the Committee note the position and provide any comments it may have on the latest revenue and capital financial position for the General Fund and Housing Revenue Account (HRA) for 2023/24.

## **2.0 Purpose of the Report**

- 2.1 To provide an update on performance against the General Fund, Housing Revenue Account and Capital Programme budget for 2023/24, as at the end of the first quarter.

## **3.0 Detail**

### **INTRODUCTION**

- 3.1 In February 2023, the Council approved its revenue and capital budgets. This report presents the consolidated forecast financial position of the Council for the first quarter.
- 3.2 The format of this report has been updated to include all revenue and capital budgetary information and the forecast financial position of the Council for the year into one agenda item, having previously been across three different separate reports. As part of this updated approach, details around the mitigating actions and plans being developed and implemented across services to control budgetary variances are detailed.
- 3.3 As detailed in the latest report to the Committee, the Section 151 Officer has committed to undertake a review of Earmarked Reserves before the end of the financial year.

### **FINANCIAL OVERVIEW**

- 3.4 The approved budgeted position on the General Fund, approved in February 2023, was a total deficit of £1,879,244 which has subsequently been amended to a total budgeted deficit of £2,133,054, as a result of the finance team including members

pay award, Chief Executive pay award and Organisational Development restructure into the base budget to the value of £58,925, brought forward contingent sums relating to land charges service review, additional driver incentive contingent sum and removal of pension drawdown contingent sum to the value of £132,978, and a reduction to Council Tax income to the value of £61,907. The forecast position at Q1 on the General Fund is a total improved deficit position of £1,829,758.

- 3.5 The forecast position at Q1 on the HRA is a total improved deficit of £1,620,792, compared to the budgeted position of £2,129,235.
- 3.6 Spending on the Council's Capital Programmes have made good progress, with £1,931,750 spend in the first quarter.
- 3.7 The finance team continue to monitor the impact of inflation on the councils spend.
- 3.8 Of note in this regard is the outstanding pay award for staff for 2023/24. Chief Officer pay was agreed earlier in the year at 3.5% and this has now been awarded. It is likely, given the position of ongoing discussions within the National Joint Council (NJC) for Local Government Services (who determine the terms and conditions of employment for local government service workers), that the employee offer will be in excess of this percentage. The council has built in 3.5% across its General Fund and HRA and so there is a potential further pressure in the year once the JNC have determined the 2023/24 pay award.
- 3.9 Further, utilities continue to be an upward pressure, however the Council has mitigated this well through its securement of fixed term contracts and similar mitigations have been undertaken by the council's leisure provider.

## GENERAL FUND

- 3.10 Apart from Council housing, day-to-day revenue income and expenditure for Council services is accounted for through the General Fund. The net expenditure is financed through the Council's Core Spending Power which includes:
  - General Government Grant
  - Council Tax
  - Retained Business Rates
  - New Homes Bonus
- 3.11 Uncertainty remains over future Government funding and further details are awaited ahead of the financial settlement for 2024/25. In the meantime, the MTFP (Appendix 1) continues to assume that the Council's core funding will reduce over the medium-term.
- 3.12 The Base Budget for 2023/24 approved in February 2023 estimated a budget deficit of £1,879,244. Following an update to the medium-term financial plan the revised budget deficit is £2,133,054. A revised MTFP is detailed in **Appendix 1**.
- 3.13 Overall, the favourable £303k movement in the forecast position is due to spend anticipated to be £303k lower than projected.

## General Fund Spend

- 3.14 Across the General Fund services, [Page 62 of 145](#) as at the first quarter is expecting to report a net underspend of £303k which represents a 2% reduction in costs. Broken down further the pressures affecting service areas across the Council are offset by the high returns achieved from the Councils investment portfolio (£1,423,775).

3.15 The table below shows this net spend forecast movement. The forecast includes net transfers from Earmarked Reserves of £241,741 due to grant and recycling income, together with external contributions in Community Services for projects and capital schemes which stretch beyond the current financial year, are required. This funding is transferred to specific reserves and drawn down to finance expenditure when it is incurred.

3.16 The figures are also adjusted for income and expenditure associated with Section 106 contributions which are reported in **Appendix 3**.

## COMMITTEE SUMMARY

### Summary by Policy Committee

REVENUE	ANNUAL		
	Full Year	Projected	Projected
	Budget	Actual	Variance
	£	£	£
Environmental and Development Services	6,864,182	7,770,323	906,141
Housing and Community Services	3,001,958	3,130,798	128,840
Finance and Management	6,411,621	5,073,345	-1,338,276
<b>TOTAL</b>	<b>16,277,761</b>	<b>15,974,466</b>	<b>-303,295</b>
Contingent Sums	-112,241	-112,241	0
<b>TOTAL</b>	<b>16,165,520</b>	<b>15,862,225</b>	<b>-303,295</b>

### Funding

3.17 The Council's central funding, besides Business Rates, is fixed for the year and is shown in the table below.

3.18 The Business Rates outturn position for last year, 2022/23, was £5.4m compared to a budgeted position of £3.8m. A revised forecast position will be presented for Business Rates for Quarter 2, and a favourable movement in the region of £1m is expected. At this stage however, further analysis is required on the level of rates collectible, the provisions for bad debts and appeals and the expected Derbyshire pool performance.

#### Core Funding

Core Grants and Funding 2023/24	Budget	Forecast
	£	Q1 £
Council Tax	6,577,466	6,577,466
Retained Business Rates	4,000,000	4,000,000
Service Grant Allocation	100,000	100,000
New Homes Bonus	1,500,000	1,500,000
Funding Guarantee	1,800,000	1,800,000
Collection Fund Surplus – Council Tax	55,000	55,000
<b>Total Funding</b>	<b>14,032,466</b>	<b>14,032,466</b>

### Risk Areas

- 3.19 Indoor Sports and Recreational facilities are facing financial expenditure pressure due to the energy benchmarking contractual arrangements with Active Nation. The predicted outturn position for the end of the year is additional expenditure of £217k. Mitigation action in place is to secure additional funding from Sport England to ease the pressures from the rising costs of running swimming pools.
- 3.20 A pay award is not included within the Base Budget a provision of 3.5% is provided for in the Medium-Term Financial Plan, however negotiations with Unions remain ongoing with further updates expected in the Autumn.
- 3.21 It is to be noted that although at the present time no cost implications can be provided, there is a potential HSE prosecution pending which could result in substantial costs to the Council. Legal Services will be instructing Counsel from the offset and cost implications will be reported as identified.
- 3.22 As can be seen in table 3.27 there are a significant number of vacant posts within the General Fund. Whilst a number of these are in the process of being recruited, there are still areas where significant costs are incurred to support services. Throughout the Council there are roles where recruiting appropriately skilled staff has proven difficult.

## Virements

- 3.23 Two virements have been approved by the Section 151 Officer in line with the council's Financial Regulations:
- 3.23.1 Statutory audit of HRA Pooling Receipts: £32k from senior management salary to corporate financial management to cover the increased cost of auditing HRA pooling receipts now that government have confirmed the requirements for this council to complete audits in this area. There was an accrued provision which was insufficient to cover the cost.
- 3.23.2 Council Plan consultancy: £6k from senior management salary to organisational development to support the development of a new Council Plan.
- 3.24 There are no virements for Committee approval.

## Projected Variances

- 3.25 The main reasons for the projected variances are summarised in the following tables, each detailed by Committee and Service Area. Commentary on the reason for the variance and mitigation actions have been included as appropriate.
- 3.26 The projected variances include a recent virement for additional cost pressures in Corporate Financial Management for the audit of Pooling receipts and Organisational Development to engage in professional services assisting with the Council Plan, this has been met by a recognised saving in Senior Management from salary underspends.

**Environmental & Development Committee - Head of Environmental Services**

**Total adverse variance £58k**

Page 64 of 145

Service	Variance £'000	Adverse/ Favourable	Reason for Variance	Mitigation
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Food Safety	40	A	<b>Certification Income</b> - Reduction in certificate income due to Nestle Hatton plant being downsized due to decrease in Dulce Gusto pods usage. No export certificates from Brunel due to certification now required from vets (containing gelatine).	
Community Safety	18	A	<b>Kennelling</b> - The Council currently retains possession of 23 animals. 7 are in the process of being rehomed and 21 dogs are the subject of cases which are due to go to court.	There is relatively little scope to further reduce the costs of the current cohort of dogs in the Council's possession. Currently most animals are now placed with foster carers. Foster care costs £50 per month per dog compared to kennels at £350. An 'Animals in Distress' Policy has been produced in draft in order to give officers explicit guidance about how to discharge their legal duties whilst balancing this with the need for the Council to prudently manage its finances.
<b>Total</b>	<b>58</b>	<b>A</b>		

**Environmental & Development Committee - Head of Legal and Democratic Services**  
**Total adverse variance £28k**

Service	Variance £'000	Adverse/Favourable	Reason for Variance	Mitigation
Land Charges	10	A	<b>Fees and charges</b> - DCC increase in their fees and charges.	Review fees and charges in the budget round to look at increasing our to reflect costs.
Licensing	18	A	<b>Income</b> - Fee income below average for the year	
<b>Total</b>	<b>28</b>	<b>A</b>		

**Environmental & Development Committee - Head of Operational Services**  
**Total adverse variance £820k detailed below**

Service	Variance £'000	Adverse/Favourable	Reason for Variance	Mitigation
Grounds Maintenance	(36)	F	<b>Vacancies</b> - Staff Vacancies, not requiring the use of Agency.	There are a number of Grounds maintenance operative vacancies in the process of being advertised again from August due to retirements
Household Waste	401	A	<b>Variations</b> - Vacancy saving £24K, Agency overspend £319k extra staff required to conduct rounds at 10 loaders and 5 drivers per week covering sickness. Vehicle Hire - £101k overspend, 4 vehicles on hire due to MOTs plus 2 spare vehicles.	Mitigation action to bring into place a new vehicle replacement plan in line with the needs of the service is under development. The plan will consider whether the existing agency budget for the waste team is sufficient and comparable to that of other well-functioning waste collection services run by other councils. The plan will also consider whether a model of over-provision of refuse collectors would be an effective alternative in reducing

				agency costs.
Trade Waste Collection	(28)	F	<b>Commercial Income</b> - Favourable on income from trade waste customers	
Direct Services Central Admin	(15)	F	<b>Vacancies</b> - Vacancy saving £74k, Agency costs £59K	Recruit to permanent post from restructure
Transport Services	498	A	<b>Spare Parts &amp; Agency</b> - Vacancy savings £23k, Agency costs £172k overspend, spare parts overspend £438K - Senior Mechanic and Vehicle Mechanic vacancies – 2 agency staff used at present from Dennis Eagle. No agency mechanics expected from the end of August. Parts overspend predicted based on age of the fleet with £200k expected on the 8 18 plate vehicles alone.	<p>Parts mitigation action is to incorporate a maintenance budget with the vehicle replacement plan where the budget is profiled in line with the vehicle's age.</p> <p>The employment of 2 new council mechanics starting in August, will serve to mitigate the need for agency mechanics in the future. This position was reported in March 2023 to Environment and Developmental Services Committee.</p> <p>Fleet management plan to be developed and presented as part of setting the 2023/24 budget and capital programme. The plan will present an options appraisal for the replacement of obsolete fleet and demonstrate the resultant net revenue position of savings on vehicle repairs and parts and the additional revenue implications of borrowing or leasing to finance replacement vehicles.</p>
<b>Total</b>	<b>820</b>	<b>A</b>		

**Housing & Community Services Committee - Head of Cultural & Community Services**  
**Total adverse variance £167k detailed below**

Service	Variance £'000	Adverse/Favourable	Reason for Variance	Mitigation
Community Safety	(13)	F	<b>Vacancy</b> - Service Assistant Post vacancy unsuccessful attempts at recruitment	
Indoor Sports & Recreation Facilities	190	A	<b>Utilities</b> - £217k overspend due to the increase in utility costs additional income from JPS recharge	The Council intends to apply for external funding from Sport England which would minimise the impact of this pressure. Bid currently being worked on.
Rosliston Forestry Centre	(13)	F	<b>Salaries</b> - Savings on Pension contributions from staff opting out and lower SCP's than budget	

Cemeteries	(17)	F	<b>Income</b> - Increased income £22k and additional professional fee costs of £5k due to memorial testing.	
Parks & Open Spaces	20	A	<b>Variances</b> - £45.3k salaries savings due to staff working reduced hours, £7k agency costs not covered by net gain grant, £23k cost of repairs to Parks, £7.6k water costs, £23.6k overspent on new play equipment, £5k prof fees for play inspections. Reduced income £3k	<b>Agency</b> - Create an additional tree post which will eliminate the need for agency. <b>Play Repairs</b> - Look to insure furniture to enable repairs to be claimed back. Play audit completed (we no longer maintain parks that aren't ours, if we do, we recharge), Work on programme of work to replace equipment as current equipment old and high maintenance. <b>Professional Fees</b> - no longer using Glendale tree services. <b>Sponsorship Income</b> - Applied for planning permission to place ads on roundabouts hope to see improvement in income.
<b>Total</b>	<b>167</b>	<b>A</b>		

**Housing & Community Services Committee - Head of Housing**  
**Total favourable variance £16k**

Service	Variance £'000	Adverse/Favourable	Reason for Variance	Mitigation
Other Housing Support Costs	(£16)	F	<b>Computer System</b> - New system procured savings compared to budgeted system	
<b>Total</b>	<b>(16)</b>	<b>F</b>		

**Housing & Community Services Committee - Head of Housing**  
**Total favourable variance £21k**

Service	Variance £'000	Adverse/Favourable	Reason for Variance	Mitigation
Housing Strategy	(21)	F	<b>Vacancy</b> - Housing Development & Research Officer - Unsuccessful recruitment attempts	Roles are currently going through the JEQ/Recruitment process
<b>Total</b>	<b>(21)</b>	<b>F</b>		

**Finance & Management Committee - Head of ICT & Business Change**  
**Total favourable variance £67k**

Service	Variance £'000	Adverse/Favourable	Reason for Variance	Mitigation
Business Change	(23)	F	<b>Vacancy</b> - Senior Business Change Officer vacancy until August 23	

ICT	(44)	F	<b>Variances</b> - Professional fees (£22k) Computing saving (£12k) for software not utilised, phone charges (£10k) with Daisy lower to budget - new tendered exercise reduced call charges
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**Total** (67) F

**Finance & Management Committee - Head of Property Services**

**Total favourable variance**

**£39k**

Service	Variance £'000	Adverse/ Favourable	Reason for Variance	Mitigation
Caretaking	(16)	F	Variances - Salary saving of £8.5K for reduced hours and additional service charge £6.5k	
Civic Offices	(10)	F	<b>Salary</b> - Saving due to staff working less hours	
Estates Management	(13)	F	<b>Variances</b> - Small Salary saving £4k due to lower SCP paid, additional rental income £28k, overspend on utilities £20k	

**Total** (39) F

**Finance & Management Committee - Head of Legal & Democratic Services**

**Total favourable variance**

**£118k**

Service	Variance £'000	Adverse/ Favourable	Reason for Variance	Mitigation
Legal Services	(30)	F	<b>Vacancy</b> - £43k Senior Legal Officer Vacancy saving, Agency costs £14.7k, increased fees income £4k	
Conducting Elections	(77)	F	<b>Grant Funding</b> - New burdens funding (£60K) received for additional ID verification; however, costs have been absorbed within existing budgets, other savings on various election costs.	
Democratic (inc Elected Members)	(11)	F	Variances - Salary saving of £8.5K staff paid at lower SCP, plus small variances on transport	

**Total** (118) F

**Finance & Management Committee - Head of Finance**

**Total favourable variance**

**£992k**

Service	Variance £'000	Adverse/ Favourable	Reason for Variance	Mitigation
Interest Receivable	(992)	F	<b>Income</b> - Investment income on current investment portfolio	
<b>Total</b>	<b>(992)</b>	<b>F</b>		

**Finance & Management Committee - Head of Customer Services**

**Total favourable variance**

**£122k**

Service	Variance £'000	Adverse/ Favourable	Reason for Variance	Mitigation
Housing Benefits Administration	(122)	F	<b>Grant Funding</b> - Benefit Subsidy Income higher than budgeted	
<b>Total</b>	<b>(122)</b>	<b>F</b>		

3.27 Salary savings in year relate to vacancies (£739k) these savings are being offset by agency and consultancy to support services (£1,104k). The result is a cost of £365k to the General Fund. The following table shows the expected costs and savings on staffing in year.

	Employee Savings £'000	Agency Costs £'000	Variance £'000	Comments
Economic Development	-56	49	-6	Vacant Post
Environmental Services	-13	2	-12	Less hours worked than budget
Licensing & Land Charges	-70	53	-17	Land charges carried out by Lichfield
Planning	-43	146	103	Vacant Posts & Agency to cover back log
Street Scene	-106	16	-90	Vacant Posts - recruitment in progress
Waste and Transport	-140	787	647	Vacant Posts, sickness cover - recruitment in progress
Community Development & Support	-18	0	-18	Vacant post
Recreational Activities	-7	0	-7	Less hours worked than budget
Leisure Centres & Community Facilities	-26	0	-26	Vacant post
Parks & Open Spaces	-54	7	-47	Vacant post
Private Sector Housing	-42	12	-30	Vacant post
Central Services Support	-133	30	-103	Vacant posts
Corporate & Democratic	-8	0	-8	Vacant post
Elections & Registration	-8	3	-5	Vacant post
Estates Management	-4	0	-4	Less hours worked than budget
Revenues & Benefits	-14	0	-11	Vacant post
	<b>-739</b>	<b>1,104</b>	<b>365</b>	

## HOUSING REVENUE ACCOUNT (HRA)

3.28 The Council is required to account separately for income and expenditure in providing Council housing.

3.29 The Base Budget approved in February 2023 for the HRA was set with an estimated deficit of £2.1m and the revised forecast position is a deficit of £1.61m, an improvement of £508k. The greatest variance is the increase in investment income.

### Position as at 30<sup>th</sup> June 2023

<b>HRA SUMMARY BY AREA - BUDGET MONITORING JUNE 2023</b>			
	<b>ANNUAL</b>		
	<b>Full Year Budget £</b>	<b>Projected Actual £</b>	<b>Projected Variance £</b>
Rent and Rechargeable Repairs	-12,982,571	-12,958,739	23,832
Repairs and Maintenance	3,580,002	3,784,168	204,167
Managing Tenancies	2,218,464	2,300,116	81,651
Supported Housing	729,552	685,793	-43,758
Interest Payable	1,508,044	1,508,044	0
Interest Receivable	-196,604	-970,939	-774,335
Capital and Debt Repayment	4,807,023	4,807,023	0
Bad Debt Provision	131,000	131,000	0
Contingent Sums	4,326	2,334,326	0
	<b>2,129,235</b>	<b>1,620,792</b>	<b>-508,442</b>

### Risk Areas

3.30 As with the General Fund, there are a number of vacant posts within the HRA especially in the repair and maintenance area, that pose a risk to the financial position due to the added cost of agency and support.

3.31 Risks to the shortage of available candidates and also market salaries are present, mitigation actions have been to develop workforce skills to be multi skilled job roles to attract candidates and upskill existing staff. The Head of Housing will keep the situation under review.

3.32 Derbyshire County Council has now informed the Council that there will no longer be any funding available for the service managed by the Council after March 2024.

3.33 The Head of Housing will report progress and any potential changes to the current Carline service to Housing and Community Services Committee at a future meeting.

### Projected Variances

3.34 The main reasons for the projected variances are summarised in the following table, each detailed Service Area. Commentary on the reason for the variance and mitigation action have been included as appropriate.

**Housing & Community Services Committee (Housing Revenue Account) - Head of Housing**

**Total favourable variance £508k detailed below**

Service	Variance £'000	Adverse/ Favourable	Reason for Variance	Mitigation
Housing Department Support Staff and Costs (HRA)	(11)	F	<b>Variations</b> - Salary savings of £18k due to a vacant post, agency costs to cover £16k. Saving on computing system budgeted for Orchard software (£17k) Increased costs for the Housing Ombudsman (£6.7k)	
Development & Regeneration (HRA)	(15)	F	<b>Vacancy</b> - Housing Development & Research Officer - Unsuccessful recruitment attempts	Roles are currently going through the JEQ/Recruitment process
Responsive (DLO Trading HRA)	104	A	<b>Variations</b> - 10 Vacancies, 8 trade, 2 Office based creating a saving for £125.5k, vacancies covered by overtime £8.5k and agency £178k. Utilities costs from standing charges on void properties. Electric & Gas £15k. Increased material costs of £25k and the vehicle hire £5k due to broken down vehicle.	Recruitment in progress - long term vacancies for trades have been changed to career grade posts to attract applicants. If unsuccessful incentive payments could be explored. Move more responsive works to 12 months planned maintenance.
Planned (HRA Revenue)	100	A	<b>Variations</b> - Agency costs to cover sickness and compliance work £41k, costs to cover SHDF work £67k, Small salary saving of £10k	Reduce other planned work streams.
Managing Tenancies	108	A	<b>Variations</b> - Salary savings for vacant post £21.5k, agency costs to cover vacant post and sickness £47k, increased CTAX costs for void properties £59k, Computing costs anticipated to carry out Tenants Satisfaction Survey £22k	
Rent Collection & Accounting	23	A	<b>Income</b> - Rental Income collection lower than budget £13k and Garage Income by £12K, small increase income on service charges (£3.5k)	
Supported Housing	(43)	F	<b>Income</b> - Additional income from DCC for monitoring service	
Interest Receivable	(774)	F	<b>Income</b> - Investment income on current investment portfolio	
<b>Total</b>	<b>(508)</b>	<b>F</b>		

## Capital Programme

3.35 The Council's capital programme consists of many different projects covering both the General Fund and HRA.

3.36 The capital budget for 2023/24 was approved in February 2023 and has been updated following the outturn for 2022/23 to reflect the carry forward of income and expenditure for incomplete projects.

3.37 To the end of Quarter 1, there has been £684,160 of spend on General Fund and £1,247,590 on HRA programmes.

3.38 Key highlights of the programme to date include:

3.38.1 Orchard Street New Council Housing - The Council acquired two new Council House plots at Orchard Street on 24/04/2023 and the remaining 3 plots on 22/05/2023.

3.38.2 Urban Park - The Urban Park opened in April 2023 and received Green Flag Award.

3.38.3 Miners Memorial – The forecast costs associated with this have been estimated to be above budget and further work is required to assess the feasibility and additional budgetary requirements to finalise the project.

3.38.4 Rosliston Forestry Centre Revitalisation – the lease is now signed with Forestry England and the public consultation has started.

3.38.5 Oversetts Road Football Facility – the project is progressing well, with Turner and Townsend have been appointed as the Council's project managers.

3.38.6 Extension to Marston on Dove Cemetery – Ground water quality testing underway, however there is a risk that the land may not be feasible and alternative plans may have to be considered.

3.38.7 Delph Resurfacing and Bank House - Conclusion of this projects is expected in Q2.

3.39 Progress during the year on all capital projects and the total budget of all projects with details of the financial performance is summarised for each project in **Appendix 2**.

## 4.0 Financial Implications

4.1 Detailed in the report.

## 5.0 Corporate Implications

### Employment Implications

5.1 None.

### Legal Implications

5.2 None.



## **Corporate Plan Implications**

- 5.3 There are no specific targets within the Corporate Plan but ensuring sustainability of the Council's financial position enables services to deliver targets included in the Plan.

### **Risk Impact**

- 5.4 Financial risks and service pressures are detailed in the report.

## **6.0 Community Impact**

### **Consultation**

- 6.1 None.

### **Equality and Diversity Impact**

- 6.2 None.

### **Social Value Impact**

- 6.3 None.

### **Environmental Sustainability**

- 6.4 None.

## **7.0 Background Papers**

- 7.1 None.

## GENERAL FUND MEDIUM TERM FINANCIAL PLAN BUDGET & PROJECTION JUNE 2023

	Approved Budget £ 2023.24	Amended Budget £ 2023.24	Forecast Outturn £ 2023.24	Projection £ 2024.25	Projection £ 2025.26	Projection £ 2026.27	Projection £ 2027.28
<b>BASE BUDGET</b>							
Environmental & Development	6,789,905	6,864,182	7,770,323	7,098,209	7,316,415	7,538,641	7,781,133
Housing & Community	2,955,287	3,001,958	3,130,798	3,038,083	3,093,426	3,153,102	3,217,741
Finance & Management	6,429,329	6,411,621	5,073,345	6,630,488	6,747,593	6,938,581	7,152,233
<b>Net Service Expenditure</b>	<b>16,174,521</b>	<b>16,277,762</b>	<b>15,974,466</b>	<b>16,766,780</b>	<b>17,157,434</b>	<b>17,630,324</b>	<b>18,151,107</b>
<b>Accounting Adjustments</b>							
Reverse out Depreciation	-1,364,523	-1,364,523	-1,364,523	-1,364,523	-1,364,523	-1,364,523	-1,364,523
Minimum Revenue Provision (MRP)	167,668	167,668	167,668	160,962	154,523	148,342	142,408
Voluntary Revenue Provision (VRP - Recycling Bins & Grove Active Zone)	20,556	20,556	20,556	1,639	0	0	0
	<b>14,998,222</b>	<b>15,101,463</b>	<b>14,798,167</b>	<b>15,564,858</b>	<b>15,947,434</b>	<b>16,414,143</b>	<b>16,928,993</b>
<b>Add: Known Variations</b>							
Vehicle Maintenance Plan (Tyres and Spare Parts)	25,000	25,000	25,000	30,000	40,000	55,000	75,000
Operational Services - Allocated Growth Excluded From Base Budget	382,329	382,329	382,329	160,367	164,376	168,486	172,698
Growth Provision Drawdown	-172,294	-172,294	-172,294	0	0	0	0
Land Charges Service Review Provision	0	116,000	116,000	0	0	0	0
Public Sector Audit Appointments - Additional External Audit Fees	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Parish Concurrent Functions and Grants to Voluntary Bodies	10,885	0	0	11,103	11,325	11,551	11,782
Driver and Mechanic Incentive Payment	34,722	44,917	44,917	0	0	0	0
Local Plan Review	15,000	15,000	15,000	0	0	0	0
Potential pay award	457,181	457,181	457,181	468,610	480,326	492,334	504,642
Incremental Salary Increases	18,425	18,425	18,425	6,671	2,253	0	0
Potential Loss of Industrial Unit Income	0	0	0	0	0	0	225,000
District Election May 2023	0	0	0	0	0	0	125,000
Investment Income	-150,000	0	0				
Increase in Electricity Tariff September 2023 to September 2024	74,000	0	0				
Pension Revaluation	109,430	0	0				
Pension Earmarked Reserve Drawdown	-6,783	0	0				
<b>TOTAL ESTIMATED SPENDING</b>	<b>15,816,117</b>	<b>16,008,021</b>	<b>15,704,725</b>	<b>16,261,609</b>	<b>16,665,713</b>	<b>17,161,514</b>	<b>18,063,115</b>

## GENERAL FUND MEDIUM TERM FINANCIAL PLAN BUDGET & PROJECTION JUNE 2023

	Projection £ 2023.24			Projection £ 2024.25	Projection £ 2025.26	Projection £ 2026.27	Projection £ 2027.28
<b>Provisions</b>							
Contingent Sum - Growth	105,000	105,000	105,000	143,254	143,144	113,144	113,144
New Parishes - Concurrent Functions	2,500	2,500	2,500	5,000	10,000	15,000	15,001
Waste and Recycling	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<b>TOTAL PROJECTED SPENDING</b>	<b>15,973,617</b>	<b>16,165,521</b>	<b>15,862,225</b>	<b>16,459,863</b>	<b>16,868,857</b>	<b>17,339,658</b>	<b>18,241,260</b>
<b>FINANCING</b>							
Business Rates Retention	-4,000,000	-4,000,000	-4,000,000	-4,000,000	-3,750,000	-3,750,000	-3,750,000
Services Grant Allocation	-100,000	-100,000	-100,000	0	0	0	0
Lower Tier Services Grant Allocation	0	0	0	-2,700,000	-2,700,000	-2,700,000	-2,700,000
New Homes Bonus	-1,500,000	-1,500,000	-1,500,000	0	0	0	0
Funding Guarantee	-1,800,000	-1,800,000	-1,800,000	0	0	0	0
Council Tax Income	-6,639,373	-6,577,466	-6,577,466	-6,875,455	-7,207,426	-7,549,729	-7,902,641
<b>Core Spending Power</b>	<b>-14,039,373</b>	<b>-13,977,466</b>	<b>-13,977,466</b>	<b>-13,575,455</b>	<b>-13,657,426</b>	<b>-13,999,729</b>	<b>-14,352,641</b>
Add Estimated Collection Fund Surplus - Council Tax	-55,000	-55,000	-55,000	-55,000	-55,000	-55,000	-55,000
<b>TOTAL FINANCING</b>	<b>-14,094,373</b>	<b>-14,032,466</b>	<b>-14,032,466</b>	<b>-13,630,455</b>	<b>-13,712,426</b>	<b>-14,054,729</b>	<b>-14,407,641</b>
<b>Revenue Surplus (-) / Deficit</b>	<b>1,879,244</b>	<b>2,133,054</b>	<b>1,829,758</b>	<b>2,829,408</b>	<b>3,156,432</b>	<b>3,284,929</b>	<b>3,833,619</b>
<b>Capital Contributions</b>							
IT and Digital Strategy	160000	160,000	160,000	160,000	166,500	173,000	166,500
Purchase of Town Centre Land	0	44,335	44,335	0	0	0	0
Community Partnership Scheme	0	123,195	123,195	0	0	0	0
Rosliston Forestry Centre - Play Project	0	50,000	50,000	0	0	0	0
Asset Replacement and Renewal Fund	356000	356,000	356,000	355,000	355,000	355,000	355,000
<b>TOTAL CAPITAL CONTRIBUTION</b>	<b>516,000</b>	<b>733,530</b>	<b>733,530</b>	<b>515,000</b>	<b>521,500</b>	<b>528,000</b>	<b>521,500</b>
<b>TOTAL GENERAL FUND DEFICIT</b>	<b>2,395,244</b>	<b>2,866,584</b>	<b>2,563,288</b>	<b>3,344,408</b>	<b>3,677,932</b>	<b>3,812,929</b>	<b>4,355,119</b>

**GENERAL FUND RESERVE BALANCE**

Balance b/fwd	-15,222,148	-15,222,148	-15,222,148	-12,355,564	9,011,156	5,333,225	-1,520,296
Revenue Surplus (-) / Deficit	1,879,244	2,133,054	1,829,758	2,829,408	3,156,432	3,284,929	3,833,619
Capital Contributions	516,000	733,530	733,530	515,000	521,500	528,000	521,500
<b>Balance c/fwd</b>	<b>-12,826,904</b>	<b>-12,355,564</b>	<b>-12,658,860</b>	<b>-9,011,156</b>	<b>-5,333,225</b>	<b>-1,520,296</b>	<b>2,834,823</b>

## COMMITTEE SUMMARY - CAPITAL MONITORING JUNE 2023

Service Area	Accountable Budget Holder	Project	Q1 Spend	FULL YEAR FORECAST			COMMENTARY
				EXPENDITURE	BUDGET	VARIANCE	
Housing	Head of Housing	Major Improvements under Self-financing	428,768	2,178,879	2,083,000	95,879	Includes SHDF wave 1 which wasn't completed last year. Housing currently working on ways to mitigate spend. Deficit covered by Major Repairs Reserve
Housing	Head of Housing	Social Housing Decarbonisation	456,202	0	0	0	
Housing	Head of Housing	Major Disabled Facilities Grant (Council Houses MRA)	86,927	300,000	300,000	0	Full spend expected
Planning & Strategic Housing	Head of Planning & Strategic Housing	New Build - Orchard Street, Newhall	275,693	275,693	0	275,693	Expected to complete on Orchard Street within 22-23. However unexpected delays and therefore not budget profiled for 23/24, but the funding is still available within reserves.
<b>HOUSING REVENUE ACCOUNT</b>			<b>1,247,590</b>	<b>2,754,572</b>	<b>2,383,000</b>	<b>371,572</b>	
Housing	Head of Housing	Disabled Facility Grants and other Works	90,465	750,000	750,000	0	Full spend expected
Housing	Head of Housing	Discretionary Top-up Grants	0	25,000	25,000	0	£10k spend confirmed. Anticipation more to be issued due to number of extensions
Housing	Head of Housing	Healthy Homes Project	0	50,000	50,000	0	Full spend expected
Housing	Head of Housing	Dedicated Mental Health Worker	12,500	50,000	50,000	0	Full spend expected
Housing	Head of Housing	Additional Technical Officer	9,943	40,935	40,000	935	Based on current level of pay (including mileage claims)
Housing	Head of Housing	Relocation Grant	0	0	50,000	-50,000	No agreed spend yet
Planning & Strategic Housing	Head of Housing/Strategic Housing	Domestic Violence Crisis Prevention	14,194	70,000	71,000	-1,000	Majority of spend expected

Environmental Services	Head of Environmental Services	Hospital Discharge Grant	9,572	55,000	55,000	0	Full spend expected
Environmental Services	Head of Environmental Services	Healthy Homes Assistance Fund	23,255	175,000	175,000	0	Full spend expected
Planning & Strategic Housing	Head of Housing/Strategic Housing	Handy Person Plus Project	28,063	84,190	84,000	190	Scheme running to December ;23
Housing	Head of Housing	Temporary Health & Housing Co-ordinator	0	0	45,000	-45,000	Unable to recruit currently
Housing	Head of Housing	Foundations Consultancy Project	0	22,000	40,000	-18,000	
Environmental Services	Head of Environmental Services	Temporary Public Health Officer	11,073	50,000	50,000	0	Full spend expected
Environmental Services	Head of Environmental Services	Fuel Poverty	0	0	50,000	-50,000	No agreed spend yet. Report going to next BFC meeting with three spend options for approval
Housing	Head of Housing	Graduate Post	0	0	55,000	-55,000	Not yet recruited in to
Housing	Head of Housing	Careline Digital Equipment	0	90,000	90,000	0	Full spend expected, however experiencing supplier delays
Environmental Services	Head of Environmental Services	Countrywide Health Impact Assesment Scheme	0		50,000	-50,000	No agreed spend yet - in conjunction with Fuel Proverty Project. Report going to next BFC meeting with three spend options for approval
<b>Private Sector Housing</b>			<b>199,066</b>	<b>1,462,125</b>	<b>1,730,000</b>	<b>-267,875</b>	

Environmental Services	Head of Environmental Services	Fly Tipping and Environmental Surveillance	523	2,511	11,011	-8,500	Budget profile anticipated less spend in 22/23 as at Feb '23. Available budget for 23/24 only £2,511 which is expected to be spent
Environmental Services	Head of Environmental Services	Empty Property Grants	0	7,000	38,000	-31,000	Expected £7k spend in 23/24.Remaining budget will be carried forward.
Environmental Services	Head of Environmental Services	Carbon Reduction	0	0	50,000	-50,000	No spend planned. This was originally for EV points at the depot, however funding for this has been secured with D2N2 and therefore Head of Environmental Services to go back to committee to get this spend approved for EV points at the Civic Offices

Environmental Services	Head of Environmental Services	Green Homes Grant - Local Authority Delivery	26,419	636,000	840,000	-204,000	HUG1 closes 31/07/2023 - 8 properties projected with a spend of £262k. £579k will be returned from £840k budgeted. LAD3 not budgeted but will close on 30/09/2023 with a spend of £374k. HUG2 will run for two years completing 110 properties, finishing on 31/03/2025 - no costs yet available
<b>Environmental Services</b>			<b>26,942</b>	<b>645,511</b>	<b>939,011</b>	<b>-293,500</b>	

Cultural and Community Services	Head of Cultural & Community Services	Community Partnership Scheme	0	0	147,776	-147,776	Spend is not planned, dependant on applications
Cultural and Community Services	Head of Cultural & Community Services	Oversetts Road Football Facility	0	119,525	1,187,159	-1,067,634	Project management costs - construction costs not yet received
Cultural and Community Services	Head of Cultural & Community Services	SuDS Improvements	0	0	54,774	-54,774	No planned spend yet, awaiting adoption of land
Cultural and Community Services	Head of Cultural & Community Services	Paradise Garden, Swadlincote Town Centre	0	0	30,000	-30,000	Not using - going towards Bank House project
Cultural and Community Services	Head of Cultural & Community Services	Revitalising Rosliston Foresty Centre	0	30,000	315,219	-285,219	Wifi costs of £30k expected, currently out to consultation with public so more costs may be incurred once results are in
Cultural and Community Services	Head of Cultural & Community Services	Improvements to Play Areas	0	0	193,050	-193,050	No planned spend - looking for additional funding
Cultural and Community Services	Head of Cultural & Community Services	Extension to Marston on Dove Cemetery	1,495	8,941	38,449	-29,508	Currently undertaking ground water quality testing and monitoring - may be unable to use land
Cultural and Community Services	Head of Cultural & Community Services	Miners Memorial Project, Eureka Park	2,070	16,570	0	16,570	Project costs received above budget at £280k - further approval to secure funds required. No budget as project expected to be finalised in 22/23.
Cultural and Community Services	Head of Cultural & Community Services	Urban Park at William Nadin Way	109,115	113,017	0	113,017	Project now complete
Cultural and Community	Head of Cultural & Community	Improvements to Swadlincote Woodlands	14,946	5,500	0	5,500	Graffiti art costs - currently consulting youth group. No budget as project was expected to be finalised in

Services	Services						22/23.
Cultural and Community Services	Head of Cultural & Community Services	Newhall Park Improvements	0	0	0	0	Awaiting costings
<b>Community Services</b>			<b>127,626</b>	<b>293,553</b>	<b>1,966,427</b>	<b>-1,672,874</b>	
Operational Services	Head of Operational Services	Vehicle Replacements	49,437	255,000	229,606	25,394	Sweeper to be purchased £180k approx. 3 x vans £75k approx
Property Services	Head of Property Services	Public Building - Repairs & Renewals	0	0	86,000	-86,000	Nothing specifically captial related at this stage. Will be used to top up repairs reserve.
Property Services	Head of Property Services	Repairs to Village Halls & Community Facilities	0	34,350	6,700	27,650	Netherseal Village Hall. Deficit will be covered by repairs reserve
Economic Development & Growth	Head of Economic Development & Growth	Civic Hub - Town Centre Regeneration	0	65,345	80,000	-14,655	Utilised part funding in 22/23 towards surveying costs. Plans to utilise remaining £65,345 funding towards new plan for Leisure Centres etc. Waiting written approval from OPE
Business Change, Digital & ICT	Head of Business Change, Digital & ICT	IT Strategy	3,809	170,000	160,000	10,000	Backup server for data security - covered by earmark reserve for deficit. Will be looking at equipment refreshes in 24/25 which will utilise 60% of IT reserve
Economic Development & Growth	Head of Economic Development & Growth	Public Realm Improvments - The Delph	217,016	99,131	0	99,131	Project will complete imminently - expecting full project to cost £260k. Covered by external Shared Prosperity money and earmarked reserve. Anticipated to finish project in 22/23, but contractor delays
Property Services	Head of Property Services	Main Street Albert Village	0	0	0	0	Ringfenced income for football stadium. Possible buy-back risk
Property Services	Head of Property Services	Demolition of Bank House and Car Park Creation	60,265	994,603	0	994,603	Project will complete in year. Full project costs expected of £1.174m. Covered by external Share Prosperity money and earmarked reserve. Anticipated to finish project in 22/23, but contractor delays
<b>Assets</b>			<b>330,527</b>	<b>1,618,429</b>	<b>562,306</b>	<b>1,056,123</b>	
<b>GENERAL FUND</b>			<b>684,160</b>	<b>4,019,618</b>	<b>5,197,744</b>	<b>-1,178,126</b>	



**TOTAL CAPITAL  
EXPENDITURE**

1,931,750

6,774,190 7,580,744

**-806,554**

**APPENDIX 3**

		Cultural Services	Affordable Housing	Property	SDDC Unspecified	Spend Deadline	Description	Use of Receipt
		£	£	£	£			
2006/1453	Swadlincote	365	0	0	0	N/A	Balance for Eureka, provision play area and public open space	
2007/0873	Swadlincote	852	0	0	0	N/A	If need further spend for Cadley Park - provision of open space	
2010/0320	Aston	932	0	0	0	No spend deadline		IH co-ordinating meeting with Aston PC - soon
2011/0292	Willington and Findern	41,007	0	0	0	No spend deadline	Towards Twyford Pavilion	JC Working with Willington PC - towards Twyford Road Pavilion
2011/0952	Newhall and Stanton	15,708	0	0	0	No spend deadline	Included within the "Improvements to play areas" project at Newhall Park - SDDC currently retrieving quotes	CW looking at play areas
2012/0568	Aston	74,286	0	0	0	28/02/2024		Shardlow Village hall - Meeting a couple of weeks ago - Roof /Energy stuff
2012/0568	Aston	272,119	0	0	0	02/02/2026		Boulton Moor - The triangle - sport pitches allotments & changing rooms - awaiting planning permission
2012/0586	Woodville	11,918	0	0	0	N/A	Towards the provision of Open Space	Woodville PC - recent meeting re play equipment - quotes being sourced
2012/0743	Church Gresley	39,934	0	0	0	30/08/2024		Green Bank being surveyed to look at possible future
2012/0743	Church Gresley	0	152,773	0	0	N/A	Towards Cadley Hill affordable housing	
2012/0861	Woodville	22,134	0	0	0	No spend deadline	Towards the provision of open space - Including within the "Improvements to play areas" project	Woodville PC - recent meeting re play equipment - quotes being sourced - combine with 2012/0586
2013/0643	Repton	0	497,906	0	0	22/12/2026	Towards Provision, improvement, maintenance or management of affordable	Cannot be used for Fisher Close - no plans yet

							housing within the Repton Ward	
2013/1044	Hilton	61,190	0	0	0	30/06/2026	Hilton PC taking lead	IH met with Hilton PC - balance to Village Hall pending community grant application
2014/0232	Aston	7,419	0	0	0	06/04/2024	Towards the provision of local outdoor recreational facilities - Weston & Aston PC have project for RIA	Going to be meeting with Aston & Weston - They have ideas for spend but not exceptional to SDDC
2014/0300	Swadlincote	25,858	0	0	0	20/01/2024	Towards renovation of multi-use games area at Maurice Lea Memorial Park	Spend will be a Maurice Lea - local open space spend
2014/0431	Seales	6,200	0	0	0	30/06/2022	Towards Salts Meadow and Swadlincote Woodlands Glade Creation	towards management of grass lands - Swad Woodlands - transfer to Grounds Maintenance under negotiation
2014/0562	Etwall	18,109	0	0	0	21/10/2031	Towards increasing the capacity of Etwall Leisure Centre	Can only go to Etwall Leisure Centre - £18,108.85
2014/0562	Etwall	45,681	0	0	0	21/10/2031		£45,680.77 towards improvements in outdoor sports - Etwall LC only
2014/0740	Woodville	566,268	0	0	0	31/01/2027		Possible Leisure centre hub - 202,851k build facilities - Woodville Rec ground - balance towards urban sport £363,415
2014/0888	Newhall and Stanton	570,000	0	0	0.00	11/07/2026	Towards Oversetts Road Football Facility	Plans being designed
2014/0888	Newhall and Stanton	0	0	0	140,210	17/08/2028	Towards Oversetts Road Football Facility	Plans being designed
2014/0948	Linton	187,415	0	0	0	04/12/2025	Towards outdoor Recreational facilities & improvement of off-site open space at Rosliston Forestry Centre	Consultation out at moment - once done will know what is needed and report to committee
2014/1141	Melbourne	7,644	0	0	0	01/11/2028	Towards Kings Newton Bowls Club	improvements to Bowls club house - IH met with PC and link with Bowls club
2014/1141	Melbourne	7,682	0	0	0	08/02/2029		
2015/0029	Seales	14,923	0	0	0	25/03/2026	Towards the changeroom at Overseal Rec	refurbishment - Overseal Rec ground - 4.5k building balance to sport pitches and play equipment

2015/0029	Seales	4,500	0	0	0	01/10/2026	Sports pitches and play equipment	
2015/0396	Newhall and Stanton	6,608	0	0	7,207	04/09/2024	Towards Oversetts Road Football Facility	Design being processed
2015/0561	Woodville	20,401	0	0	0	12/12/2024	£16.9k towards Main Street Rec, £3.5k towards Goseley Community Centre	Clause in 106 specific to community centre - no longer wishing to do extension - IH and Sally met with them - extension not viable.
2015/0563	Woodville	8,335	0	0	0	07/02/2024	Towards provision of outdoor sports facilities, open space and build facilities - currently in talks with Hartshorne PC	Build Fac and play area - & £7k play area - rest build
2015/0723	Linton	24,366	0	0	37,339	14/08/2024	Towards enhancements to RFC visitor centre, RFC play equipment and sports pitches at Strawberry Lane	Consultation out at moment - once done will know what is needed and report to committee
2015/0768	Etwall	61,537	0	0	0	01/11/2027		toward group exercise and swimming at Etwall LC
2015/0768	Etwall	0	0	0	46,250	14/02/2025	Towards Newhouse Farm Community Centre	New Community Centre - will be paying developer once they have planning permission - delays with issues with Spec
2015/0768	Etwall	0	0	0	47,686	28/09/2025	Towards Newhouse Farm Community Centre	New Community Centre - will be paying developer once they have planning permission - delays with issues with Spec
2015/0768	Etwall				94,511	27/07/2026	Towards Newhouse Farm Community Centre	New Community Centre - will be paying developer once they have planning permission - delays with issues with Spec
2015/0768	Etwall	0	1,071,180	0	0	09/08/2024	Towards housing within the Derby fringe	Earmarked for Fisher Close
2015/0768	Etwall	0	1,071,180	0	0	20/10/2025	Towards housing within the Derby fringe	Earmarked for Fisher Close
2015/0768	Etwall	0	1,103,640	0	0	27/07/2026	Towards housing within the Derby fringe	Earmarked for Fisher Close
2015/0976	Woodville	3,783	0	0	0	29/11/2023	Woodville Parish looking to spend at Woodville Recreation Ground	Parish - considering Cricket club instead of Rec ground

2015/1108	Hatton	61,071	0	0	0	22/10/2026	Towards the enhancement of Scropton Road Recreation Ground	Possible 6 projects - checking out planning on a couple of them.
2015/1108	Hatton	149,443	0	0	0.00	31/03/2028	Towards the enhancement of Scropton Road Recreation Ground	Possible 6 projects - checking out planning on a couple of them.
2016/0094	Midway	3,900	0	0	0	19/10/2025	Towards Eureka Park, Miner's memorial and Swadlincote Town Hall improvements	
2016/0094	Midway	19,521	0	0	0	19/10/2025	Eureka Park	
2016/0162	Hilton	14,535	0	0	0	28/02/2028	Hilton Village Hall	IH met with Hilton Village Hall w/c 26/06 with SH - balance to Village Hall pending community grant application and further details of project
2016/0162	Hilton	44,439	0	0	0	28/02/2028	Play at Hilton Village Hall Recreation Ground	Mease Playing Fields
2016/0162	Hilton	26,211	0	0	0	28/02/2028	improving the pitch and outdoor facilities at Mease Playing Fields or contribution towards the bike pump track at Hilton Village Hall Site	
2016/0288	Swadlincote	26,000	0	0	0	28/02/2028	Towards improving play or sports facilities at Swadlincote Woodlands	Meeting pending
2016/0329	Woodville	28,960	0	0	0	02/07/2025	£5.5k towards improvements of the pavilion at Woodville Rec, £14k towards grass pitches at Woodville Rec, £9.3k towards Footpath connections at Woodville Woodlands - Including within the "Improvements to play areas" project	Woodville Pc - Pavilion £5.5k and £4.6 footpaths, £18.7 pitches at rec ground - met a few weeks ago
2016/0583	Aston	15,733	0	0	0	20/02/2024	Towards local areas of play - Derby City taking lead on spend	In talks with Derby City - No council or parish owned play areas
2016/0870	Aston	4,775	0	0	0	26/06/2024		no contact yet, but they are aware - no plans yet
2016/0870	Aston	4,885	0	0	0	21/11/2024		
2016/1118	Repton	17,277	0	0	0	02/03/2026	£12.4k Towards extension of Repton Village Hall, £22.3k towards improvements to	Chris working with Repton Parish
2016/1118	Repton	17,490	0	0	0	13/07/2026		

							Broomfields Playing Fields	
2017/0194	Repton	44,338	0	0	0	15/06/2026	£7.5k towards Repton Village Hall, £36.7k towards improvements & recreational facilities at Broomfields Playing Fields	Chris working with Repton Parish
2017/0349	Etwall	75,648	0	0	0	28/09/2025	£75k Potentially towards a sporting hub - discussions ongoing	Pending Sporting hub
2017/0349	Etwall	0	1,549,377	0	0	23/12/2026	Affordable housing within the administrative area of the Council (North West fringe)	Earmarked for Fisher Close
2017/0416	Church Gresley	13,979	0	0	0	N/A	£13k towards play equipment at Maurice Lea Memorial Park	no plans yet
2017/0416	Church Gresley	7,000	0	0	0	N/A	£7k towards Woodhouse Recreation Ground	no plans yet
2017/0416	Church Gresley	4,000	0	0	0	N/A	£4k towards Greenbank Leisure Centre	no plans yet
2017/0667	Newhall and Stanton	0	0	0	42,246	02/02/2026	£42k towards works to swimming pool at Green Bank	Pending Sporting hub
2017/0667	Newhall and Stanton	0	62,360	0	0	16/11/2025	Towards the provision of affordable housing on the Swadlincote South fringe	Two Bungalows at Site A Park Road - Committee Report - August 23
2017/0667	Newhall and Stanton	0	124,803	0	0	02/02/2026	Towards the provision of affordable housing on the Swadlincote South fringe	Two Bungalows at Site A Park Road - Committee Report - August 23
2017/0667	Newhall and Stanton	0	64,187	0	0	31/08/2026	Towards the provision of affordable housing on the Swadlincote South fringe	Two Bungalows at Site A Park Road - Committee Report - August 23
2017/0915	Linton	4,364	0	0	0	N/A	Open Space Contribution	
2017/0922	Deep Dale Lane	0	1,064,953	0	0	02/02/2028	Community Facilities, Outdoor Sports, Affordable Housing Contributions	Earmarked for Fisher Close
2017/0922	Deep Dale Lane	77,034	0	0	0	02/02/2033		Planning application in for IGv
2017/0922	Deep Dale Lane	0	0	0	41,575	02/02/2033		Community facilities on garden village - waiting for planning app
2017/1293	Hilton	0	203,817	0	0	04/10/2024	Towards the provision of native hedgerow planting as mitigation for the loss of hedgerow to be caused as a result of the Development	no plan yet

2017/1293	Hilton	23,359	0	0	0	04/10/2024		£23.3 Hilton Village Hall Ian , £41.8 to football club - Lee English - met a few days ago
2017/1293	Hilton	1,132	0	0	0	04/10/2024		£1.2k biodiversity Gareth price - Hedgerow
2017/1293	Hilton	41,848	0	0	0	04/10/2024	to be used towards carrying out improvements to the playing pitches and associated facilities at The Mease (Hilton Harriers Football Club) including, without limitation, the costs of any land acquisition required	Lee English - met a few days ago
2018/0114	Swadlincote	7,574	0	0	5,561	31/03/2028	Build, Open Space, Outdoor Sports Contribution	
2018/0114	Swadlincote	0	0	0	2,700	31/03/2028		£13.1k towards Swadlincote Woodlands - play , rest for refurb swimming pool GBLC £2.7k
2018/0265	Linton	4,882	0	0	0	04/02/2027	Built facilities	Improve Rosliston Village Hall - IH to speak with Ros PC
2018/0377	Woodville	3,400	0	0	0	16/03/2026	Towards Goseley Community Centre	no plans yet
2018/0377	Woodville	10,699	0	0	0	16/03/2026	Towards Improvements to Swadlincote Woodlands.	no plans yet
2019/1183	Swadlincote	14,208	0	0	0	N/A	Towards the CCG and improvements at Swadlincote Surgery	no plans yet
2019/1205	Hilton	7,776	0	0	0	N/A	Towards enhancing and managing biodiversity	no plans yet
2021/1686	Tetron Point, William Nadin Way	25,187	0	0	0	11/10/2027	Towards Drainage Contribution	no plans yet
2021/1686	Tetron Point, William Nadin Way	0	0	45,336	0	11/10/2027	Cycle route	To be paid to DCC
2021/1686	Tetron Point, William Nadin Way	0	0	0	30,224	11/10/2027	Transport works	To be paid to DCC
<b>TOTAL AVAILABLE</b>		<b>2,927,843</b>	<b>6,966,177</b>	<b>45,336</b>	<b>495,510</b>	<b>10,434,866</b>		

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 9
DATE OF MEETING:	24 AUGUST 2023	CATEGORY: RECOMMENDED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	CHARLOTTE JACKSON <a href="mailto:charlotte.jackson@southderbyshire.gov.uk">charlotte.jackson@southderbyshire.gov.uk</a>	DOC: S:\Finance\COMMITTEE\2023-24\August\TM Reports
SUBJECT:	TREASURY MANAGEMENT UPDATE 2023-24	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM08

## 1.0 Recommendations

- 1.1 That the latest Quarter 1 updates in respect of Treasury Management (**Appendix 1**), Prudential Indicators and Limits (**Appendix 2**) and Counterparty List for investments and bank deposits (**Appendix 3**) are noted.

## 2.0 Purpose of the Report

- 2.1 To provide an update on the Council's treasury management activities for the first quarter of 2023/24.
- 2.2 To provide an update on external economic factors and how these may affect treasury management in the future.

## 3.0 Financial Implications

- 3.1 As detailed in the report.

## 4.0 Corporate Implications

- 4.1 None directly

## 5.0 Community Implications

- 5.1 None directly

## 6.0 Background Papers

- 6.1 Treasury Management in the Public Services Code of Practice (CIPFA Publication - December 2021)





**South  
Derbyshire  
District Council**

**Treasury Management Report Q1 2023/24**

## **Introduction**

The Authority adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Authority to approve treasury management semi-annual and annual outturn reports.

This quarterly report provides an additional update and includes the new requirement in the 2021 Code, mandatory from 1st April 2023, of quarterly reporting of the treasury management prudential indicators. The non-treasury prudential indicators are incorporated in a separate report.

The Authority's treasury management strategy for 2023/24 was approved at a meeting on 22<sup>nd</sup> February 2023. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Authority's treasury management strategy.

## **External Context**

Economic background: From the start of the quarter until May it looked like peak global monetary policy rates were in sight as inflation continued to ease and central banks turned more dovish in tone. Only a few weeks later, stronger and more persistent inflation data, particularly in the UK, changed the picture.

The UK situation was not welcome news for the Bank of England. GDP growth was weak, confirmed at 0.1% in Q1, although more recent monthly GDP data has been somewhat better. The housing market has stalled, consumer demand is weak but seemingly recovering despite higher interest rates, and labour demand remained strong, with repercussions for wage growth which is accelerating.

April data showed the unemployment rate increased to 3.8% (3mth/year) while the employment rate rose to 76.0%. Pay growth was 6.5% for total pay (including bonuses) and 7.2% for regular pay, the largest growth rate of the latter outside of the Covid pandemic. Once adjusted for inflation, however, growth in total pay and regular pay remained negative.

Inflation fell from its peak of 11.1% reached in October 2022, but annual headline CPI in May 2023 was higher than the consensus forecast at 8.7% (8.4% expected), largely driven by services inflation, while the annual measure of underlying core inflation rose to 7.1% from 6.8%.

After a sharp rise in interest rate expectations, with clearly serious implications for mortgage markets due to higher inflation and wage data, the Bank of England's Monetary Policy Committee reaccelerated monetary policy tightening over the period with a 0.25% rise in May to a 0.5% rise in June, taking Bank Rate to 5.0%. At both meetings the vote was 7-2 in favour of increasing rates, with the two dissenters preferring to keep rates on hold.

Interest rate expectations priced in further hikes in policy rates. Arlingclose, the authority's treasury adviser, revised its forecast to forecast a further 0.5% of monetary tightening to take

Bank Rate to 5.5%. The risks, however, are that rates could be higher; financial markets are forecasting policy interest rates above 6%.

With many mortgages at low fixed rates now systematically being re-set over the next 12-24 months at higher rates at the end of their fixed rate period, there has been a lagged effect of the feed through of monetary policy on households' disposable income. The economic slowdown is expected to develop over time and therefore, despite the GfK measure of consumer confidence rising to -24 in June, it is likely confidence will be negatively affected at some point. The manufacturing sector contracted during the quarter according to survey data, which will eventually feed into services, whose expansion is slowing.

Despite the US Federal Reserve increasing its key interest rate to 5.00-5.25% over the period, activity in the region continued to defy monetary tightening, particularly in labour markets which have so far appeared robust, supporting the Fed's assertions of two more rate hikes after it paused in June. Annual US inflation continued to ease, falling from 4.9% in April to 4.0% in May, the lowest level since March 2021. US GDP growth at 2% annualised in the first calendar quarter of 2023 was also significantly stronger than expected against the initial estimate of 1.3%.

In the euro zone, the picture was somewhat different. The European Central Bank maintained its hawkish tone and increased its key deposit, main refinancing, and marginal lending interest rates to 3.50%, 4.00% and 4.25% respectively. There were signs of weakening activity, particularly in Germany whose manufacturing sector has taken a hit from high energy prices and weaker global demand. However, inflation remained sticky, annual headline CPI fell to 5.5% in June while annual core inflation rose to 5.4% from 5.3%, which means the ECB is unlikely to stop monetary tightening.

Financial markets: Financial market sentiment and bond yields remained volatile, the latter continuing their general upward trend as uncertainty and concern over higher inflation and higher interest rates continued to dominate.

Gilt yields rose over the period. The 5-year UK benchmark gilt yield rose from 3.30% to 4.67%, the 10-year gilt yield from 3.43% to 4.39%, and the 20-year yield from 3.75% to 4.51%. The Sterling Overnight Rate (SONIA) averaged 4.37% over the quarter.

Credit review: Having completed a review of its credit advice on unsecured deposits at UK and non-UK banks following concerns of a wider financial crisis after the collapse of Silicon Valley Bank purchase of Credit Suisse by UBS, as well as other well-publicised banking sector issues, in March Arlingclose reduced the advised maximum duration limit for all banks on its recommended counterparty list to 35 days.

Over the period S&P upgraded NatWest Group and related entities to A+ (except NatWest Markets which was upgraded to A), revised the UK sovereign outlook to stable from negative, and upgraded both Barclays Bank PLC and Barclays Bank UK PLC to A+.

Fitch put the US sovereign rating on Rating Watch Negative following increased political partisanship which at the time was hindering the latest resolution to raise the debt ceiling. It also upgraded the outlook on United Overseas Bank to stable, the outlook on Clydesdale to positive, and the outlook on Bank of Montreal to stable.

Moody's withdrew Guildford BC's rating (who chose not to continue being rated) and affirmed the Aaa rating of the European Investment Bank.

Arlingclose continued to monitor and assess credit default swap levels for signs of ongoing credit stress but made no changes to the counterparty list or recommended durations over the quarter. Nevertheless, heightened market volatility is expected to remain a feature, at least in the near term and, as ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remains under constant review.

### **Local Context**

On 31st March 2023, the Authority had net investments of £18.422m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in the table below.

### **Balance Sheet Summary**

	<b>31.3.23 Actual £m</b>	<b>31.3.24 Forecast £m</b>
General Fund CFR	4,214	4,026
HRA CFR	51,584	41,584
<b>Total CFR</b>	<b>55,798</b>	<b>45,610</b>
External borrowing	47,423	37,423
<b>Internal borrowing</b>	<b>8,375</b>	<b>8,187</b>
Less: Balance sheet resources	(76,350)	(67,158)
<b>Net investments</b>	<b>67,975</b>	<b>58,971</b>

The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing, to reduce risk and keep interest costs low.

The treasury management position at 30th June 2023 and the change over the quarter is shown is shown below.

### **Treasury Management Summary**

	<b>31.03.23 Balance £m</b>	<b>Movement £m</b>	<b>30.06.23 Balance £m</b>	<b>Average Rate %</b>
Long-term borrowing:				
Fixed	47,423	0	47,423	3.19%
Variable	0	0	0	0.00%
Short-term borrowing	89	0	89	4.00%
<b>Total borrowing</b>	<b>47,512</b>	<b>0</b>	<b>47,512</b>	

Long-term investments	4,000	0	4,000	4.73
Short-term investments	58,000	0	58,000	4.16%
Cash and cash equivalents	3,934	38	3,972	1.90%
<b>Total investments</b>	<b>65,934</b>	<b>38</b>	<b>65,972</b>	
<b>Net investments</b>	<b>18,422</b>	<b>38</b>	<b>18,460</b>	

## **Borrowing**

CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement and so may lead to new borrowing, unless directly and primarily related to the functions of the Authority. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes.

The Authority has not invested in assets primarily for financial return or that are not primarily related to the functions of the Authority. It has no plans to do so in future.

## **Borrowing Strategy and Activity**

As outlined in the treasury strategy, the Authority's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective. The Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.

There has been a substantial rise in the cost of both short- and long-term borrowing over the last 18 months. In this quarter, Bank Rate rose from 4.25% at the beginning of April to 5.0% at the end of the quarter and was also significantly higher than its level of 1.25% at the end of June 2022.

Gilt yields faced upward pressure since early April following signs that UK growth has been more resilient and inflation stickier than expected. Consequently, PWLB borrowing rates continued to rise over the quarter. On 30th June, the PWLB certainty rates for maturity loans were 5.25% for 10-year loans, 5.36% for 20-year loans and 4.95% for 50-year loans. Their equivalents on 31st March 2023 were 4.33%, 4.70% and 4.41% respectively.

A new PWLB HRA rate which is 0.4% below the certainty rate has been made available from 15th June 2023. Initially available for a period of one year, this discounted rate is to support local authorities borrowing for the Housing Revenue Account and for refinancing existing HRA loans.

At 30th June 2023 the Authority held £47.4m of loans. These loans were taken out by the Authority in 2011/12 for the purpose of HRA self-financing. The principal element of these loans is repayable in full on maturity, with interest being paid each March and September.

The short-term borrowing of £89k relates to deposits received from two Parish Councils within the District. These loans can be recalled on immediate notice. Interest is calculated at the Bank of England Base Rate, less 1%. Interest will be payable half yearly after the 30<sup>th</sup> September and the second after 31<sup>st</sup> March.

The following table shows the maturity dates of the loans and rate of interest payable.

#### Borrowing Position

<b>Loan Profile</b>	<b>Type</b>	<b>Value £'000</b>	<b>Rate %</b>	<b>Maturity</b>
Public Works Loan Board	Fixed	10,000	2.70	2023/24
Public Works Loan Board	Fixed	10,000	3.01	2026/27
Public Works Loan Board	Fixed	10,000	3.30	2031/32
Public Works Loan Board	Fixed	10,000	3.44	2036/72
Public Works Loan Board	Fixed	7,423	3.50	2041/42
<b>Total Long-term borrowing</b>		<b>47,423</b>		
Short-term Parish Council Loans		<b>89</b>	4.00	
<b>Total borrowing</b>		<b>47,512</b>		

The Authority's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective.

#### Treasury Investment Activity

CIPFA published a revised Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes on 20th December 2021. These define treasury management investments as investments that arise from the organisation's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Authority's investment balances ranged between £45m and £57m million due to timing differences between income and expenditure. The investment position is shown in the table below.

#### Treasury Investment Position

	<b>31.03.23 Balance £'000</b>	<b>Q1 2024 Movement £'000</b>	<b>30.06.23 Balance £'000</b>	<b>30.06.23 Rate of Return %</b>

Banks (unsecured)	3,934	38	3,972	1.90
Local Authorities	42,000	0	42,000	3.96
Money Market Funds	16,000	0	16,000	4.44
CCLA Property Fund	4,000	0	4,000	4.73
<b>Total investments</b>	<b>65,934</b>	<b>38</b>	<b>65,972</b>	

Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

As demonstrated by the liability benchmark in this report, the Authority expects to be a long-term investor and treasury investments therefore include both short-term low risk instruments to manage day-to-day cash flows and longer-term instruments where limited additional risk is accepted in return for higher investment income to support local public services.

Bank Rate increased by 0.75%, from 4.25% at the beginning of April to 5% by the end of June, with the prospect of further increases to come. Short-dated cash rates rose commensurately, with 3-month rates rising to around 5.25% and 12-month rates to nearly 6%. The rates on DMADF deposits also rose, ranging between 4.8% and 5.4% by the end of June and Money Market Rates between 4.41% and 4.49%.

The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking below.

Investment Benchmarking – Treasury investments managed in-house (excludes CCLA)

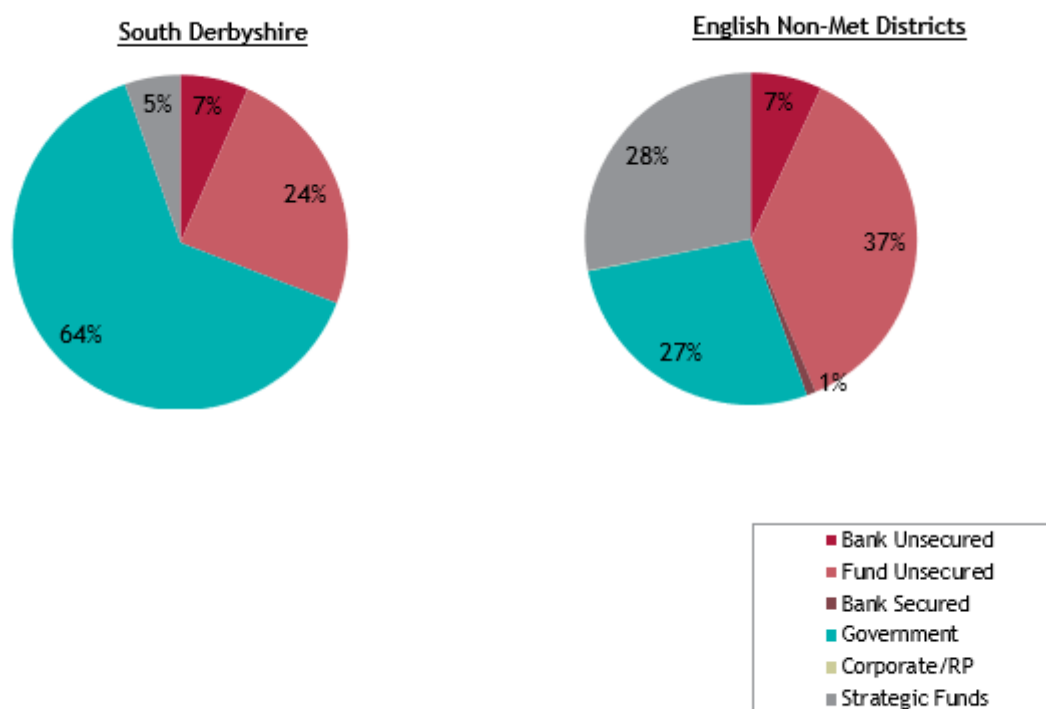
	<b>Credit Score</b>	<b>Credit Rating</b>	<b>Bail-in Exposure</b>	<b>Weighted Average Maturity (days)</b>	<b>Rate of Return %</b>
<b>31.03.2023</b>	4.93	A+	32%	72	2.06
<b>30.06.2023</b>	4.76	A+	33%	86	2.66
<b>Similar LAs</b>	4.66	A+	65%	45	1.54
<b>All LAs</b>	4.65	A+	63%	11	2.34

**Credit Score:** This is a value weighted average score calculated by weighting the credit score of each investment by its value. A higher number indicates a higher risk.

**Credit Rating:** This is based on the long-term rating assigned to each institution in the portfolio, by ratings agencies Fitch, Moody's and Standard & Poor's. Ratings rang from AAA to D, and can be modified by +/-

**Bail in Exposure:** The adoption of a bail in regime for failed banks results in a potential increased risk of loss of funds for local authority should this need to be implemented. Therefore, a lower exposure to bail in investments reduces this risk.

**Weighted Average Maturity:** This is an indicator of the average duration of the internally managed investments. Similar authorities have a similar profile to South Derbyshire; other larger authorities tend to hold a greater proportion of fund in money markets than fixed term deposits with other LAs, due to their cash flow requirements.



This chart illustrates the type of investment funds held by the Council in comparison to other similar Local Authorities, this shows in greater detail, the comparisons in the bail in exposure and rate of return, on the above security benchmark table. The unsecured funds held by other Local Authorities is a much higher percentage of their investment portfolio, which will offer them a higher rate of return, however the bail in exposure risk to funds is 65% of their total portfolio., The Council have invested their funds in much safer secured investments (Government) which may produce a smaller yield but the risk to Council funds is low at 33%.

### Externally Managed Pooled Funds

£4m of the Authority’s investments is invested in externally managed strategic pooled property funds where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability. These funds are expected to generate an average return of £40k - £45k per quarter, its estimated £160k - £180k income return will be achieved this year, which is used to support services in year.



UK property markets continued to struggle as higher interest rates and bond yields and higher funding costs weighed on the sector. There was some improvement in May, building on signs of returning investor interest and transactional activity in calendar Q1 and a perception that the downturn in commercial real estate may be bottoming out. This has helped support capital values and rental income. The additional move upwards in yields in late May/June and the prospect of sluggish economic growth however constrain the outlook.

Because the Authority's externally managed funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over a three- to five-year period total returns will exceed cash interest rates.

**Statutory override:** In April 2023 the Department for Levelling Up, Housing and Communities published the full outcome of the consultation on the extension of the statutory override on accounting for gains and losses on pooled investment funds. The override has been extended for 2 years until 31st March 2025 but no other changes have been made; whether the override will be extended beyond the new date is unknown but commentary to the consultation outcome suggests not. The Authority will discuss with Arlingclose the implications for the investment strategy and what action may need to be taken.

### **CCLA Property Fund Performance**

		<b>2022/23</b>	<b>2023/24</b>
		<b>Q4</b>	<b>Q1</b>
Dividend Received	£	38,409	41,746
Annual Equivalent Interest Rate	%	4.35%	4.73%
Bid (Selling) Price	pence/unit	283.80	283.41

The mid-market value of the fund as at the 30 June 2023 is £3,582,772 and the bid market value is £3,527,264. The quarters market and bid values have decreased from March 23 by 0.14%. This reinforces the notion that the Fund should only be considered for long-term investments.

The authority's investment in the CCLA fund will remain stable throughout 23/24 with performance continuing to yield positive dividends.

### **Performance**

#### **Average 7-Day Money Market Rate**

The main indicator the Council uses to measure its return on short-term investments to average over the year, is the Average 7-Day Money Market Rate. This is a standard measure of performance. Performance for the second quarter is shown below.

	<b>As at 31.03.23</b>	<b>As at 30.06.23</b>
Average 7-Day Money Market Rate (Target)	3.89%	4.47%
Average Interest Rate Achieved on Short Term Deposits	3.43%	4.16%

Our current investment profile includes several local authority loans which were dealt during the early part 22/23 financial year when interest rates were not as favourable. This therefore brings down the overall average interest-rate on short term deposits. The expectation being, as these loans mature higher interest rates will be achieved upon new dealings.

### **Cost of Debt**

This indicator shows how much the costs of borrowing impact upon each household (at Band D Council Tax rate) in the District. The impact on Council Tax is positive as the General Fund has no actual debt. The performance for the first quarter is shown below using the current interest received and the estimated annual interest based on current returns. This is compared to the actual annual interest received last year.

<b>General Fund Impact per Council Tax Payer</b>	<b>Actual 31.03.2023</b>	<b>Actual 30.06.23</b>	<b>Estimated 31.03.2024</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Net Interest Received - General Fund	<b>-£751,544</b>	<b>-£335,786</b>	<b>-£1,423,775</b>
Band D Properties	36,702	37,663	37,663
<b>Cost per Band D Property</b>	<b>-£20.48</b>	<b>-£8.92</b>	<b>-£37.80</b>

The cost of debt on each council tenant (HRA) is shown below. The performance for the first quarter is the actual costs compared to the estimated costs for the year.

<b>HRA Debt Interest per Dwelling</b>	<b>31.03.23 Actual</b>	<b>31.03.2024 Estimated</b>
HRA Interest Payable	1,504,805	1,504,805
Dwellings	2,937	2,919
<b>Annual Cost per Dwelling</b>	<b>£512.36</b>	<b>£515.52</b>

### **Compliance**

The Chief Finance Officer reports that all treasury management activities undertaken during the quarter complied fully with the principles in the Treasury Management Code and the Authority's approved Treasury Management Strategy.

Compliance with specific investment limits is demonstrated in the table below:

## Investment limits

Sector	Maximum Investment Q1 2024	Counterparty Limit	Time Limit	Sector Limit	Complied
The UK Government	£22m	£25m	364 days	n/a	✓
Local authorities & other government entities	£38m	£5m	364 days	Unlimited	✓
Banks (unsecured)*	£2.7m	£3m	35 days	Unlimited	✓
Building societies (unsecured)*	£2m	£2m	35 days	£5m	✓
Money Market Funds*	£16m	£2m	60 days	£14m	✓
Strategic Pooled Funds	£4m	£4m	n/a	£4m	✓
Other Investments*	0	£1m	35 days	Unlimited	✓

## Treasury Management Prudential Indicators

As required by the 2021 CIPFA Treasury Management Code, the Authority monitors and measures the following treasury management prudential indicators.

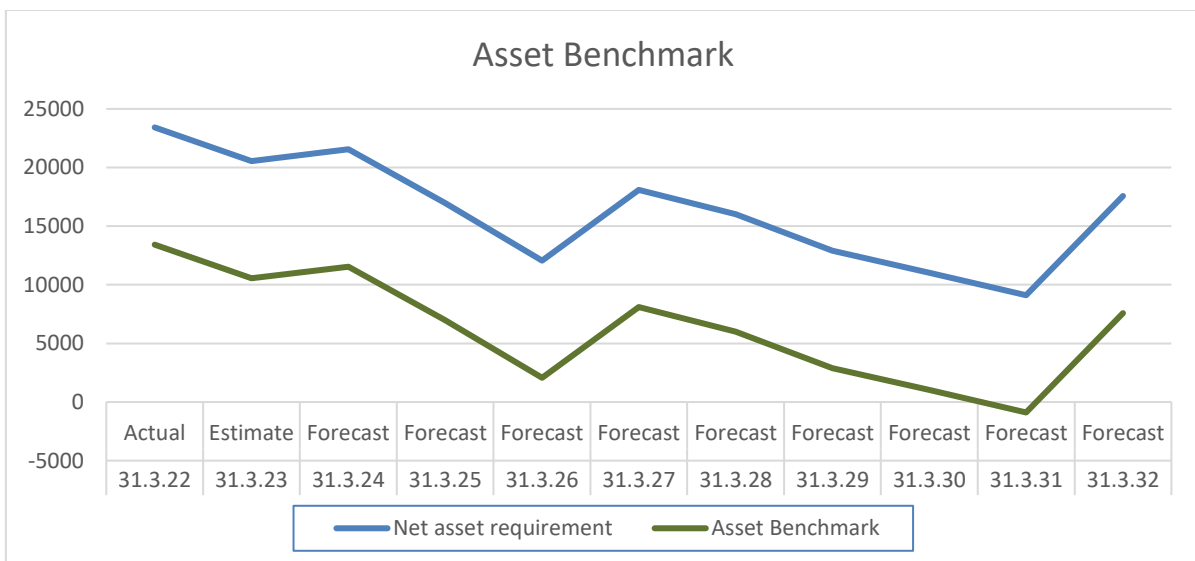
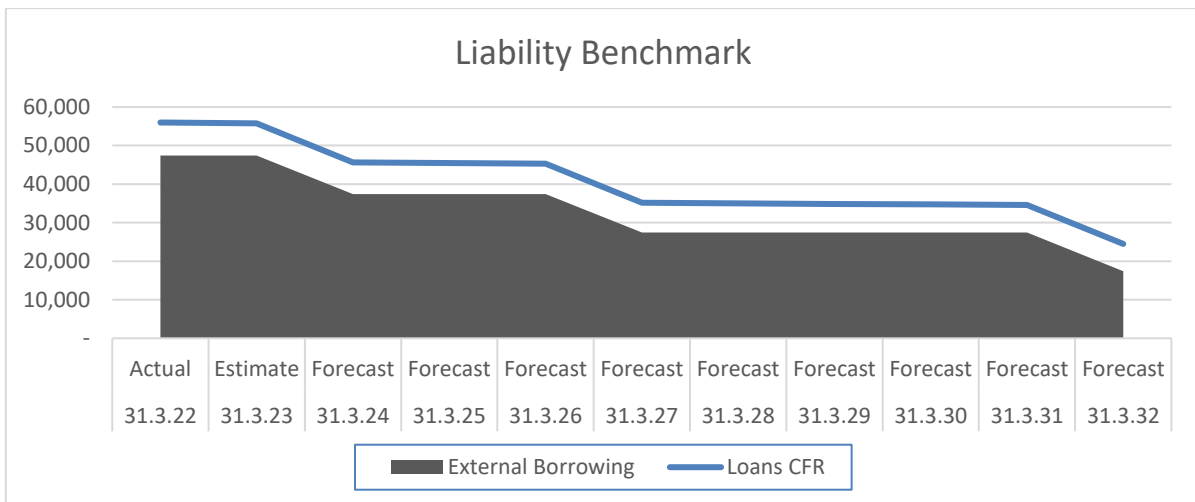
### Liability Benchmark:

This new indicator compares the Authority's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £10m required to manage day-to-day cash flow.

	31.3.23 Actual	31.3.24 Forecast	31.3.25 Forecast	31.3.26 Forecast
Loans CFR	55,798	45,610	45,447	45,293
Less: Balance sheet resources	(76,350)	(67,158)	(62,428)	(57,364)
<b>Net asset requirement</b>	<b>20,552</b>	<b>21,548</b>	<b>16,981</b>	<b>12,071</b>

Liquidity allowance	10,000	10,000	10,000	10,000
Asset benchmark	10,552	11,548	6,981	2,071
Existing borrowing	47,423	37,423	37,423	37,423

Following on from the medium-term forecasts above, the long-term asset benchmark assumes borrowing is repaid when due and no additional borrowing is required. Capital expenditure is funded from reserves.



As shown from the above graphs the asset benchmark increases over the medium term as debt is repaid and then decreases as reserves are utilised.

**Maturity Structure of Borrowing:**

This indicator is set to control the Authority’s exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

	Upper Limit	Lower Limit	30.6.23 Actual	Complied?
Under 12 months	10000	10000	10000	✓

12 months and within 24 months	0	0	0	✓
24 months and within 5 years	10000	10000	10000	✓
5 years and within 10 years	10000	10000	10000	✓
10 years and above	17423	17423	17423	✓

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

### Long-term Treasury Management Investments:

The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management limits are:

	2023/24	2024/25	2025/26	No fixed date
Limit on principal invested beyond year end	£4m	£4m	£4m	£4m
Actual principal invested beyond year end	£4m	£4m	£4m	£4m
Complied?	✓	✓	✓	✓

Long-term investments with no fixed maturity date include strategic pooled funds, real estate investment trusts and directly held equity but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

### Interest Rate Exposures:

This indicator is set to control the Authority's exposure to interest rate risk. Bank Rate rose by 0.75% during the quarter, from the prevailing rate of 4.25% on 1st April to 5% by 30th June.

For context, the changes in interest rates during the quarter were:

	<u>31/3/23</u>	<u>30/6/23</u>
Bank Rate	4.25%	5.00%
1-year PWLB certainty rate, maturity loans	4.78%	6.22%
5-year PWLB certainty rate, maturity loans	4.31%	5.71%
10-year PWLB certainty rate, maturity loans	4.33%	5.25%
20-year PWLB certainty rate, maturity loans	4.70%	5.36%
50-year PWLB certainty rate, maturity loans	4.41%	4.95%

The impact of a change in interest rates is calculated on the assumption that maturing loans and investment will be replaced at new market rates.



**South  
Derbyshire  
District Council**

**Prudential Indicators 2023/24**

**June 2023**

## Introduction

The Local Government Act 2003 requires the Authority to have regard to the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Authority has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

The Authority measures and manages its capital expenditure, borrowing and commercial and service investments (where applicable) with references to the following indicators.

It is now a requirement of the CIPFA Prudential Code that these are reported on a quarterly basis.

## **Estimated Capital Expenditure and Financing**

This is the approved capital investment programme for the General Fund, together with stock investment proposals included in the HRA Business Plan. The programme is summarised in the following table.

<b>Estimated Capital Expenditure £</b>	<b>Actual 2022/23</b>	<b>Forecast 2023/24</b>	<b>Forecast 2024/25</b>	<b>Forecast 2025/26</b>	<b>Forecast 2026/27</b>	<b>Forecast 2027/28</b>
General Fund	4,013,345	5,108,558	2,775,032	2,336,760	849,211	651,500
HRA	2,456,166	2,432,186	2,877,000	3,143,503	2,497,000	3,232,000
<b>Total</b>	<b>6,469,511</b>	<b>7,540,744</b>	<b>5,652,032</b>	<b>5,480,263</b>	<b>3,346,211</b>	<b>3,883,500</b>
<b>Financed by £</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
Grants and Contribution	2,914,945	3,290,000	1,240,000	820,000	400,000	400,000
Council Resources	3,554,566	4,250,744	4,412,032	4,660,263	2,946,211	3,483,500
<b>Total</b>	<b>6,469,511</b>	<b>7,540,744</b>	<b>5,652,032</b>	<b>5,480,263</b>	<b>3,346,211</b>	<b>3,883,500</b>

Approval for a capital bidding round and scoring of bids following recommendations from the Service and Financial Planning Working Group was granted at Finance and Management Committee on the 9th July 2020.

Of the 14 bids receiving approval 6 are ongoing with capital expenditure expected to commence this financial year. Along with the capital projects approved on 8th October 2020, the Council continues to invest in its ICT Strategy and vehicle replacement programme. The Council is also delivering projects across the district funded through the Better Care Fund.

Subsequent years' expenditure relates to the phasing of the larger Capital projects, continuing asset replacement program and investment onto the Council's ICT Strategy.

The general downward trend of HRA expenditure relates to the reduction in New Build Properties and a reduction in major works due to the need to set-aside funds for the repayment of debt. The major repairs have a five-year plan for improving Council properties to decent homes standard.

Overall, the capital expenditure programme is financed from Government grants, external contributions, Council reserves and capital receipts.

Overall, the capital expenditure programme is financed from Government grants, external contributions, Council reserves and capital receipts.

The table highlights that the five-year investment programme is fully funded. If all financing is not secured, expenditure will need to be curtailed or other resources and reserves identified.

Due to the current level of reserves and cash on deposit, current policy is that any longer-term borrowing is undertaken only as a last resort to meet any shortfall; any new borrowing will only be undertaken prudentially within the Council's debt limits.

### **The Council's Borrowing Need or Capital Financing Requirement (CFR)**

The CFR is a measure of the Council's underlying need to borrow for capital investment and is based on the net value of fixed assets contained in the Council's Balance Sheet.

The CFR does not necessarily represent the amount of actual external debt outstanding. This is due to the fact that not all borrowing previously allowed has in effect taken place against this requirement but is being financed internally through cash deposits and reserves.

Capital expenditure that has not been immediately paid for increases the CFR through additional borrowing, including internally. The CFR is reduced following debt repayment or through setting-aside revenue sums to repay internal borrowing.

The Council is required to pay off an element of the accumulated General Fund CFR each year through a revenue charge called the Minimum Revenue Provision (MRP). In addition, a Voluntary Revenue Provision (VRP) is made where borrowing has taken place on a prudential basis.

There is no requirement to make a MRP for the HRA. However, money is being set-aside to repay HRA debt in accordance with the maturity profile. This strategy is reflected in the HRA's Financial Plan.

A summary of the CFR estimates is shown in the following table.

<b>Expected CFR</b>	<b>Actual 2022/23 £'000</b>	<b>Forecast 2023/24 £'000</b>	<b>Forecast 2024/25 £'000</b>	<b>Forecast 2025/26 £'000</b>	<b>Forecast 2026/27 £'000</b>	<b>Forecast 2027/28 £'000</b>
CFR b/fwd	55,993	55,798	45,610	45,447	45,293	35,144
Add New Financing	0	0	0	0	0	0
Less MRP	-175	-168	-161	-155	-148	-142
Less VRP	-20	-21	-2	0	0	0
Less Debt Repayment	0	-10,000	0	0	-10,000	0
<b>CFR c/fwd</b>	<b>55,798</b>	<b>45,609</b>	<b>45,447</b>	<b>45,292</b>	<b>35,145</b>	<b>35,002</b>
General Fund Proportion	4,214	4,026	3,863	3,709	3,560	3,418
HRA Proportion	51,584	41,584	41,584	41,584	31,584	31,584
<b>Total</b>	<b>55,798</b>	<b>45,610</b>	<b>45,447</b>	<b>45,293</b>	<b>35,144</b>	<b>35,002</b>

The VRP has reduced to zero due to the repayment of previous internal borrowing schemes relating to the purchase of receptacles to extend the kerbside recycling scheme in 2013, together with the repayment of the internal borrowing for the Grove Hall Extreme Sports projects.

### **Debt Pools**

The Council operates two separate Debt Pools, one for the General Fund and one for the Housing Revenue Account (HRA). There is no external debt currently outstanding on the General Fund, although it has a positive CFR representing an underlying borrowing need.



The General Fund CFR is reduced each year by a statutory revenue charge known as the Minimum Revenue Provision (MRP). In addition, a Voluntary Revenue Provision (VRP) is made where borrowing has been undertaken on a prudential basis.

There is no requirement to make a MRP or VRP in the Housing Revenue Account. The HRA has debt outstanding of just over £47m. This represents the debt inherited under the self-financing framework for Council Housing.

Although no MRP is required for the HRA, money is being set-aside to repay the HRA debt in accordance with the maturity profile. This strategy is reflected in the HRA's Financial Plan. The expected CFRs over the current financial planning period to 2027/28 are detailed in the following table.

<b>Expected CFR</b>	<b>Actual 2022/23 £'000</b>	<b>Forecast 2023/24 £'000</b>	<b>Forecast 2024/25 £'000</b>	<b>Forecast 2025/26 £'000</b>	<b>Forecast 2026/27 £'000</b>	<b>Forecast 2027/28 £'000</b>
General Fund Proportion	4,214	4,026	3,863	3,709	3,560	3,418
HRA Proportion	51,584	41,584	41,584	41,584	31,584	31,584
<b>Total</b>	<b>55,798</b>	<b>45,610</b>	<b>45,447</b>	<b>45,293</b>	<b>35,144</b>	<b>35,002</b>

The CFR on the General Fund will continue to reduce over the medium-term due to MRP/VRP being applied. These charges for all years are included in the Council's base budget.

Effectively, the MRP/VRP creates a cash amount in the Council's budget in order to write down the underlying borrowing requirement.

The larger CFR on the HRA has remained static in previous years, the first repayment of £10m self-financing loans was paid in March 2022, with another repayment in March 24 and March 27, after these payments the CFR is forecast to remain static for a period, unless any new borrowing is required.

### **Limits to Borrowing Activity**

The Council is required to set limits on overall borrowing (net of investments). This controls borrowing and ensures that the Council does not, except in the short term, exceed the total of the CFR in the preceding year, plus the estimates of any additional CFR for the current and the next two financial years.

A short-term deviation is allowed for flexibility if a limited amount of borrowing was required to meet temporary shortfalls in cash flow. The estimated position is detailed in the following table.

<b>Estimated Borrowing Compared to the CFR</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>	<b>2027/28 £'000</b>
Gross Borrowing - HRA	47,423	37,423	37,423	37,423	27,423	27,423
Gross Borrowing - General Fund	0	0	0	0	0	0
<b>Total Gross Borrowing</b>	<b>47,423</b>	<b>37,423</b>	<b>37,423</b>	<b>37,423</b>	<b>27,423</b>	<b>27,423</b>
<b>Total CFR</b>	<b>55,798</b>	<b>45,610</b>	<b>45,447</b>	<b>45,293</b>	<b>35,144</b>	<b>35,002</b>

The above table shows that as gross borrowing is likely to remain below the CFR, the Council will comply with this Prudential Indicator.

## The Authorised Limit for External Debt

This is the limit beyond which external debt is prohibited. It is the statutory limit determined under section 3(1) of the Local Government Act 2003. The debt cap for HRA self-financing was removed by the Government in 2018/19.

## The Operational Boundary for External Debt

This represents the expected external debt during the course of the year, but it is not a limit. It is designed to aid the Chief Finance Officer to manage treasury activity on a daily basis and acts as an early warning sign of any potential issues. It includes a provision for temporary borrowing of £5m. As in recent years, it is not expected that any temporary borrowing will be required but is included as a contingency should cash flow become negative in the short-term.

The Limit and Boundary are summarised in the following table.

Debt Limits	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000	£'000
Authorised Limit - General Fund	4,214	4,026	3,863	3,709	3,560	3,418
Authorised Limit - HRA	51,584	41,584	41,584	41,584	31,584	31,584
Operational Boundary	52,423	42,423	42,423	42,423	32,423	32,423

As noted above, there is no longer a debt cap on the HRA and therefore borrowing is no longer restricted but it must remain affordable over the plan.

To ensure affordability, the Chief Finance Officer has retained the former limit.

## Cost of Debt to Finance Capital Expenditure

This indicator shows how much per year the costs of borrowing impact upon each household (at Band D Council Tax rate) in the District and for each council tenant (HRA).

As there is no actual debt on the General Fund, the impact on Council Tax is positive as this represents interest on cash deposits.

Cost of Servicing Debt	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000	£'000
Estimated Net Interest Received - General Fund	-751,544	-1,423,775	-432,638	-432,638	-432,638	-432,638
Estimated Band D Properties (per MTFP)	36,702	37,663	38,616	39,707	40,797	41,887
<b>Cost per Band D Property</b>	<b>-£20.48</b>	<b>-£37.80</b>	<b>-£11.20</b>	<b>-10.90</b>	<b>-10.60</b>	<b>-10.33</b>
Estimated Net Interest Payable - HRA	1,117,245	632,168	1,038,201	1,038,201	1,038,201	737,201
Estimated Dwellings (per MTFP)	2,937	2,919	2,901	2,883	2,865	2,847
<b>Annual Cost per Dwelling</b>	<b>£380.40</b>	<b>£216.57</b>	<b>£357.88</b>	<b>£360.11</b>	<b>£362.37</b>	<b>£258.94</b>

## The Use of the Council's Resources and the Investment Position

The Council has available at any one time, reserves and balances which are held to finance future expenditure commitments or to act as a contingency sum as recommended by the Council's Chief Finance Officer.

These balances are available for investment on a short-term basis in accordance with the Investment Strategy. The expected level of reserves and balances is shown in the following table.

Estimated Usable Reserves	Actual 2022/23 £'000	Forecast 2023/24 £'000	Forecast 2024/25 £'000	Forecast 2025/26 £'000	Forecast 2026/27 £'000	Forecast 2027/28 £'000
General Fund	15,222	12,356	9,011	5,333	1,520	-2,835
Earmarked	27,335	26,756	25,496	24,398	23,947	23,696
Capital Receipts and Grants	7,266	6,022	5,747	5,147	5,147	5,147
Debt Repayment	5,693	354	3,218	6,160	48	2,079
HRA General Reserve	4,609	2,479	1,917	1,744	1,187	2,201
<b>Total Reserves</b>	<b>60,125</b>	<b>47,967</b>	<b>45,389</b>	<b>42,782</b>	<b>31,849</b>	<b>30,288</b>

The above table shows that overall the level of resources is expected to decrease over the financial period and it assumes in particular, that forecasted deficits on the General Fund will be financed from general reserves until budget savings or additional income are identified. When identified, the level of resources will remain higher.

Based on this level of reserves, it is estimated that the Council will continue to have funds available for investment each year. In accordance with the Investment Strategy, these investments will continue to be held in short-term (less than 364 days) deposit accounts.

## Ratio of Financing Costs to Net Revenue Stream

This indicator shows the trend in the net cost of borrowing (allowing for investment income) against the net revenue stream, i.e. Council Tax for the General Fund and Rent Income for the HRA. Estimates are included in the Council's Medium Term Financial Plan (MTFP) and are shown in the following table.

Financing Ratios	Actual 2022/23 £	Forecast 2023/24 £	Forecast 2024/25 £	Forecast 2025/26 £	Forecast 2026/27 £	Forecast 2027/28 £
<b>General Fund</b>						
Estimated Council Tax Income	6,346,143	6,630,446	6,875,455	7,207,426	7,549,729	7,902,641
Net Interest Receivable	-751,544	-1,423,775	-432,638	-432,638	-432,638	-432,638
<b>Proportion</b>	<b>-11.84%</b>	<b>-21.47%</b>	<b>-6.29%</b>	<b>-6.00%</b>	<b>-5.73%</b>	<b>-5.47%</b>
<b>HRA</b>						
Estimated Rental Income	12,382	12,872	13,449	13,766	14,089	14,420
Estimated Interest Payable	1,505	1,505	1,235	1,235	1,235	934
<b>Proportion</b>	<b>12.15%</b>	<b>11.69%</b>	<b>9.18%</b>	<b>8.97%</b>	<b>8.77%</b>	<b>6.48%</b>

With no debt on the General Fund, the indicator is negative. The ratio reflects the level of “gearing” - how much of the Council’s revenue is tied up in borrowing costs. Although the proportion for the HRA is greater in percentage terms, this is a relatively fixed cost but affordable within the HRA’s Financial Plan.

**Treasury Management Indicators:** These indicators (Liability Benchmark, Maturity Structure of Borrowing, Long-Term Treasury Management Investments, and Interest Rate Exposure) are within the Treasury Management Report Q1 2023/24.

**COUNTERPARTY LIST 2023/24  
(as at June 2023)**

**Treasury investment counterparties and limits**

<b>Sector</b>	<b>Counterparty Limit</b>	<b>Time Limit</b>	<b>Sector Limit</b>
The UK Government	£25m	364 days	n/a
Local authorities & other government entities	£5m	364 days	Unlimited
Banks (unsecured)*	£3m	35 days	Unlimited
Building societies (unsecured)*	£2m	35 days	£5m
Money Market Funds*	£2m	60 days	£16m
Strategic Pooled Funds	£4m	n/a	£4m
Other Investments*	£1m	35 days	Unlimited

***This table must be read in conjunction with the notes below***

**\* Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £5m per counterparty as part of a diversified pool e.g. via a peer-to-peer platform.

**Government:** Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency.

**Banks and building societies (unsecured):** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

**Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. The Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

**Strategic pooled funds:** Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

**Other investments:** This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.

**Operational bank accounts:** The Authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £3m. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

<b>REPORT TO:</b>	<b>FINANCE AND MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM: 10</b>
<b>DATE OF MEETING:</b>	<b>24 AUGUST 2023</b>	<b>CATEGORY: DELEGATED</b>
<b>REPORT FROM:</b>	<b>STRATEGIC DIRECTOR (CORPORATE RESOURCES)</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>TRACY BINGHAM (595811)</b> <a href="mailto:tracy.bingham@southderbyshire.gov.uk">tracy.bingham@southderbyshire.gov.uk</a>	<b>DOC:</b> s:\cent_serv\complaints\committee reports\working papers for June 2023\Complaints and FOI report for 24 August 2023
<b>SUBJECT:</b>	<b>COMMENTS, COMPLIMENTS, COMPLAINTS &amp; FREEDOM OF INFORMATION REQUESTS</b> <b>01 OCTOBER 2022 TO 31 MARCH 2023</b>	<b>REF: TB/TT/SH</b>
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: FM11</b>

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## **1.0 Recommendations**

1.1 That the comments, compliments, complaints, and FOI requests, as detailed in the report, are considered, and noted.

## **2.0 Purpose of Report**

2.1 The report provides a summary of official comments, compliments, complaints, and Freedom of Information (FOI) requests received by the Council for the period 01 October 2022 to 31 March 2023. Details of individual complaints and requests etc, can be found at:  
<https://www.southderbyshire.gov.uk/about-us/open-data-and-transparency>.

2.2 Figures for the corresponding period in 2021/22 are given for comparison purposes.

## **3.0 Executive Summary**

### **Comments, Compliments and Complaints**

3.1 The comments, compliments and complaints procedure are designed to encourage people to give informal feedback on Council services.

3.2 0 comments, 55 compliments and 81 complaints have been received between 01 October 2022 to 31 March 2023.

3.3 The number of complaints received in the second half of this financial year has increased compared to the corresponding period of 2021/22 and the number of compliments received has increased.

3.4 Members are informed via e-mail (enclosing a copy of the original complaint) when a complaint is received relating to their ward. This is for information purposes only. A copy of the response letter sent to the complainant has been provided to Ward members from 01 June 2019.

### **Freedom of Information**

3.5 The Council is committed to making itself open. A large amount of information is already available to the public, through for example, the Council's website and at community centres and village halls, etc.

### **Publication Scheme**

3.6 Under the Freedom of Information Act, South Derbyshire District Council has a duty to adopt and maintain a Publication Scheme describing:

- The classes of information it publishes
- How and where such information is published (e.g., website, paper copy, etc.)
- Whether or not a charge is made for such information

The purpose of a Publication Scheme is to let everyone know what information will be automatically or routinely published by the Council and to ensure that a significant amount of information is available to the public, without the need for a specific request to be made.

In line with guidance from the Information Commissioner's Office, the scheme is updated regularly, and the current version is available from the Website at:

[Publication Scheme - September 2021 \(2\).pdf](#)

3.7 A total of 220 Freedom of Information requests have been received from 01 October 2022 to 31 March 2023. This is an increase of 70 over the corresponding period for 2021/22.

## **4.0 Detail**

### **Comments**

4.1 0 comments were received over the past six months. Any comments received are carefully considered and if appropriate, are investigated under the Complaints Procedure.

<b>Department</b>	<b>1 October 2021– 31 March 2022</b>	<b>1 October 2022 – 31 March 2023</b>
Business Change and ICT/Operational & Environmental Services	1	0
<b>Total</b>	<b>1</b>	<b>0</b>



## Compliments

- 4.2 The table below compares the number of compliments received for the second half of 2022/2023 against the second half of 2021/2022. Compliments generally relate to the quality of the service provided and/or actions of individuals.

Department	1 October 2021 – 31 March 2022	1 October 2022 – 31 March 2023
Customer Services	14*	9*
Housing Services	14	27*
Cultural and Community Services	2	1*
Operational Services	16*	15*
Planning and Strategic Housing Services	6	0
Corporate Resources	1	0
Business Change and ICT	0	3
<b>Total</b>	<b>53</b>	<b>55</b>

\* This indicates where one compliment has referred to two separate services

## Complaints

- 4.3 The table below compares the number of official complaints received:

	1 October 2021 – 31 March 2022	1 October 2022 – 31 March 2023
Resolved at Stage 1	51	69
Stage 1 still ongoing	0	0
Resolved at Stage 2	16	11
Stage 2 still ongoing	0	0
Withdrawn	3	1
<b>Total received</b>	<b>70</b>	<b>81</b>

- 4.4 The complaints received can be broken down as follows:

Department	1 October 2021 – 31 March 2022	1 October 2022 – 31 March 2023
Corporate Property Services	0*	1
Customer Services	4*	6*
Housing Services	23*	39*
Cultural and Community Services	10	7
Operational Services	14*	12
Planning and Strategic Housing Services	13	12
Environmental Services	2*	1
Business Change and ICT	1	2*
Withdrawn	3	1
<b>Total</b>	<b>70</b>	<b>81</b>

\* This indicates where one complaint has referred to more than one service

4.5 For comparison, the table below shows the total number of complaints over the last four complete years:

<b>Department</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
Organisational Development and Performance	1	1	1*	1
Finance Services	1	1	2*	0
Corporate Property Services	2	2*	0	1
Customer Services	18	5	20*	23*
Housing Services	26	36	44*	49*
Cultural and Community Services	10	6*	12*	9
Planning and Strategic Housing Services	14	14	23	16
Environmental Services	12	6	6*	3**
Operational Services	22	29	33*	25*
Legal and Democratic Services	5	5	2*	1
Economic Development and Growth	0	0	1	0
Business Change and ICT	0	0	1	3*
Chief Executive	0	0	2	0
<b>Total</b>	<b>111</b>	<b>105</b>	<b>147</b>	<b>131</b>

\* This indicates where one complaint has referred to two separate divisions.

\*\* This indicates where Environmental Services were counted, and one was withdrawn

4.6 Managers dealing with the complaints are asked to complete a questionnaire following each complaint. This provides details of actions taken and improvements made because of a complaint.

4.7 From 01 April 2022 complainants have been asked to complete a complaint satisfaction questionnaire. This is to ascertain the satisfaction rate with the way in which the complaint was handled.

72 were issued from 01 October 2022 to 31 March 2023 and 2 returned. Of these questionnaires returned complainants were satisfied overall with the handling of the complaint's procedure, however, not necessarily satisfied with the outcome.

4.8 If a complaint cannot be resolved at Stage 2 of the Council's procedure, it can be taken to the Local Government Ombudsman for independent consideration. These complaints are the subject of a separate annual report.

### **Freedom of Information Requests**

4.9 Although the Freedom of Information Act 2000 creates a general right of access to information, it also sets out information that the Council does not have to make available for specific reasons. This is information, which, if published, might prejudice the health, safety or security of the Council, its staff, systems, services, or property.

4.10 As much information is made available as possible without charging for it. The Council, however, reserves the right to levy a reasonable charge where the information request is extensive and would require more than two days' staff time to satisfy the request.

- 4.11 The Council deals with hundreds of routine requests for information every day. These are referred to as “business as usual requests”. However, information that is not readily available and that has to be prepared or extracted is handled differently. The Council is entitled to make a charge for this kind of information.
- 4.12 Requests for information under Freedom of Information must be processed within 20 working days. However, requests for details under the Freedom of Information Act can be turned down if they fall within certain exemption criteria.
- 4.13 The table below compares the Freedom of Information requests received for the second half 2021/2022 against the second half of 2022/2023.

Note: the figures also include any requests that have been made under EIR (Environmental Information Regulations).

	<b>1 October 2021 – 31 March 2022</b>	<b>1 October 2022 – 31 March 2023</b>
Total Number of Requests Received	150	220
Less passed to other organisations	13	34
Less those withdrawn or duplicate requests	1	2
Less exemptions/partial exemptions	6	7
<b>Total Requests Answered</b>	<b>139</b>	<b>177</b>
Number replied to within 20 statutory days	116	159
Number replied to after 20 statutory days	14	18
Percentage replied to within 20 statutory days	89%	90%
Percentage replied to after 20 days	11%	10%

- 4.14 The above table shows that the response times increased overall to 90% in the second half of 2022/23 with an increase in the number of requests.
- 4.15 The requests for information received can be broken down as follows:

<b>Department</b>	<b>1 October 2021 – 31 March 2022</b>	<b>1 October 2022 – 31 March 2023</b>
Corporate Resources	0	2*
Finance Services	8*	6*
Organisational Development and Performance	9	26*
Business Change and ICT	12*	13*
Corporate Property Services	4*	5*
Customer Services	20*	13*
Environmental Services	31*	32*
Housing Services	11*	33*
Cultural and Community Services	4*	8*
Operational Services	6*	6*
Planning and Strategic Housing Services	12*	25*
Legal and Democratic Services	18	15*
Economic Development and Growth	2*	2*

Passed to 3 <sup>rd</sup> Parties	13	34*
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\* Same request has involved several Services.

## **5.0 Financial Implications**

5.1 None directly stemming from this report.

## **6.0 Corporate Implications**

6.1 Under the Complaints procedure the Council will write to the complainant within five working days, telling them who is dealing with their complaint and when they can expect to receive a reply. In most cases a full reply will be sent within 10 working days.

6.2 Under the Freedom of Information Act the Council must respond to any requests received within 20 working days. For many requests the information required affects several areas of the Council. Consequently, a coordinated approach must be taken in the Council's response, with each service area being responsible for providing the information requested relating to their area.

## **7.0 Community Implications**

7.1 None.

## **8.0 Background Papers**

None.

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<b>REPORT TO:</b>	<b>FINANCE &amp; MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM: 11</b>
<b>DATE OF MEETING:</b>	<b>24 AUGUST 2023</b>	<b>CATEGORY: DELEGATED</b>
<b>REPORT FROM:</b>	<b>CHIEF EXECUTIVE</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>ARDIP SANDHU ELECTORAL REGISTRATION OFFICER</b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>ELECTIONS - PUBLIC ENGAGEMENT STRATEGY UPDATE</b>	<b>REF: FM06</b>
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	

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## **1.0 Recommendations**

- 1.1 To approve the updated Public Engagement Strategy annexed to this report as **Appendix 1**.

## **2.0 Purpose of Report**

- 2.1 Approval of the Public Engagement Strategy which details how the Council is and will publicise and encourage residents to register to vote.

## **3.0 Detail**

- 3.1 The Electoral Registration Officer (ERO) is the person with statutory responsibility for the creation and maintenance of the register of electors and the absence voters lists. This person takes responsibility for publishing a revised electoral register and issuing monthly alteration notices.
- 3.2 The ERO is an officer of the Council, but the role is personal, independent and separate from their duties as an employee of the Council.
- 3.3 The ERO has a general duty to promote participation in the electoral process. The introduction of Individual Electoral Registration (IER) presented the ERO with key challenges in this regard. Maximising the number of electors registered under IER relied on an effective local public engagement strategy and robust processes to support it. One of the key challenges in the transition was to encourage residents to take the required action to join or remain on the register, and where appropriate to ensure that they could vote by post or by proxy if they so wished.
- 3.4 The Public Engagement Strategy attached at Appendix 1 details the ways in which the ERO has and is promoting participation in the election process.
- 3.5 The ERO has used this process to communicate the introduction of Voter ID for the forthcoming election.

#### **4.0 Financial Implications**

4.1 None directly arising from this report.

#### **5.0 Corporate Implications**

5.1 The efficient conduct of the electoral registration process and elections is one of the highest-profile functions that the Council undertakes. Any challenge to these processes could result in adverse publicity and legal sanctions against the Returning Officer personally as well as the Council.

#### **6.0 Equity and Equalities**

6.1 The Strategy aims to address any equality issues.

#### **7.0 Background Papers**

7.1 No background papers were used in the preparation of this report.



**South  
Derbyshire  
District Council**

# **Individual Electoral Registration Public Engagement Strategy 2023- 2025**

<b>Version</b>	<b>Reason for review (review date/legislation/process chances)</b>	<b>Effective Date</b>	<b>Review date</b>
2	Review before canvass	2023	2025

<b>Approved by (Committee)</b>	<b>Date</b>
Finance and Management Committee	August 2023



## **1. Introduction**

The Electoral Registration Officer (ERO) has a general duty to promote participation in the electoral process. The introduction of Individual Electoral Registration (IER) in the summer of 2014 presented the ERO with key challenges in this regard. Maximising the number of electors registered under IER relied on an effective local public engagement strategy and robust processes to support it. One of the key challenges in the transition was to encourage residents to take the required action to join or remain on the register, and where appropriate to ensure that they could vote by post or by proxy if they so wished.

The challenge of getting people to take action under an unfamiliar system took place in the context of wider challenges for electoral registration. These included general voter disengagement, transient populations and other registration challenges that exist in our area. However, the new system opened up new channels by which people could register, including the introduction of online registration.

Effective public engagement activity early in the transition period hopefully reduced the reliance on follow-up activity and therefore helped to reduce additional resources that would have been required.

Effective public engagement involved input from across the local authority and with partner organisations.

## **2. Background**

In the past, a resident who wished to be included on the register of electors had to complete a rolling registration application form or add their details to the annual canvass form. The annual canvass form was signed by just one member of the household.

In June 2014, to facilitate the transition to IER, the register was data matched against Department for Works and Pensions (DWP) records. Those electors who matched were automatically 'passported' to the new register and were sent a confirmation letter to that effect. No further action was required by those electors.

Those electors who either partially matched or failed to match at all were required to complete an application to register. In most instances, they were required to provide their National Insurance Number and date of birth as part of their registration. The ERO was required to send such electors an Invitation to Register (ITR). This information was then verified against DWP records.

The ERO was also required to send Household Enquiry Forms (HEFs) to properties with no electors registered requesting information as to who was living there. Any names supplied were then sent an ITR.

### **3. Objectives of strategy**

The objectives of this strategy are to:

- Provide information on IER to all residents;
- Raise awareness of IER across the District;
- Inform people how to register;
- Increase the accuracy and completeness of the register; and
- Target the harder to reach groups and groups which traditionally exhibit lower registration rates i.e. students.

### **4. Target audiences**

Many of the activities will be aimed at the whole of the electorate / residents of the South Derbyshire area. There will also be targeted activities at known groups and areas of low registration.

- All existing electors;
- Home movers and new residents;
- Officers and Members;
- Attainers aged 16 and 17;
- Students;
- Young people aged 18 to 24;
- The elderly;
- People with second homes;
- Private and social renters;
- Areas identified from returns with lower than average registration rates.

### **5. Key messages**

Key messages likely to be used will include those listed below. Every effort will be made to ensure that the messages, branding and resources developed by the Electoral Commission (EC) are fully utilised.

The EU Referendum demonstrated the power of people who were registered, exercising their right to engage in the democratic process, by voting in large numbers.

- Changes have been made to how you register to vote;
- Don't lose your right to vote;
- Help us to save Council Tax payers money by returning your form (or registering online) immediately;
- Register online;
- If you do not have web access you can register in libraries or at the Council offices;
- If you are not on the electoral register, it could reduce the chances of you getting credit.

## **6. Evaluation**

The engagement will be evaluated through a number of channels:

- Impact on response rates at the various stages of the transitional canvass;
- The number of returned HEF and ITR forms;
- Feedback from canvassers contacting non-responder properties as to whether residents are aware of the changes and what they should be doing;
- Changes to enquiry levels both on the telephone, in person, in writing and through our website.

## Action Plan 2023 - 2025

Activity	Target Group (s)	Timing	Leads	Completed
Develop and maintain the information available on the Council's website regarding IER	All electors and potential electors	As appropriate	Elections staff	Ongoing
Produce regular press releases to promote the return of IER related forms and ways of registering to vote	All electors and potential electors	As appropriate	ERO	Ongoing
Include article on Connect to raise awareness amongst staff, in terms of both their personal perspective and in respect of advising customers, for example Council Tax and Housing Services	All electors and potential electors	As appropriate	ERO	Ongoing
Produce a list of frequently asked questions to deal with queries from electors and potential electors – to be used by Electoral Services staff	All electors and potential electors	As appropriate	Senior Electoral Services Officer	Ongoing
Design and distribute posters and leaflets to local community groups, Council venues, notice boards etc.	All electors and potential electors	As appropriate	Senior Electoral Services Officer	Ongoing

Activity	Target Group (s)	Timing	Leads	Completed
Undertake targeted direct email, mail activity personal visits and telephone contact to households and/or individuals who have not returned HEFs or ITRs	Electors who will fail to be included in the register	As appropriate	Elections staff	Ongoing
Utilise Council building receptions, libraries, community centres, surgeries, schools, colleges, church halls, community groups, etc. to display information about IER	All electors and potential electors	As appropriate	Elections staff	Ongoing
Identify local organisations and community groups interested in helping raise public awareness and work with them to actively promote IER	All electors and potential electors, particularly those from harder to reach groups	As appropriate	Elections staff	Ongoing
Provide support to all groups identified as representing residents in the District, including the supply of relevant information, to enable them to assist in IER	All electors and potential electors, particularly those from harder to reach groups	As appropriate	Elections staff	Ongoing

Activity	Target Group (s)	Timing	Leads	Completed
Ensure residents in harder to reach groups (including older people, schools, and colleges) are provided with relevant information through contact with local community groups and the Council	All electors and potential electors, those from harder to reach groups, those in social housing	As appropriate	Elections staff	Ongoing
Include relevant information in annual council tax bills	All electors and potential electors, including those from harder to reach groups	Annual	ERO	Ongoing
Maintain a record and evaluate the effectiveness of activities undertaken both by the Council and jointly with external organisations and groups	All electors and potential electors	As appropriate	Elections staff	Ongoing
Liaise with nursing homes/residential homes	Elderly and those with long term disabilities	As appropriate	Elections staff	Ongoing
Engage with Members to promote awareness of IER	All electors and potential electors	As appropriate	ERO	Ongoing
Raise important dates and developments at the Area Forums	All electors	As appropriate	Legal and Democratic Services Manager	Ongoing

## Channels: Direct Contact

Use this section to list the ways that you can contact residents directly. This should include incoming contact (e.g. when residents contact the ERO or the local authority directly when accessing other services) and outgoing contact. The template contains some examples of the types of direct contact and how messages about IER may be disseminated through these channels.

Channel	Communication opportunity	Incoming or Outgoing	Activity	Priority addressed / audience reached	Evaluation measures
<b>Direct mail</b>	Canvass	Outgoing from ERO	To send HEF's, set out what happens next and encourage them to take action where they need to	All properties	Response rates. Number of telephone calls and emails if produced
	HEFs and ITRs	Outgoing	To identify potential electors and encourage them to register	Unconfirmed and unregistered	Number sent out/response rates
<b>Face to face</b>	Elections office	Incoming from visitors to elections office	Brief staff. Ensure capacity at peak times (write-out, general election advertising, transition end)	General audience, those finding registration challenging	Number and nature of enquiries
	Customer services centre	Incoming to use other services	Briefing for frontline staff (poster/leaflet also displayed). Support to assist residents to complete forms/online	Unconfirmed	Number of services engaged. Conversations with services to assess uptake interest.

Channel	Communication opportunity	Incoming or Outgoing	Activity	Priority addressed / audience reached	Evaluation measures
					Feedback forms at events.
	Vulnerable/supported service users	Incoming to receive additional support	Support to assist residents to complete forms/online registration through home visits	Disengaged households, disabled residents, residents aged 80+	Number of residents supported
	Council Staff road shows/events	Outgoing	General messages about IER and where to find out more for staff who are local residents. Messages about where to direct enquiries regarding IER	Council employees, general audience through contact with council employees	Number of residents reached
	Area Forums	Outgoing	General messages about IER	All properties	Number of residents reached



<b>Channel</b>	<b>Communication opportunity</b>	<b>Incoming or Outgoing</b>	<b>Activity</b>	<b>Priority addressed / audience reached</b>	<b>Evaluation measures</b>
<b>Telephone</b>	Elections office	Incoming - IER query/service request	Brief staff answering calls using EC briefing document. Ensure capacity at peak times (write-out, general election advertising, transition end)	General audience, those finding registration challenging	Number and nature of enquiries
<b>Connect</b>	General message to staff	Outgoing	General messages about IER and where to find out more for staff who are local authority residents.  Messages about where to direct enquiries regarding IER	Council employees, General audience through contact with council employees	Number of residents reached
<b>Internet</b>	Local Authority	Outgoing	General messages about IER and where to find out more. Based on template EC text. Post standard FAQs to try to reduce avoidable contact.	General audience	Number of hits to Web Pages

Channel	Communication opportunity	Incoming or Outgoing	Activity	Priority addressed / audience reached	Evaluation measures
<b>Social Media</b>	Local Authority Facebook/Twitter/ Instagram/LinkedIn	Outgoing corporate Incoming enquiries	Ensure queries about IER are answered within specified period - passing queries from individuals for resolution by Elections office. Track any patterns in queries. Direct users to online registration. Work with web officer who manages the social media accounts to identify opportunities for monitoring the accounts activity relating to the authority on IER	General audience, young people	Number and nature of enquiries
<b>Via elected representatives (Councillor/MP etc)</b>	Face to face, email, letter	Incoming enquiry to elected representatives	Councillors/MPs have information about where to direct residents for further information and contact details for elections office to deal with specific query.	General audience	Conversations with councillors and MPs

## Channels: Media and Advertising

Use this section to list the media and advertising channels available to you to promote messages about Individual Electoral Registration and who and how many people these channels reach. Some examples are provided below

Digital Channels	Activity	Audience reached and priorities met	Evaluation opportunities
Local authority website	Put links and banner advert on our website, provide comprehensive information, place links on areas of site visited by target groups and portals where users submit address changes	General audience, service users, home movers	Hits on web pages
Social Media	Tweet around key activities – Initial HEF drop, registration deadline, PR activity. Post on Facebook page and share online advertisements run by EC and partner organisations. Add post to Instagram page and LinkedIn.	General audience, service users	Number of Followers, Likes, Shares, number of direct queries answered
<b>PR/Media</b>			
Press releases	Around key activities - Initial HEF drop, registration deadline, PR activity. Post on Facebook page and share online advertisements run by EC and partner organisations	Confirmed, Unconfirmed	List publications and circulation
Special press/media	To contact community press and Student newspapers	Students, young people, home movers	Circulation
Residents newsletters	Submit articles to coincide with registration and postal voting deadlines	General audience, postal voters	Circulation

<b>REPORT TO:</b>	<b>FINANCE AND MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM: 12</b>
<b>DATE OF MEETING:</b>	<b>24 AUGUST 2023</b>	<b>CATEGORY: DELEGATED</b>
<b>REPORT FROM:</b>	<b>CHIEF EXECUTIVE</b>	<b>CATEGORY: OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>DR JUSTIN IVES (01283 595700)</b> <a href="mailto:justin.ives@southderbyshire.gov.uk">justin.ives@southderbyshire.gov.uk</a>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>SHARED PROSPERITY FUND</b>	
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: FM08</b>

## **1.0 Recommendations**

- 1.1 That Members approve the following amendments to the Shared Prosperity Fund grant schemes, applicable until the conclusion of the programme on 31 March 2025:
- 1.1.1 That the threshold above which a tender procedure is required for grant recipients is raised from £24,999 (inclusive of VAT) to £149,999 (inclusive of VAT) for the procuring of goods/supplies and works (not services).
- 1.1.2 That the waiver of quotations procedure is applied by the Council where a grant recipient is unable to get three competitive quotations.
- 1.2 Authority is delegated to the Chief Executive, in consultation with the Leader of the Council, to make amendments to the Shared Prosperity Fund programme and grant schemes during implementation and to approve procurements up to a threshold of £179,999 (inclusive of VAT) on a case by case basis.

### **Purpose of the Report**

- 2.1 This report seeks Member's approval to amend the procurement rules for the grant schemes operating under the Shared Prosperity Fund programme, in the light of challenges being experienced by applicant organisations (community organisations and small businesses). The report proposes that the tender threshold is raised and that the waiver of quotations procedure is applied. These changes would apply to the Shared Prosperity Fund (including Rural England Prosperity Fund) grant programmes, operating until 31 March 2025.

## **3.0 Detail**

### **Background**

- 3.1 A report to Environmental and Development Services Committee on 10 November 2022 and Finance and Management Committee on 24 November 2022 outlined the Government's UK Shared Prosperity Fund (UKSPF) programme and investment priorities. It set out the District Council's role as Lead Local Authority (LLA),

accountable for the delivery of the Fund in South Derbyshire, including preparation of an Investment Plan and facilitation of a local partnership group. A report to Council on 19 January 2023 approved the Shared Prosperity Fund Investment Plan for South Derbyshire, the Rural England Prosperity Fund Addendum, the grant award arrangements and the Memorandum of Understanding with Government. A subsequent report to Council on 22 June 2023 approved the Government's request to revise the Memorandum of Understanding.

### **Shared Prosperity Fund Procurement Guidance**

- 3.2 The District Council plans to directly deliver two grant schemes - for small businesses and for community organisations - with a combined value of some £918,392 as part of the South Derbyshire UKSPF Investment Plan. It is also a partner in a number of grant schemes operating more widely in the county.
- 3.3 Government guidance issued for UKSPF places similar requirements on community organisations and small business grant applicants – classed as ‘non-contracting authorities’ – as contracting authorities ie public sector organisations. Minimum procedures require a formal tender process for goods, supplies, services and works with a contract value above £24,999 inclusive of VAT unless unrecoverable (Three written quotations are permissible below this limit) “... **unless different thresholds have been approved internally via the LLA’s appropriate internal governance process.**” A copy of the guidance can be found at Appendix A. This report seeks to obtain approval for different thresholds.
- 3.4 The threshold limit set for quotations is well below that operated by previous Government grant schemes. Unfortunately, despite representations to Government, the guidance remains unchanged.
- 3.5 The requirement for small businesses and community organisations to seek formal tenders for relatively low value procurements, and for LLA’s to be “responsible for ensuring that these policies and procedures are applied by non-contracting authorities as appropriate, reported on and monitored” is considered unrealistic, both for the organisations themselves to undertake and for the District Council to oversee.
- 3.6 In effect, this has resulted in a maximum spend with a single supplier of £24,999 (inclusive of VAT). Typically items of equipment that businesses wish to buy and works that community organisations wish to undertake are above this amount. The Council has, for example, received two enquiries for roof repairs to community buildings that it is not currently able to consider. This has discouraged applications or led to attempts to break up works into separate contracts which adds to the project management challenges and risks for such organisations.

### **District Council Procurement Guidance**

- 3.7 The District Council's Procurement Rules require a tender procedure to be undertaken for a contract with a value of £25,000 or more. Exemptions from this rule are as follows:
  - The Strategic Director (Corporate Resources) may seek an exemption from any of the Rules from:
    - i. A Committee acting under delegated powers; or
    - ii. The Chief Executive acting under delegated powers along with the Leader of the Council.

- In order to request an exemption the Strategic Director (Corporate Resources) must prepare a report setting out:
  - i. the reasons why the exemption is being requested and which Rule(s) an exemption is being requested from;
  - ii. the process which is intended to be followed instead;
  - iii. a legal appraisal and financial appraisal from the Strategic Director (Corporate Resources).

An exemption will only be granted where the Committee or the Chief Executive and Leader of the Council is satisfied that the exemption is justified on its own special circumstances.

3.8 A number of options have been considered:

1. Retain existing arrangements with the drawbacks outlined above (Do nothing option).
2. Retain existing arrangements but provide support to organisations undertaking tender processes. In practice this may be managing the process on their behalf or supporting the organisation through the process and auditing their procurement activity to ensure compliance. This would place a significant additional burden on the District Council in terms of workload and responsibility for activities that are outside its control.
3. Raise the threshold for tenders for goods/supplies and works (not services) to contracts with a value of up to £149,999 (inclusive of VAT). The new threshold is based upon the grant enquiries that have been received to date, for projects such as the replacement of a village hall roof.

3.9 It is proposed to amend the procurement rules for the grant schemes as set out in Option 3 above. This would apply to goods/supplies and works procured by businesses or community organisations seeking grant funding provided by the District Council acting in its role as Lead Local Authority for the UK Shared Prosperity Fund and would raise the upper threshold for purchasing using three quotations to £149,999 (inclusive of VAT).

3.10 It is expected that this threshold will be sufficient to enable the processing of the anticipated applications, however given the timescales within which the grants need to be processed, it is proposed to delegate authority to the Chief Executive in consultation with the Leader of the Council, to raise the threshold further. In exceptional circumstances this would enable the threshold to be raised a further 20% (£30,000) and would accommodate instances, for example, where an organisation is not able to reclaim VAT.

3.11 A copy of the written specification and quotations obtained would be required to be submitted with grant funding applications before they could be considered for approval. In such cases, a specific waiver report or record would not normally be required, but the purchase would instead be recorded in the grant/monitoring information retained as part of the Government claims process.

### **Quotations**

3.12 For items under £25,000 the requirement under both the District Council and Shared Prosperity Fund procedures is for applicants to seek three written quotes or prices. In

practice, organisations are struggling to get three quotes for their proposed expenditure, for example, finding contractors who will quote for construction works or where there is only one supplier of a piece of specialist equipment.

3.13 It is proposed to enable applicants to adopt the Council's Waiver of Quotations procedure in exceptional circumstances. This would require them to provide a written explanation which would be authorised by a Director or the Chief Executive of the Council in consultation with the Council's procurement advisers (NHS Chesterfield).

3.14 It is proposed that where an organisation has secured quotes but does not intend to choose the lowest quote, for example they have a preferred contractor, this should also be explained on the Waiver of Quotations form. The Council would normally calculate the level of grant awarded on the basis of the lowest quote but would have the discretion to calculate the grant based on a higher quote in the light of the reasoning provided. Similarly, this would be authorised by a Director or the Chief Executive of the Council in consultation with the Council's procurement advisers (NHS Chesterfield). It should be noted that where the organisation is applying for the maximum level of grant, selecting a higher quote would not increase the grant amount.

#### **4.0 Financial Implications**

4.1 There are no financial implications arising directly from this report.

#### **5.0 Corporate Implications**

##### **Legal Implications**

5.1 Legal support will be required to procure and contract with service providers and grant recipients, and to advise on matters such as Subsidy Control.

##### **Corporate Plan Implications**

5.2 The Shared Prosperity Fund has the potential to contribute to:

- 'Our Environment' which aims to keep a clean, green District for future generations – work with residents, businesses and partners to reduce their carbon footprint; and, enhance the appeal of Swadlincote town centre as a place to visit.
- 'Our People' which aims to work with communities and meet the future needs of the District – support and celebrate volunteering, community groups and the voluntary sector; help tackle anti-social behavior and crime through strong and proportionate action; and, support social mobility to ensure people have the opportunity to access skilled jobs, higher and further education.
- 'Our Future' which aims to grow our District and our skills base – support unemployed residents back into work; and, encourage and support business development and new investment in the District.

##### **Risk Impact**

5.3 There is a risk that if the Shared Prosperity Fund projects and programmes are not delivered in accordance with the funding profile, the underspend will have to be returned to Government.

- 5.4 There is a potential reputational risk for the Council in appearing to show a lack of understanding of the challenges faced by small businesses and community organisations.
- 5.5 The current tender threshold and minimum quote requirements exist to reduce the risk of contracts being awarded to connected persons and to avoid contracts being awarded that are not value for money. The proposed changes would increase the risk that these issues could occur.

## **6.0 Community Impact**

### **Consultation**

- 6.1 Consultations have been undertaken with local partner organisations. Many of these organisations are members of the Sustainable Development Group of the South Derbyshire Partnership which has become the 'local partnership group' for the Shared Prosperity Fund. Preparation of the Investment Plan also drew on recently completed surveys of local companies and town centre businesses.

### **Equality and Diversity Impact**

- 6.2 Activities supported by the Shared Prosperity Fund are expected to have a range of positive equality and diversity impacts, particularly relating to enhancing employability. These will be determined through the award of grants and contracts to support activities.

### **Social Value Impact**

- 6.3 Activities supported by the Shared Prosperity Fund are expected to have a range of positive social value impacts, particularly linked to enhancing employment. These will be determined through the award of grants and contracts to support activities.

### **Environmental Sustainability**

- 6.4 Environmental sustainability considerations are a key feature of the programme, with consideration to be given to the extent to which activities contribute to the Government's net zero and nature recovery objectives, and their impact on natural assets and nature and support for green growth.

## **7.0 Conclusions**

- 7.1 The Council has been designated as the Lead Local Authority for the co-ordination of the Shared Prosperity Fund in South Derbyshire. The Fund aims to address local priorities, building pride in place, supporting high quality skills training, supporting pay, employment and productivity growth and increasing life chances.

## **8.0 Background Papers**

UK Shared Prosperity Fund Prospectus  
Rural England Prosperity Fund Prospectus

### **Appendices**

- A. UK Shared Prosperity Fund: Procurement Guidance



## Appendix A

Guidance

### **UK Shared Prosperity Fund: procurement (8)**

From:

[Department for Levelling Up, Housing and Communities](#)

Published

19 July 2022

Last updated

10 August 2022

#### Contents

1. [Fraud Risk Assessment \(FRA\)](#)
2. [Due Diligence](#)

8.1 The overarching public procurement guidance within section 7.6.2 of the Prospectus launched on 13 April 2022 remains applicable to the UK Shared Prosperity Fund (UKSPF).

8.2 Lead local authorities (LLAs) are best placed to decide the most beneficial approaches to maximise the impact of the UKSPF interventions within their local area. We know LLAs have the necessary experience and knowledge of delivering such projects in a legally compliant way. With the opportunity to undertake competitions for grant funding, commissioning and procurement activities, or use in-house teams to achieve objectives, senior representatives need to be assured that the following minimum standards and legal obligations will be compliantly followed by their authority in delivery of this fund:

- Constitution of the Authority including any local Grant / Contract rules, processes or procedures;
- Public Contracts Regulations (PCR) 2015 or Public Contracts (Scotland) Regulations 2015 including any amendments or any subsequent legislation that replaces the Act;
- All other applicable legislation to activity undertaken, such as Modern Slavery Act 2015, IR35 (Intermediaries Legislation), Equality Act 2010, Subsidy Control Act 2022, etc; and
- [The Government Grants Functional Standard](#) with specific focus to compliance on following areas:
  - [Fraud Risk Assessment \(FRA\)](#) – pages 15-19
  - [Due Diligence](#) - pages 20-24

8.3 LLAs should also consider and implement wherever possible:

- sustainability and green measures in procurement plans, aligned with the government's [net zero strategy](#);
- innovative procurement, including the factoring in of social value into procurement; and
- government initiatives, guidance and policy such as the Sourcing and Consultancy Playbooks, Construction Playbook, the Outsourcing Playbook and government guidance on Resolution Planning.

8.4 It will be the responsibility of every LLA to ensure that minimum standards stated in 8.2 are applied, monitored and maintained throughout the 3-year period of the UKSPF grant.

8.5 Where non-contracting authorities are involved in UKSPF project delivery, they should adopt such policies and procedures that are required in order to ensure that value for money has been obtained in the procurement of goods or services funded by the Grant. This should include adopting the following minimum procedures unless different thresholds have been approved internally via the LLAs appropriate internal governance process, such as Cabinet:

<b>Value of contract</b>	<b>Minimum procedure</b>
£0 - £2,499	Direct award
£2,500 - £24,999	3 written quotes or prices sought from relevant suppliers of goods, works and / or services
Over £25,000	Formal tender process

8.6 LLAs shall be responsible for ensuring that these policies and procedures are applied by non-contracting authorities as appropriate, reported upon and monitored.

### **Fraud Risk Assessment (FRA)**

8.7 LLAs shall be responsible for ensuring that Fraud is a key consideration in all spend activity and that the following minimum standards are met:

- follow [Grants Functional Standards on Fraud Risk Assessment](#) (PDF, 695 KB) (FRA) – pages 15-19.
- undertake FRAs at an appropriate level to each individual project dependent on risk.
- ensure that UKSPF spend is undertaken in accordance with effective authority fraud prevention policy and procedure, and via engagement with colleagues specialising in this area.

- ensure that relevant evidence and data to prevent fraud is gathered as part of due diligence undertaken ahead of releasing funds.
- implement reporting and monitoring requirements that will identify irregularities or issues in use of funds which can be investigated further.
- store and file all work undertaken on FRA in the event of any issues or audit requirements.

## **Due Diligence**

8.8 LLAs shall be responsible for ensuring that proportional due diligence is applied to all UKSPF spend and that the following minimum standards are met:

- follow [Grants Functional Standards on Due Diligence](#) (PDF, 695 KB) – pages 20-24.
- undertake due diligence at an appropriate level to each individual project dependent on risk.
- ensure that UKSPF due diligence is undertaken in accordance with effective authority rules and procedures through Teams specialising in this area.
- ensure that key areas of due diligence identified for projects in which you invest are reported on and monitored throughout the term of delivery.
- store and file all work undertaken on due diligence in the event of any issues or audit requirements.

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<b>REPORT TO:</b>	<b>FINANCE AND MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM: 13</b>
<b>DATE OF MEETING:</b>	<b>24 AUGUST 2023</b>	<b>CATEGORY: DELEGATED</b>
<b>REPORT FROM:</b>	<b>STRATEGIC DIRECTOR (CORPORATE RESOURCES)</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>DEMOCRATIC SERVICES 01283 59 5722/5889</b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>COMMITTEE WORK PROGRAMME</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: G</b>

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## **1.0 Recommendations**

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

## **2.0 Purpose of Report**

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

## **3.0 Detail**

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

## **4.0 Financial Implications**

4.1 None arising directly from this report.

## **5.0 Background Papers**

5.1 Work Programme.

**Finance and Management Committee  
Work Programme for the Municipal Year 2023/24**

<b>Work Programme Area</b>	<b>Date of Committee Meeting</b>	<b>Contact Officer (Contact details)</b>
Corporate Plan 2020-24: Performance Report (2022-2023 Quarter 4 – (1 April to 31 March))	08 June 2023	Clare Booth Corporate Performance & Policy Officer (01283) 595788
Consultation of Customer Access Strategy 2023-2026	08 June 2023	Catherine Grimley Head of Customer Services (07979149583)
Treasury Management Annual Report	20 July 2023	Charlotte Jackson Head of Finance <a href="mailto:Charlotte.jackson@southderbyshire.gov.uk">Charlotte.jackson@southderbyshire.gov.uk</a>
Final Revenue Budget Out-turn 22-23	20 July 2023	Charlotte Jackson Head of Finance <a href="mailto:Charlotte.jackson@southderbyshire.gov.uk">Charlotte.jackson@southderbyshire.gov.uk</a>
Final Capital Out-turn 22-23	20 July 2023	Charlotte Jackson Head of Finance <a href="mailto:Charlotte.jackson@southderbyshire.gov.uk">Charlotte.jackson@southderbyshire.gov.uk</a>
Corporate Plan 2020-24: Performance Report (2023-2024 Quarter 1 – (1 April to 30 June))	24 August 2023	Clare Booth Corporate Performance & Policy Officer (01283) 595788
Q1 Quarterly Budget Monitoring Report	24 August 2023	Charlotte Jackson Head of Finance <a href="mailto:Charlotte.jackson@southderbyshire.gov.uk">Charlotte.jackson@southderbyshire.gov.uk</a>

Q1 Treasury Management Report	24 August 2023	Charlotte Jackson Head of Finance <a href="mailto:Charlotte.jackson@southderbyshire.gov.uk">Charlotte.jackson@southderbyshire.gov.uk</a>
Comments, Compliments, Complaints and Freedom of Information Requests 01 October 2022 to 31 March 2023	24 August 2023	Tracy Bingham Strategic Director (Corporate Resources) <a href="mailto:Tracy.bingham@southderbyshire.gov.uk">Tracy.bingham@southderbyshire.gov.uk</a>
Budget Setting Approach 2024/25	05 October 2023	Charlotte Jackson Head of Finance <a href="mailto:Charlotte.jackson@southderbyshire.gov.uk">Charlotte.jackson@southderbyshire.gov.uk</a>
Climate and Environmental Action Plan Review	05 October 2023	Matt Holford (Head of Environmental Services) <a href="mailto:Matt.holford@southderbyshire.gov.uk">Matt.holford@southderbyshire.gov.uk</a>
Electric Recharge Infrastructure	05 October 2023	Matt Holford (Head of Environmental Services) <a href="mailto:Matt.holford@southderbyshire.gov.uk">Matt.holford@southderbyshire.gov.uk</a>
Outstanding Internal Audit Recommendations	24 August 2023	Tracy Bingham Strategic Director (Corporate Resources) <a href="mailto:Tracy.bingham@southderbyshire.gov.uk">Tracy.bingham@southderbyshire.gov.uk</a>
Q2 Quarterly Budget Monitoring Report	23 November 2023	Charlotte Jackson Head of Finance <a href="mailto:Charlotte.jackson@southderbyshire.gov.uk">Charlotte.jackson@southderbyshire.gov.uk</a>
Q2 Treasury Management Report	23 November 2023	Charlotte Jackson Head of Finance <a href="mailto:Charlotte.jackson@southderbyshire.gov.uk">Charlotte.jackson@southderbyshire.gov.uk</a>

Draft Consolidation Budget 2024-25	23 November 2023	Charlotte Jackson Head of Finance <a href="mailto:Charlotte.jackson@southderbyshire.gov.uk">Charlotte.jackson@southderbyshire.gov.uk</a>
Corporate Plan 2020-24: Performance Report (2023-2024 Quarter 2 – (1 July to 30 September)	23 November 2023	Clare Booth Corporate Performance & Policy Officer (01283) 595788
Environmental Services Commercialisation Plan Review	23 November 2023	Matt Holford (Head of Environmental Services) <a href="mailto:Matt.holford@southderbyshire.gov.uk">Matt.holford@southderbyshire.gov.uk</a>
Comments, Compliments, Complaints and Freedom of Information Requests 1 April 2023 to 30 September 2023	23 November 2023	Tracy Bingham Strategic Director (Corporate Resources) <a href="mailto:Tracy.bingham@southderbyshire.gov.uk">Tracy.bingham@southderbyshire.gov.uk</a>
Draft 2024-25 General Fund Revenue Budget	11 January 2024	Charlotte Jackson Head of Finance <a href="mailto:Charlotte.jackson@southderbyshire.gov.uk">Charlotte.jackson@southderbyshire.gov.uk</a>
Draft 2024-25 HRA Budget	11 January 2024	Charlotte Jackson Head of Finance <a href="mailto:Charlotte.jackson@southderbyshire.gov.uk">Charlotte.jackson@southderbyshire.gov.uk</a>
Draft Capital Programmes 2024-25 to 2028-29	11 January 2024	Charlotte Jackson Head of Finance <a href="mailto:Charlotte.jackson@southderbyshire.gov.uk">Charlotte.jackson@southderbyshire.gov.uk</a>
TM Strategy & Prudential Indicators	15 February 2024	Charlotte Jackson Head of Finance <a href="mailto:Charlotte.jackson@southderbyshire.gov.uk">Charlotte.jackson@southderbyshire.gov.uk</a>

Capital Strategy	15 February 2024	Charlotte Jackson Head of Finance <a href="mailto:Charlotte.jackson@southderbyshire.gov.uk">Charlotte.jackson@southderbyshire.gov.uk</a>
Final 2024-25 General fund Revenue Budget	15 February 2024	Charlotte Jackson Head of Finance <a href="mailto:Charlotte.jackson@southderbyshire.gov.uk">Charlotte.jackson@southderbyshire.gov.uk</a>
Final 2024-25 HRA Budget	15 February 2024	Charlotte Jackson Head of Finance <a href="mailto:Charlotte.jackson@southderbyshire.gov.uk">Charlotte.jackson@southderbyshire.gov.uk</a>
Final Capital Programmes 2024-25 to 2028-29	15 February 2024	Charlotte Jackson Head of Finance <a href="mailto:Charlotte.jackson@southderbyshire.gov.uk">Charlotte.jackson@southderbyshire.gov.uk</a>
Council Tax Setting	15 February 2024	Charlotte Jackson Head of Finance <a href="mailto:Charlotte.jackson@southderbyshire.gov.uk">Charlotte.jackson@southderbyshire.gov.uk</a>
Annual Report of the Section 151 Officer	15 February 2024	Charlotte Jackson Head of Finance <a href="mailto:Charlotte.jackson@southderbyshire.gov.uk">Charlotte.jackson@southderbyshire.gov.uk</a>
Medium Term Financial Strategy	15 February 2024	Charlotte Jackson Head of Finance <a href="mailto:Charlotte.jackson@southderbyshire.gov.uk">Charlotte.jackson@southderbyshire.gov.uk</a>
Q3 Quarterly Budget Monitoring Report	14 March 2024	Charlotte Jackson Head of Finance <a href="mailto:Charlotte.jackson@southderbyshire.gov.uk">Charlotte.jackson@southderbyshire.gov.uk</a>



Q3 Treasury Management Report	14 March 2024	Charlotte Jackson Head of Finance <a href="mailto:Charlotte.jackson@southderbyshire.gov.uk">Charlotte.jackson@southderbyshire.gov.uk</a>
Proposed Policy for Paying Market Supplements	TBC	Fiona Pittam (Head of Organisational Development & Performance) <a href="mailto:Fiona.pittam@southderbyshire.gov.uk">Fiona.pittam@southderbyshire.gov.uk</a>