

Date: 18 March 2021

Dear Councillor,

Finance and Management Committee

A Meeting of the **Finance and Management Committee** will be a **Virtual Committee**, held via Microsoft Teams on **Thursday, 18 March 2021 at 18:00**. You are requested to attend.

Yours faithfully,



Chief Executive

To:- **Labour Group**

Councillor Dr. Pearson (Chairman), Councillor Pegg (Vice-Chairman) and Councillors Richards, Rhind, Southerd, Taylor.

Conservative Group

Councillors Mrs. Brown, Churchill, Ford and Watson.

Independent Group

Councillors Angliss and Fitzpatrick.

AGENDA

Open to Public and Press

- 1** Apologies and to note any Substitutes appointed for the Meeting.
- 2** To note any declarations of interest arising from any items on the Agenda
- 3** To receive any questions by members of the public pursuant to Council Procedure Rule No.10.
- 4** To receive any questions by Members of the Council pursuant to Council procedure Rule No. 11.
- 5** Reports of Overview and Scrutiny Committee
- 6** CORPORATE PLAN 2020-24 PERFORMANCE REPORT (2020-21 QUARTER 3 -1 OCTOBER TO 31 DECEMBER) **4 - 65**
- 7** STANDBY AND CALLOUT PROCEDURE **66 - 79**
- 8** EXTENSION TO THE COMMUNITY AND ENVIRONMENTAL PARTNERSHIP SCHEME **80 - 81**
- 9** REVENUE FINANCIAL MONITORING 2020-21 **82 - 101**
- 10** CAPITAL FINANCIAL MONITORING 2020-21 **102 - 110**
- 11** CAPITAL STRATEGY 2020-21 TO 2024-25 **111 - 121**
- 12** TREASURY MANAGEMENT UPDATE 20-21 **122 - 137**
- 13** COMMITTEE WORK PROGRAMME **138 - 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 SUNDRY DEBTOR WRITE OFFS

17 SWADLINCOTE TOWN CENTRE

18 KERBSIDE RECYCLING SERVICE

19 REVIEW OF HOUSING SERVICE

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 6
DATE OF MEETING:	18th MARCH 2021	CATEGORY: DELEGATED
REPORT FROM:	LEADERSHIP TEAM	OPEN DOC:
MEMBERS' CONTACT POINT:	FRANK MCARDLE (EXT. 5700) FIONA PITTAM (EXT. 5735)	
SUBJECT:	CORPORATE PLAN 2020-24: PERFORMANCE REPORT (2020-2021 QUARTER 3– 1 OCTOBER TO 31 DECEMBER)	
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: G

1.0 Recommendations

- 1.1 That the Committee considers 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 Environment

- *Enhance the attractiveness of South Derbyshire*

Our People

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



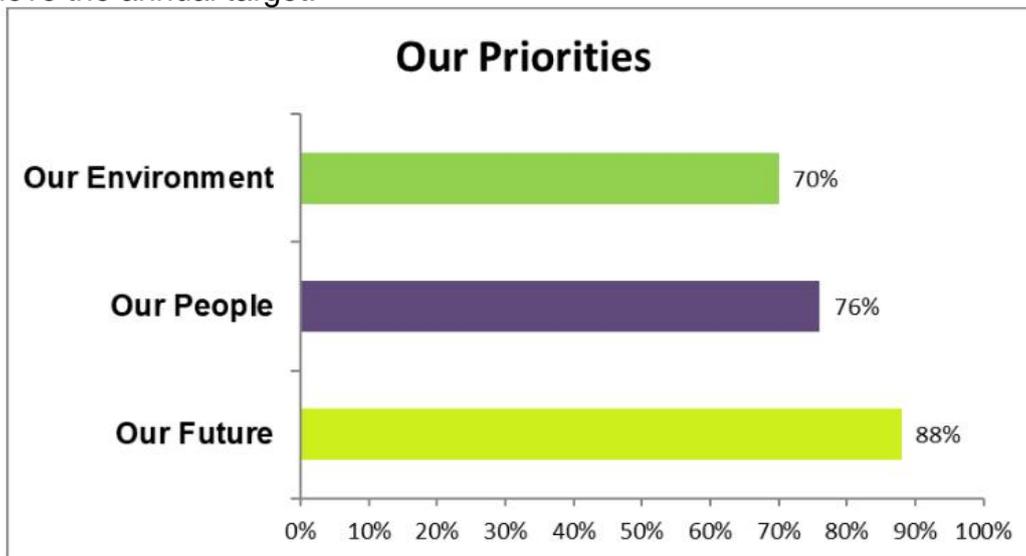
Our Future

- *Develop skills and careers*
- *Support economic growth and infrastructure*
- *Transforming the Council*

4.0 Detail

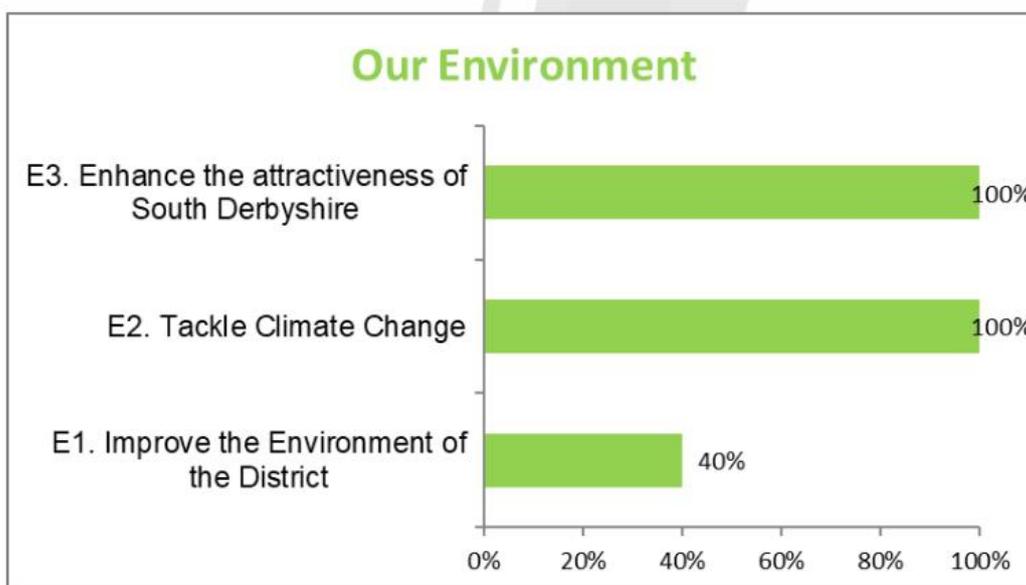
4.1 Overall Council performance against the priorities– Quarter 3 2020-2021.

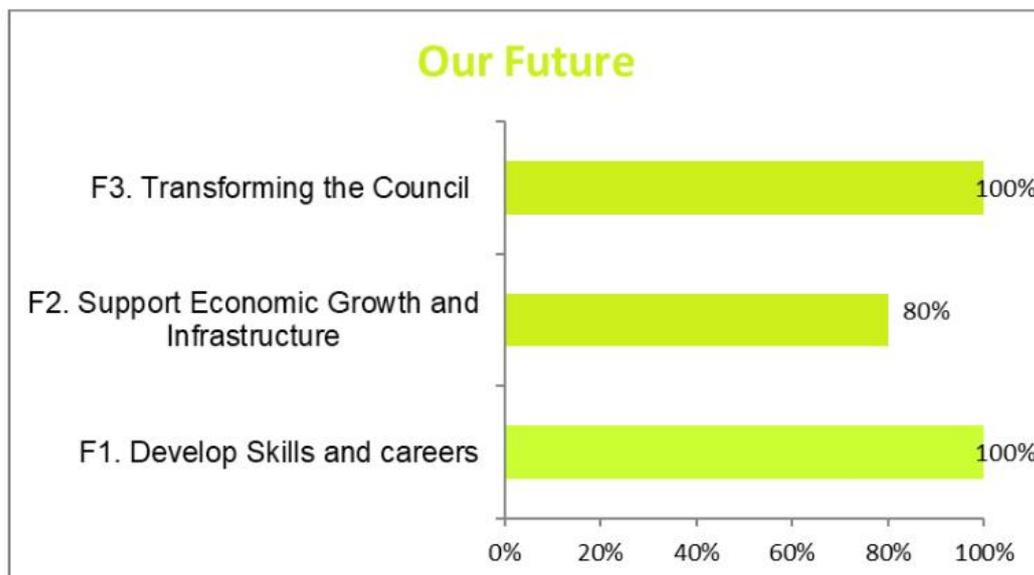
The below chart provides an overview for the % of measures that are on track to achieve the annual target.



4.2 Overall Council performance against key aims – Quarter 3 2020-2021.

The below charts provide an overview for the % 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, 16 are green, one is amber, eight are red and ten are grey. Overall, 77% of the key aims within the Corporate Plan are on track. 70% are on track for Our Environment, 76% are on track for Our People and 88% are on track for Our Future.

4.4 This Committee is responsible for overseeing the delivery of 16 Corporate measures.

Below outlines the eight measures for this Committee that are on track (green) for the quarter:

- Increase Swadlincote Town Centre visitor satisfaction.
- 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).
- Deliver against the Transformation Action Plan.
- 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.

4.5 Below outlines the three measures that are not on track (red) for the quarter:

- Number of apprenticeships.
- Average number of staff days lost due sickness.
- Total Rateable Value of businesses in the District.

The targets for the Corporate performance measures were set prior to the Covid-19 pandemic and this has impacted the out turn for quarter three for the number of apprenticeships.

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 description of each performance measure including mitigating actions and actions to sustain and improve performance is included in the detailed Performance Measure Report Index in **Appendix B**.

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

4.8 The Risk Register(s) for the Committee's services are detailed in **Appendix C** Chief Executive Risk Register, **Appendix D** Corporate Resources Risk Register and **Appendix E** Strategic Risk Register. This includes the register and risk mitigation plans for the relevant departmental Risk Register(s). 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(s) detail a risk matrix to summarise how each identified risk has been rated.

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

Key risks impacting on this Committee are detailed in **Appendix C** Chief Executive Risk Register, **Appendix D** Corporate Resources Risk Register, and **Appendix E** Strategic Risk Register, alongside the treatment and mitigating actions in place to manage these risks.

The following provides a summary of changes made to the risk registers since the last quarter:

Chief Executive Risk Register

- CE3 - Failure of Sharpe's Pottery Heritage & Arts Trust, update to mitigating actions
- CE4 - Poor quality performance data. - removed from this risk register and reported to the Audit Sub-Committee with a completed action plan any future risks will be reported on the Strategic risk register.
- CE5 - Failure of joined up Council approach changed to CE4.

Corporate Services Risk Register

- 3 – Procurement Services, minor change to mitigating actions.
- 4 - Data Quality and Performance Management has been removed
- 4 - Public Buildings has moved from risk 5
- 5 - New risk for Financial Management systems upgrade has been added
- 6 - New risk Financial Management System has been added
- 7 - New risk Payroll Service has been added
- 8 - New risk Payroll Software Contract Expiry has been added
- 9 - New risk Transformation Compliance has been added
- 10 – New risk Banking Counterparty Limits has been added
- 11 – New risk Failure of systems external to finance has been added.

Strategic Risk Register

- 1 – Government Funding, updated the current position
- 2 – The Economy, updated the current position
- 3a -Technology and Data, update to mitigating actions
- 4 - Business Continuity, update to mitigating actions
- 6 - Voluntary and Community Sector, update to mitigating actions
- 8 - Statute and Regulation, update to mitigating actions
- 11 – New risk Climate Emergency has been added
- 12 – New risk Internet Connection has been added
- 13 – New risk Technical Resources has been added



Please refer to the Strategic Risk Register in **Appendix E** for further detail

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 Index

Appendix C – Chief Executive Risk Register

Appendix D – Corporate Resources Risk Register

Appendix E – Strategic Risk Register



Priority	Key Aim	Outcome	PI Ref	How success will be measured	Frequency	(Q4) Jan 20 - Mar 20 Outturn	April 20 - June 20 (Qtr. 1)	April 20 - September 20 (Qtr. 2)	April 20- December 20 (Qtr. 3)	Annual Target 2020-2021	Head of Service	Strategic Lead	Committee
OUR ENVIRONMENT	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	Quarterly	Cumulative (Apr-Mar) 404 kgs Q4 (Dec-Mar) 90kgs	126 kgs	250 kgs	355 kgs (estimated)	Sustain during Yr1 (404kgs)	Adrian Lowery, Head of Operational Services	Allison Thomas, Strategic Director, Service Delivery	E&DS
			E1.1B	% of collected waste recycled and composted	Quarterly	Cumulative (Apr-Mar) 45% Q4 (Jan-Mar)39%	53%	52.00%	49% (estimated)	Sustain during Yr1 (45% or >)	Adrian Lowery, Head of Operational Services	Allison Thomas, 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	Quarterly	714 (total figure for 2019/20)	Q1 - Target ≤ 179 Actual - 260	Q1-2 Target ≤ 357 Actual - 528	Q1-3 Target < 536 Actual - 732	< 714	Matt Holford, Head of Environmental Services	Allison Thomas, Strategic Director, Service Delivery	E&DS
			E1.2B	Improve the quality of the District through the Local Environmental Quality Survey	Annual	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.	Reported Bi-Annually in Q1 and Q3	Survey to be undertaken in Q4 20-21.	A full report will be provided in Q1 21-22.	>95%	Adrian Lowery, Head of Operational Services	Allison Thomas, 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.	Annual	Not possible to provide as outputs not held in software until April 2020. Monitoring underway and baseline data to be provided Q1 and Q2.	First Report due October 2020. No qualifying decisions in Q1.	66.7%	66.70%	85%	Steffan Saunders, Head of Planning and Strategic Housing	Allison Thomas, 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	Annual	No update required for Q4. First update to be provided Q1 2020-21.	The three targeted C&EAP actions for Q1 are all complete	Six targeted C&EAP actions for Q1-2. Three have been completed. Three are long term projects which are all now in progress and on-track	Nine targeted C&EAP actions for Q1-3. Four have been completed. Five are long term projects which are all now in progress and on-track	Achievement of Actions contained in the South Derbyshire Climate and Environment Action Plan 2020-24 (C&EAP)	Matt Holford, Head of Environmental Services	Allison Thomas, 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.	Bi Quarterly (Q2 & Q4)	Baseline figure of 50% based on 18 qualifying decisions in Q4.	78%	88%	100%	85%	Steffan Saunders, Head of Planning and Strategic Housing	Allison Thomas, 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	Annual	49% of respondents would recommend Swadlincote Town Centre - May 2019. No update required for Q4. First update to be provided Q2 2020-21	Update due Q3	Update due Q3	55% of respondents would recommend Swadlincote Town Centre - Sept/Oct 2020	50%	Mike Roylance, Head of Economic Development and Growth	Frank McArdle, Chief Executive	F&M
		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	Annual	2	Action planning scheduled for later in the year	Dialogue commenced about potential and preferred sites.	Swadlincote Woodlands and Newhall Park identified as most likely new sites. Management plan for Swadlincote Woodlands to be updated in Q4 to aid future submission.	Four Year Target - 4	Mary Bagley, Head of Cultural and Community Services	Allison Thomas, Strategic Director, Service Delivery	H&CS
			E3.2B	Proportion of good quality housing development schemes	Annual	92%	Reported Annually in Q4	Reported Annually in Q4	Reported Annually in Q4	90.0%	Steffan Saunders, Head of Planning and Strategic Housing	Allison Thomas, Strategic Director, Service Delivery	E&DS
OUR PEOPLE	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	Quarterly	36	28	66	113	Proxy	Mary Bagley, Head of Cultural and Community Services	Allison Thomas, 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	Quarterly	Cumulative (Apr-Mar) 2,893 ASB reports	ASB reports in Q1: Target ≤ 849 Actual - 1776	ASB reports in Q2: Target <800 Actual - 1084. Cumulative Target <1649 Actual - 2860	ASB reports in Q3: Target <540 Actual - 960. Cumulative Target <2893 Actual - 3820	Proxy	Matt Holford, Head of Environmental Services	Allison Thomas, 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	Quarterly	103 cases	64	127	203	Proxy	Paul Whittingham, Head of Housing	Allison Thomas, Strategic Director, Service Delivery	H&CS
			P2.1B	Continue to undertake interventions per year to keep families out of fuel poverty.	Quarterly	Numbers of interventions in 2019/20 were not recorded	Q1 Target - 125 interventions Actual - 108	Q1&2 Target - 210 interventions Actual - 216 (Data not yet complete)	Q1-3 Target - 245 interventions Actual - 247	300 interventions	Matt Holford, Head of Environmental Services	Allison Thomas, 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.	Bi monthly	Not applicable for Q4	Draft plan tabled at H&W Group and approved by the group	Ongoing delivery of the action plan by partners	Ongoing delivery of the action plan by partners and support across partners to support the Covid response	100% of actions delivered	Mary Bagley, Head of Cultural and Community Services	Allison Thomas, 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	Quarterly	£2,717,193.80	35%	88.95%	95.60%	100% against the annual plan 2020-21	Paul Whittingham, Head of Housing	Allison Thomas, Strategic Director, Service Delivery	H&CS
			P2.3B	Develop and deliver the Public Buildings programme over four years	Quarterly	Project Plan for 2020-21 developed	Software tested and calibrated	Condition surveys on the five largest assets have been completed	Carried out further surveys on 12 more of the Public Buildings portfolio.	25% of assets to be surveyed and the planned maintenance programme for phase one to be created	Steve Baker, Head of Corporate Property	Kevin Stackhouse, Strategic Director, Corporate Resources	F&M
			P2.3C	Average time taken to re-let Council homes	Quarterly	Q4 157 days YTD 122 days	Q1 Target 21 days Q1 Actual 206 days	Q2 Target 21 days Q2 Actual 209 days	Q3 Target 21 days Q3 Actual 192 days	Median Quartile Performance (Benchmark via Housemark)	Paul Whittingham, Head of Housing	Allison Thomas, 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	South Derbyshire's ranking in the Social Mobility Commissions Social Mobility Index increases	Annual	311	Reported Annually in Q4	Reported Annually in Q4	Reported Annually in Q4	Ranked >311 on the Social Mobility Index	Mike Roylance, Head of Economic Development and Growth	Frank McArdle, Chief Executive	F&M	
	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	Quarterly	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).	4,474	10,174	16,103	Upward Trend	Elizabeth Barton, Head of Customer Services	Kevin Stackhouse, Strategic Director, Corporate Resources	F&M	

Priority	Key Aim	Outcome	PI Ref	How success will be measured	Frequency	(Q4) Jan 20 - Mar 20 Outturn	April 20 - June 20 (Qtr. 1)	April 20 - September 20 (Qtr. 2)	April 20- December 20 (Qtr. 3)	Annual Target 2020-2021	Head of Service	Strategic Lead	Committee		
Working with comi	P3. Deliver Excellent Services	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	Quarterly	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.	No visitors due to Covid-19	No visitors due to Covid-19	No visitors due to Covid-19	Downward trend in Face to Face interactions	Elizabeth Barton, Head of Customer Services	Kevin Stackhouse, 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	Quarterly	Total Calls 26,280 (21,350 calls handled & 4,930 automated call payments). Quarter 4 figures.	22,387	44,701	69,812	Downward Trend	Elizabeth Barton, Head of Customer Services	Kevin Stackhouse, Strategic Director, Corporate Resources	F&M		
			P3.3B	Increase digital engagement (Twitter, Instagram, Facebook)	Quarterly	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	Total FACEBOOK fans:26,369 , total TWITTER followers: 7,971 , No Instagram account yet, total ALL SOCIAL MEDIA fans :34,340. Social Media queries: 182	Total FACEBOOK fans:27,919 , total TWITTER followers: 12,005, No Instagram account yet, total ALL SOCIAL MEDIA fans:39,924. Social Media queries: 190	Total FACEBOOK fans: 30,157 , total TWITTER followers: 12,566, No Instagram account yet, total ALL SOCIAL MEDIA fans:42,723. Social Media queries: 206	Upward Trend	Fiona Pittam, Head of Organisational Development & Performance	Kevin Stackhouse, Strategic Director, Corporate Resources	F&M		
		P3.4 Investing in our workforce	P3.4A	Increase the level of staff engagement	Annual	No Q4 Update. First Staff survey to take place in 20/21.	Reported annually in Q4	The employee survey has been postponed until early 2021	The employee survey has been postponed until 2021/22	No target for Yr1.Baseline Data only	Fiona Pittam, Head of Organisational Development & Performance	Kevin Stackhouse, Strategic Director, Corporate Resources	F&M		
			P3.4B	Number of apprenticeships	Annual	4 (1.2% of head count)	4 (1.2% head count) (3 vacancies currently, one advertisement active, mitigating factors updated)	4 (1.2% head count) (actions taken towards funding new apprenticeships despite Covid hardships)	5 (1.5% head count) (New Business Admin L3 in HR, planning in place for apprentice opportunity in Operation Services)	>2.3% of head count	Fiona Pittam, Head of Organisational Development & Performance	Kevin Stackhouse, Strategic Director, Corporate Resources	F&M		
			P3.4C	Average number of staff days lost due to sickness	Quarterly	3.58	3.68	4.34	11.6	Downward Trend	Fiona Pittam, Head of Organisational Development & Performance	Kevin Stackhouse, Strategic Director, Corporate Resources	F&M		
			P3.4D	% of employees that consider that the Council has a positive health and safety culture	Annual	No Q4 update for 19/20. First Staff survey to take place in 20/21.	Reported annually in Q4	Reported annually in Q4	The employee survey has been postponed until 2021/22	No target for Yr1.Baseline Data only	Fiona Pittam, Head of Organisational Development & Performance	Kevin Stackhouse, Strategic Director, Corporate Resources	F&M		
		OUR FUTURE	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	Annual	32,000		Reported Annually in Q4	Reported Annually in Q4	More than Q4 2019/20	Mike Roylance, Head of Economic Development and Growth	Frank McArdle, Chief Executive	F&M
				F1.2 Support unemployed residents back into work											
			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)	Annual	2885 sqm	Reported Annually in Q4	Reported Annually in Q4	Reported Annually in Q4	12,269.5 sqm	Mike Roylance, Head of Economic Development and Growth	Frank McArdle, Chief Executive	F&M
					F2.1B	Total Rateable Value of businesses in the District	Quarterly	£67,486,786	£67,528,690 (NB. This is the Total Rateable Value of premises rather than the income received through the collection of Business Rates)	£67,316,577 - Total Rateable Value fallen, arising from a change in national regulations relating to cashpoints and surgeries	£67,379,221 - Q3 is an increase on Q2, but remains below levels prior to the change in national regulations	More than Q4 2019/20	Mike Roylance, Head of Economic Development and Growth	Frank McArdle, Chief Executive	F&M
				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	Quarterly	80%	100%	100%	100%	90% within 8-13 weeks or as agreed with the applicant	Steffan Saunders, Head of Planning and Strategic Housing	Allison Thomas, Strategic Director, Service Delivery	E&DS
					F2.2B	% of planning applications determined within the statutory period	Quarterly	93%	94%	99%	98%	>90%	Steffan Saunders, Head of Planning and Strategic Housing	Allison Thomas, 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	Annual	No Q4 update for 19/20. New indicator, data will be collected from April 2020 onwards as retrospective data is not possible to collect.	Reported Annually in Q4	Reported Annually in Q4	Reported Annually in Q4	90%	Steffan Saunders, Head of Planning and Strategic Housing	Allison Thomas, 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	Quarterly	No Q4 update for 19/20. Transformation plan to report from Q1 onwards		All projects on track and have enjoyed some focused attention and a few large projects in particular have had major milestones reached.		Deliver 100% against action plan	Anthony Baxter, Head of Business Change and ICT	Kevin Stackhouse, 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	Quarterly	Preliminary discussion between Operational Services and Finance have taken place, working group and action plan not yet established			See progress in detailed performance report.	Form a working group & Action Plan	Adrian Lowery, Head of Operational Services	Allison Thomas, Strategic Director, Service Delivery	F&M		



Corporate Plan 2020-2024

Performance Measure Report Index

Finance and Management Committee

Team: Organisational Development and Performance

Date: March 2021

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Our Environment | Our People | Our Future

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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 12 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
- 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 16 corporate measures under the key aims:

- E3. Enhance the attractiveness of South Derbyshire
- P2. Supporting and safeguarding the most vulnerable
- P3. Deliver Excellent Services
- F1. Develop skills and careers
- F2. Support economic growth and infrastructure
- F3. Transforming the Council



Finance and Management Committee (F&M) are responsible for the following 16 corporate measures

Our Environment

Measure

- Increase Swadlincote Town Centre visitor satisfaction

Our People

Measure

- Develop and deliver the Public Buildings programme over four years
- South Derbyshire's ranking in the Social Mobility Commissions Social Mobility Index increases
- 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
- % of employees that consider that the Council has a positive health and safety culture

Our Future

Measure

- Increase the number of employee jobs in South Derbyshire
- Annual net growth in new commercial floorspace (sqm)
- Total Rateable Value of businesses in the District
- 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 ENVIRONMENT

OUTCOME: E3.1 - Enhance the appeal of Swadlincote town centre as a place to visit

Measure and Ref	E3.1A - Increase Swadlincote Town Centre visitor satisfaction			Committee	F&M
Definition	Benchmarking for Swadlincote Town Centre includes a Town Centre User Survey (questionnaire) completed at the same time each year by an independent consultant.			Why this is important	There is a need to limit the impact of national changes in shopping habits on the vitality of the town centre, at a time when High Streets are under extreme pressure.
What good looks like	The aim is to steadily close the gap to the National Small Towns average over the four-year period of the Corporate Plan.				
History with this indicator	Comparable Benchmarking data was first collected in 2019. This found that 49% of respondents would recommend a visit to Swadlincote Town Centre, whilst the comparable National Small Towns Average was 72%. It should be noted that any public questionnaire of this type will be significantly influenced by recent events, such as an Anti-social behaviour (ASB) incident that has been reported in the media.			Mitigating actions	The Council is implementing the Swadlincote Town Centre Vision with public, private and voluntary/community sector partners.
2019/20 baseline data		49% of respondents would recommend Swadlincote Town Centre as of May 2019			
	Annual target	Q1 Outturn (Apr-June)	Q2 Outturn (Apr - Sept)	Q3 Outturn (Apr - Dec)	Q4 Outturn (Apr 20 - Mar 21)
2020/21	Upward trend	Update due in Q3	Update due in Q3	55%	
<u>Performance Overview – quarterly update</u>				<u>Actions to sustain or improve performance</u>	
<p>Due to COVID-19 out turns will be deferred until later in the year. Annual Benchmarking scheduled for Spring 2020 has been postponed until September 2020.</p> <p>Q2 – Survey work was underway in September and will continue into October. Following analysis of the date the final report will then be produced.</p> <p>Q3 – Study completed. Satisfaction with the town centre has increased by 6% since it was last undertaken in May 2019. The National Small Towns Average remains at 72% in 2020/21.</p>				<p>One of the key issues raised from the survey was in relation to the physical appearance of the town centre which will be looked into further.</p>	



PRIORITY: OUR PEOPLE

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

Measure	P2.3B - Develop and deliver the Public Buildings programme over four years	Measure Ref	F&M
<p>Project detail</p>	<p>Development of the public buildings programme involves the initial completion of Public Buildings condition surveys over the four-year lifespan of the Corporate Plan. These surveys will then inform the drafting of a planned maintenance programme, which will be progressively developed as the surveys become available.</p> <p>The completion of condition surveys and a planned maintenance programme will provide Corporate Property with a clear understanding of the repair requirements for the Council's buildings, enabling a proactive approach to property maintenance and future budget planning for repairs.</p>	<p>Why this is important</p>	<p>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.</p>
	<p>The portfolio contains 149 Public Building Assets. 100 % of the portfolio will be surveyed over the life of the Corporate Plan</p> <p>The survey will involve a detailed inspection and the production of a Survey Report on each asset. The Survey Report will include a detailed description of the elements making up the asset and an assessment of the condition of each element utilising a graded score.</p> <p>The scoring of the condition of the elements in each asset will feed directly into the compilation of the Reactive and Planned Maintenance programme.</p> <p>Phase One of the surveys comprising of 25% of the assets listed within the portfolio will be surveyed by the end December 2020.</p> <p>The Planned Maintenance programme relating to buildings covered by Phase One surveys to be created by end March 2021, the planned maintenance programme to be expanded in tranches corresponding to the phased condition surveys.</p> <p>A comprehensive Planned Maintenance Programme to be in place for the entire portfolio by December 2023.</p>	<p>Mitigating actions</p>	<p>A Building Services Manager and Building Surveyor have been appointed to undertake the condition surveys and draft the planned maintenance programme.</p>



Project Action Plan	Q1 Outturn (Apr-June)	Q2 Outturn (Apr - Sept)	Q3 Outturn (Apr - Dec)	Q4 Outturn (Apr 20 - Mar 21)
2020/21	Software tested and calibrated.	Carry out surveys on five largest buildings and populate maintenance schedule.	Carry out surveys on a further 12 Public Buildings.	



PRIORITY: OUR PEOPLE

OUTCOME: P2.4 - Support social mobility to ensure people have the opportunity to access skilled jobs, higher and further education.

Measure	P2.4A - South Derbyshire's ranking in the Social Mobility Commission's Social Mobility Index increases			Committee	F&M
Definition	Working in partnership, to successfully implement a programme of actions as set out within a Social Mobility Action Plan.			Why this is important	Whilst the number of disadvantaged residents affected in South Derbyshire is relatively small, Social Mobility aims to ensure that everyone has the opportunity to build a good life for themselves regardless of geography or family background.
What good looks like	Upward trend in South Derbyshire's ranking in the Social Mobility Commission's Social Mobility Index over the four-year period of the Corporate Plan.				
History with this indicator	South Derbyshire has performed poorly on a number of indicators of Social Mobility for disadvantaged residents in recent years. The Social Mobility Commission's Social Mobility Index ranked South Derbyshire 311/324 local authority areas in 2017. The Index is produced periodically at a national level by combining multiple data sources.			Mitigating actions	The Council is working with the South Derbyshire Partnership to develop and implement a Social Mobility Action Plan.
2019/20 baseline data		Ranked 311/324			
	Annual target	Q1 Outturn (Apr-June)	Q2 Outturn (Apr - Sept)	Q3 Outturn (Apr - Dec)	Q4 Outturn (Apr 20 - Mar 21)
2020/21	Upward Trend	Report in Q4	Report in Q4	Report in Q4	Implement Year 1 actions
Performance Overview – quarterly update				Actions to sustain or improve performance	
<p>Q3 – The South Derbyshire Partnership project is underway though is proving to be challenging to deliver with social distancing requirements. Other actions have been delayed due to the pandemic, therefore it is unlikely the Social Mobility Action Plan will be completed by end of quarter four. The Social Mobility rankings are produced periodically by the Social Mobility Commission and the new survey is not imminent.</p> <p>Q2 – The South Derbyshire Partnership has awarded a grant to South Derbyshire CVS to fund officer time during 2020/21 which will help in completing the Action Plan and implementing actions.</p> <p>Q1 - The outline for the Social Mobility Action Plan has been drafted however, due to Covid-19 the consultation against the plan has been delayed. Social distancing measures are a major constraint on the activities envisaged within the Plan.</p>					



South Derbyshire's ranking in the Social Mobility Commission's Social Mobility Index increases

Benchmarking

Baseline Data	Percentage	Q1
Social Mobility Index	Ranked 311	311
Smoking status at time of delivery	15.7%	No data
Reception prevalence of overweight (including obesity)	27.1%	No data
Year 6: Prevalence of overweight (including obesity)	30.4%	No data
Average Attainment 8 score	47.3%	No data
Percentage of youth unemployment (16-24yrs) (Dec 2020)	5.3% (SD)	7.2% (Eng)
Percentage of the working age population qualified to Level 4 and above (2019)	38.4%	40.0% (Eng)



PRIORITY: OUR PEOPLE

OUTCOME: P3.1 - Ensuring consistency in the way the Council deal with service users

Measure and Ref	P3.1A - Increase number of customers who interact with the Council digitally as a first choice		Committee	F&M	
Definition	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).		Why this is important	The Council has an ambition to enable customers who wish to interact online with the Council to do so. This will reduce the cost of service transaction, increase customer satisfaction and ensure there is more time to support those customers who need more additional support by telephone or face-to-face.	
What good looks like	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).				
History with this indicator	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.		Mitigating actions	The Council has identified it needs to introduce a central CRM solution that connects into back office systems and systems such as social media, waste, housing, council tax etc, in order to support this priority. This will be delivered through the Transformation Plan and Customer Access Strategy and Plan. Both the emerging Customer Access Strategy and Transformation Plan Action Plan will be reviewed to ensure they remain in line with new/emerging requirements from the COVID-19 shut-down and recovery, which is likely to increase the requirement for digital interaction.	
2019/20 baseline data		During 2019/20 there were 1,282 council tax and digital forms submitted , 12,343 general website forms were submitted via the website, 287 social media enquiries and 1,219 COVID-19 Business Rates Grant Application Forms submitted which demonstrates the appetite for online interaction in the business community.			
	Annual target	Q1 Outturn (Apr- June)	Q2 Outturn (Apr - Sept)	Q3 Outturn (Apr - Dec)	Q4 Outturn (Apr 20 - Mar 21)
2020/21	Upward Trend	Total: 4,474	Total (3 months): 5,700 Total cumulative: 10,174	Total (3 months): 5,929 Total cumulative: 16,103	



Performance Overview – Q1 20-21

During Q1 there were 4,474 digital interactions - 893 council tax, business rates and business grant forms and 3,581 web form submissions.

Performance Overview – Q2 20-21

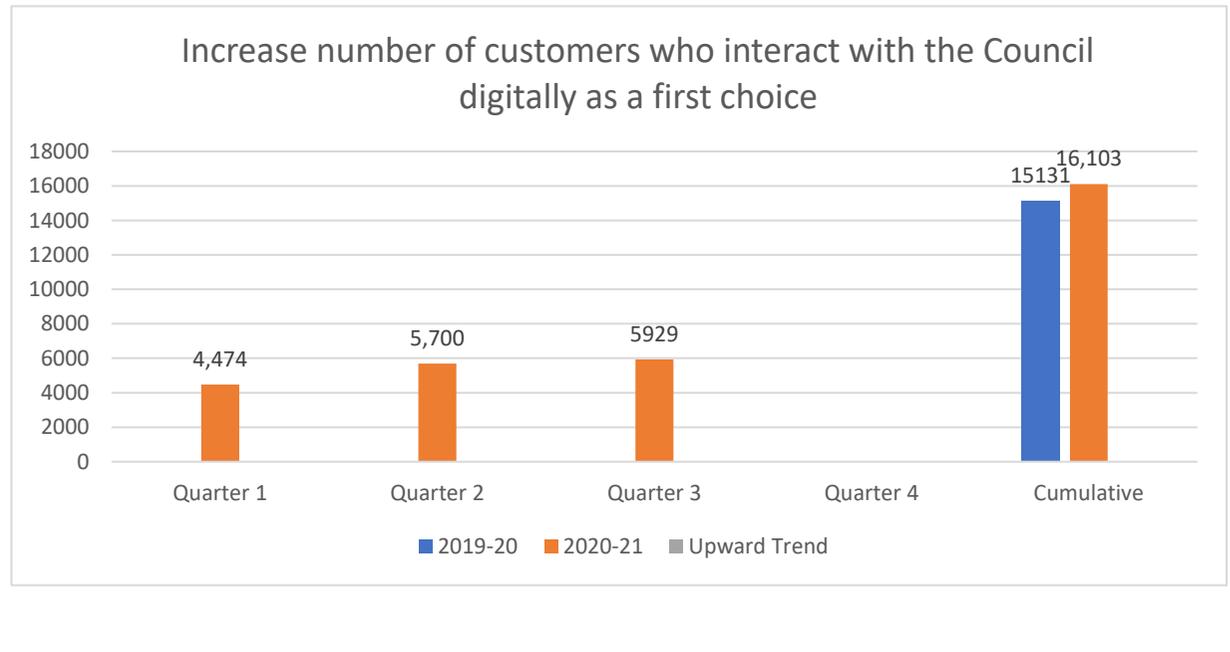
During Q2 there were 5,700 digital interactions - 116 Covid-19 business grant forms, 812 council tax & benefits forms and 3,772 online web form submissions.

Performance Overview Q3 – 2021

During Q3 there were 5,929 digital interactions – 1,752 business grant, test and trace, revenues and benefits forms, and 4,177 online web form submissions.

Actions to sustain or improve performance

Introduce a new CRM, review all key customer journeys on the web, and encourage more online take-up through a communications plan and staff encouraging online channels through emails, calls and other customer interactions.



PRIORITY: OUR PEOPLE

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

Measure	P3.2A - Reduce face-to-face contact to allow more time to support those customers who need additional support				Measure Ref	F&M
Definition	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.				Why this is important	The Council has an ambition to enable customers who wish to interact online with the Council to do so, 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.
What good looks like	To see a downward trend in the number of face-to-face customers through Customer Services.					
History with this indicator	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. To further reduce the number of face-to-face visits, it is recognised that an online service request capability is required, so that customers can raise requests without officer intervention, and a greater variety of services need to be delivered at first point of contact through the Council's contact centre.				Mitigating actions	The Council has identified it needs to introduce a central Customer Relationship Management (CRM) solution that connects into systems, such as visitor management systems. This will be delivered through the Transformation Plan and the Customer Access Strategy and Plan. Both the emerging Customer Access Strategy and Transformation Action Plan will be reviewed to ensure they remain in line with new/emerging requirements from the COVID-19 shut-down and recovery, which is likely to reduce face to face interaction.
2019/20 baseline data		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)				
	Annual target	Q1 Outturn (Apr-June)	Q2 Outturn (Apr - Sept)	Q3 Outturn (Apr - Dec)	Q4 Outturn (Apr 20 - Mar 21)	
2020/21	Downward Trend	0	0	0		



Performance Overview

No visitors to office due to COVID 19.

Actions to sustain or improve performance



PRIORITY: OUR PEOPLE

OUTCOME: P3.3 - Ensuring technology enables us to effectively connect with our communities. .

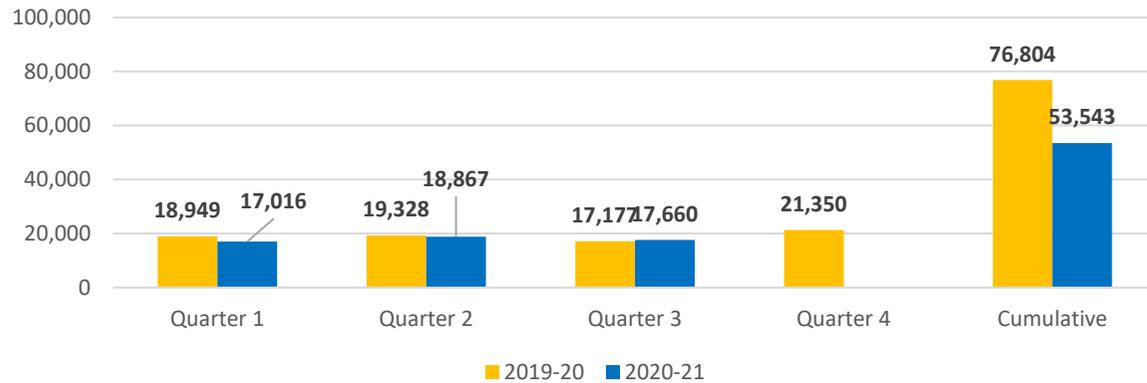
Measure	P3.3A - Number of customer telephone calls answered by Customer Services			Measure Ref	F&M
Definition	The Council has an ambition to handle an increased number/variety of customer calls at first point of contact, vs transferring to back office teams. Initially this will result in an increase of calls into the contact centre, which will reduce over time, in parallel with the introduction of increased online tools.			Why this is important	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.
What good looks like	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.				
History with this indicator	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. To further reduce the number of calls, it is recognised that digital service request capability is required, so that customers can raise requests without officer intervention.			Mitigating actions	The Council has identified it needs to handle more calls through Customer Services at first point of contact. This will be delivered through the Customer Access Strategy and Plan. The Council has also identified it needs to introduce a central Customer Relationship Management (CRM) solution that connects into back-office systems to support this priority. This will be delivered through the Transformation Plan. Both the emerging Customer Access Strategy and Transformation Plan Action Plan will be reviewed to ensure they remain in line with new/emerging requirements from the COVID-19 shut-down and recovery.
2019/20 baseline data		76,780 telephone calls received (2018/19). Q4 (Jan-Mar) 21,350 calls handled & 4,930 automated call payments.			
	Annual target	Q1 Outturn (Apr-June)	Q2 Outturn (Apr - Sept)	Q3 Outturn (Apr - Dec)	Q4 Outturn (Apr 20 - Mar 21)
2020/21	Downward Trend	Total: 22,387	Cumulative total: 46,017	Cumulative total: 69,812	



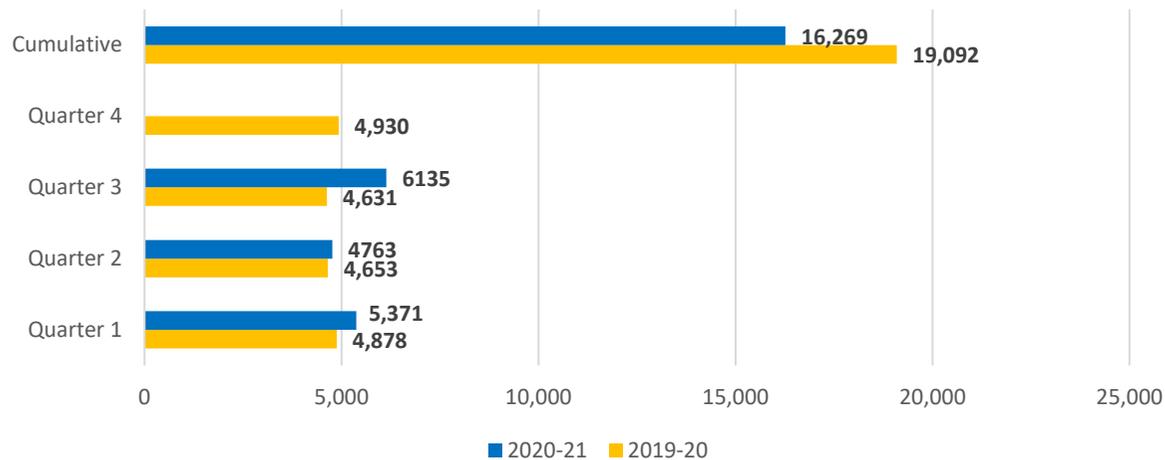
		(22,387 including: 17,016 handled & 5,371 automated payment calls)	(23,630 including: 18,867 handled and 4,763 automated payments calls)	(23,795 including: 17,660 calls handled and 6,135 automated calls)	
<p><u>Performance Overview – quarterly update</u></p> <p>QUARTER 3 UPDATE</p> <p>Total Calls: 69,812</p> <p>During this quarter, the team have handled 23,795 calls from customers, and 6,135 have been served via the council’s automated payment line. Housing repair calls transferred to the customer services team during December 2020, and it is not clear whether these call statistics are included in the overall customer services call volumes – this will be addressed before the next quarter is published, following a technical network assessment.</p> <p>Whilst there is an ambition to see a downward trend in calls to customer services over time, due to the level of business grant queries and queries in relation to test and trace, it is accepted that in the short-term call volumes are unlikely to drop in favour of online channels. This will be reassessed when the various COVID schemes are ended.</p> <p>Target: Downward trend for the number of calls answered by Customer Services</p> <p>Automated payment calls have seen a significant increase. This is probably due to the fact that customers who would ordinarily have come into the council building to pay, have had to find alternative payment methods since the office closure.</p>			<p><u>Actions to sustain or improve performance</u></p> <p>Long-term our ambition is to see a downward trend in call volumes, as those customers who can self-serve via digital channels migrate across.</p> <p>In the interim period, as part of the Council’s Transformation Strategy, there is an ambition to centralise customer services across departments and bring more calls into the contact centre to be handled at first point of contact – for example housing repair calls. It is likely this will result in a short-term rise in volumes over the coming quarters, which it is envisaged will reduce again as more and more services are migrated online.</p>		



Number of customer telephone calls (handled) answered by Customer Services



Number of automated payments



PRIORITY: OUR PEOPLE

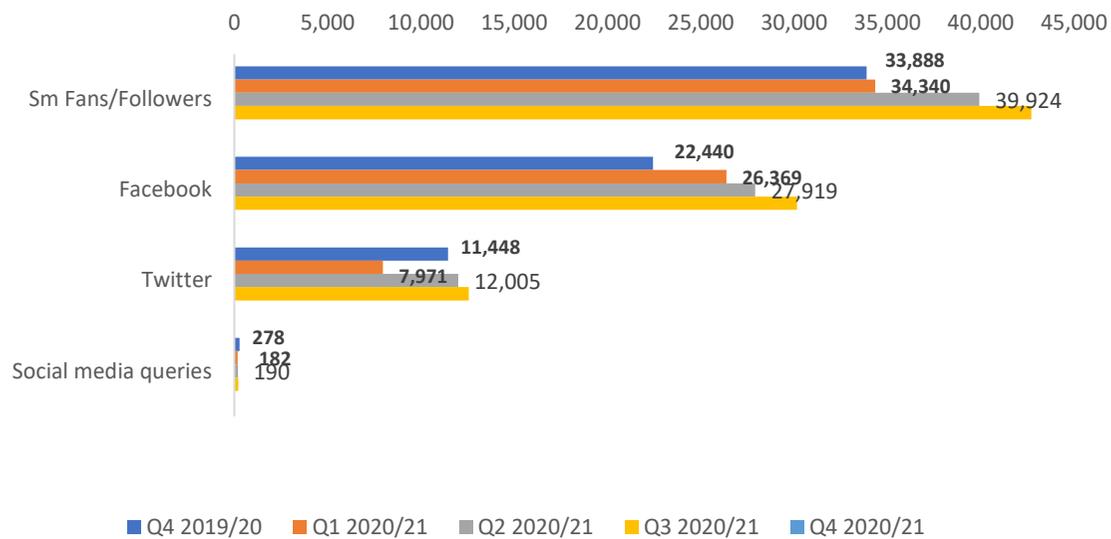
OUTCOME: P3.3 - Ensuring technology enables us to effectively connect with our communities.

Measure and Ref	P3.3B - Increase digital engagement (Twitter, Instagram, Facebook etc)			Committee	F&M
Definition	To increase the volume and quality of social media interaction with residents and customers on all Council social media platforms.			Why this is important	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.
What good looks like	Increase number of proactive social media engagement from the Council through the Communications team, result in an increased number of engaged citizens.				
History with this indicator	<ul style="list-style-type: none"> The engagement rate, sentiment and follower/fan base on our social media accounts has significantly evolved since 2017. With the creation of the central Facebook page in 2017 and a more strategic approach – more residents are now choosing to communicate with us via this platform. Monthly social media reports indicate the number and type of interactions via social media. 			Mitigating actions	The Council has identified it needs to introduce a central Customer Relationship Management (CRM) solution that connects into back off systems and systems such as social media in order to support this priority. This will be delivered through the Transformation Plan.
2019/20 baseline data		<ul style="list-style-type: none"> 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). 			
	Annual target	Q1 Outturn (Apr-June)	Q2 Outturn (Apr - Sept)	Q3 Outturn (Apr - Dec)	Q4 Outturn (Apr 20 - Mar 21)
2020/21	Upward Trend	34,340	39,924	42,723	
Performance Overview				Actions to sustain or improve performance	
<p>Q3 2020-21 During Q3 the number of social media (Sm) fans/followers (this is the combined figure for both Twitter and Facebook followers) increased by 2,799.</p> <p>The total number of Facebook followers across all accounts is 30,157 and increase of 2,238 on the previous quarter.</p> <p>Twitter followers now total 12,566, an increase of 561 on the previous quarter.</p> <p>There were 207 enquiries received by social media – this is an increase of 17 on the previous quarter.</p> <p>Context behind the figures:</p> <ul style="list-style-type: none"> Council Tax scams 				<ul style="list-style-type: none"> To ensure our platforms remain active by posting relevant key messages. To actively engage with social media fans to create a 2-way conversation, trust and rapport with our residents. Monthly (and annual) reporting to allow us to spot and adapt to digital trends. To provide support and guidance to social media page managers proactively and reactively. 	



- Benefits applications/payments
- Missed bin collections
- Housing repairs
- Council Tax queries
- Environmental concerns (fly-tipping, dog-fouling, litter, trees blocking roads from storms)
- Coronavirus (COVID-19) service updates
- Business grants
- Planning applications

Increase digital engagement



PRIORITY: OUR PEOPLE

OUTCOME: P3.4 - Investing in our workforce.

Measure and Ref	P3.4A - Increase the level of staff engagement	Committee	F&M
Definition	<p>Employee engagement is a combination of commitment to the organisation and its values and a willingness to help colleagues.</p> <p>Employee engagement also focuses on mutual gains in employment relationships, seeking the good of employees (well-being, job satisfaction and so on) and the good of the organisation they work for (performance, motivation, and commitment)</p>	Why this is important	<p>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.</p> <p>An engaged workforce supports the achievement of our key priorities and role models the values in the Corporate Plan.</p>
What good looks like	<p>A year on year improvement in relation to the % of employees that indicate positive experience working for the council and positive engagement with the strategic direction of the Council.</p> <p>This measure to be based on a) the response to the annual employee survey and b) the overall number of positive responses to engagement activities.</p>	Mitigating actions	<p>The Workforce Strategy, the Communication Strategy and the Employee Survey as well as other channels of engagement will be used as a framework to promote and develop employee engagement.</p> <p>National and economic factors can influence the resources and limit options available to the Council in relation to the management of the workforce.</p> <p>Measuring employee engagement is complex and intrinsically linked to the experience and environment at the time any measure is taken. Validity testing and reflection will be an important action when assessing the levels of engagement.</p>
History with this indicator	New indicator – No recent history available		
2019/20 baseline data		No baseline data available.	



	Annual target	Q1 Outturn (Apr-June)	Q2 Outturn (Apr - Sept)	Q3 Outturn (Apr - Dec)	Q4 Outturn (Apr 20 - Mar 21)
2020/21	Upward trend	Report in Q4	Report in Q4	Report in Q4	
2021/22	Upward trend				
2022/23	Upward trend				
2023/24	Upward trend				
<u>Performance Overview</u>				<u>Actions to sustain or improve performance</u>	
<p>Q3 Update</p> <p>The employee survey has been postponed until 2021/22.</p> <p>The scoping of the themes/questions and testing the potential software options to create and distribute the survey as well as the analytics can take place during Q1/Q2 of 2021/22.</p>					
Benchmarking					



PRIORITY: OUR PEOPLE

OUTCOME: P3.4 - Investing in our workforce

Measure and Ref	P3.4B - Number of apprenticeships and expenditure against the apprenticeship levy			Committee	F&M
Definition	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 are able to access funding from the apprenticeship levy. This will be a numerical outcome showing a positive increase trend from the previous year.			Why this is important	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.
What good looks like	The purposes 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).			Mitigating actions	A new post will lead on this activity to provide support to all services to identify support opportunities to establish posts or provide training for existing members of staff. The Government is planning a reform of the current arrangements to encourage more take up of the scheme and to simplify the process. A partnership approach with other employers has been proposed and this will need to be considered as part of the overall approach.
History with this indicator	New Indicator In the last financial year (April 2019 to March 2020), we spent approximately 34% of our levy funds (total input into the levy was £27479, spend was £9263.11).				
2019/20 baseline data		1.2% (4 apprentices)			
	Annual target	Q1 Outturn (Apr-June)	Q2 Outturn (Apr - Sept)	Q3 Outturn (Apr - Dec)	Q4 Outturn (Apr 20 - Mar 21)
2020/21	>2.3% of head count	1.2% (4)	1.2% (4)	1.5% (5)	
<u>Performance Overview – quarterly update</u>				<u>Actions to sustain or improve performance</u>	
We are hopeful of two new apprenticeships becoming available within the Council over the next quarter – potentially one in Operational Services (Horticulture L2) and a replacement hire for our IT apprenticeship in Business Change. OD&P have successfully hired a new HR Business Administration L3 apprentice in January 2021 to support the service.				Continue using the PDR process to identify apprenticeship upskilling opportunities as reviews take place from January 2021 onwards.	



In conversations with other service areas, Covid-19 is still proving a barrier to hiring new starters due to the restrictions of homeworking and keeping staff safe. Reminders are going out in the bi-monthly L&D newsletter about using the levy to upskill current staff, as well as reminding colleagues that apprentices do not necessarily have to be school leavers and thus, we could facilitate more experienced members of staff starting an apprenticeship away from the offices.

From April 2020 to January 2021, we have used approximately 19% of our levy funds (£24605 paid into the levy funds, £4681.63 spent). A total of £16339.80 has expired from our levy funds since April 2020.

Conversations were had with three Heads of Service and relevant managers following the PDR process to discuss using the levy to upskill existing members of staff – at this stage, no opportunities have been taken up. Factors impacting this largely revolve around the time commitment needed, as 20% of learning has to be off-the-job.

Consistency of messages in the L&D newsletter about providing apprenticeships.



PRIORITY: OUR PEOPLE

OUTCOME: P3.4 - Investing in our workforce.

Measure and Ref	P3.4C – average number of staff days lost due to sickness		Committee	F&M	
Definition	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.		Why this is important	Reducing the number of absences will provide an indication of the health and wellbeing of the workforce and the actions being progressed by the Council to provide a supportive employment framework. It will also reduce the impact on service delivery and result in savings arising from the payment of Occupational and Statutory Sick Pay (OSP/SSP) and any secondary costs incurred to cover the absences of staff such as overtime and agency costs.	
What good looks like	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.				
History with this indicator	This indicator has formed part of the corporate performance indicator set for a number of years. The average figure for the past six years is shown below;		Mitigating actions	A joint working group of employer and employee representatives had been established to identify actions and other interventions that will improving the levels of attendance at work. The Council has changed its Attendance Management Procedure with a review of the impact of this to be completed jointly with the Trade Unions 2021	
	Year	Outturn days per employee			
	2018/19	11.38			
	2017/18	11.63			
	2016/17	9.91			
	2015/16	7.95			
2014/15	9.99				
2013/14	12.28				
2019/20 baseline data		10.65 days			
	Annual target	Q1 Outturn (Apr-June)	Q2 Outturn (Jun - Sept)	Q3 Outturn (Oct - Dec)	Q4 Outturn (Apr 20 - Mar 21)
2020/21	Downward trend	3.68	4.34	3.14	

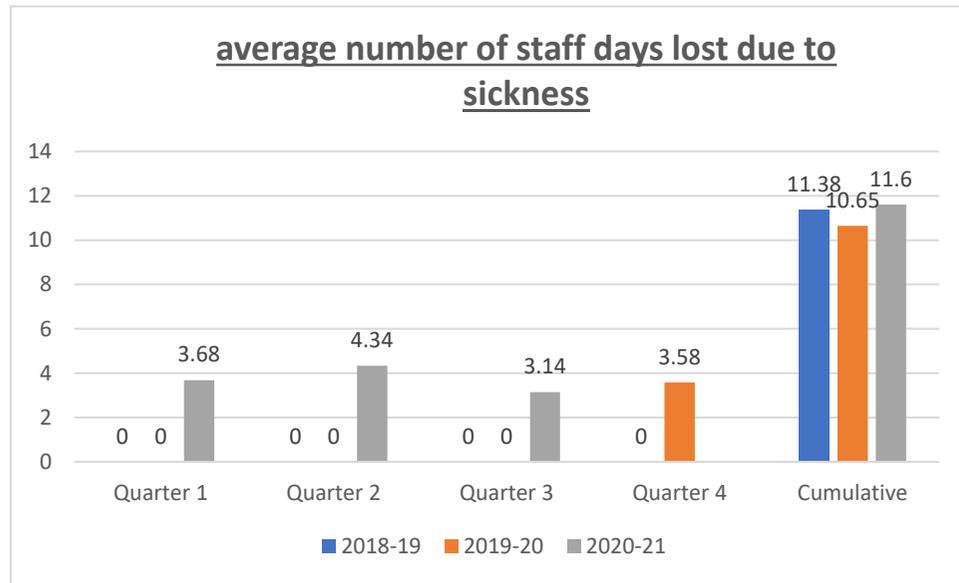


Performance Overview – quarterly update

The outturn figure is lower than the previous month. There have been a decrease in the number of employees that have been on extended periods of absence due to a range of serious and long-term health conditions. These are all being managed in line with the AMP and each case has a dedicated HR Officer supporting the manager.

Long term absences currently account for approximately 65% of all absences and have a significant impact on our levels of performance.

The impact of the COVID pandemic on attendance figures is kept under review. There have been a growing number of absences directly linked to coronavirus but this does not have a material impact on the overall figure.



Actions to sustain or improve performance

With the support provided by HR, the number of employees on long term absence has been reduced to 8 from 13. The remaining cases of long-term absences will have a clear timeframe set to resolve the matter where possible with.

Leadership Team have been presented with a range of options that could be taken to address the high levels of employee absence. These are under consideration and actions will be commenced during quarter 4. This will include formal consultation with the Trades Unions.

A review of short-term absences cases over the past two years has also been completed and actions will continue to be progressed in line with the Attendance Management Procedure (AMP).

Training is provided in stress awareness and mental health along with a range of supporting materials made available for managers and employees. Training is also provided in managing absences from work for managers and supervisors with a new course on Building your resilience to provide further support for managers. Health and wellbeing interventions will also continue to be made available to staff. This will include the continued promotion of support for mental health conditions through 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.

Benchmarking

Arrangements are being progressed to benchmark with comparable organisations within the region via East Midlands Councils



PRIORITY: OUR PEOPLE

OUTCOME: P3.4 - Investing in our workforce.

Measure and Ref	P3.4D - % of employees that consider the Council has a positive health and safety culture			Committee	F&M
Definition	The number of employees that have indicated that the Council has a positive approach to the management of health and safety in the workplace. This will be taken from the annual employee survey and will be expressed as a % of the overall responses.			Why this is important	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.
What good looks like	The purpose of this PI is to see an increased trend over four years to indicate the robustness of the Council's Health and Safety Management Framework. Retention of industry recognition of the health and safety management framework – RoSPA Health and Safety Awards.				
History with this indicator	New indicator – No previous history available			Mitigating actions	<p>A full-time resource will lead on this work from 1st February 2020 and will support all services areas to keep under review and develop their local arrangements in relation to health and safety.</p> <p>The corporate health and safety management framework will be used to govern compliance with and improvements to any current or new interventions.</p>
2019/20 baseline data		New indicator – No data available			
	Annual target	Q1 Outturn (Apr-June)	Q2 Outturn (Apr - Sept)	Q3 Outturn (Apr - Dec)	Q4 Outturn (Apr 20 - Mar 21)
<u>Performance Overview – quarterly update</u>				<u>Actions to sustain or improve performance</u>	
<p>A project team has been set up through the Transformational Steering Group. Work has taken place to explore internal and external software/providers and resources required to coordinate an employee survey.</p> <p>The employee survey has been postponed until early 2021/22.</p>					



The scoping of the themes/questions and testing the potential software options to create and distribute the survey as well as the analytics can take place during Q1/Q2 of 2021/22.



PRIORITY: OUR FUTURE

OUTCOME: F1.1 Attract and retain skilled jobs in the District

Measure and Ref	F1.1A- Increase the number of Employee Jobs in South Derbyshire			Committee	F&M
Definition	Working in partnership, to successfully implement a programme of actions as set out within a new Economic Development Strategy for South Derbyshire.			Why this is important	The District's economy has performed strongly in recent years - with a rapidly growing population it will be important to sustain this and provide a range of local employment opportunities.
What good looks like	The aim is to increase the number of Employee Jobs in South Derbyshire over the four-year period of the Corporate Plan.				
History with this indicator	South Derbyshire has enjoyed low levels of unemployment in recent years. Data for employment is taken from the Office of National Statistics (ONS) Business Register and Employment Survey. BRES is based on a sample survey so estimates are subject to sampling errors which need to be taken into account when interpreting the data. Employee jobs excludes self-employed, government-supported trainees and HM Forces. Data excludes farm-based agriculture. In 2018, there were 32,000 Employee Jobs in South Derbyshire, having grown from 30,000 in 2015.			Mitigating actions	The Council is working with partners from the public, private and voluntary/ community sectors to develop and implement a new Economic Development Strategy.
2019/20 baseline data		N/A			
	Annual target	Q1 Outturn (Apr-June)	Q2 Outturn (Apr - Sept)	Q3 Outturn (Apr - Dec)	Q4 Outturn (Apr 20 - Mar 21)
2020/21	25% (implementation of the actions contained within the plan)	Report in Q4	Report in Q4	Report in Q4	Implement Actions
<u>Performance Overview – quarterly update</u>				<u>Actions to sustain or improve performance</u>	
<p>Q1 - The current Economic Development Strategy is due to come to an end in 2020. The development of the new Strategy has been significantly impacted upon due to Covid-19. The team has been focused on the Covid response activities including, the distribution of grants to smaller businesses. Therefore, the new Economic Development Strategy has been put on hold for review.</p> <p>The Coronavirus pandemic has led to a rise in unemployment from 1,130 (1.7%) in Feb 2020 to 2,775 (4.2%) in Jul 2020 (+2.5%). This compares with +3.5% nationally.</p>				<p>Suggested District Council measures to sustain or improve performance</p> <p>Number of candidates recruited at Job Opportunities Days within the Travel To Work Area (Swadlincote and Burton)</p> <p><i>DRAFT – Following is awaiting discussion with Planning</i></p> <p>Breakdown of annual net growth in commercial floor space (square metres) by use category</p>	



<p>Q2 – Following the conclusion of the Covid grant schemes in September, development of the new Economic Development Strategy got underway.</p> <p>Unemployment stabilised at 2,650 (3.9%) in Dec 2020. This compares with 6.3% nationally. Further rises will have been delayed by a rise in seasonal employment in the run-up to Christmas and the extension of the furlough scheme.</p> <p>Q3 – Consultation with businesses and stakeholders for the new Economic Development Strategy was undertaken during the Quarter. However, following the reintroduction of Covid business support grants, further work is now on hold, with the team focusing on the distribution of the financial assistance.</p>	<ul style="list-style-type: none"> - help stimulate increased employee job numbers as well as higher skills? A2. Financial and professional services A3. Food and drink B1. Business B2. Manufacturing B3 to B7. Special industrial B8. Storage or distribution C1. Hotels Etc <p>Seek to negotiate commitments from developers to provide employment and training opportunities within construction linked to larger new developments</p> <p>Number of employee jobs created in relation to housing developments</p>
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Benchmarking
Increase the number of Employee Jobs in South Derbyshire

See table below.



Baseline 2019/2020			Q1	Q2	Q3	Q4
Employee Jobs	32,000	Numbers SD% EM%	32,000 (as at 2018)			
Economically Active in employment (16-64)	58,200 89.2 76	Numbers SD% EM%	59,400 (as at 2020) 90.6 70.7			
Employment by Occupation Sept 2019						
Soc 2010 Major Group 1-3 (Professional, managers and technical)	27,100 46.6 42.4	Numbers SD% EM%	29,400 (as at 2020) 50.8 43			
Soc 2010 Major Group 4-5 (Administration, skilled and trade)	16,600 28.5 21.6	Numbers SD% EM%	12,900 (as at 2020) 22.3 21.2			
Soc 2010 Major Group 8 (Process plant and machine ops)	4,600 7.9 8.1	Numbers SD% EM%	4,200 (as at 2020) 7.2 8.4			
Unemployment rate % Mar 2020	1,125 1.7 2.7	Numbers SD% EM%	2,780 (as at March 2020) 4.2 5.6			



PRIORITY: OUR FUTURE

OUTCOME: F2.1 - Encourage and support business development and new investment in the District

Measure and Ref	F2.1A- Annual net growth in commercial floorspace (sqm)			Committee	F&M
Definition	Data collected for the Council's annual Authority Monitoring Report, includes the monitoring of commercial floorspace within South Derbyshire.			Why this is important	There is very little vacant commercial floorspace in South Derbyshire, consequently the provision of additional commercial floorspace is closely related to the availability of additional employment opportunities.
What good looks like	The aim is to increase the total commercial floorspace over the four-year period of the Corporate Plan.				
History with this indicator	The Local Plan forecasts a net annual growth in commercial floorspace of 12,269.5 sqm per annum between 2008 and 2028. To date (2008-2020), the actual annual net rate of growth has been 6,258 sqm. It should be noted that the figures vary significantly from one year to the next and that single events, such as the loss of Hilton Depot, can heavily offset new construction.			Mitigating actions	The Council actively promotes development opportunities and vacant premises, and supports developers and businesses seeking to invest in the area.
2019/20 baseline data		2,885 sqm			
	Annual target	Q1 Outturn (Apr-June)	Q2 Outturn (Apr - Sept)	Q3 Outturn (Apr - Dec)	Q4 Outturn (Apr 20 - Mar 21)
2020/21	Upward Trend				
<u>Performance Overview – quarterly update</u>				<u>Actions to sustain or improve performance</u>	
This is an annual performance indicator and data will be collated and presented in Q4.					



PRIORITY: OUR FUTURE

OUTCOME: F2.1 Encourage and support business development and new investment in the District

Measure and Ref	F2.1B - Total rateable value of businesses in the district			Committee	F&M
Definition	Total rateable value of businesses in the district.			Why this is important	The total rateable value of businesses in the District is a good indication of the economic health of the district. An increase in floor space can indicate a growth in business numbers and employment opportunities.
What good looks like	A growth in rateable value, including a growth in sectors such as commercial (e.g. offices, shops, warehouses, restaurants) where there is a higher intensity of jobs per business.				
History with this indicator	The total rateable value of businesses across the District has been increasing year on year, particularly in the commercial sector with an overall increase of almost £345k since April 2017. It should be noted that events, such as the demolition of a business premises or its redevelopment for housing will offset new development.			Mitigating actions	The Council encourage new businesses into the District through its inward investment programme. The Council also carries out regular checks across the District to identify businesses that are not appropriately valued and ensure they are appropriately listed.
2019/20 baseline data		Q4 - £67,486,786. Quarterly reports can be provided from the Council's revenues and benefits system that defines the total rateable value of different categories of business (commercial, industrial etc) and further breakdowns of the sectors (for example commercial).			
	Annual target	Q1 Outturn (Apr-June)	Q2 Outturn (Apr - Sept)	Q3 Outturn (Apr - Dec)	Q4 Outturn (Apr 20 - Mar 21)
2020/21	Upward Trend	£67,528,690	£67,316,577	£67,379,221	
<u>Performance Overview – quarterly update</u>				<u>Actions to sustain or improve performance</u>	
Q3 – Outturn £67,379,221 Total Rateable Value increased from last quarter which in the main was as a result of a few large assessments being brought into the list namely a £71k RV at Cauldwell and a number of different £25k RV for warehouses and show homes, which helped to compensate for some larger RV				The inclusion (or not) in the Ratings List of cashpoints, along with the review of the listing of surgeries, are changes to national regulations and not	



<p>reductions we also received. However, it remains below levels prior to the change in national regulations relating to cashpoints and surgeries.</p> <p>It should be noted that the planned activities of some services have been substantially changed for short- or long-term periods during the year, with their work redirected to the Covid-19 response. This has included Customer Services, Economic Development and Growth Service and Finance Service teams which have spent much of the year delivering a series of Covid-19 grant programmes. This has had a consequent impact on progress with elements of their anticipated work programmes</p>	<p>something that the Council can influence or react to locally.</p>
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PRIORITY: OUR FUTURE

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

Measure and Ref	F3.1A- Deliver against the Transformation Action Plan		Committee	F&M
Project detail	<p>The Council is committed to improving outcomes and outputs for its stakeholders as is evident in the Corporate Plan.</p> <p>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.</p> <p>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.</p>		<p>Why this is important</p>	<p>The Transformation Plan provides a focal point for evaluating conflicting priorities, allocating resources, escalating problem and above all else, manage core programmes of work by documenting progress.</p>
			<p>Mitigating actions</p>	<p>The proposed Transformation Plan was published for consideration at Committee on 18 March as planned. Due to the lockdown associated with the Coronavirus situation, the Committee's business was deferred to a future date. It is now expected that the Plan will be considered by the Committee in June. It is not anticipated that this delay will have a significant impact on the overall achievement of the priority given the medium-term timeframe for delivering the associated outcomes.</p>
Project Action Plan	Q1 Outturn (Apr-June)	Q2 Outturn (Jul - Sept)	Q3 Outturn (Oct - Dec)	Q4 Outturn (Apr 20 - Mar 21)
2020/21			<ul style="list-style-type: none"> All (20) projects green status 1 project placed on hold 1 project internally delivered rather than procured 1 project completed ahead of schedule 	



			<ul style="list-style-type: none"> 15 of the 16 annual projects on track to complete 31st March 21 	
<p>Project Overview: Quarterly update</p> <ul style="list-style-type: none"> Work continues on the 20 transformation projects identified in the Annual Plan A report is scheduled for Finance and Management Committee to approve the approach and funding of several major projects, including route optimisation and Customer Relationship Management system including new webforms and workflow. The testing process will begin shortly for the new Finance system, an upgraded, cloud hosted version of Agresso. Procurement of a new e-Learning system is all but complete, the new solution should be in place early 2021 Procurement of a new Disabled Facilities Gants system has been completed and a new solution will be in place early 2021 The new Destination South Derbyshire website is in the final stages of development and will be ready to release early 2021 The Corporate Bookings solution has been developed by the first three areas ready for release. The next steps include payment integration for bookings and virtual appointment bookings via Microsoft Teams 			<p>Actions to sustain or improve performance</p> <p>The Transformation Steering Group meets every 6 weeks, each project group, of which there are 20, meet approximate every two weeks.</p> <p>Every group has a highlight report to report back the theme chair on work completed over period and work to be completed over net period.</p> <p>Any risk, actions, issues or decisions that are not within the identified scope and tolerance of the project controls will be escalated to the TSG.</p>	



PRIORITY: OUR FUTURE

OUTCOME: F3.2 - Source appropriate commercial investment opportunities for the Council

Measure and Ref	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		Committee	F&M	
Project detail	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		Why this is important	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.	
			Mitigating actions	Using Council assets wisely, trading services with others across the public and private sectors and selling commodities to generate income.	
Project Action Plan	Q1 Outturn (Apr-June)	Q2 Outturn (Apr - Sept)	Q3 Outturn (Apr - Dec)	Q4 Outturn (Apr 20 - Mar 21)	
2020/21					



<u>Project Overview: quarterly update</u>	<u>Actions to sustain or improve performance.</u>
<p>Restructure of Operational Services being implemented to improve capacity to deliver commercialisation.</p> <p>Working group including Operational Services, Business Transformation and Finance established.</p> <p>Work is in progress on collating all income based activity across the Council, interviews being held with each Head of Service to identify a baseline of current activities and approaches.</p>	



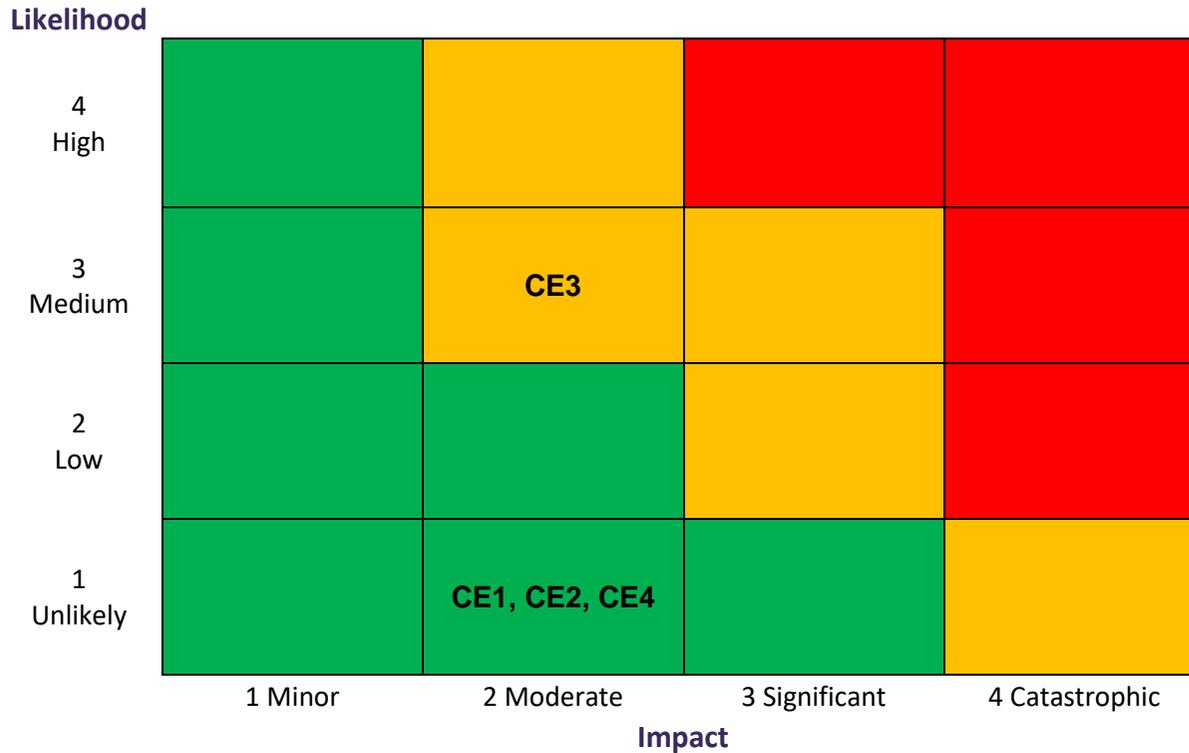
CHIEF EXECUTIVE'S RISK REGISTER (AS AT Q3 2020/21)

Appendix C

Risk	Rating and Current Position	Risk Treatment	Mitigating Actions	Change since last Quarter	Risk Owner
CE1. Failure of economic development partnerships leading to an adverse impact on businesses and local economy.	Likelihood is unlikely and impact is moderate.	Tolerate the current situation and keep under review.	Proactive engagement in partnerships and with individual partners. Commitment of officer time and resources to partnership activities. Monitoring of projects and performance.	No change to rating or mitigating actions	Economic Development and Growth
CE2. Failure of the South Derbyshire Partnership, leading to non-delivery of the community's vision and priorities set out in the Community Strategy	Likelihood is unlikely and impact is moderate.	Treat the risk through continuous action and review.	Proactive support for partnership. Commitment of officer time and resources to partnership facilitation. Engagement of partners in policy making and project design and delivery.	No change to rating or mitigating actions	Economic Development and Growth
CE3. Failure of Sharpe's Pottery Heritage & Arts Trust, leading to a loss of service to visitors and residents through the Tourist Information Centre.	Likelihood is medium and impact is moderate.	Treat the risk through continuous action and review.	Officer advice and support available to Trust. Member involvement in Trust Board. Monitoring of services and performance, including Service Level Agreement and Work Programme.	The agreement with the Trust to deliver the Tourist Information Centre service concludes on 31/12/20, after which it will be delivered directly by the Council. Consequently, this risk will be replaced in Q4 with a service change risk	Economic Development and Growth
CE4. Failure of joined up Council approach to effectively manage the	Likelihood is unlikely and impact is moderate	Treat the risk through continuous	Elections Project Team in place and meets as necessary with representatives from all services	No change to rating or	

election process and canvassing.		action and review.	involved. Arrangements in place for an Election to be called at short notice. Arrangements in place for Referenda/By-Elections to be called.	mitigating actions.	Legal and Democratic Services
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CHIEF EXECUTIVE'S RISK MATRIX



CE1 Failure of economic development partnerships leading to an adverse impact on businesses and the local economy.

CE2 Failure of the South Derbyshire Partnership, leading to non-delivery of the community's vision and priorities set out in the Community Strategy

CE3 Failure of Sharpe's Pottery Heritage & Arts Trust, leading to a [Page 48 of 145](#) visitors and residents through the Tourist Information Centre.

CE4. Failure of joined up Council approach to effectively manage the election process.

CORPORATE RESOURCES RISK REGISTER (AS AT Q3 2020/21)

Appendix D

Risk	Rating and Current Position	Risk Treatment	Mitigating Actions	Change since last quarter	Risk Owner
<p>1 Universal Credit (UC) – the implementation of UC could have an impact on resources in Benefits and Customer Services.</p> <p>Housing Benefit is administered by the Council on behalf of the DWP and is one of the six benefits being rolled up into UC.</p>	<p>UC is being rolled out on a phased basis for working age claimants. During 2019/20, this started to have a much bigger impact with claims for HB reducing by over 30%. However, the overall volume of work has broadly stayed the same as changes in UC are impacting on the Council's Council Tax Reduction Scheme (CTRS).</p> <p>More recently, the impact of Covid-19 has increased claims under the CTRS.</p>	<p>Treat the risk through continuous action and review.</p>	<ul style="list-style-type: none"> Greater automation is currently being progressed to process change of circumstances. The Local Council Tax Reduction Scheme is being redesigned to make it easier to understand and administer. Proposals for a new scheme, in principle, were originally planned for June 2020. However, due to Covid-19, this has been delayed until next year. Where spare capacity arises, off-site support, which is used to deal with peaks in workload, will be transferred in-house to utilise spare capacity. When future vacancies arise, these will be reviewed in the light of the longer-term position. 	<p>No change to rating or mitigating actions.</p>	<p>Customer Services</p>
<p>2 Fraudulent activities – the possibility of fraud being undetected.</p>	<p>National studies show fraud leads to a significant loss of resources within the Public Sector as a whole. The likelihood is considered high because fraud has been detected and prevented locally.</p> <p>In addition, authorities are being asked to be extra vigilant due to the</p>	<p>Treat the risk through continuous action and review.</p>	<p>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.</p> <p>The Council works in partnership with another Derbyshire authority to share a software package that enables data matching in Council Tax and Business Rates.</p> <p>Single Person Discount checks on Council Tax are also regularly undertaken.</p>	<p>No change to rating or mitigating actions.</p>	<p>Customer Services</p>

	potential for fraud to increase during Covid-19.		<p>In addition, the Council has a Shared Service Arrangement with Derby City Council which delivers a dedicated Fraud Unit. This Unit is resourced to prevent and detect fraud across all services, including raising awareness amongst Council Officers.</p> <p>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.</p>		
<p>3 Procurement Services</p> <p>The Directorate is responsible for providing a procurement service. Given the specialised and regulatory nature, there is a risk of not having resources to enable good quality advice and support for Services.</p>	The Council does not have its own procurement department but currently has access to support and advice, so the likelihood is considered low.	Treat the risk through continuous action and review	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.	No change to rating or mitigating actions.	Corporate Resources, Strategic Director
<p>4 Public Building</p> <p>Ensuring public buildings are safe and have adequate repair budgets to ensure they remain fit for purpose.</p>	Budgets are allocated for the repair of all public buildings, with the budget provisions based on historical repair expenditure. The adequacy of these budgets will need to be assessed on completion of the planned maintenance programme. Covid-19 risk	Treat the risk through continuous action and review.	<p>Condition surveys are being undertaken with a view to preparing a planned maintenance programme and comparing estimated costs against available budgets.</p> <p>The safety measures identified within the Covid-19 risk assessments will be implemented before any closed Council building is re-opened to the public.</p> <p>Page 50 of 145</p>	No change to rating or mitigating actions.	Corporate Property

	assessments have been undertaken for the Civic Offices, depot and community buildings to ensure adequate safety measures are implemented, with public access being controlled and restricted.				
<p>5. Financial Management System Upgrade</p> <p>The FMS requires an upgrade during 2020/21 with a go live date of 1 April 2021.</p> <p>PSN compliance and failure of the upgrade create risks to financial controls and data security</p>	<p>A project group is set up internally to focus on Council action points with another group set up including the supplier. A project plan is being closely followed by each group.</p> <p>Test scripts are written, and testing is due to start on 18 January 2021.</p> <p>No issues have yet been identified by the supplier or Council.</p>	Treat the risk through continuous action and review.	<ul style="list-style-type: none"> • A Business Change project manager and specific finance officers from the Council meet twice per month about the project. • A technical consultant and account manager have been assigned to the project by the supplier and they meet weekly with the Council's project manager. • A robust project plan has been agreed and signed off by both parties and is being strictly followed and communicated to both groups. • All action points from meetings are recorded and followed up by the project manager. 	New Risk	Head of Finance
<p>6. Failure of the Financial Management System</p> <p>The possibility of failure due to aging software poses risks to payment of suppliers, generating customer invoices and qualified</p>	<p>An upgrade to the FMS has been approved and is underway during 2020/21</p>	Treat the risk through continuous action and review.	<ul style="list-style-type: none"> • The Council pays a maintenance fee to the FMS provider for support with system issues. • An external consultant is on standby should any major failure occur to help support with any fixes. • Payments to suppliers could be made by cheque and blank invoice templates could be utilised if necessary, to overcome a 	New Risk	Head of Finance

Financial Statements.			major failure.		
<p>7. Payroll Service</p> <p>the payment of employees and members is managed on a day-to-day basis by one person.</p> <p>There is no additional capacity or expertise within the team to cope with any down time so the risk of employees and members not receiving payments due is significant.</p>	<p>A report was approved to transfer the payroll service to another Local Authority and to TUPE the employee in August 2019 to create resilience in the service.</p> <p>Issues arose and the transfer has been delayed. Discussions are ongoing and it is hoped that the service will now transfer by April 2022.</p>	Treat the risk through continuous action and review	<ul style="list-style-type: none"> 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. Discussions regarding cover of the payroll service are currently underway with the software supplier to make the detail more formal. Chesterfield Borough Council use the same payroll system and are able to offer a small level of support if required although they would not have the capacity to run the payroll. 	New Risk	Head of Finance
<p>8. Payroll Software Contract Expiry</p> <p>The contract expires in February 2022 and a tender would be required which may result in a change to the system prior to the end of a tax year plus an increased cost</p>	<p>No specification for a tender has been drawn up at this stage due to the potential outsourcing of the service.</p> <p>If the service transfers in April 2022 there will be a contractual gap of approximately a month</p>	Treat the risk through continuous action and review	<ul style="list-style-type: none"> The service is due to transfer to another Local Authority and therefore a tender may not be required. If the transfer doesn't take place, a specification is partly in place due to the detail required for the transfer so this can be adapted. Discussions with the current software provider are underway regarding the contract and the potential transfer of the service. 	New Risk	Head of Finance
<p>9. Transformation Compliance</p> <p>Approval of projects or workloads outside the annual work programme for ICT and Business Change</p>	<p>The Council has signed up to a Transformation Roadmap.</p> <p>Any day-to-day activities or project work that is established outside this process but calls on the same</p>	Treat the risk through continuous action and review	<ul style="list-style-type: none"> Ensure all Heads of Service are aware of the roadmap and the implications of adding additional projects. Ensure Transformation Steering Group members understand when they are involved in other work how that affects the ability to deliver critical transformation 	New Risk	Business Change, ICT, Digital

	resources will stop progress on approved projects.		projects.		
<p>10 Banking and Counterparty Limits</p> <p>authorised signatories being unavailable, internet failure resulting in no access to the bank accounts Any of the above could result in a breach of the approved counterparty limits set by the Council, -</p>	<p>Annual leave and meetings of both approvers and administrative functions are monitored by the team to ensure any potential risks are mitigated.</p> <p>External internet issues cannot be managed directly but internal issues are reverted to the Head of Business Change and ICT</p>	Treat the risk through continuous action and review.	<ul style="list-style-type: none"> 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. 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. Cash flow forecasts are updated daily, and any known transfers are set up in advance 	New Risk	Head of Finance
<p>11 Failure of systems external to Finance</p> <p>The Academy system interfaces data for Housing Benefit, Council Tax and Business Rates daily. The AIM system interfaces cash files daily.</p> <p>Failure to either of these systems or interfaces results in customer accounts not being up to date with cash paid and the FMS not including all assets and liabilities resulting in</p>	<p>The files are monitored daily and any issues raised with the IT Helpdesk.</p> <p>There is an upgrade currently in process to the Academy system which the Finance team have been involved in testing, so risk of failure is low.</p>	Treat the risk through continuous action and review.	<ul style="list-style-type: none"> An annual maintenance fee is paid to the system providers for system support and disaster recovery. 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. 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. 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 	New Risk	Head of Finance

potential qualification of the Financial Statements			Helpdesk.		
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CORPORATE RESOURCES RISK MATRIX

Likelihood		1 Minor	2 Moderate	3 Significant	4 Catastrophic
4 High			(1) Universal Credit (2) Fraudulent Activity (4) Public Buildings (8) Contract Expiry		
3 Medium			(9) Transformation Compliance	(6) FMS Failure (7) Payroll Service	
2 Low			(2) Procurement (10) Banking (11) External System Failure	(5) FMS Upgrade	
1 Unlikely					

1 Universal Credit	The implementation of Universal Credit could have an impact on resources in Benefits and Customer Services
2 Fraudulent Activity	The possibility of fraud being undetected in Revenues, Benefits and Housing, etc
3 Procurement.	The possibility of having limited access to good quality support and advice
4 Public Buildings	Ensuring public buildings are safe and have adequate repair budgets to ensure they remain fit for purpose
5 Financial Management System Upgrade	The FMS requires an upgrade during 2020/21 with a go live date of 1 April 2021
6 Failure of the Financial Management System	The possibility of failure due to aging software
7 Payroll Service	The payment of employees and members is managed on a day-to-day basis by one person.
8 Payroll Software Contract Expiry	The contract expires in February 2022
9 Transformation Compliance	Approval of projects or workloads outside the annual work programme for ICT and Business Change
10 Banking and Counterparty Limits	Authorised signatories being unavailable
11 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.

STRATEGIC RISK REGISTER (UPDATED AS AT Q3 2020/21)

Appendix E

Risk	Rating and Current Position	Risk Treatment	Mitigating Actions	Change since last Quarter
<p>1 Government Funding - a reduction in core funding.</p> <p>As a growth area, the Council's proportion of core funding is heavily reliant on the New Homes Bonus (NHB) and Business Rates.</p> <p>This makes it potentially vulnerable from changes to the current distribution system relative to other authorities who still receive Revenue Support Grant. This is a potential weakness highlighted in the Council's Financial Resilience Index.</p>	<p>Overall income has been increasing in recent years from the NHB and Business Rates growth. There has been uncertainty for some time regarding the replacement for the NHB and future changes to the Retention of Business Rates, which could disadvantage the Council relative to other authorities.</p> <p>The Government have delayed implementing outcomes from their Fair Funding Review until 2022/23.</p> <p>In addition, there may be a longer-term impact of the current Covid-19 pandemic on the level and distribution of resources for local government.</p>	<p>Treat the risk through continuous review and action where needed.</p>	<p>Financial Planning</p> <p>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.</p> <p>The Medium-Term Financial Plan (MTFP) is regularly reviewed, updated and reported to the Finance Committee on a quarterly basis.</p> <p>Current Financial Position</p> <p>Overall, the General Fund currently shows a healthy position due to the level of reserves.</p> <p>The medium-term forecast indicates an increasing deficit in future years although this may be the worst-case scenario as it forecasts increasing expenditure to meet the population growth, but a reduction in income. Projected budget deficits could be financed from reserves if required, although this would become unsustainable well before 2025/26.</p> <p>The impact of Covid-19 on the short term (2020/21) financial position is being kept under review and it is currently anticipated that temporary increases in expenditure and loss of income can be met from additional Government funding received.</p> <p>More recently, the Council is aware that there could be a significant cost increase in the Kerbside Recycling Service from October 2021. Coupled with</p>	<p>No changes to the risk rating.</p> <p>The risk remains red due to the high likelihood of some change occurring which could have a significant impact.</p> <p>Updated for the current financial position as reported to the Council in February 2021.</p>

			<p>the Fair Funding Review, this could potentially undermine the current position.</p> <p>Consequently, the Council has approved that no new revenue spending, over and above that approved by the Council in February 2021, is committed until the situation becomes clearer.</p> <p>Income and Expenditure is being kept under review and reported to the Finance Committee on a quarterly basis.</p>	
<p>2 The Economy - the impact of the national economic situation locally.</p> <p>Any negative effects could be disproportionate for the District as a significant growth area.</p>	<p>Prior to Covid-19, the local economy had been relatively strong and growing, but has since slowed.</p> <p>The impact of the current Covid-19 pandemic could have a longer-term impact on the Council's core income as residents and businesses may face difficulties in paying Council Tax, Business Rates and Rent. It could also result in a recession in the local economy.</p> <p>In addition, the introduction of negative interest rates by the Bank of England, could mean that the Council will have to pay to have its cash and reserves on deposit.</p>	<p>Treat the risk through continuous review and action where needed.</p>	<p>Support for Local Businesses</p> <p>The Government has provided various funding and support for local businesses and residents to help them overcome the impact of Covid-19.</p> <p>Regeneration</p> <p>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. In addition, the sale of the Council's former Depot Site for redevelopment has been completed and work commenced.</p> <p>The Finance and Management Committee approved a new capital investment programme of approximately £4 million on 8 October 2020 which will provide resources for regeneration and community projects.</p> <p>Treasury Management</p> <p>The MTFP is not reliant on interest rates increasing from the current level to generate revenue on its reserves and balances. Any increase would be a direct benefit to the Budget.</p> <p>The Council's Lending Policy is reviewed on a weekly and daily basis to mitigate the risk of negative interest</p>	<p>No changes to the risk rating.</p> <p>The risk continues to be red due to the high likelihood of some change occurring which could have a significant impact.</p>

			<p>rates and to expand the Counterparty List where it is safe to do so.</p> <p>Apart from debt associated with its Council Housing, the Council is debt free. Regarding the debt, a significant amount is at fixed interest rates and is affordable within the Housing Revenue Account's financial plan. The interest rate associated with a smaller proportion of variable rate debt, is below that budgeted.</p>	
<p>3a Technology and Data - keeping pace with developments in IT, together with the management and security of data.</p>	<p>There is a potential for digital and technology opportunities to be missed with the Council operating unsupported systems which pose a greater security risk.</p> <p>There is also the potential for reputational damage, together with possible fines, should a data breach occur.</p>	<p>Treat the risk through continuous review and action where needed.</p> <p>Some aspects of this risk can be transferred as insurance cover is in place for the replacement or restoration of data.</p>	<p>IT Upgrades and Development</p> <p>The Council has an ICT replacement programme in place which directs hardware and corporate infrastructure upgrades. This is resourced through provision in the IT base budget, together with an IT Asset Replacement Reserve. New laptops, smartphones and an upgrade to Microsoft 365 was completed in 2020.</p> <p>Security of Systems</p> <p>The Council is currently compliant with the Government's Public Services Network requirements. Regular Internal Audit Reviews test the robustness of systems and the infrastructure with recommendations to strengthen the ICT environment being reported to and monitored by the Audit Sub-Committee.</p> <p>Due to potential virus attacks, measures are in place to restrict Internet access and to control the use of mobile devices.</p> <p>Security of Data</p> <p>Regular briefings and guidance documents are issued to raise awareness of data and security issues. An E-learning package is completed annually by all Officers with access to Council systems and equipment.</p>	<p>No changes to the risk rating.</p> <p>Updated mitigating actions regarding the upgrade of telephone infrastructure as approved by the Finance and Management Committee in January 2021.</p>

			<p>The Council's Data Protection Officer has direct access to the Leadership Team on matters concerning Information Governance.</p> <p>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.</p>	
<p>3b Technology and Data – quality of performance data.</p>	<p>If this is not robust and meaningful, it could lead to misreporting and incorrect decision making.</p>	<p>Treat the risk through continuous review and action where needed.</p>	<p>Implementation of the recommendations made within the Data Quality and Performance Management Audit undertaken in September 2019.</p> <p>Undertake an annual quality audit if deemed necessary, performed by officers or Internal Audit.</p>	<p>No change</p>
<p>4 Business Continuity - arising from the loss of the main Civic Offices, Depot, ICT capability, together with a major displacement of the workforce, a flu pandemic or a fuel shortage, etc.</p>	<p>Previously, the impact of Brexit had been an issue, but as the UK has now left the EU, this risk has been downgraded for the time being.</p> <p>However, the situation continues to be kept under review pending any issues that may arise from the trade deal as it beds in.</p> <p><i>However, the live issue is still the impact of Covid-19.</i></p>	<p>Treat the risk through continuous review and action where needed.</p> <p>Some aspects of this risk can be transferred as business interruption cover is in place as part of the Council's Property Insurance Policy.</p>	<p>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.</p> <p>Provision for home-working and remote access is in place.</p> <p>As regards Covid-19, the Council is working to its Business Continuity Plan to ensure essential services are continued. 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.</p>	<p>The risk rating has not increased from Amber as the Council's Business Continuity arrangements have generally worked and allowed services, which have been allowed to operate by the Government, continuing to do so.</p> <p>However, this is being kept under review.</p>
<p>5 Capacity and Resilience - recruitment, retention and development of</p>	<p>Resources set-aside in the MTFP in growth provisions and training budgets to</p>	<p>Treat the risk through continuous review and</p>	<p>Since 2018, several major services across the Council have been restructured to strengthen service provision and improve capacity.</p>	<p>No changes to the risk rating.</p>

<p>the workforce and dealing with additional demand for services due to Growth.</p>	<p>expand service provision and develop the workforce.</p>	<p>action where needed.</p>	<p>Proposed restructures in Operational Services and Housing have recently been approved in 2020 to increase capacity and resilience.</p> <p>A restructure of the Council's Senior Management was implemented on 1 April 2019. The aim of the new structure was to create resilience in service provision with the creation of new Head of Service posts, including new posts to focus on Organisational Improvement/Learning and Development.</p> <p>The management restructure also combined resources to create centralised Business Change and Policy teams to support business transformation across the Council.</p> <p>These structures have become embedded in the organisation.</p>	
<p>6 Voluntary and Community Sector - a reduction in resources for partners who deliver services with or on behalf of the Council.</p>	<p>Evidence that this is occurring with CVS and Citizens Advice having core funding reduced in recent years.</p>	<p>Tolerate the current situation and keep under review.</p>	<p>It is considered that the Council is undertaking as much action as is reasonably possible at this stage to mitigate the risk.</p> <p>The Council's current grant funding has been maintained and been increased in 2021/22 by 2% for all supported organisations.</p> <p>Spending can be refocused to meet external funding requirements and is project-based.</p> <p>The Council employs a dedicated Community Partnership Officer to support the voluntary sector and local organisations.</p> <p>Capacity in the sector is being tested in the light of Covid-19 and the Council is working to support the relevant organisations.</p>	<p>No changes to the risk rating.</p> <p>Updated mitigating actions</p>
<p>7 Terrorism and potentially violent situations – as a public body there is a</p>	<p>From time to time, members of the workforce do face individual threats while undertaking their duties.</p>	<p>Treat the risk through continuous review and</p>	<p>Lone working systems in place including a 'Solo-Protect' warning and call for assistance system.</p>	<p>No change</p>

<p>potential for the Council and its workforce to become a target.</p>		<p>action where needed.</p> <p>Some aspects of this risk can be transferred as the Council has a Terrorism Insurance Policy in place.</p>	<p>A Potentially Violent Persons Policy and Risk Register are in place.</p> <p>Alarms and warning system in place in the Civic Offices.</p>	
<p>8 Statute and Regulation – the failure to meet requirements.</p>	<p>There is no recent evidence to suggest any significant issues; the impact would depend on the nature of the failure.</p>	<p>Treat the risk through continuous review and action where needed.</p>	<p>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.</p> <p><i>Note: 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.</i></p>	<p>No changes to the risk rating.</p> <p>Updated mitigating actions</p>
<p>9. Health and Safety – the potential to contravene regulations through bad practice.</p>	<p>Due to the continuing focus given to Health and Safety, the likelihood of a major incident is low, but the impact could be significant.</p>	<p>Treat the risk through continuous review and action where needed.</p>	<p>The Council employs a corporate Health and Safety Officer.</p> <p>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.</p> <p>Accidents and near misses are logged, reported and reviewed corporately and any major incidents are investigated to review procedures.</p> <p>Risk assessments are regularly undertaken, and procedures updated when necessary.</p>	<p>No change</p>

<p>10. Managing the environmental impact of incidents across the District.</p>	<p>This risk concerns 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, or the production of high carbon emissions adding to air pollution.</p>	<p>Treat the risk through continuous review and action where needed.</p>	<p>The Council has plans in place through Emergency Planning to manage the environmental impact of any incidents across the District.</p> <p>The Council is accredited to the prestigious international ISO 14001 standard for Environmental Management.</p> <p>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. (See Risk 11 below)</p>	<p>No change</p>
<p>11. Climate Emergency – The failure of the Council to achieve carbon neutrality for its operations by 2030 and carbon neutrality for the District by 2050.</p> <p>Impacts on environment and economy; increased risk of major events: potential for litigation; reputational damage</p>	<p>Medium likelihood, Moderate impact – Although the Council has an approved Climate and Environment Strategy and Action Plan it has not been possible, as yet, to develop a clear route map for Council operations to achieve carbon neutrality, nor to enable all activities in South Derbyshire to become carbon neutral.</p> <p>We are not aware of any Council who has yet set out a viable route map however this is a rapidly evolving area of work.</p>	<p>Treat the risk through continuous review and action where needed.</p>	<p>Achievement of the carbon reduction ambitions are mainly vested in our Climate and Environment Strategy and Climate & Environment Action Plan.</p> <p>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.</p> <p>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 where these are considered likely to make significant impacts on reducing emissions.</p> <p>Emerging statute, in particular the Environment Bill, will exert significant influence over the Council’s operations and indirect influence in relation to climate change.</p>	<p>New Risk from Q3 2020/21</p>
<p>12 Internet Connection - The effects of the internet</p>	<p>The Council has a main internet line into the Civic Offices, and this is shared</p>	<p>Treat the risk through continuous</p>	<p>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</p>	<p>New Risk</p>

<p>connection becoming unavailable for a length of time would be a major incident.</p>	<p>through the estate for end users.</p> <p>Most applications whether they are onsite or hosted will need the Council's internet connection to be active for their use.</p> <p>There is only one ISP in Swadlincote. Therefore if the cable is damaged or the service is disrupted, no internet connection will be available.</p>	<p>action and review.</p>	<p>lines are coming from different exchanges so both would have to be out of service for a total loss of connection.</p> <p>There are options to make some services available over alternative connections, be that personal or business, if needed.</p> <p>Smartphone users can use the mobile data connection to access outlook and teams etc.</p>	
<p>13 Technical Resource - The Council relies on a small pool of technical specialists and support operatives to keep the organisation operational</p>	<p>The current pandemic has seen an upsurge in the demand for Technical assistance.</p> <p>Council meetings are conducted digitally and supported remotely.</p> <p>Availability of resource to conduct these meeting can be a problem that affects day to day operations.</p> <p>Day to day and project workload as well as its priority has increased through the pandemic.</p>	<p>Treat the risk through continuous action and review.</p>	<p>The COVID-19Fund is being used to finance an agency resource. The introduction of the post has offered relief for first line calls and Committee meetings.</p> <p>The agency resource is more expensive than an established post and is not a permanent solution.</p>	<p>New Risk</p>

STRATEGIC RISK MATRIX

Likelihood					
4 High 3 Medium 2 Low 1 Unlikely					
		(4) Business Continuity (6) Funding for the Voluntary Sector (6)	(1) Core Funding (2) The Economy		
		(3a) Technology and Data (3b) Performance Data (11) Climate Emergency (13) Technical Resource			
		(5) Capacity and Resilience (8) Statute and Regulation	(9) Health and Safety (10) Environmental Impact		
					(7) Terrorism (12) Internet Connection
		1 Minor	2 Moderate	3 Significant	4 Catastrophic
		Impact			

Risk Description

1 Government Funding - a reduction in core spending power

- 2 The Economy - the impact of the national economic situation locally
- 3a Technology and Data - keeping pace with developments together with the management and security of data
- 3b Technology and Data - Quality of performance data
- 4 Business Continuity - arising from the loss of the main Civic Offices, ICT capability, together with a major displacement of the workforce or a fuel shortage, etc.
- 5 Capacity and Resilience - recruitment, retention and development of the workforce and dealing with additional demand for services
- 6 Voluntary and Community Sector - a reduction in resources for partners who deliver services with or on behalf of the Council
- 7 Terrorism and Potentially Violent Situations - as a public body, there is potential for the Council and its workforce to become a target
- 8 Statute and Regulation - as a local authority the Council has a statutory duty to deliver many services and is required to operate within a regulatory framework
- 9 Health and Safety - the potential to contravene regulations through bad practice
- 10 Environmental Impact - managing environmental impact of incidents across the district
- 11 Climate Emergency - The failure of the Council to achieve carbon neutrality for its operations by 2030 and carbon neutrality for the District by 2050.
- 12 Internet Connection - The effects of the internet connection becoming unavailable for a length of time would be a major incident
- 13 Technical Resource - The Council relies on a small pool of technical specialists and support operatives to keep the organisation operational

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 7
DATE OF MEETING:	18th MARCH 2021	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	DAVID CLAMP (01283 595729) david.clamp@southderbyshire.gov.uk	DOC:
SUBJECT:	STANDBY AND CALLOUT PROCEDURE	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM05

1.0 Recommendations

- 1.1 That the Standby and Callout Procedure is approved with effect from 1st April 2021 (Appendix 1).

2.0 Purpose of the Report

- 2.1 To approve a Standby and Callout Procedure that will provide a consistent approach to arrangements that are used across the Council and payments that are made to employees.

3.0 Executive Summary

- 3.1 The Council delivers a range of statutory and non-statutory services that require responses to be given 'out of hours' and in the event of an emergency such as inclement weather or major incidents in the District.
- 3.2 A range of both informal and more formal arrangements have been developed over time to enable the Council to respond in such situations, but these are inconsistent in terms of the level of provision, the reliance placed on a small number of employees and payments provided.
- 3.3 Following consultation with all services and the Trades Unions, a new framework has been developed and agreed at the last meeting of the Joint Negotiating Group held on 14th January 2021. The proposed Standby and Callout Procedure is attached at Appendix 1.

4.0 Detail

- 4.1 The Council has a number of services that provide an 'out of hours' service or respond to emergency situations.

Overview of current arrangements

- 4.2 Where regular services are provided out of hours, such as Careline and Housing DLO, employees in these areas have a contractual requirement to participate in a standby rota. Rotas are organised in advance and points of contact provided to Careline. Records are kept of employees on the rota and any callouts attended.

- 4.3 In other areas where the responses are primarily due to the security of sites or major incidents, the arrangements are less structured and are reliant on a limited number of employees. For example, at Rosliston Forestry Centre, three members of staff provide a standby service and there are comparable arrangements for responding to the activation of alarms or other emergencies at Council owned public buildings. Generally, appointment on to the rota is agreed locally and a contractual requirement is in place to attend.
- 4.4 In Operational Services, employees respond to emergency situations that present a risk to the safety of the community and/or environmental issues. The arrangements are organised at short notice and provide for sufficient resources to deal with situations either during the day or overnight/weekends.
- 4.5 These arrangements have served the Council well over the years but it has led to some inconsistency in payments that are made and arrangements in place. The proposed Standby and Callout Procedure (Appendix 1) will ensure that all employees are recompensed equally and that related considerations such as compliance with the Working Time Regulations and appropriate support for employees whilst lone working are in place and monitored.

Review of out of services

- 4.6 An internal working group has commenced work to review the provision of and arrangements for out of hours services provided by the Council. A report proposing options for the continuation and improvement of these services will be submitted to a future meeting of this Committee.

5.0 Financial Implications

- 5.1 There are no additional financial implications associated with this report and provision is made within existing budgets for costs arising from standby and callout arrangements used in different service areas.

6.0 Corporate Implications

Employment implications

- 6.1 These have been considered and incorporated in to the Standby and Callout Procedure. Those employees who have a contractual requirement to be on standby will notified of the new Procedure and any impact on their current terms and conditions of employment.

Legal Implications

- 6.2 These have been considered and incorporated in to the Standby and Callout Procedure.

Corporate Plan Implications

- 6.3 None directly arising from this report.

Risk Impact

- 6.4 These have been considered and incorporated in to the Standby and Callout Procedure.

7.0 Community Impact

Consultation

- 7.1 Formal consultation has been completed with the Trade Unions and across all service areas.

Equality, Diversity, and Inclusion Impact

- 7.2 Any differences in payments made to employees have to be objectively justified to defend any claims that may be entered based on gender or any other protected characteristic. The Standby and Callout Procedure provides a consistent level of payments for all employees and addresses this risk.
- 7.3 Participation in standby and callout arrangements are based on the needs of the service and open to all employees with the required levels of skills, knowledge and competency to undertake appropriate duties whilst on standby.

Social Value Impact

- 7.4 None directly arising from this report.

Environmental Sustainability

- 7.5 None directly arising from this report.

8.0 Conclusions

- 8.1 The Standby and Callout Procedure will provide a consistent and fair framework to recompense and take account of the related considerations for employees providing these services and ensure that out of hours and emergency services continue to be provided for the community of South Derbyshire.

9.0 Background Papers

None



Standby and Callout Procedure

Human Resources
February 2021

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Version Control

Version	Description of version	Effective Date
1.0	First draft and subsequent review	June 2020
1.1	Update following consultation	August 2020

Approvals

Approved by	Date
Joint Negotiating Group	14/01/2021
Finance & Management Committee	11/02/2021

Associated Documentation

Description of Documentation

1. Introduction

- 1.1 The Council delivers a range of statutory and non-statutory services that require responses to be given outside of normal office hours and to emergency situations. It is important that a consistent approach is followed, so managers and employees are aware of the arrangements in place as well as the payments and other entitlements of employees who provide these services.

2.0 Scope

- 2.1 This procedure will cover all employees except for those on Chief Executive/Chief Officer terms and conditions of employment.
- 2.2 They will apply to the periods when any employee, either as part of their contract of employment or at the Council's request are on standby and available to attend work outside of normal office hours or their normal contractual hours of work.
- 2.3 The Council will identify those services that require standby arrangements to be in place and will review these arrangements at least every two years to ensure that they remain suitable and appropriate. Should the Council wish to change any of the arrangements then formal consultation will be undertaken with the Trade Unions and employees.

3.0 Definitions - Standby

- 3.1 A standby period will cover hours outside the Council's opening hours and/or outside an employee's contractual work pattern.
- 3.2 An employee on standby is required to be contactable and can attend work to carry out duties throughout the duration of the standby period.
- 3.3 A standby payment will be made for the duration of the period that the employee is required to be available to be called or called out. Should the employee be unable to complete the full period then a pro rata standby payment will be made for the hours completed in that period only.

Standby can be categorised as follows:

Contractual Standby

- 3.4 This is to provide cover outside of normal working hours. It will only operate where there is a consistent and sustained requirement to provide support /care for identified members of the community (those in sheltered accommodation, presenting themselves as homeless, responding to alarms, site security etc.) or provide services to deal with emergency situations.
- 3.5 Employees working in these service areas will have a contractual requirement to work on a standby rota in accordance with local arrangements in place.
- 3.6 To enable employees to make the necessary personal arrangements and to ensure there is adequate resources to provide services, a rota will be prepared as far in advance as possible. This will be shared with all employees providing this service and take account of any absences of staff and vacant posts.

- 3.7 Employees on the standby rota will be provided with a works mobile phone, access to a lone worker device and any tools, Personal Protective Equipment (PPE) or vehicle to undertake duties should they be called upon.
- 3.8 It is also important that when attending building alarm calls, employees have been provided with the correct information to access buildings, reset alarms etc. and these are kept up to date.
- 3.9 Employees on standby will be required to ensure that they are available and able to carry out the duties required and where appropriate, receive additional training or guidance to undertake such work. Being on standby will impact on an employee's social arrangements and they should not undertake any activities or be without access to a charged and working mobile phone or transport that restricts their ability to respond quickly and effectively.
- 3.10 The needs of the service will determine the requirement for a regular standby system and as such the need may cease from time to time. Payments made to employees being on standby should not be seen as guaranteed earnings and could be subject to change or removal.

Emergency Standby (Non contractual)

- 3.11 This covers situations where employees may be asked to be available to work outside of normal office hours or their contracted hours at very short notice – for example to deal with inclement weather conditions, fires, environmental issues etc.
- 3.12 This will not be a contractual requirement and payments and other entitlements will only be made for the period where the employees have agreed to go on emergency standby.
- 3.13 Payments will be linked to contractual standby payments and to recognise the ad-hoc nature of such requirements payment will be at twice the rate during the week (Monday – Friday) with the same rate for weekends and public holidays as more notice can be given. For the period Christmas Day – New Years' Day inclusive the higher rate will be paid for all days on emergency standby.

Standby approvals

- 3.14 Those on regular contractual standby will be determined at a local level, outlined at the point of recruitment for new employees and included in terms and conditions of employment.
- 3.15 Arrangements for those on emergency standby will be approved by a Head of Service, in consultation with a member of leadership team wherever possible.

Bank holidays

- 3.16 Employees who are required to cover a Bank Holiday will be granted lieu time to recognise that they will have to limit their activities on this day. If they work half their contracted hours on standby, they will get a half day in lieu and in they work more than half their contractual hours they will receive a full day in lieu.

Night worker

- 3.17 A night worker is defined as a worker who regularly works at least three hours of their daily working time during night time, or who is likely, during night time, to work at least such proportion of their annual working time as is specified in a collective or workforce agreement. Nighttime, in relation to a worker, means a period of not less than 7 hours and includes working between the hours of midnight and 5.00 am.
- 3.18 There are considerations that must be made for employees that are defined as night workers. It is not expected that any employee on standby or callout could be classed as a night worker and should this change, local arrangements will be put in place, following consultation with employees and the Trades Unions.

Standby payments

- 3.19 A standard rate will be paid to all employees who undertake regular or emergency standby duties. In the case of emergency standby, the full rate will be paid unless the arrangements are formally stood down in which case a minimum of half the normal rate will be paid.
- 3.20 The standby rate is shown in appendix A and will rise each year in line with the national pay award for NJC for Local Government Employees (Green Book).
- 3.21 The payment will be made in accordance with the rota that is used locally and incorporated into monthly pay. This payment will include the requirement to respond to phone calls and having related discussions about an incident or request.
- 3.22 Payments made for being on regular standby will be taken into account for the purposes of calculation of holiday pay and are pensionable.
- 3.23 Payments made under this procedure will be taken into account for the purposes of occupational sick pay when an employee is absent from work due to ill health. The payments will continue in line with the expected number of periods when the employee would, in line with their contract of employment, be on standby.
- 3.24 If, following a return to work, the employee is not able to undertake standby duties due to health or other reasons, then the standby payment will be stopped. A variation to the employees terms and conditions will be issued. If consideration is then required due to fewer number of employees able to provide a standby service, then advice from Human Resources should be sought on any further action that may be required.
- 3.25 The Council, subject to consultation being completed, can remove, alter, or change the standby service that is provided. A contractual period of notice would then be issued to employees to vary their terms and conditions of employment. The Council's Protection of Earnings Policy would not apply.
- 3.26 All employees on standby will be expected to perform all their duties in a competent and professional manner and remain subject to the Council's employment policies and procedures.

4.0 Definition - Callout

4.1 Callout is where an employee is called out to undertake work while on standby and involves physically attending an incident or place of work.

Callout payment

- 4.2 A callout payment will be paid to an employee who has to attend an incident, place of work or other buildings to undertake some activity. This can range from advising persons on site, resetting alarms, or making safe a property or location.
- 4.3 The callout payment will not be capped and paid to all employees (except those on Chief Executive or Chief Officers' conditions of employment). Call out payments will be paid in line with the employee's existing hourly rate in their substantive post.
- 4.4 A minimum of two hours will be paid for any callout regardless if the work takes less than two hours to complete. Multiple callouts within a two-hour period will only receive one two-hour payment. If the work takes longer than two hours, then the additional time will be paid at plain time with any hours worked rounded up to the nearest half hour.
- 4.5 The time spent on the callout shall include travel to and return from site.
- 4.6 An employee can request that instead of overtime pay, they are given time off in lieu (TOIL). This will be on a like for like basis – i.e. a minimum of two hours for each callout and any additional hours will be given as TOIL at plain time rounded up to the nearest half hour.

Mileage Claims

4.7 If mileage is incurred in travelling to site following a call out and the employee uses their own transport, then it can be included in a subsequent mileage claim. This would include the mileage to return home unless the callout requires the employee to then commence work in line with their normal contracted hours. In this situation, only the mileage to site can be claimed unless their subsequent journey to their normal work location is longer than travelling from their home where the difference can be claimed.

Claiming standby and callout payment

- 4.8 Payment for standby and callout will be made one month in arrear in the employee's salary.
- 4.9 All payments will be subject to Tax and NI deductions. Pension contributions will be made if the employee is a current member of the Local Government Pension Scheme.
- 4.10 A claim form should be completed, authorised by the line manager and submitted to payroll ahead of the payroll deadline to ensure that payment is made, and this includes those on contractual and non-contractual standby.
- 4.11 Accurate records of all time spent on standby and callout is important to ensure that not only correct payments are made but also that the health and wellbeing of the employee is appropriately monitored.

4.12 Any false or inaccurate claims will be rejected and subject to further investigation may result in formal action being taken against the employee.

5.0 Responsibilities of Officers

Leadership Team

5.1 All strategic decisions and the allocation of resources are determined by the Leadership Team. They provide guidance and direction in the application and monitoring of this procedure.

Heads of Service

5.2 Heads of Service are responsible for ensuring that all employees within their areas are compliant with this procedure and arrangements are put in place and monitored to reduce the risk to any that are required to undertake regular periods on standby.

Managers

5.3 The manager will ensure that regular standby rotas are completed in advance and are staffed by employees with the appropriate skills and knowledge to undertake any tasks that may be undertaken whilst on standby.

5.4 The manager must ensure that:

- Standby rotas are prepared as far in advance as possible
- Contact details are up to date, reviewed and made available to points of contact
- Risk assessments for the duties being undertaken are up to date, reviewed and shared with all employees on the standby rota
- Approval for emergency standby arrangements are obtained from their Head of Service/Strategic Director in advance where possible
- Any hours worked by an employee on standby are in accordance with the Working Time Regulations and/or compensatory periods of rest are provided when employees have to attend on site
- Appropriate working instructions are provided in order to minimise the number of callouts required
- Strictly monitor any claims for standby and call out
- Managers should ensure that the relevant equipment and tools are available for collection in the event of a call out.
- PPE is provided, where appropriate, and will be regularly checked and maintained in line with any maintenance schedules
- Where appropriate equipment is disinfected/cleaned after a callout
- Safeguarding procedures are followed and reported at the earliest opportunity
- Incidents / injuries to staff are reported and investigated appropriately
- That the requirements of the Council's Lone Worker Procedure and Potentially Violent Persons Policy are observed.

Employees

5.5 Employees are on standby on the basis that they will be expected to deal with incidents that may arise and are within the scope of their job role and/or competency.

- 5.6 Employees on standby must not consume alcohol, drugs or take unprescribed medication which will impact on their ability to respond to requests for support. This is not restricted to being able to attend on site.
- 5.7 An employee is expected that they will be able to arrive on site or at work within a reasonable time of being called out. This time will be set according to the needs of each service.
- 5.8 An employee must always be contactable when on standby and be able to access suitable transport to attend on site or work within the prescribed time limits of their service area.
- 5.9 Contact must be made immediately with the appropriate manager or other point of contact should the employee become ill or unable to remain on standby. The manager must then make alternative arrangements to ensure that the standby service can continue.
- 5.10 The employee must inform their line manager should they have any health condition that prevent them from undertaking standby duties on a temporary or permanent basis. Not being able to participate on a standby scheme will not directly have an impact on their substantive post, although this will be assessed on a case by case basis.
- 5.11 Personal arrangements should not ordinarily be made if this prevents the employee from undertaking their contracted standby cover. However, it is accepted that there may be circumstances arise that cannot be changed and in this situation the employee should notify their manager immediately. The manager should then make any changes to the rota system and ensure that the appropriate adjustment is made to the employees' standby payment.
- 5.12 Employees should ensure that they follow any local arrangements in relation to being on standby and observing any requirements in the risk assessment should they be required to attend on site. This includes using the lone worker device if appropriate and wearing any PPE provided etc.
- 5.13 Employees must comply with the requirements of the Council's Lone Worker Procedure and Potentially Violent Persons Policy.

6.0 Working Time Regulations (WTR)

- 6.1 The Working Time Regulations currently provide for an employee to have an uninterrupted daily break of 11 hours between periods of work. Standby time is not 'working time' and only time responding to a call either verbally or physically attending on site would count as working time. Exceptions can be made for emergencies that may occur and emergency callouts would fall into this category provided that the rest period could be taken later such as a weekend.
- 6.2 It is important that managers monitor, record, and regularly review;
- The frequency and length of callouts
 - The number of employees on standby rotas and the potential impact on services
 - The number of hours being worked by employees who then have to be on a standby rota to ensure that there is no detriment to their health and wellbeing

- The standby service being used to ensure it is the most cost effective and efficient way to provide services out of hours.
- 6.3 Managers should also ensure that appropriate records of working time are maintained in their own service area to monitor the number of hours worked and any that are due to employees being called out when on standby. Recent case law has established that such records should also demonstrate that the employee has had rest periods to comply with the requirements of the WTR. Further advice can be obtained from Human Resources.
- 6.4 Employees on shift patterns should not normally be placed on formal standby rotas on their assigned rest days. If an employee is then required to attend an emergency callout the capability of the employee to attend for work on the following day must be assessed and documented.
- 6.5 Where an employee is not able to take any or only part of their entitlement to an uninterrupted period of rest as provided by the WTR a period of compensatory uninterrupted period of rest will be provided. This must be taken within one month of the actual work being completed and will be the same length as the period not taken by the employee. Managers should ensure that accurate records are maintained of any periods of compensatory rest and the reason why it has been given.
- 6.6 In addition to the working time directive, drivers of vehicles over 3.5 Tonne must abide by the UK Domestic Hours Rules and the Drivers' Hours (Goods Vehicles)(Keeping of Records) Regulations 1987.

7.0 Risk Assessments

- 7.1 Risk assessments will be in place for any activities undertaken by employees on standby. However, it is recognised that some emergency situations may be unprecedented. On these occasions, the employee on standby should seek advice and support from a manager before attending on site and if the incident escalates whilst on site, then support should be summoned from the emergency services, if they are not already on site. At no time should an employee put themselves in a situation where there is a real and likely risk to their personal health and safety.
- 7.2 Employees should be aware of any potential risks and hazards that could arise while dealing with a callout. Several examples are contained in the Council's Lone Worker Procedure and particular care must be taken when travelling in inclement weather, any risk of building collapse due to structural damage and persons on or around the site who may present a risk due to their actions, emotional state or objects they may be carrying or have access to.

8.0 Lone Working and PPE

- 8.1 Being on standby will invariably mean that employees will attend work on their own and without any direct support from colleagues or their manager. It is most important that whilst responding quickly to requests for support that time is taken before departing to make sure that any PPE is available, in good order and working. It is recommended that at the end of every standby period, time is taken to review any equipment provided and report any worn or failing items to a manager immediately. In particular the work mobile phone and lone worker device should be fully charged.

8.2 The local arrangements in place for lone working must also be observed that includes maintaining contact with a specified point of contact. As a minimum this requires alerting the point of contact that attendance on site is required, the location, persons or property being seen and the expected duration for the callout. At the end of the callout, or the work takes longer than originally estimated, the point of contact must be advised of any revised arrangements that includes the expected duration of the callout. Any changes to the stated arrangements must be confirmed before the original time/duration has expired wherever possible.

9.0 Review of procedure

9.1 The procedure may be reviewed at any time in consultation with the recognised Trade Unions. As a minimum it will be reviewed every three years.

9.2 Human Resources are authorised to make minor amendments to the procedure that arise through organisational or service led change programmes such as job title changes.

Standby and Callout Payments

Effective 1st February 2021

Standby (Contractual)

Monday – Friday	Saturday/Sunday and public holidays	Full weekly payment
£9.81* per day	£32.85**per day	£114.75

Standby (Emergency)

Monday – Friday	Saturday/Sunday/public holidays and Christmas Period
£19.62* per day	£32.85** per day

*The rate is attached to scale point 4 on the NJC pay scales (1st April 2020) and will be increased in line with any national pay award agreed from 1st April each year

**This is the current rate used and will be increased by the NJC national pay award.

Callout payments

Monday – Friday	Two hours pay at time and half at the employees' current hourly rate. If longer than two hours for one call, then all hours paid at overtime rate.
Saturday/Sunday and public holidays	Two hours pay at double time at the employees' current hourly rate. If longer that two hours for one call, then all hours paid at double time.

If multiple calls are completed within the first two hours than only two hours will be paid. Should attendance then be required outside of the two hours from the start of the first call then another two hours at the rates given above will be paid as a minimum.

If a callout continues over a period where two different rates are payable, then all hours should be claimed at the higher rate.

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 8
DATE OF MEETING:	18th MARCH 2021	CATEGORY: (See Notes) DELEGATED or RECOMMENDED
REPORT FROM:	(STRATEGIC DIRECTOR- SERVICE DELIVERY)	OPEN
MEMBERS' CONTACT POINT:	IAN HEY, Ian.Hey@southderbyshire.gov.uk	DOC:
SUBJECT:	EXTENSION TO THE COMMUNITY AND ENVIRONMENTAL PARTNERSHIP SCHEME	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: (See Notes)

1.0 Recommendations

- 1.1 That the Committee approves the extension of the Council's Community and Environment Partnership Scheme (CEPS) for an addition two-year period to until end of March 2023.

2.0 Purpose of the Report

- 2.1 To update the Committee on the current position with the Council's Community and Environment Partnership Scheme.
- 2.2 To seek Committee approval for extending the scheme for an additional two-year period.

3.0 Detail

- 3.1 The CEPS offers capital grants of up to £25,000 to support projects brought forward from the voluntary and community sector. A sum of £250,000 has been allocated to the Scheme to enable grants to be made in support of applications received during the current funding cycle.
- 3.2 The Scheme was launched in October 2019, and to date five projects have been awarded grants totalling £88,731. Four additional projects are at in the initial development stage.
- 3.3 It was originally planned for the scheme to run until March 2021, however due to Covid 19 very few enquiries have been made about the Scheme over the past 12 months and £161,269 remains unallocated.

- 3.4 Developing major capital projects may not be a current priority for many Voluntary and Community sector organisations at present due to the affects of the pandemic on the sector and therefore it is requested to allow the scheme to remain available for applications for a further two years until end of March 2023.

4.0 Financial Implications

- 4.1 The remaining £161,269 to be available for the Community and Environment Partnership Scheme for an additional two years until the end of March 2023.
- 4.2 Any unspent balance in previous years has been carried forward and is included within the Council's Medium-Term Financial Plan.

5.0 Corporate Implications

Corporate Plan Implications

- 5.1 The scheme contributes to all of the priority areas in the Council's Corporate Plan, with individual projects contributing to Our Environment, Our People and Our Future through delivering inward investment, independent living, leisure and cultural activity and focus on the community as customers.

6.0 Community Impact

- 6.1 The scheme maximises funding available for community investment by providing both direct funding and enabling leverage from other funding sources. It also continues to offer a direct line of communication with the voluntary and community sector.

7.0 Conclusions

- 7.1 The Community and Environmental Partnership Scheme provides the Council with an excellent means to support a variety of community partners in improving the quality of life for local residents. It also enables community partners to lever additional external funding to the District. Unsurprisingly, due to the pandemic, interest in the scheme has been lower than would have been expected over the last 12 months. Extending the Scheme for a further two years will give organisations time to re-engage with local communities, identifying any changes required as a direct result of COVID restrictions as well as developing new projects.

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 9
DATE OF MEETING:	18th MARCH 2021	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	VICKI SUMMERFIELD, 01283 595939 Victoria.summerfield@southderbyshire.gov.uk	DOC: s/finance/committee/2020-21/Mar
SUBJECT:	REVENUE FINANCIAL MONITORING 2020/21	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM08

1.0 Recommendations

- 1.1 That the latest revenue financial position for 2020/21 as detailed in the report is considered and approved.

2.0 Purpose of the Report

- 2.1 To provide an update on performance against budget for 2020/21.
- 2.2 The report details performance up to 31st January 2021 unless otherwise stated and is an update of income and expenditure for 2020/21.
- 2.3 The report covers both General Fund and HRA income and expenditure, an update to the Medium-Term Financial Plan (MTFP) plus a quarterly update to the Collection Fund.
- 2.4 A summary of the COVID funding received by the Council and total income and expenditure offset against the fund as at January 2021.

3.0 Detail

GENERAL FUND

- 3.1 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

3.2 The Base Budget for 2020/21 approved in February 2020 estimated a budget surplus of £922,391. The estimated surplus has been updated to £455,529 to include approved reports at this Committee and Full Council from March 2020 to February 2021 and a summary of the approved budget is shown in the following table. This has not altered since reporting in November.

	£
Base Budget	13,860,559
Reverse out Depreciation	-988,532
Minimum / Voluntary Revenue Provisions	320,744
Contingent Sums	593,797
Total Estimated Spend	13,786,564
Financing	-14,242,097
Estimated Surplus	-455,529

3.3 An update to the Council's financial position is listed within the MTFP in **Appendix 1**.

3.4 It should be noted that updates to the MTFP for the recent approvals for increases to Parish Concurrent Functions and grants to voluntary bodies, PCI Compliance and the Council Tax increase for 2021/22 of 1.5% all impact in future years and have now put the minimum projected balance over £200k below £1.5m, the statutory minimum.

3.5 Contingent sums held within the MTFP are detailed in the following table.

	£
Provision for "off-payroll" payments	10,000
Waste Collection and Recycling	100,000
Growth	121,595
Pension Earmarked Reserve Drawdown	-38,794
Administration of Childcare Vouchers	1,750
HRA Recharge Reduction	76,800
Operational Services Growth	322,446
Total	593,797

3.6 At this stage, the provisions for growth, off-payroll working, administration of childcare vouchers and recycling are not specifically committed. However, the recycling costs are to be reported later on the Agenda and therefore this provision and any remaining growth may have commitments against during the coming months.

3.7 The Operational Services growth is not included in the Base Budget currently but will be transferred to the Vehicle Replacement fund at the year-end as this was earmarked for new fleet as part of the Growth report in October 2020.

Position as at January 2021

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

COMMITTEE SUMMARY - BUDGET MONITORING JANUARY 2021

Summary by Policy Committee

REVENUE	ANNUAL			RESERVES	
	Full Year	Projected	Projected	Earmarked	Net effect on GF
	Budget	Actual	Variance		
£	£	£	£	£	
Environmental and Development Services	5,651,681	5,660,528	-8,847	29,137	-37,985
Housing and Community Services	2,537,513	2,060,933	476,580	486,791	-10,065
Finance and Management	5,671,365	2,861,728	2,809,637	2,512,033	253,827
TOTAL	13,860,559	10,583,189	3,277,370	3,027,961	205,778

3.8 The above table shows that net expenditure is expected to be £3,277,370 lower than budget but transfers to Earmarked Reserves of £3,027,961 due to grant income and external contributions received under Section 106 agreements for projects and capital schemes which stretch beyond the current financial year will be made at the year-end. This funding is transferred to specific reserves and drawn down to finance expenditure when it is incurred.

3.9 Excluding transfers to specific reserves, the above table shows that based on current spending, there is a projected decrease in overall expenditure across General Fund services of approximately £205,778. An analysis by the main service areas is shown in the following table.

COMMITTEE SUMMARY - BUDGET MONITORING JANUARY 2021

Summary by Service Area

REVENUE	ANNUAL			RESERVES	
	Full Year	Projected	Projected	Earmarked	Net effect on GF
	Budget	Actual	Variance		
£	£	£	£	£	
Economic Development	365,919	362,782	3,137	3,137	0
Environmental Services	745,110	815,236	-70,126	8,963	-79,089
Highways & Parking	126,385	87,106	39,279	24,652	14,627
Licensing & Land Charges	1,182	76,680	-75,497	0	-75,497
Planning	620,926	635,503	-14,576	0	-14,576
Street Scene	1,063,944	930,990	132,954	17,948	115,006
Waste & Transport	2,728,213	2,752,232	-24,018	-25,563	1,544
Community Development & Support	745,189	674,573	70,616	71,702	-940
Recreational Activities	166,459	136,503	29,956	21,380	8,576
Leisure Centres & Community Facilities	655,791	304,521	351,270	362,981	-11,711
Parks & Open Spaces	518,570	523,898	-5,328	3,199	-8,527
Private Sector Housing	451,504	421,438	30,066	27,529	2,537
Central Support Services	3,911,219	3,835,030	76,188	-7,787	83,975
Corporate & Democratic Costs	500,202	495,370	4,833	0	4,682
Elections & Registration	222,502	189,207	33,296	13,848	19,448
Parishes, Interest, S106 Receipts & Provisions	662,372	-1,773,711	2,436,083	2,321,277	71,179
Estate Management	-254,409	-279,217	24,808	0	24,808
Revenues & Benefits	629,478	395,049	234,430	184,695	49,735
	13,860,559	10,583,189	3,277,370	3,027,961	205,778

3.10 The main reasons for the projected variance are summarised in the following table and detailed in the commentary.

GENERAL FUND VARIANCE TO BUDGET JANUARY 2021	
	£'000
Salary savings (vacancies, maternity etc.) - E&D	377
Salary savings (vacancies, maternity etc.) - F&M	274
Salary savings (vacancies, maternity etc.) - H&C	85
Total Employee	736
Investment Income	70
Waste Disposal	60
Fuel	36
Increased Planning Fee Income	35
Increased Environmental Services Income	25
Printing and Stationery	23
Lower Grant payments than Budgeted	21
Election and Canvas Savings	20
Extra Refuse Collections	20
Members Allowances, Room Hire and Training	17
Insurance Claim Settlements	14
Utilities	8
Other Variances (net)	5
Total Favourable Variances	1,090
Sponsorship Income	-9
Legal Fees	-10
Costs of dealing with Standards Complaints	-12
Vehicle Hire	-12
Vehicle Spare Parts	-30
Animal Welfare Act Costs	-52
Agency and Consultancy Costs	-759
Total Adverse Variances	-884
TOTAL - OVERALL PROJECTED VARIANCE	206

3.11 Salary savings in year relate to vacancies and maternity but these savings are more than offset by agency and consultancy. The following table shows the expected costs and savings on staffing in year.

	Employee Saving £'000	Agency Cost £'000	Variance £'000	
Waste and Transport	64	-134	-70	Vacancy plus sickness
Planning	41	-100	-59	Long-term sickness
Environmental	66	-125	-59	Long-term sickness plus vacancy
Land Charges	64	-115	-51	Vacancies - Lichfield DC supporting
Parks & Open Spaces	74	-100	-26	Approved restructure delay
Business Change	1	-22	-21	Long-term sickness
Licensing	14	-35	-21	Maternity cover
Economic Development	16	-16	0	Vacant post
Democratic	10	-8	2	Long-term sickness
Housing	3	0	3	Pension
Events	8	0	8	Reduced hours
Senior Management	10	0	10	Budget at top scale point
Civic Offices	21	-6	15	Vacancies and sickness
Organisational Development	37	-18	19	Vacancy recruited
Property	19	0	19	Vacancy
Legal	113	-80	33	Out to recruit
Revenues and Customer Services	60	0	60	Pension and NI
Street Scene	115	0	115	Vacant posts
	736	-759	-23	

3.12 Investment income is greater than budget due to the large value of cash deposits held by the Council. £4m is currently invested in a Property Fund which is currently generating an average return of 4%. The budget for investment income is prudently based on a low interest receivable percentage and is therefore likely to exceed the £180k budget.

3.13 Planning applications are expected to be slightly higher than budgeted. At this stage, the volume of applications is high, but they are smaller, domestic applications and not from the larger fee-paying developers. Some larger developers have suggested that over the next few months they will be looking to put applications into the Council which should then show an increase in fee income but this is unlikely to be seen until after the current lockdown.

3.14 The net contribution from Derbyshire County Council is higher than budget on waste disposal due to higher levels of green waste and recycling due to the pandemic. This is in line with the outturn position in 2019/20 where higher levels of income were also generated. An increase in extra chargeable collections has also been seen within refuse.

3.15 Food Safety income in Environmental Services is expected to be higher due to licences and is consistently above budget every year.

3.16 No elections are due to take place during 2020/21 and the annual canvas is currently under review so it is expected that a saving will be seen in this area.

- 3.17 Diesel is currently incurred at a lower cost per litre than budgeted and therefore a saving is expected in year. Costs have been incurred on repairs of vehicles in excess of the budget which has also resulted in a cost for vehicle hire.
- 3.18 The closure of the Civic Offices with all support staff working from home has resulted in a saving in paper, stationery, printing costs and utilities.
- 3.19 Members allowances, subsistence, training and room hire costs are lower due to vacancies and also no ability to provide face to face forums. It is likely that training costs will increase in the new financial year after the local election.
- 3.20 Grant payments have been budgeted for Public Conveniences (£11k) but some sites have been passed over to the Parish Councils so this will not be spent and a budget for grants within Planning Policy (£10k) is approved each year but there is no specific requirement for this.
- 3.21 Costs were incurred by the Council in 2019/20 due to the storms and flooding. Insurance claims were made and have now been settled.
- 3.22 Costs have been incurred for kennelling due to seizing 26 animals under the Animal Welfare Act in 2019. It is hoped that these costs can be recovered after prosecution, but the prosecution has been delayed due to the closure of the Courts. The total cost is expected to be approximately £91k by the year-end but some of this cost has so far been offset against the Covid relief fund. Further justification of costs and the likely offset due to Covid is underway and the additional £52k being noted as a variance may well be much lower for the General Fund to cover.
- 3.23 As noted in the table at 3.10, Legal Services is currently recruiting to vacant posts. The cost of additional legal support can be offset against the savings being generated from these vacancies.
- 3.24 An independent body has been engaged to investigate complaints into the alleged misconduct of certain Councillors. This cost of £12k was unbudgeted.
- 3.25 Sponsorship of the roundabouts around the centre of Swadlincote has not been secured in year. Communication with local businesses is underway and it is hoped that once the pandemic is over that these businesses will look to advertise again.

COVID-19 Funding

- 3.26 At the start of the pandemic, the Government issued a variety of grant funding to support local authorities with losses in income and additional expenditure. The Council has received £1.4m in direct support plus a number of other grants for additional duties.
- 3.27 The following table shows the grant income received, costs incurred to-date, known income losses plus known pressures that the Council is expecting to see as the year progresses.

	£
Tranche 1	-44,449
Tranche 2	-1,068,691
Tranche 3	-156,241
Tranche 4	-169,839
Total Funding	-1,439,220
Agency	218,179
Council Tax and Business Rates Court Fees	189,008
ICT and Home Working	116,525
Discretionary Grant Awards	100,000
Leisure Centre Income	83,093
Community Centre and Environmental Education Income	71,793
Recycling Costs	67,540
Overtime	45,990
Licensing and Street Naming Income	43,982
Kennelling Costs	39,046
PPE	33,357
Software and Licence Costs	23,101
Vehicle Hire	17,278
Rosliston Car Park Income	14,185
Signage, Warning Tape and Printing	3,790
Total Known Impact	1,066,867
Remaining Funding	-372,353

- 3.28 There are income losses across the Council that are still to be adjusted as it is too early to determine total loss but where it is now clear due to the third lockdown that recovery is unlikely, this is now included.
- 3.29 Agency and vehicle hire have been incurred to ensure service delivery remains uninterrupted for waste collection. Agency and overtime costs have also been incurred to support with the added pressure on homelessness and for business grants.
- 3.30 As noted earlier in the report, the Council is currently incurring large costs for kennelling and vet bills for animals seized under the Animal Welfare Act. At this stage it is believed that £39k of these costs can legitimately be offset against the Covid funding but the additional £52k is also being reviewed.
- 3.31 Leisure Centre closures during the pandemic have resulted in the contractor who manages both Etwall and Green Bank Leisure Centres being unable to pay the Council the contractual income due.
- 3.32 A recovery fund has been secured by the Council for the Leisure Centres totalling £220k. The contractor who manages the Leisure Centres will be expected to utilise this grant alongside the support from the Council to be sustainable into the future. Future recovery plans for the Leisure Centres are being kept under review by the Head of Cultural and Community Services.

- 3.33 The costs for ICT and home working of £116,525 is an estimate of the potential outlay required for providing workstations for employees at home. The majority of costs have now been incurred but a provision of an additional £36k is included within the summary.
- 3.34 Additional costs for recycling have been incurred in year due to the volume of waste being collected. This is expected to continue into the first quarter of the new financial year. Any remaining grant funding will be set-aside to support recycling into 2021/22 if it is not clawed back by the Government.
- 3.35 Of the £100k set-aside by this Committee for discretionary grants to businesses, only £15k has been spent to-date. The full £100k is included however in the summary table.

Core Grants and Funding

- 3.36 The Council's central funding, besides Business Rates, is fixed for the year and is shown in the following table

Core Grants and Funding 2020/21	£
Council Tax	5,704,748
Retained Business Rates	4,188,978
Discretionary Business Rates Relief Scheme	3,000
New Homes Bonus	4,262,171
Collection Fund Surplus	83,200
Total Funding	<u>14,242,097</u>

- 3.37 The final amount retained for Business Rates will depend upon income and expenditure during the year, which includes provisions and any return from the Derbyshire Business Rates Pool.
- 3.38 There will be an additional cost seen in year in relation to the underestimate for the return from authorities for the Business Rates pool in 2019/20. The impact of this is still unknown as some Derbyshire authorities are still awaiting the results of their Statement of Accounts audit by External Auditors. It is likely that the cost to the Council will be at least £250k due to a positive outturn position in last financial year for this Council, but the impact will be reported once more is known.
- 3.39 Performance of the Pool is reported quarterly to all Derbyshire S151 Officers. There is a risk due to the pandemic that the Business Rates position for authorities across Derbyshire that losses in income will be seen which will impact on better performing authorities. It is still unknown at this stage how the Council will be impacted.

HOUSING REVENUE ACCOUNT (HRA)

- 3.40 The Council is required to account separately for income and expenditure in providing Council housing.
- 3.41 The Base Budget approved in February 2020 for the HRA was set with an estimated surplus of £222k. The MTFP has been updated to remove the incremental salary increases as this is incorporated in the Base Budget, an increase on the pay award

and to include the restructure and regrading of a post approved at this Committee which has now decreased the surplus to £171k. The position of the HRA as at January 2021 is summarised in the following table.

Summary HRA 2020/21	BUDGET	PROJECTED	PROJECTED
	£000	ACTUAL	VARIANCE
	£000	£000	£000
Total Income	-12,618	-12,428	-190
Contribution to Capital & New Build	2,935	2,935	0
Responsive & Planned Maintenance	3,245	3,355	-110
Interest Payable and Receivable	1,713	1,516	197
Supervision & Management	1,780	1,786	-6
Supported Housing & Careline Services	839	804	35
Provision for Bad Debts	100	100	0
Provision for Debt Repayment	1,542	1,542	0
Asset Replacement Contribution	45	45	0
Contingent Sums	248	248	0
Surplus	-171	-97	-74

3.42 The above table shows that overall, the HRA is expected to have a surplus of £97k which is £74k less than budgeted. The main reasons for the variances are detailed below.

HRA VARIANCE TO BUDGET JANUARY 2021

	£'000
Salary savings (vacancies, maternity etc.)	347
Interest Income and Expenditure	197
Materials	50
Additional Careline Income	40
Insurance Claim Settlements	15
Compensation Voucher Rebate	15
Reduction in Garage Rent	-19
Careline Equipment Repairs	-20
Disrepair Claims	-30
Nottingham City Energy Survey	-39
Reduced Rent due to Void Dwellings	-171
Agency and Consultancy Staff	-457
Other Variances (net)	-2
TOTAL - OVERALL PROJECTED VARIANCE	-74

3.43 Expected salary savings in year relate to vacancies and are more than offset by agency and consultancy to support services.

3.44 Repairs and maintenance costs are expected to be on budget for the year due to an increase in contractor work on site. Vacancies in front line repairs team will result in lower materials costs due to the workforce being unavailable to complete works.

- 3.45 Interest income is expected to be above budget by approximately £71k on the HRA. Further detail on the reasons for the increase are noted at 3.11. The variable rate loan repayment for the first repayment in year is lower than budgeted by £126k.
- 3.46 The contribution from Derbyshire County Council and from private customers for Careline is higher than budgeted and is expected to be so for the remainder of the year. The budget is a very prudent estimate and there are large risks surrounding future funding of this service, so this is likely to be a one-off bonus this year.
- 3.47 An insurance claim settlement for major works after a car crashed into a dwelling in Castle Gresley has now been received. The costs were incurred in 2019/20. A claim settlement of £121k for a dwelling that was demolished in Newhall during 2019/20 after a serious fire has also been received but is to be reported as part of capital receipts in year as this is to be utilised on replacing the dwelling.
- 3.48 The revenue income lost due to void dwellings will be irrecoverable in year as the grants issued to the Council for costs and income losses due to the pandemic cannot be used to fund the HRA. The budgeted loss on voids is £160k and total void losses are expected to total approximately £357k in year.
- 3.49 Right to Buys (RTB) have totalled six to 31st January and therefore at this stage the losses of income are covered within the budget. The budget for RTB losses is £40k and losses based on the current position will total £14k. The slower number of losses through RTB is believed to be due to the pandemic but losses have started to increase since November.
- 3.50 Successful disrepair claims have been made against the Council which were not covered by the Council's insurance policy.
- 3.51 The HRA's 10-year MTFP is shown in **Appendix 2**.

COLLECTION FUND

- 3.52 The Collection Fund is the statutory account that records the collection of Council Tax and Business Rates and shows how that income has been distributed to the Government and Preceptors.
- 3.53 Any surplus or deficit on the Fund is transferred to the General Funds of the Preceptors, in proportion to precepts levied each year. The projected position on the Fund for 2020/21, based on transactions up to 31st December 2020, is detailed in **Appendix 3**.
- 3.54 This shows that there is now a projected deficit balance on Council Tax of approximately £71k and a deficit balance on Business Rates of approximately £949k which is a significant improvement from the previous quarter due to more relief being paid to the Council by the Government.
- 3.55 Growth in the tax base is expected to continue which will impact positively on both Business Rates and Council Tax although both elements are likely to be negatively impacted due to the pandemic. As a result of the pandemic, a full review of bad debt is to be undertaken and the projection has been updated to include a 2% allowance for bad debt. This was formerly 1%.

3.56 The statutory Council Tax return has now been completed and the increase in Band D properties has not increased at the level expected in the MTFP. An update on the Council Tax position for 2021/22 was reported to the Committee in February.

3.57 Business Rates is looking to generate a large deficit as growth has been stifled and reliefs funded by the Government have been at a much higher level. It is difficult at this stage to forecast how the Business Rates position will fair over the year, but it is hoped that with all of the additional support given to businesses during the pandemic, that growth will once again benefit the Council.

3.58 The Council is required to complete a Statutory return with expected Tax Base numbers for the following financial year in September. The Council Tax budget was based on this return with a Tax Base of 34,474 Band D equivalent properties with a total number of dwellings on the valuation list of 45,150. The return has now been completed for 2021/22 and the actual Tax Base is 35,218 (+744) with a total number of dwellings of 46,311 (+1,161).

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 with the Plan.

Risk Impact

5.4 None.

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 as at MARCH 2021

	Budget £ 2020.21	Projection £ 2021.22	Projection £ 2022.23	Projection £ 2023.24	Projection £ 2024.25	Projection £ 2025.26
BASE BUDGET						
Environmental & Development	5,651,681	6,127,089	6,360,107	6,526,586	6,697,424	6,871,713
Housing & Community	2,537,513	2,650,462	2,792,946	2,844,411	2,897,581	2,951,322
Finance & Management	5,671,375	6,038,722	6,198,526	6,366,623	6,536,299	6,707,819
Net Service Expenditure	13,860,569	14,816,273	15,351,579	15,737,621	16,131,304	16,530,853
Accounting Adjustments						
Reverse out Depreciation	-988,536	-1,435,413	-1,435,413	-1,435,413	-1,435,413	-1,435,413
Minimum Revenue Provision (MRP)	189,512	181,932	174,654	167,668	160,962	154,523
Voluntary Revenue Provision (VRP - Recycling Bins & Grove Active Zone)	131,226	75,891	20,556	20,556	1,639	0
	13,192,771	13,638,682	14,111,376	14,490,431	14,858,492	15,249,963
Add: Known Variations						
Vehicle Maintenance Plan (Tyres and Spare Parts)	0	0	23,000	20,000	55,000	55,000
Operational Services - Allocated Growth Excluded from Base Budget	322,446	107,014	146,652	382,329	160,367	164,376
Growth Provision Drawdown	0	0	0	-172,294	0	0
HRA Recharge Reduction	76,800	0	0	0	0	0
PCI Compliance Reported January 2021	0	17,235	17,235	17,235	17,235	17,235
Parish Concurrent Functions and Grants to Voluntary Bodies	0	13,488	13,488	13,488	13,488	13,488
Local Plan Review	0	15,000	15,000	0	0	0
Incremental Salary Increases	0	0	21,842	22,388	22,948	23,522
Investment Income	0	0	11,000	51,000	68,040	70,000
Administration of Childcare Vouchers	1,750	1,750	1,750	1,750	1,750	1,750
Temporary Posts, Rosliston and Grants	0	-16,447	-100,298	-86,943	-95,844	-80,410
Potential Cost of New Waste Disposal Site	0	0	47,560	49,938	52,435	55,057
Potential Loss of Industrial Unit Income	0	0	190,000	190,000	190,000	190,000
Pension Earmarked Reserve Drawdown	-38,794	-41,122	-43,589	-6,783	0	0
District Election May 2023	0	0	0	125,000	0	0
TOTAL ESTIMATED SPENDING	13,554,973	13,735,600	14,455,016	15,097,540	15,343,911	15,759,981
Provisions						
Provision for Employer's NIC on "off-payroll" payments	10,000	10,000	10,000	10,000	10,000	10,000
Contingent Sum - Growth	121,595	32,630	50,000	0	33,254	23,144
Waste and Recycling	100,000	100,000	100,000	100,000	100,000	100,000
TOTAL PROJECTED SPENDING	13,786,568	13,878,230	14,615,016	15,207,540	15,487,165	15,893,125

GENERAL FUND MEDIUM TERM FINANCIAL PLAN
BUDGET & PROJECTION as at MARCH 2021

	Proposed Budget £ 2020.21	Projection £ 2021.22	Projection £ 2022.23	Projection £ 2023.24	Projection £ 2024.25	Projection £ 2025.26
FINANCING						
Business Rates Retention	-4,188,978	-3,779,996	-3,779,996	-3,779,996	-3,779,996	-3,779,996
Discretionary Business Rate Relief Scheme	-3,000	0	0	0	0	0
Lower Tier Services Grant Allocation	0	-519,414	-2,388,033	-3,159,592	-2,843,633	-2,559,270
New Homes Bonus	-4,262,171	-3,381,517	-1,122,625	0	0	0
Council Tax Income	-5,704,748	-5,915,215	-6,158,100	-6,412,322	-6,687,869	-6,980,282
Core Spending Power	-14,158,897	-13,596,142	-13,448,754	-13,351,910	-13,311,498	-13,319,548
Add Estimated Collection Fund Surplus - Council Tax	-83,200	-124,054	-55,000	-55,000	-55,000	-55,000
TOTAL FINANCING	-14,242,097	-13,720,196	-13,503,754	-13,406,910	-13,366,498	-13,374,548
Revenue Surplus (-) / Deficit	-455,529	158,035	1,111,263	1,800,630	2,120,667	2,518,577
Capital Contributions						
Melbourne Sports Park Drainage	419,801	0	0	0	0	0
IT and Digital Strategy	210,000	166,000	160,000	160,000	160,000	166,500
Purchase of Town Centre Land	44,335	0	0	0	0	0
Community Partnership Scheme (2017 contribution)	125,695	0	0	0	0	0
Community Partnership Scheme (2019 contribution)	275,000	0	0	0	0	0
Rosliston Forestry Centre - Play Project	0	50,000	0	0	0	0
Asset Replacement and Renewal Fund	360,000	358,000	357,000	356,000	355,000	355,000
TOTAL CAPITAL CONTRIBUTION	1,434,831	574,000	517,000	516,000	515,000	521,500
TOTAL GENERAL FUND DEFICIT	979,302	732,035	1,628,263	2,316,630	2,635,667	3,040,077
GENERAL FUND RESERVE BALANCE						
Balance b/fwd	-12,605,436	-11,626,134	-10,894,099	-9,265,837	-6,949,207	-4,313,540
Revenue Surplus (-) / Deficit	-455,529	158,035	1,111,263	1,800,630	2,120,667	2,518,577
Capital Contributions	1,434,831	574,000	517,000	516,000	515,000	521,500
Balance c/fwd	-11,626,134	-10,894,099	-9,265,837	-6,949,207	-4,313,540	-1,273,463

HOUSING REVENUE ACCOUNT FINANCIAL PROJECTION - NOVEMBER 2020

	2020.21 Approved Budget £'000	2021.22 Forecast £'000	2022.23 Forecast £'000	2023.24 Forecast £'000	2024.25 Forecast £'000	2025.26 Forecast £'000	2026.27 Forecast £'000	2027.28 Forecast £'000	2028.29 Forecast £'000	2029.3 Forecast £'000	2030.31 Forecast £'000
INCOME											
Rental Income	-12,168	-12,502	-12,796	-13,103	-13,424	-13,752	-14,095	-14,455	-14,823	-15,206	-15,604
Non-Dwelling Income	-143	-147	-150	-154	-158	-162	-167	-171	-176	-180	-185
Supporting People Grant	-130	-130	-130	-130	-130	-130	-130	-130	-130	-130	-130
Other Income	-177	-177	-177	-177	-177	-177	-177	-177	-177	-177	-177
Total Income	-12,618	-12,956	-13,253	-13,564	-13,889	-14,221	-14,569	-14,933	-15,306	-15,693	-16,096
EXPENDITURE											
General Management	1,780	1,820	1,861	1,902	1,945	1,989	2,034	2,080	2,127	2,175	2,224
Supporting People	839	861	883	906	929	954	980	1,006	1,034	1,063	1,094
Responsive	1,344	1,377	1,410	1,443	1,478	1,513	1,549	1,586	1,623	1,662	1,702
Planned Maintenance	1,901	1,948	1,996	2,043	2,093	2,144	2,196	2,249	2,304	2,359	2,418
Bad Debt Provision	100	125	127	131	134	137	140	144	148	152	156
Interest Payable & Receivable	1,713	1,713	1,713	1,713	1,713	1,713	1,713	1,713	1,713	1,714	2,647
Depreciation	3,700	4,005	3,983	3,966	3,950	3,933	3,920	3,907	3,894	3,884	3,874
Net Operating Income	-1,241	-1,107	-1,280	-1,460	-1,647	-1,838	-2,037	-2,247	-2,462	-2,684	-1,981
Known variations:											
Reversal of Depreciation	-3,700	-4,005	-3,983	-3,966	-3,950	-3,933	-3,920	-3,907	-3,894	-3,884	-3,874
Capital Expenditure	1,935	1,683	1,470	1,433	1,477	1,516	1,547	1,182	1,261	1,489	2,103
Disabled Adaptations	300	300	300	300	300	300	300	300	300	300	300
Asbestos and Health & Safety Surveys	100	100	100	100	100	100	100	100	100	100	100
Debt Repayment - Balance of Depreciation	765	1,322	1,513	1,884	1,473	1,417	1,456	1,759	1,670	1,395	771
Major Repairs Reserve	600	600	600	300	600	600	600	600	600	600	600
Asset Replacement Earmarked Reserve	45	45	45	45	45	45	45	45	45	45	45

HOUSING REVENUE ACCOUNT FINANCIAL PROJECTION - MARCH 2021

	2020.21 Approved Budget £'000	2021.22 Proposed Budget £'000	2022.23 Forecast £'000	2023.24 Forecast £'000	2024.25 Forecast £'000	2025.26 Forecast £'000	2026.27 Forecast £'000	2027.28 Forecast £'000	2028.29 Forecast £'000	2029.3 Forecast £'000	2030.31 Forecast £'000
INCOME											
Rental Income	-12,168	-12,385	-12,577	-12,838	-13,141	-13,450	-13,766	-14,089	-14,419	-14,756	-15,100
Non-Dwelling Income	-143	-127	-130	-133	-136	-140	-143	-147	-151	-155	-159
Supporting People Grant	-130	-130	-130	-130	-130	-130	-130	-130	-130	-130	-130
Other Income	-177	-177	-177	-177	-177	-177	-177	-177	-177	-177	-177
Total Income	-12,618	-12,819	-13,014	-13,278	-13,584	-13,897	-14,216	-14,543	-14,877	-15,218	-15,566
EXPENDITURE											
General Management	1,834	1,848	1,889	1,932	1,975	2,020	2,065	2,112	2,160	2,209	2,259
Supporting People	866	951	976	1,001	1,028	1,056	1,084	1,114	1,145	1,178	1,212
Responsive	1,369	1,406	1,439	1,473	1,509	1,545	1,582	1,620	1,658	1,698	1,739
Planned Maintenance	1,921	1,975	2,024	2,072	2,123	2,174	2,227	2,281	2,336	2,393	2,452
Bad Debt Provision	100	125	125	128	131	134	137	140	144	147	151
Interest Payable & Receivable	1,713	1,738	1,738	1,738	1,738	1,738	1,738	1,738	1,738	1,739	2,672
Depreciation	3,700	4,127	4,064	4,044	4,023	4,003	3,983	3,963	3,943	3,924	3,904
Net Operating Income	-1,115	-649	-759	-890	-1,057	-1,227	-1,400	-1,574	-1,752	-1,930	-1,177
Known variations:											
Reversal of Depreciation	-3,700	-4,127	-4,064	-4,044	-4,023	-4,003	-3,983	-3,963	-3,943	-3,924	-3,904
Capital Expenditure	1,935	1,683	1,470	1,433	1,477	1,516	1,547	1,182	1,261	1,489	2,103
Disabled Adaptations	300	300	300	300	300	300	300	300	300	300	300
Asbestos and Health & Safety Surveys	100	100	100	100	100	100	100	100	100	100	100
Debt Repayment - Balance of Depreciation	765	1,444	1,594	1,962	1,546	1,487	1,519	1,815	1,719	1,435	801
Major Repairs Reserve	600	600	600	300	600	600	200	600	600	600	600
Asset Replacement Earmarked Reserve	45	45	45	45	45	45	45	45	45	45	45

HOUSING REVENUE ACCOUNT FINANCIAL PROJECTION - MARCH 2021

	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31
	Approved										
	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Additional Debt Repayment Transfer	771	2,150	2,651	2,468	1,815	1,500	1,900	750	750	750	1,000
Investment Income	0	0	18	43	60	60	60	60	60	60	60
Capital works non-traditional properties	100	100	100	0	0	0	0	0	0	0	0
General Fund Recharges	-77	0	0	0	0	0	0	0	0	0	0
ICT Upgrades	105	0	0	0	0	0	0	200	0	0	0
Incremental Salary Increases	0	0	6	6	6	6	7	7	7	7	7
HRA Surplus (-) / Deficit	-171	1,646	2,061	1,723	869	385	295	-479	-853	-1,068	-65

HRA General Reserve

HRA Reserve B/fwd	-8,260	-8,431	-6,785	-4,724	-3,001	-2,132	-1,747	-1,452	-1,931	-2,784	-3,852
(Surplus) / Deficit for year	-171	1,646	2,061	1,723	869	385	295	-479	-853	-1,068	-65
HRA Reserve C/fwd	-8,431	-6,785	-4,724	-3,001	-2,132	-1,747	-1,452	-1,931	-2,784	-3,852	-3,917

RESERVES

Debt Repayment Reserve

Balance B/fwd	-6,470	-8,006	-1,600	-5,845	-275	-3,636	-6,623	-42	-2,607	-5,076	-7,261
Depreciation balance	-765	-1,444	-1,594	-1,962	-1,546	-1,487	-1,519	-1,815	-1,719	-1,435	-801
Transfers to reserve	-771	-2,150	-2,651	-2,468	-1,815	-1,500	-1,900	-750	-750	-750	-1,000
Repayment of loan	0	10,000	0	10,000	0	0	10,000	0	0	0	0
Reserve C/fwd	-8,006	-1,600	-5,845	-275	-3,636	-6,623	-42	-2,607	-5,076	-7,261	-9,062

Earmarked Reserve

Balance B/fwd	-251	-296	-341	-386	-431	-206	-251	-296	-341	-386	-431
Transfers to reserve	-45	-45	-45	-45	-45	-45	-45	-45	-45	-45	-45
Asset Replacement	0	0	0	0	270	0	0	0	0	0	280
Reserve C/fwd	-296	-341	-386	-431	-206	-251	-296	-341	-386	-431	-196

HOUSING REVENUE ACCOUNT FINANCIAL PROJECTION - MARCH 2021

	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31
Approved	Budget	Forecast	Forecast								
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Major Repairs Reserve											
Balance B/fwd	-4,190	-4,890	-5,590	-6,290	-6,590	-7,190	-7,790	-8,390	-8,990	-9,590	-10,190
Transfers to reserve	-600	-600	-600	-300	-600	-600	-600	-600	-600	-600	-600
Earmarked non-traditional properties	-100	-100	-100	0	0	0	0	0	0	0	0
Reserve Drawdown	0	0	0	0	0	0	0	0	0	0	0
Reserve C/fwd	-4,890	-5,590	-6,290	-6,590	-7,190	-7,790	-8,390	-8,990	-9,590	-10,190	-10,790
New Build Reserve											
Capital Receipts B/fwd	-2,213	-1,322	-1,943	-2,561	-3,021	-3,478	-3,935	-4,237	-4,539	-4,842	-5,041
Acquisitions in year	2,108	0	0	0	0	0	0	0	0	0	0
S106 Drawdown	-490	0	0	0	0	0	0	0	0	0	0
RTB Receipts in year	-727	-621	-618	-460	-457	-457	-302	-302	-302	-199	-199
Borrowing in year	0	0	0	0	0	0	0	0	0	0	0
Balance c/fwd	-1,322	-1,943	-2,561	-3,021	-3,478	-3,935	-4,237	-4,539	-4,842	-5,041	-5,240

COLLECTION FUND MONITORING 2020/21 (as at 31st Dec 2020)

	Actual 2019/20	Estimated 2020/21	3rd Qtr Projection 2020/21	Notes
COUNCIL TAX - INCOME & EXPENDITURE	£'000	£'000	£'000	
INCOME				
Council Tax Collectable	62,162	65,270	64,787	Est. Increase in Tax Base and Precepts at 5%
EXPENDITURE				
County Council Precept	44,054	46,517	46,517	As approved by Full Council 26th Feb 2020
Police and Crime Commissioner Precept	7,213	7,812	7,812	As above
Fire and Rescue Authority Precept	2,538	2,680	2,680	As above
SDDC Precept	5,405	5,705	5,705	As above
SDDC Parish Precepts	798	848	848	As above
Increase in Bad Debts Provision	-336	653	1,296	Estimated at 2% of income
Total Expenditure	59,672	64,215	64,858	
Surplus / Deficit (-)	2,490	1,055	-71	
COUNCIL TAX BALANCE				
Opening Balance 1st April	1820	3,310	3,310	Per Final Accounts 2019/20
Share of Previous Surplus to County Council	-733	-587	-587	As approved by Full Council 26th Feb 2020
Share of Previous Surplus to Police	-112	-96	-96	As above
Share of Previous Surplus to Fire Authority	-45	-34	-34	As above
Share of Previous Surplus to SDDC	-110	-83	-83	As above
Surplus/Deficit(-) for Year as above	2,490	1,055	-71	
Closing Balance as at 31st March	3,310	3,565	2,439	
	Actual 2019/20	Estimated 2020/21	3rd Qtr Projection 2020/21	
BUSINESS RATES - INCOME & EXPENDITURE	£'000	£'000	£'000	
INCOME				
Business Rates Collectable	27,253	27,756	20,227	Estimate as per NNDR1
Transitional Protection Payments	635	456	456	
Updated NNDR1 - Business Rates Reliefs	0	0	6,790	
Total Income	27,888	28,212	27,473	
EXPENDITURE				
Central Government Precept	13,398	13,862	13,862	
SDDC Precept	10,718	11,089	11,089	Per NNDR1 Submission
Derbyshire County Council Precept	2,412	2,495	2,495	As above
Fire and Rescue Service Precept	268	277	277	As above
Cost of Collection	91	92	92	As above
Increase in Bad Debts Provision	183	311	202	Estimated at 1% of income
Provision for Appeals	-241	85	405	Estimated at 2% of income
Total Expenditure	26,829	28,211	28,422	
Surplus / Deficit (-)	1,059	1	-949	
BUSINESS RATES BALANCE				
Opening Balance 1st April	-192	1,630	1,630	Per Final Accounts 2019/20
Transfer of Previous Year's Surplus (-) / Deficit	382	36	36	Per NNDR1 Submission
Transfer of Previous Year's Surplus (-) / Deficit	305	-19	-19	As above
Transfer of Previous Year's Surplus (-) / Deficit	69	-40	-40	As above
Transfer of Previous Year's Surplus (-) / Deficit	7	0	0	As above
Surplus / Deficit (-) for the Year as above	1,059	1	-949	
Closing Balance as at 31st March	1,630	1,608	658	

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 10
DATE OF MEETING:	18th MARCH 2021	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	VICKI SUMMERFIELD 01283 595939 Victoria.summerfield@southderbyshire.gov.uk	DOC: s/finance/committee/2020-21/March
SUBJECT:	CAPITAL FINANCIAL MONITORING 2020-21	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM08

1.0 Recommendations

- 1.1 That the latest capital financial position for 2020/21 as detailed in the report is considered and approved.
- 1.2 That the balance of S106 available for use by the Council for capital projects as detailed in Appendix 2 is noted.

2.0 Purpose of the Report

- 2.1 To provide an update on performance against the budget for 2020/21.
- 2.2 The report details performance of both the HRA and General Fund up to 31st January 2021 unless otherwise stated and is an update of capital project progress for 2020/21.

3.0 Detail

- 3.1 The Council's capital programme consists of many different projects covering both the General Fund and HRA.
- 3.2 General Fund projects are developed in line with strategies reported to policy committees and are funded through Section 106 developer contributions, General Fund contributions, grant income and capital receipts generated from asset sales.
- 3.3 HRA projects are mainly for refurbishment of council houses, disabled adaptations to council housing and new build and are funded by HRA reserves plus grant income.
- 3.4 The capital budget for 2020/21 was approved in February 2020 and was updated following the outturn for 2019/20 to reflect the carry forward of income and

expenditure for incomplete projects. Further to the Capital Bidding round, General Fund project budgets have now also been updated to include the fourteen approved projects. Additional budgets have also been included on the HRA for property acquisitions reported separately.

- 3.5 Progress during the year on capital projects and the total financing of all projects is summarised in the following tables with detail of financial performance for each project listed in Appendix 1.

CAPITAL MONITORING JANUARY 2021

EXPENDITURE			
	Actual	Budget	Variance
	£	£	£
Major Improvements	1,892,951	2,635,136	742,184
Disabled Adaptations	99,257	300,000	200,743
New Build and Acquisition	1,056,296	2,107,905	1,051,609
TOTAL HRA	3,048,504	5,043,041	1,994,536
Private Sector Housing	329,359	2,084,350	1,754,991
Community Projects	349,718	3,774,358	3,424,640
Vehicle Replacements	134,989	730,661	595,672
ICT Strategy	80,975	210,000	129,025
Asset Replacement and Renewal	37,535	894,732	857,197
TOTAL GENERAL FUND	932,575	7,694,101	6,761,526
TOTAL CAPITAL EXPENDITURE	3,981,080	12,737,142	8,756,062

FUNDING			
	Actual	Budget	Variance
	£	£	£
Section 106	487,196	1,632,150	1,144,954
Grants	329,359	2,117,850	1,788,491
HRA	1,992,208	2,935,136	942,927
General Fund	402,508	1,173,496	770,988
Capital Receipts	631,911	3,757,849	3,125,938
Earmarked Reserves	137,898	1,120,661	982,763
TOTAL FUNDING	3,981,080	12,737,142	8,756,062

HRA Capital

- 3.6 Major refurbishment works to Council housing was initially delayed due to the pandemic. External works have slowly progressed during the lockdown periods and contractors are working through the backlog from earlier in the year. An underspend is expected but this will be carried forward to form part of the enhanced programme in 2021/22.

- 3.7 Disabled adaptations of Council housing have also been delayed due to the pandemic. Works are now scheduled, and any underspend will be carried forward to enable additional works in 2021/22.
- 3.8 The budget for new build and acquisition schemes consists of the acquisition of properties in Repton, Newhall, Overseal and Aston.
- 3.9 Properties in Aston and Repton have been transferred across to the Council and are fully let to tenants. Dwellings in Overseal are due part in March and part in April with the Newhall dwellings due for transfer during 2021/22. The budget will be carried forward for the Overseal and Newhall acquisitions.

General Fund Capital

Private Sector Housing Works

- 3.10 There are several projects included within this area, one of which is Disabled Facility Grants (DFG). Expenditure on DFG has been consistently lower than the allocated budget of £400k for several years. Due to the pandemic there has been a delay to the start in 2020/21, but the approved projects have progressed during the second half of the year as there is a pipeline of works scheduled.
- 3.11 Any underspend on these projects will be carried forward into 2021/22 and an update to performance on the projects will be reported in the summer.

Leisure and Community Schemes

- 3.12 The Community Partnership Scheme has all the funding committed to specific projects, but the funding is still to be drawn down from the Council.
- 3.13 Melbourne Sports Park drainage works are still in the early stages. A tender for works has been completed and the contract has now been awarded.
- 3.14 There is likely to be a large underspend in year for all of the new capital projects resulting from the capital bidding round due to two further lockdowns since approval of the report. Any underspend is to be carried forward and projects progressed in 2021/22.

Vehicle Replacements

- 3.15 The scheduled replacements in 2020/21 are for a new road sweeper, a tractor, additional vehicles for Grounds Maintenance and Cultural Services, a refuse freighter and a bulky waste vehicle. In addition to this, approval to purchase a gully cleansing vehicle as part of the growth and restructure of Operational Services has been added to the budget. The vehicles purchased to-date are all for Grounds Maintenance.

Asset Disposals and Renewal

- 3.16 Costs associated with the sale of land at the former Depot of £22k have been incurred during the first six months and this can be funded from the capital receipt of £855k which was received in August 2020.

- 3.17 A General Fund contribution of £90k is set-aside each year to fund refurbishment and maintenance of Public Buildings. Due to a tender exercise the programme of works didn't begin until the later part of 2019/20. The programme will run alongside scheduled capital works on HRA Council dwellings.
- 3.18 Works have begun on some of the capital bid projects but will not be completed in year so the balance will be carried forward in 201/22.

IT Strategy

- 3.19 Following approval of an IT Strategy, sums are being set-aside annually to fund new equipment and software.
- 3.20 A number of separate tender exercises have been undertaken during 2018/19 and the early part of 2019/20 and an equipment replacement programme has been rolled out across the Council.
- 3.21 The allocated budget is not expected to be spent in year and will be phased across a longer period. Any underspend will be carried forward into future years to help fund future equipment plus any upgrade requirements to software.

Capital Reserves

- 3.22 The capital reserve balances for the General Fund and HRA as at the 1st April 2020 are listed below.

	£
New Build and Acquisition Reserve	2,212,826
Major Repairs Reserve	4,190,187
Debt Repayment Reserve	6,470,000
HRA Capital Reserves	12,873,013
Capital Receipts Reserve	1,436,172
General Fund Capital Reserves	1,436,172
Total Capital Reserves	<u>14,309,185</u>

HRA Capital Reserves

- 3.23 The New Build and Acquisition Reserve is topped up by all retained receipts of sales of Council houses under Right to Buy.
- 3.24 Right to Buy sales have totalled 6 as at 31st December 2020 retaining £265,781 for transfer into the New Build and Acquisition reserve. As at 31st January, no further sales have taken place.

	Sales	Gross Receipts	Less Pooled	Retained	
	£	£	£	£	%
Quarter 1	1	80,925	-66,405	14,520	18%
Quarter 2	0	0	0	0	0%
Quarter 3	5	418,555	-167,294	251,261	60%
Total	6	499,480	-233,699	265,781	53%

3.25 Any underspends on the HRA capital programme are transferred to the Major Repairs Reserve at year-end and the balance will be utilised in future years as the new schedule for capital works is implemented.

3.26 Currently the HRA has debt of £57.4m to be repaid to the Public Works Loan Board at specific dates over a 20-year period due to self-financing.

3.27 The profile of debt repayment is listed in the following table.

Date due	£
28-Mar-22	10,000,000
28-Mar-24	10,000,000
28-Mar-27	10,000,000
28-Mar-32	10,000,000
28-Mar-37	10,000,000
28-Mar-42	7,423,000
	<u>57,423,000</u>

3.28 Sums are being set-aside each year for the scheduled repayments and are included in the HRA MTFP.

General Fund Capital Reserves

3.29 As part of the Council's Reserve balances, S106 receipts are accumulated and drawn down against specific projects in line with the contractual agreement.

3.30 S106 is received and monitored by the Council for other public bodies such as Derbyshire County Council and the NHS with sums also being allocated specifically to the Council. Appendix 2 details the total S106 available for the Council to spend on projects and has been broken down between community sums and affordable housing sums. The following table summarises the position as at 31st January 2021.

£	
Affordable Housing	2,855,398
Community	2,004,356
Total	<u>4,859,754</u>

3.31 The Capital Receipts Reserve is made up of asset sales in recent years plus the overage payment received from Chestnut Avenue, Midway.

3.32 The following table includes the balance on the Capital Receipts Reserve, expected receipts less specific projects which includes the projects approved as part of the capital bidding round.

	£ 2020/21	£ 2021/22	£ 2022/23	£ 2023/24	£ 2024/25	£ 2025/26
General Capital Receipts B/fwd	1,436,172	1,160,269	1,473,294	951,821	751,821	666,821
Receipts in Year:						
Sale of former Depot Site	855,000	0	0	0	0	0
Land Sale Oversetts Road	517,000	984,650	0	0	0	0
Specific Projects:						
Strategic Housing Market Assessment	0	0	0	0	-25,000	0
Private Sector Stock Condition Survey	0	0	0	0	-60,000	0
Empty Property Grants	-38,000	0	0	0	0	0
Repairs to Village Halls	-6,700	0	0	0	0	0
Public Buildings Planned Maintenance	-58,032	0	0	0	0	0
Costs of Land Sales	-25,512	0	0	0	0	0
PCI Compliance	0	-34,828	0	0	0	0
Vehicle Replacements	0	0	0	0	0	-606,688
Midway Community Centre Extension	-250,000	0	0	0	0	0
Capital Bid Projects	-1,269,659	-636,797	-521,473	-200,000	0	0
Capital Receipts Reserve Balance	1,160,269	1,473,294	951,821	751,821	666,821	60,133

3.33 The Strategic Market Housing Assessment and Private Sector Stock Condition Survey are both scheduled to recur every five years.

4.0 Financial Implications

4.1 Detailed in the report.

5.0 Corporate Implications

5.1 None directly.

6.0 Community Impact

6.1 None directly.

COMMITTEE SUMMARY - CAPITAL MONITORING JANUARY 2021

	EXPENDITURE		
	Actual	Budget	Variance
	£	£	£
Major Improvements under Self-financing	1,892,951	2,635,136	742,184
Major Disabled Facilities Grant (Council Houses MRA)	99,257	300,000	200,743
New Build - Orchard Street, Newhall	0	280,000	280,000
New Build - Acresford Road, Overseal	81,900	850,000	768,100
New Build - Moore Lane, Aston On Trent	487,200	487,905	705
New Build - Milton Road, Repton	487,196	490,000	2,804
HOUSING REVENUE ACCOUNT	3,048,504	5,043,041	1,994,536
Disabled Facility Grants and other Works	104,985	553,352	448,367
Discretionary Top-up Grants for under 18's	0	100,000	100,000
Healthy Homes Project	30,746	129,872	99,126
DFG Associated Preventative Works	0	0	0
Establishing a Hospital to Home Scheme	0	200,000	200,000
Dedicated Mental Health Worker	22,345	40,000	17,655
Additional Technical Officer	27,375	40,000	12,625
Integrated Adaptations of New Build Social Housing	0	0	0
Fly Tipping and Environmental Surveillance	0	28,500	28,500
Empty Property Grants	0	38,000	38,000
Relocation Grant	0	100,000	100,000
Dementia Friendly Homes Grant	0	20,000	20,000
Domestic Violence Crisis Prevention	0	50,000	50,000
Hospital Discharge Grant	11,007	30,000	18,993
Healthy Homes Assistance Fund	56,804	199,626	142,822
Pilot Schemes	0	200,000	200,000
Capital One-off Projects	0	150,000	150,000
Temporary Health & Housing Co-ordinator	0	45,000	45,000
Stay Active and Independent for Longer	2,425	60,000	57,575
Temporary Public Health Officer	27,218	45,000	17,782
Temporary Occupational Therapist	0	55,000	55,000
Property Flood Resilience Recovery Support Scheme	46,455	0	-46,455
Private Sector Housing	329,359	2,084,350	1,754,991

	EXPENDITURE		
	Actual	Budget	Variance
	£	£	£
Community Partnership Scheme	90,423	400,695	310,272
Melbourne Sports Park - Drainage Works	235,610	419,801	184,191
Melbourne Sporting Partnership	-4,500	0	4,500
Midway Community Centre Extension	0	250,000	250,000
Urban Country Park	635	0	-635
Midway Community Centre - Pitches	0	0	0
Oversetts Road Football Facility	0	1,188,159	1,188,159
SuDS Improvements	0	20,000	20,000
Paradise Garden, Swadlincote Town Centre	0	30,000	30,000
Revitalising Rosliston Forestry Centre	26,050	276,155	250,105
CCTV in Swadlincote Town Centre	1,500	13,000	11,500
Improvements to Play Areas	0	160,000	160,000
Extension to Marston on Dove Cemetery	0	48,000	48,000
Miners Memorial Project, Eureka Park	0	185,000	185,000
Urban Park at William Nadin Way	0	713,548	713,548
Improvements to Swadlincote Woodlands	0	30,000	30,000
Eureka Park Bowling Green Improvements	0	40,000	40,000
Community Services	349,718	3,774,358	3,424,640
Vehicle Replacements	134,989	730,661	595,672
Oversetts Road Land	0	0	0
Demolition of Sabines Yard	1,500	0	-1,500
Public Building - Repairs & Renewals	0	148,032	148,032
Repairs to Village Halls & Community Facilities	0	6,700	6,700
Civic Hub - Town Centre Regeneration	0	100,000	100,000
IT Strategy	80,975	210,000	129,025
Repairs to Melbourne Assembly Rooms	10,656	260,000	249,344
Purchase of Chamber Building	2,774	80,000	77,226
Demolition of Bank House and Car Park Creation	135	300,000	299,865
Oversetts Road (Cadley Park)	0	0	0
Darklands Road, Sale of Depot	22,470	0	-22,470
Assets	253,498	1,835,393	1,581,895
GENERAL FUND	932,575	7,694,101	6,761,526
TOTAL CAPITAL EXPENDITURE	3,981,080	12,737,142	8,756,062

APPENDIX 2

Planning Reference	Ward	Affordable Housing £	Community £	Total £
2010/0320	Aston	0	9,918	9,918
2012/0568	Aston	0	539,550	539,550
2014/0232	Aston	0	30,839	30,839
2016/0870	Aston	0	15,052	15,052
2016/0898	Aston	0	14,886	14,886
2012/0743	Church Gresley	152,773	217,877	370,650
2013/1040	Etwall	0	89,737	89,737
2014/0562	Etwall	0	60,986	60,986
2014/1136	Etwall	0	298,452	298,452
2015/0354	Etwall	0	26,540	26,540
2015/0768	Etwall	2,142,360	146,126	2,288,486
2017/0349	Etwall	0	75,648	75,648
2013/1044	Hilton	0	55,425	55,425
2014/0980	Hilton	0	11,286	11,286
2015/0426	Linton	0	20,946	20,946
2015/0723	Linton	0	34,316	34,316
2014/1141	Melbourne	0	15,326	15,326
2016/0094	Midway	0	11,201	11,201
2011/0952	Newhall and Stanton	0	7,524	7,524
2014/0222	Newhall and Stanton	0	16,892	16,892
2015/0396	Newhall and Stanton	0	6,608	6,608
2017/0667	Newhall and Stanton	62,359	0	62,359
2013/0643	Repton	497,906	0	497,906
2017/0819	Seales	0	5,635	5,635
2007/0873	Swadlincote	0	852	852
2011/0329	Swadlincote	0	9,286	9,286
2013/0818	Swadlincote	0	60,937	60,937
2006/0885	Willington and Findern	0	100,000	100,000
2011/0292	Willington and Findern	0	59,127	59,127
2012/0586	Woodville	0	5,709	5,709
2012/0861	Woodville	0	10,602	10,602
2015/0561	Woodville	0	9,771	9,771
2015/0563	Woodville	0	7,138	7,138
2015/0976	Woodville	0	5,895	5,895
2016/0329	Woodville	0	24,269	24,269
TOTAL		2,855,398	2,004,356	4,859,754

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 11
DATE OF MEETING:	18th MARCH 2021	CATEGORY: RECOMMENDED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	VICKI SUMMERFIELD (01283595939) Victoria.summerfield@southderbyshire.gov.uk	DOC: s/Finance/Committee/2020-21/Mar
SUBJECT:	CAPITAL STRATEGY 2020/21 TO 2024/25	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM08

1.0 Recommendations

- 1.1 That the proposed Capital Strategy 2020/21 to 2024/25 as detailed in **Appendix 1** is approved.

2.0 Purpose of the Report

- 2.1 To provide an update to the Council's Capital Strategy as required under the CIPFA 2017 Prudential Code.

3.0 Detail

- 3.1 In December 2017, CIPFA issued an update to the Prudential Code requiring authorities to look at capital expenditure in light of overall organisational strategy and resources to ensure that decisions are being made with sufficient regard to the long-term financing implications and potential risks to the Council.
- 3.2 The updated Prudential Code remained largely unchanged. However, there is now a requirement to produce a Capital Strategy in order to demonstrate that capital expenditure decisions are taken in line with service objectives and properly take account of stewardship, value for money, prudence, sustainability and affordability.
- 3.3 The Council have historically had a Capital Strategy in place in line with best practice, but this has now been updated to include the requirements set out in the Code.
- 3.4 An update to the Strategy should be presented to Council annually but was not reported in 2020 due to an oversight. There have been no major changes between the Strategy reported in January 2019 and the current document. The capital funding of projects is approved as part of the budget round in February each year and therefore the changes that should have been presented as part of the document in 2020 were reported as part of the budget update.

3.5 This document will be presented to Council in April.

4.0 Financial Implications

4.1 None

5.0 Corporate Implications

Employment Implications

5.1 None

Legal Implications

5.2 None

Corporate Plan Implications

5.3 None

Risk Impact

5.4 Meeting additional demand for Council Services due to the growth of the District is a key risk in the Council's Medium-Term Financial Plan. A fully costed capital expenditure programme provides on-going investment in services and the Council's asset base to support the growth of the District. This in turn helps to ensure that the Council's financial position remains sustainable.

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



**South
Derbyshire
District Council**

Capital Strategy 2020/21 – 2024/25

Introduction

This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas.

Decisions made this year on capital and treasury management will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

The principal aim is to deliver an affordable programme of capital investment consistent with the Council's financial strategy and that contributes to the achievement of the Council's priorities and objectives as set out in the Medium-Term Financial Plan.

Capital Expenditure and Financing

Capital expenditure is where the Council spends money on assets, such as property or vehicles that will be used for more than one year. In local government this includes spending on assets owned by other bodies and loans and grants to other bodies enabling them to buy assets. The Authority has some limited discretion on what counts as capital expenditure, for example Property assets costing below £10,000 and vehicles below £5,000 are not capitalised and are charged to revenue in year.

In 2021/22, the Council is planning capital expenditure of £6.3m as summarised below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure (£)

	2019/20 Actual	2020/21 Forecast	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
General Fund services	735,128	4,042,582	3,071,896	683,072	740,420	1,484,814
Council housing (HRA)	3,230,092	5,042,905	2,719,673	2,470,000	2,182,186	2,477,000
Capital investments		1,808,159	548,527	508,473	186,000	85,000
TOTAL	3,965,220	10,893,646	6,340,096	3,661,545	3,108,606	4,046,814

The main General Fund capital projects include revitalising Rosliston Forestry Centre (£808K), Oversetts Road Football Facility (£1.188m) and the renovation of Melbourne Assembly rooms (£260K), there are also several small projects that have been approved, totalling 14 new capital projects for inclusion in the capital programme.

General Fund Services include the funding received from Derbyshire County Council for the delivery of projects through the Better Care Fund and the BCF Assurance Plan.

The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately and includes the building of 21 new homes over the next two financial years. The Council has a programme of funding major improvements under self-financing to its current housing stock.

Governance: Heads of Service submit bid's when capital funds are identified as available, to include projects in the Council's capital programme. Bids are collated and scored the financing cost is calculated (which can be nil if the project is fully externally financed). The bids are appraised in accordance with the approved Capital Evaluation Framework. All bids are based on a comparison of service priorities against financing costs and makes recommendations to Finance and Management Committee. The final capital forecast is then presented to Finance and Management Committee in February each year. The capital programme is monitored quarterly and reported to members at the Finance and Management Committee.

All capital expenditure must be financed, either from external sources (government grants and other contributions) the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Table 2: Capital financing (£)

	2019/20 Actual	2020/21 Forecast	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
External sources	824,203	3,080,850	1,728,440	423,072	400,000	400,000
Capital resources	1,151,515	3,757,300	1,202,425	521,473	149,186	624,814
Revenue resources	1,989,502	4,055,496	3,409,231	2,717,000	2,559,420	3,022,000
Debt	0	0	0	0	0	0
TOTAL	3,965,220	10,893,646	6,340,096	3,661,545	3,108,606	4,046,814

Debt is only a temporary source of finance, since loans and leases must be repaid and this is therefore replaced over time by other financing, usually from revenue which is known as the **Minimum Revenue Provision (MRP)** / loans fund repayments. Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance.

MRP represents the minimum amount that must be charged to an Council's revenue account each year for financing of capital expenditure, which will have initially been funded by borrowing. MRP is important for prudent accounting because it allows an authority to put aside an amount of revenue that can be used towards the capital expenditure that was previously financed through either borrowing or credit.

The Council uses the Regulatory method to calculate MRP and the Regulatory method is charged at 4% of the Council's underlying need to borrow for capital purposes, i.e. the Capital Financing Requirement (CFR).

Table 3: Replacement of debt finance (£)

	2019/20 Actual	2020/21 Forecast	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
Capital resources	1,151,515	3,757,300	1,202,425	521,473	149,186	624,814
Revenue resources	1,989,502	4,055,496	3,409,231	2,717,000	2,559,420	3,022,000
Total	3,141,017	7,812,796	4,611,656	3,238,473	2,708,606	3,646,814

The General Fund does not currently have any actual debt outstanding and its underlying borrowing requirement is financed from reserves and balances.

The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP / loans fund repayments and capital receipts used to replace debt. On 31st March 2020, the Authority had net borrowing (after allowing for investments) of £7.69m arising from its revenue and capital income and expenditure, a decrease on 2019 of £4.22m.

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). Actual CFR versus budgeted CFR is summarised below.

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement (£'000)

	2019/20 Actual	2020/21 Forecast	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
General Fund services	4,988	4,667	4,409	4,214	4,026	3,871
Council housing (HRA)	61,584	61,584	51,584	51,584	41,584	41,584
TOTAL CFR	66,572	66,251	55,993	55,798	45,610	45,455

The relevant Prudential Indicators for the capital programme are detailed in the Treasury Management Strategy

Asset management: To ensure that capital assets continue to be of long-term use, the Council has a Corporate Asset Management Plan in place. The Corporate Asset Management Plan seeks to align the Council's non-housing property assets to the corporate objectives. The Plan covers the assets under the Corporate Property Section's management and control, and sits alongside the Housing Asset Management Strategy 2016-46, with the latter addressing the management, regeneration and identification of surplus assets held under the Housing Revenue.

Asset disposals: When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts on service transformation projects until 2022/23.

Capital grants, loans and investments also generate capital receipts. The Council's known capital receipts in the coming financial years are as follows:

Table 5: General Capital receipts (£'000)

	2019/20 Actual	2020/21 Forecast	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
Asset sales	752	727	724	720	615	612
Land Sales	1,497	792	705	0	0	0
TOTAL	2,249	1,519	1,429	720	615	612

Land sales have been achieved through collaboration with adjacent landowners. The deal secured ransom values from third parties and achieved optimum value through the joint master planning of large sites which are attractive to major housebuilders. The last of the planned receipts is due in 21/22. Asset sales will be achieved through the predicted right to buy receipts.

Treasury Management

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the Current Account.

The Council is currently cash rich in the short-term as revenue income is received before it is spent, but potentially cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

Due to decisions taken in the past, the Council currently has £57.541m borrowing at an average interest rate of 3.19% on fixed term borrowing and 0.88% on variable rate borrowing. Current Treasury investments total £71m at an average rate of 5.20% (long term investment) and 0.19% in short term investments.

Borrowing strategy: The Council's main objectives if borrowing, are to achieve a low but certain cost of finance while retaining flexibility should plans change in the future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.10%) and long-term fixed rate loans where the future cost is known but higher (currently 1.5 to 2.5%).

Projected levels of the Council's total outstanding debt are shown below, compared with the capital financing requirement.

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement (£'000)

	2019/20 Actual	2020/21 Forecast	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
General Fund Services	4,988	4,667	4,409	4,214	4,026	3,871
Council housing (HRA)	61,584	61,584	51,584	51,584	41,584	41,584
Capital Financing Requirement	66,572	66,251	55,993	55,798	45,610	45,455

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Council expects to comply with this in the medium term.

Liability benchmark: To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £57,423m at each year-end. This benchmark is currently £66,572m and is forecast to fall to £45,455m over the next five years.

Table 7: Borrowing and the Liability Benchmark in (£'000)

	2019/20 Actual	2020/21 Forecast	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
Outstanding borrowing	57,423	57,423	47,423	47,423	37,423	37,423
Liability benchmark	66,572	66,251	55,993	55,798	45,610	45,455

The table shows that the Council expects to remain below its liability benchmark. This is because cash inflows to date have been above the assumptions made when the loans were borrowed and there has been no requirement for additional sums. The Council has adopted a prudent approach to its finances and its borrowing requirements.

Affordable borrowing limit: The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

Table 8: Prudential Indicators: Authorised limit and operational boundary for external debt (£'000)

	2020/21 limit	2021/22 limit	2022/23 limit	2023/24 limit	2024/25 limit
Authorised limit – borrowing GF	4,667	4,409	4,214	4,026	3,871
Authorised limit – borrowing HRA	61,584	51,584	51,584	41,584	41,584
Authorised limit – total external debt	66,251	55,993	55,798	45,610	45,455

Operational boundary – borrowing	62,423	52,423	42,423	42,423	42,423
Operational boundary – total external debt	62,423	52,423	42,423	42,423	42,423

Further details on borrowing are in pages 5 to 7 of the Treasury Management Strategy

Treasury Investment strategy: Treasury investments arise from receiving cash before it is expended. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Council's policy on treasury investments is to prioritise security and liquidity over yield, i.e. to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested with the CCLA Property Fund to balance the risk of loss against the risk of receiving returns below inflation.

Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

Table 9: Treasury management investments (£'000)

	2019/20 Actual	2020/21 Forecast	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
Near-term investments	43,350	52,700	25,000	20,000	10,000	5,000
Longer-term investments	4,000	4,000	4,000	4,000	4,000	4,000
TOTAL	47,350	56,700	29,000	24,000	14,000	9,000

Risk Management

The effective management and control of risk are prime objectives of the Council's treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.

Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Strategic Director (Corporate Resources), Head of Finance and staff, who must act in line with the Treasury Management Strategy approved by the Finance and Management Committee. Quarterly reports on treasury management activity are presented to the Finance and Management Committee. The Council's Audit Sub-Committee is responsible for scrutinising the Treasury Management Framework in response to Auditor's reports.

The Councils borrowing and investment strategies are detailed in the Treasury Management Strategy

Investments for Service Purposes

The Council makes investments to assist local public services including making grants and loans to local service providers, local small businesses to promote economic growth and the Council's partnerships that provide services. In light of the public service objective, the Council is willing to take more risk than with treasury investments, however it still plans for such investments to break-even/generate a profit after all costs.

Governance: Decisions on service investments are made by the relevant service manager in consultation with the Strategic Director (Corporate Resources) and must meet the criteria and limits laid down in the Investment Strategy which is to be updated. Any loans and shares entered into are capital expenditure and purchases will therefore also be approved as part of the capital programme.

Commercial Activities

Central Government financial support for local public services has been declining year on year. In response to this, many authorities are increasing their investment in commercial property purely or mainly for financial gain with financial return being the main objective. In these cases, higher risks are accepted on commercial investment than with treasury investments.

The Council currently has no plans over the medium term to invest in any new commercial activities and follows its investment strategy for lower risk returns on surplus funds.

The Council has a small portfolio of commercial properties which are held to earn rentals and/or for capital appreciation.

Governance: Decisions on commercial investments are made by the Strategic Director (Corporate Resources) in line with the criteria and limits approved by Finance and Management Committee in the Treasury Management Strategy. Property and most other commercial investments are also capital expenditure and purchases will therefore also be approved as part of the capital programme.

Liabilities

In addition to debt of £57.423m detailed previously, the Council is committed to making future payments to cover its pension fund deficit (valued at £27,605m as at 31st March 2020). It has also set aside £786k to cover risks of appeals against planning and NNDR decisions. No contingent liabilities are currently in place at the Council.

Governance: Decisions on incurring new discretionary liabilities are taken by Service Managers in consultation with the Financial Services Manager and the Strategic Director (Corporate Resources). The risk of liabilities crystallising and requiring payment is monitored by the Head of Finance and reported quarterly to Finance and Management Committee. New liabilities exceeding the materiality threshold are reported to Full Council for approval/notification as appropriate.

Further details on liabilities and guarantees are on pages 73 to 88 of the 2019/20 Statement of Accounts

Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP/ loan fund repayments are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream, i.e. the amount funded from Council Tax, Business Rates and General Government grants.

Table 10: Prudential Indicator: Proportion of financing costs to net revenue stream

	2019/20 Actual	2020/21 Forecast	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
Financing costs £m	1,595,000	1,713,000	1,738,000	1,738,000	1,738,000	1,738,000
Proportion of net revenue stream	13.49%	14.08%	14.03%	13.82%	13.54%	13.23%

Sustainability: Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend far into the future. The Strategic Director (Corporate Resources) is satisfied that the proposed capital programme is prudent, affordable and sustainable due to the fact that all business cases and plans for expenditure have been submitted and formally approved following strict governance arrangements before funding is made available.

Investments will be measured using appropriate project appraisals such as NPV (net present value) and direct annual revenue effects will also be considered when assessing affordability. A robust system is in place to ensure that due regard is paid to the Code of Practice on a Prudential Approach to Local Authority Commitments in preparing the Capital Programme.

Knowledge and Skills

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions.

For example, the Head of Finance is a qualified accountant, the Head of Corporate Property is a qualified Chartered Surveyor and the Committee are advised by the Section 151 Officer (Chief Finance) Officer who is the Strategic Director (Corporate Resources).

The day to day operational responsibility of the Capital Programme is undertaken by the Chief Accountant in the Financial Services Unit at the Council. The Council pays for junior staff to study towards relevant professional qualifications including AAT, CIPFA, ACCA and CIMA for continued professional development and business continuity.

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers. This approach is considered to be more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM:12
DATE OF MEETING:	18th March 2021	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	VICKI SUMMERFIELD (01283 595939) victoria.summerfield@southderbyshire.gov.uk	DOC: s/finance/committee/20/21/Mar
SUBJECT:	TREASURY MANAGEMENT UPDATE 20-21	REF
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: FM08

1.0 Recommendation

- 1.1 That the latest Treasury Management Update for quarter 3 2020/21 as detailed in **Appendix 1** is considered and approved.
- 1.2 That the updated Counterparty List for investments and bank deposits as detailed in **Appendix 2** is approved.

2.0 Purpose of the Report

- 2.1 To provide an update on the Council's treasury management activities for the second quarter of 2020/21.
- 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

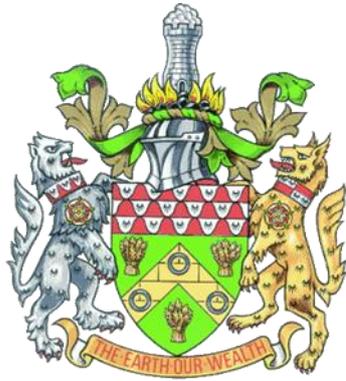
- 4.1 None directly

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 2017)



**South
Derbyshire
District Council**

Treasury Management Report Q3 2020/21

Introduction

The Authority has 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 reports.

The Authority's treasury management strategy for 2020/21 was approved at a meeting of the Authority on 26th February 2020. 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 are therefore central to the Authority's treasury management strategy.

The 2017 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Authority's Capital Strategy, complying with CIPFA's requirement, was approved by full Council on 17th January 2019.

The detail that follows is in accordance with the CIPFA Code and is written with support from the Council's Treasury Advisor, Arlingclose.

External Context

Economic background: Some good news came during the quarter as two COVID-19 vaccines were given approval by the UK Medicines and Healthcare products Regulatory Agency (MHRA). The UK Medicines and Healthcare products Regulatory Agency (MHRA) provided authorisation for emergency supply of two COVID-19 vaccines in December and the rollout to individuals in the highest priority groups began in earnest.

A Brexit trade deal was agreed with only days to spare before the 11pm 31st December 2020 deadline Having been agreed with the European Union (EU) on Christmas Eve, the Brexit trade deal was voted through the House of Commons by 521 votes to 73 and then written into law after passing through the House of Lords and given royal assent.

The Bank of England (BoE) maintained Bank Rate at 0.1% during the quarter but extended its Quantitative Easing programme by £150 billion to £895 billion at its November 2020 meeting. In its December interest rate announcement, the BoE noted that plans to roll out COVID-19 vaccines would reduce some of the downside risks to the economic outlook but that recent rises in the number of infections is likely to lead to weaker GDP growth than had been predicted in its November Monetary Policy Report.

Government initiatives continued to support the economy as the furlough (Coronavirus Job Retention) scheme was extended once again to April 2021, supporting some 10 million jobs, and meaning that by then the Government would have provided taxpayer support to jobs for over a year.

GDP growth rebounded by 16.0% (upwardly revised from first estimate of 15.5%) in Q3 2020 (Jul-Sep) according to the Office for National Statistics (ONS), pulling the annual growth rate up to -8.6% from -20.8% in Q2. Construction rose by a huge 41% over the quarter, services output was up almost 15% as was production output. However, recent monthly estimates of

GDP have shown growth is slowing and only a 1.1% monthly rise was managed in September.

The headline rate of UK Consumer Price Inflation (CPI) rose to 0.3% year/year in November, below expectations (0.6%) and still well below the Bank of England's 2% target. The ONS' preferred measure of CPIH which includes owner-occupied housing was 0.6% year/year (0.8% expected). The weaker-than-expected readings were due to falling prices for clothing as Black Friday deals started earlier than usual and for food and non-alcoholic drinks.

In the three months to October, labour market data showed the unemployment rate increased from 4.3% to 4.9% while wages rose 2.7% for total pay in nominal terms (2.8% for regular pay) and was up 1.9% in real terms (2.1% for regular pay). The employment rate fell to 75.2% from 75.8%. Unemployment is expected to increase strongly once the various government job support schemes come to an end, with the BoE predicting unemployment could peak at almost 8% in the second quarter of 2021.

The US economy rebounded at an annualised rate of 33.4% in Q3 2020 (Jul-Sep), fuelled by more than \$3 trillion in pandemic relief. The Federal Reserve maintained the Fed Funds rate at between 0% and 0.25%.

The European Central Bank maintained its base rate at 0% and deposit rate at -0.5% but increased the size of its asset purchase scheme to €1.85 trillion and extended it until March 2022.

Financial markets:

Equity markets continued to rise, and the Dow Jones beat its pre-crisis peak on the back of continued outperformance by a small number of technology stocks. The FTSE indices continued to perform well, with the more internationally focused FTSE 100 getting back to around 60% of its pre-March level while the more UK-focused FTSE 250 was closer to 80% of its previous peak over the same period.

Ultra-low interest rates prevailed through the quarter. Gilt yields remained low but volatile over the period with the yield on some short-dated UK government bonds continuing to remain negative. The 5-year UK benchmark gilt yield started the October–December period at -0.07% and ended at -0.09% (with much volatility in between). The 10-year gilt yield fell from 0.23% to 0.19% over the same period but peaked at 0.40% in November during a volatile quarter. The 20-year fell from 0.76% to 0.69%. 1-month, 3-month and 12-month SONIA bid rates averaged -0.01%, 0.06% and 0.07% respectively over the three months.

At the end of December, the yield on 2-year US treasuries was around 0.12% while for 10-year treasuries the yield was 0.92%. German bund yields remain negative across most maturities.

Credit review: After rising in late October/early November, credit default swap spreads declined over the remaining period of the calendar year to broadly pre-pandemic levels and the gap in spreads between UK ringfenced and non-ringfenced entities remained. At the end of the period Barclays Bank Plc was trading the highest at 57bps and Standard Chartered the lowest at 32bps. The ringfenced banks were trading between 33 and 36bps.

During the period Moody's downgraded the UK sovereign rating to Aa3 with a Stable outlook which then impacted a number of other UK institutions, banks and local government. These included Cornwall Council and Guildford BC which were downgraded to Aa3. Transport for

London, Aberdeen CC, Lancashire CC, Lloyds Bank and HSBC Bank downgraded to A1 and Warrington BC was downgraded to A2.

While the approval of two coronavirus vaccines is a credit positive, there remains much uncertainty around the extent of the losses banks and building societies will suffer due to the economic slowdown which has resulted due to pandemic-related lockdowns and restrictions. The institutions on Arlingclose's counterparty list and recommended duration remain under constant review, but at the end of the period no changes had been made to the names on the list or the recommended maximum duration of 35 days.

Local Context

On 31st March 2020, the Authority had net borrowing of £7.69m arising from its revenue and capital income and expenditure. This fell to £-15,064 by the end of the quarter. 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 below.

Capital Financing Requirement (CFR)

	31.03.20 Actual £,000	30.06.20 Actual £'000	30.09.20 Actual £,000	31.12.20 Actual £,000
<u>Housing Revenue Account</u>				
Debt Outstanding	57,423	57,423	57,423	57,423
Capital Financing Requirement (CFR)	61,584	61,584	61,584	61,584
Statutory Debt Cap	66,853	66,853	66,853	66,853
Borrowing Capacity (Cap less Debt Outstanding)	9,430	9,430	9,430	9,430
<u>General Fund</u>				
Debt Outstanding	0	0	0	0
Capital Financing Requirement (CFR)	5,653	5,653	5,653	5,653
Borrowing Capacity (Cap less Debt Outstanding)	5,653	5,653	5,653	5,653
Total Capital Financing Requirement (CFR)	67,237	67,237	67,237	67,237

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

The overall treasury management position at 31st December 2020 and the change during the quarter is shown below.

Treasury Management Summary

	31.03.20 Balance £m	Movement £m	31.12.20 Balance £m	Average Rate %
Long-term borrowing:				
Fixed	47,423	0	47,423	3.19%
Variable	10,000	0	10,000	0.48%
Short-term borrowing	28	0	28	0.00%
Total borrowing	57,451	0	57,451	
Long-term investments	4,000	0	4,000	5.29%
Short-term investments	43,371	19,629	63,000	0.14%
Cash and cash equivalents	2,388	3,127	5,515	0.00%
Total investments	49,759	22,756	72,515	
Net borrowing	7,692	22,756	(15,064)	

Borrowing update

In November 2020 the PWLB published its response to the consultation on 'Future Lending Terms'. From 26th November the margin on PWLB loans above gilt yields was reduced from 1.8% to 0.8% providing that the borrowing authority can confirm that it is not planning to purchase 'investment assets primarily for yield' in the current or next two financial years. Authorities that are purchasing or intending to purchase investment assets primarily for yield will not be able to access the PWLB except to refinance existing loans or externalise internal borrowing. As part of the borrowing process authorities will now be required to submit more detailed capital expenditure plans with confirmation of the purpose of capital expenditure from the Section 151 Officer. The PWLB can now also restrict local authorities from borrowing in unusual or large amounts.

Acceptable use of PWLB borrowing includes service delivery, housing, regeneration, preventative action, refinancing and treasury management. Misuse of PWLB borrowing could result in the PWLB requesting that Authority unwinds problematic transactions, suspending access to the PWLB and repayment of loans with penalties.

Competitive market alternatives may be available for authorities with or without access to the PWLB. However, the financial strength of the individual authority and borrowing purpose will be scrutinised by commercial lenders.

Municipal Bonds Agency (MBA): The MBA revised its standard loan terms and framework agreement. Guarantees for the debt of other borrowers are now proportional and limited and a requirement to make contribution loans in the event of a default by a borrower has been introduced. The agency has issued 5-year floating rate and 40-year fixed rate bonds in 2020, in both instances Lancashire County Council is the sole borrower and guarantor. A planned third bond issuance by Warrington Borough Council was withdrawn in early December after the reduction in PWLB borrowing rates.

If the Authority intends future borrowing through the MBA, it will first ensure that it has thoroughly scrutinised the legal terms and conditions of the arrangement and is satisfied with them.

Borrowing Activity

At 31st December 2020 the Authority held £57.4m 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%. No interest is currently being paid due to the Base Rate being less than 1%.

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

Borrowing Position

Loan Profile	Type	Value £'000	Rate %	Maturity
Public Works Loan Board	Variable	10,000	0.92	2021/22
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	2036/37
Public Works Loan Board	Fixed	7,423	3.50	2041/42
Total Long-term borrowing		57,423		
Short-term Parish Council Loans		89	0.00	
Total borrowing		57,451		

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

On 13th November the Authority received central government funding to support small and medium businesses during the coronavirus pandemic through grant schemes. £3.2m was received, temporarily invested in short-dated, liquid instruments such as call accounts and Money Market Funds. £700k was disbursed by the end of December.

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the quarter, the Authority's investment balance ranged between £50m and £72.5m due to timing differences between income and expenditure. The investment position during the quarter is shown in the table below.

Treasury Investment Position

	30.03.20 Balance £'000	Q3 2020 Movement £'000	31.12.20 Balance £'000	31.12.20 Rate of Return %
Banks (unsecured)	2,388	3,127	5,515	0.00
Local Authorities	40,350	11,650	52,000	0.18
Money Market Funds	3,000	8,000	11,000	0.05
CCLA Property Fund	4,000	0	4,000	5.29
Total investments	49,738	22,777	72,515	

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.

Continued downward pressure on short-dated cash rate brought net returns on sterling low volatility net asset value money market funds (LVNAV MMFs) close to zero even after some managers have temporarily lowered their fees. At this stage net negative returns are not the central case of most MMF managers over the short-term, and fee waivers should maintain positive net yields, but the possibility cannot be ruled out.

Deposit rates with the Debt Management Account Deposit Facility (DMADF) have continued to fall and are now largely below zero. Funds invested for 3 weeks earn -0.03% rising to -0.01% for a deposit of 4 months or more. The rate was 0% for up to 3-week deposits.

The net return on Money Market Funds net of fees, which had fallen after Bank Rate was cut to 0.1% in March, are now at or very close to zero; fund management companies have temporarily lowered or waived fees to avoid negative net returns.

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)

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %
31.12.2020	4.39	AA-	10%	117	0.20
Similar LAs	4.68	A+	65%	41	-0.07
All LAs	4.73	A+	63%	17	0.00

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.

Externally Managed Pooled Funds

£4m of the Authority's investments are 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 generated an average total return of £40k (4.58%), its estimated a £160k income return will be achieved this year, which is used to support services in year.

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.

CCLA Property Fund Performance

		2019/20	2020/21	2020/21	2020/21
		Q4	Q1	Q2	Q3
Dividend Received	£	40,484	34,886	38,633	46,574
Annual Equivalent Interest Rate	%	4.57%	4.01%	4.44%	5.29%
Bid (Selling) Price	pence/unit	291.15	279.57	283.43	287.50

The mid-market value of the fund as at the 31st December 2020 is £3,578,167 and the bid market value is £3,522,783. This reinforces the notion that the Fund should only be considered for long-term investments.

In 2020/21 the Authority expects to receive significantly lower income from its cash and short-dated money market investments, including money market funds, as rates on cash investments are close to zero percent. Income from most of the Authority's externally managed funds will also be expected to be lower than in 2019/20 and earlier years. Whilst the arrival and approval of vaccines against COVID-19 and the removal of Brexit uncertainty that has weighed on UK equities are encouraging developments, dividends and income distribution will also depend on other factors including but not limited to the length of time economies take to recover from the impact of the pandemic, the fund's sectoral asset allocation, securities held/bought/sold and, in the case of equities, the enforced dividend cuts or deferral required by regulatory authorities or due to corporates reducing dividends to safeguard liquidity during a period of economic uncertainty.

The authority's investment in the CCLA fund has been stable throughout 20/21. The performance of the fund has continued to yield positive dividends with rising rates of interest each quarter.

Performance

Average 7 day Interest 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.

	As at 31.03.20	As at 31.12.20
Average 7-Day Money Market Rate (Target)	0.42%	0.15%
Average Interest Rate Achieved on Short Term Deposits	0.54%	0.58%

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 third quarter is shown

below using the current interest received compared to the annual interest received last year.

General Fund Impact per Council Tax Payer	Actual 31.03.2020	As at 31.12.20
	£'000	£'000
Net Interest Received - General Fund	-299,788	-196,905
Band D Properties	33,302	34,474
Cost per Band D Property	-£9.00	-£5.71

The cost of debt on each council tenant (HRA) is shown below. The performance for the second quarter is the actual costs compared to the estimated costs for the year. The fluctuation in interest paid is the decrease in interest rate of the £10m variable loan and the acquisition of new council houses.

HRA Debt Interest per Dwelling	31.03.20 Actual	31.12.2020 Estimated
HRA Interest Payable	1,595,062	1,553,198
Dwellings	2,970	2,978
Annual Cost per Dwelling	£537.06	£521.56

Compliance

The Chief Finance Officer reports that during the third quarter treasury management activities have not fully complied with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy.

Throughout the beginning of the third quarter from the 1st October until the 5th October, the balance held in the Council's main bank account, Barclays breached the Counterparty limit of £2m. The reason for the breach is that the cash limits were over the maximum and at the end of the second quarter, as reported on 26th November, the direct debit collections for payment of Council Tax and NNDR exacerbated the situation. The counterparty limit was breached by a maximum of £707,089. The S151 Officer was informed of the potential breach and advised the Finance team to exceed the limit in the current account rather than any other counterparty.

Before the proposal to open additional Money Market accounts, and to increase our limits in Barclays was approved on 26th November, the Council received £600k from the Government to support the Track and Trace payments which forced an overnight breach of £758,735 on the 15th October. Following the announcement of a second lockdown, the Government made

a further payment of £3.2m in order to fund the new grant scheme for small and medium sized busines. This created a breach of the Counterparty limit in Barclays on the 16th and 17th of November, the maximum amount of the breach was £109,004. The S151 Officer was informed of the potential breach and advised the Finance team to exceed the limit in the current account rather than any other counterparty.

Non-compliance with specific investment limits is demonstrated in the table below:

Investment Limits

	Maximum Investment during Q3 £m	Maximum Invested per Counterparty £m	Limit	Maximum Term	Complied
Debt Management Office	£20m	£3.2m	£20m in total	364 days	✓
Other Local Authorities	£39m	£5m	£5m per Authority	364 days	✓
Money Market funds	£11m	£2m	£14m total, £2m per fund	60 days	✓
CCLA Property Fund	£4m	£4m	£4m	Indefinite period	✓
Named Counterparties (HSBC/Lloyds/BOS/Santander)	£1.99m	£1.99m	£2m per Bank	35 days	✓
Named Counterparties (Barclays/NatWest/RBS)	£3.1m	£3.1m	£3m per Bank	35 days	☒
Named Counterparties (Nationwide)	0	0	5% of total deposits	35 days	✓
Foreign Counterparties	0	0	AAA rated - £1m per Bank		✓
Independent Building Societies	0	0	£1m per Society	35 days	✓

Other

IFRS 16: The implementation of the new IFRS 16 Leases accounting standard has been delayed for a further year until 2022/23.

Arlingclose's Outlook for the remainder of 2020/21

	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Official Bank Rate													
Upside risk	0.00	0.00	0.15	0.15	0.15	0.15	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Arlingclose Central Cas	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Downside risk	0.30	0.40	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50

The medium-term global economic outlook has improved with the distribution of vaccines, but the recent upsurge in coronavirus cases has worsened economic prospects over the short term.

Restrictive measures and further lockdowns are likely to continue in the UK and Europe until the majority of the population is vaccinated by the second half of 2021. The recovery period will be strong thereafter, but potentially longer than previously envisaged.

Signs of a slowing UK economic recovery were already evident in UK monthly GDP and PMI data, even before the second lockdown and Tier 4 restrictions. Employment is falling despite an extension to support packages.

The need to support economic recoveries and use up spare capacity will result in central banks maintaining low interest rates for the medium term.

Brexit, whatever the outcome of current negotiations, will weigh on UK activity. The combined effect of Brexit and the after-effects of the pandemic will dampen growth relative to peers, maintain spare capacity and limit domestically generated inflation. The Bank of England will therefore maintain loose monetary conditions for the foreseeable future.

Longer-term yields will also remain depressed, anchored by low central bank policy rates, expectations for potentially even lower rates and insipid longer-term inflation expectations. There is a chance yields may follow a slightly different path in the medium term, depending on investor perceptions of growth and inflation, the deployment of vaccines or if the UK leaves the EU without a deal.

Arlingclose expects Bank Rate to remain at the current 0.10% level. The central case for Bank Rate is no change, but further cuts to zero, or perhaps even into negative territory, cannot be completely ruled out.

Gilt yields will remain low in the medium term. Shorter term gilt yields are currently negative and will remain around zero or below until either the Bank expressly rules out negative Bank Rate or growth/inflation prospects improve.

Downside risks remain, and indeed appear heightened, in the near term, as the government reacts to the escalation in infection rates and the Brexit transition period comes to an end.

**COUNTERPARTY LIST 2020/21
(as at February 2021)**

Treasury investment counterparties and limits

Sector	Counterparty Limit	Time Limit	Sector Limit
The UK Government	£20m	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	£5% ^m
Money Market Funds*	£2m	60 days	£14m
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.

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.

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 13
DATE OF MEETING:	18th MARCH 2021	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (EXT 5811) kevin.stackhouse@southderbyshire.gov.uk	DOC:
SUBJECT:	COMMITTEE WORK PROGRAMME	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: G

1.0 Recommendations

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

2.0 Purpose of Report

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

3.0 Detail

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

4.0 Financial Implications

4.1 None arising directly from this report.

5.0 Background Papers

5.1 Work Programme.

**Finance and Management Committee – Next F&M Committee 18th March 2021
Work Programme for the Municipal Year 2020/2021**

Work Programme Area	Date of Committee Meeting	Contact Officer (Contact details)
Coronavirus (Covid-19) Financial Impact	2 July 2020	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)
Revenue Financial Monitoring 2019/20	2 July 2020	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Capital Financial Monitoring / Provisional Out-turn 2019/20	2 July 2020	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Treasury Management Update 2019/20	2 July 2020	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Homelessness / Rough Sleeping	2 July 2020	Paul Whittingham (Housing Services Manager) Paul.whittingham@southderbyshire.gov.uk (01283595984)
Corporate Plan 2020 to 2024: Quarterly Performance Reports	9 July 2020	Fiona Pittam fiona.pittam@southderbsyhire.gov.uk (01283 595735)
Evaluation of Capital Projects	9 July 2020	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)

Transformation and Business Change Programme 2020 to 2024	9 July 2020	Anthony Baxter Head of Business Change and ICT Anthony.baxter@southderbyshire.gov.uk (01283 595712)
Sponsorship Policy and Guidance	9 July 2020	Nicola Lees nicola.lees@southderbsyhire.gov.uk (01233 595755)
Comments, Compliments, Complaints and FOI Requests	9 July 2020	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)
Equalities Annual Report 2019/20	9 July 2020	Fiona Pittam fiona.pittam@southderbsyhire.gov.uk (01283 595735)
Revenue Budget Out-turn 2019/20	30 July 2020	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Capital Out-turn 2019/20	30 July 2020	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Treasury Management Annual Report 2019/20	30 July 2020	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)

Annual Value for Money Statement 2019/20	30 July 2020	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)
Asset Management Plan 2020 to 2024	30 July 2020	Steve Baker (Head of Corporate Property) Steve.baker@southderbyshire.gov.uk (01283 595965)
Annual Health and Safety Report 2019/20	30 July 2020	David Clamp David.clamp@southderbsyhire.gov.uk (01283 595729)
Revenue Financial Monitoring 2020/21	27 th August 2020	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Capital Revenue Monitoring 2020/21	27 th August 2020	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Treasury Management Update 2020-21	27 th August 2020	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Procurement Strategy 2020 To 2024	27 th August 2020	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)
Q1 Corporate Plan Performance 20-24	8 th October 2020	Clare Booth Corporate Performance & Policy Officer Clare.booth@southderbyshire.gov.uk

Joint Consultative Committee: Terms of Reference	8 th October 2020	David Clamp Head of Organisational Development David.clamp@southderbyshire.gov.uk (01283 595729)
Evaluation of Bids for New Capital Projects	8 th October 2020	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)
Audit Results Report for the Year Ending 31 March 2020	26 th November 2020	Jason Burgess (Assistant Manager) EY Jburgess3@uk.ey.co
Q2 Corporate Plan Performance 20-24	26th November 2020	Clare Booth Corporate Performance & Policy Officer Clare.booth@southderbyshire.gov.uk
Revenue Financial Monitoring 2020/21	26th November 2020	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Capital Revenue Monitoring 2020/21	26th November 2020	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Treasury Management Update 2020-21	26th November 2020	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Comments, Compliments, Complaints and FOI Requests	26th November 2020	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)

Annual Accounts and Financial Statements 2019/20	7 th January 2021	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Service Base Budgets 2021/22	7 th January 2021	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Council Tax Premium on Long Term Empty Properties	7 th January 2021	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbyshire.gov.uk (01283 595811)
Discretionary Rate Relief	7 th January 2021	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbyshire.gov.uk (01283 595811)
Refuse Collection Route Optimisation	7 th January 2021	Adrian Lowery Head of Operational Services Adrian.lowery@southderbyshire.gov.uk
Proposed Local Council Tax Reduction Scheme 2021/22	11 th February 2021	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbyshire.gov.uk (01283 595811)
Consolidated Budget Proposals 2021/22 and Medium-Term Financial Plan to 2026	11 th February 2021	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Capital Programme Budget to 2026	11 th February 2021	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)

HRA Budget 2021/21	11 th February 2021	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Annual Report of the Section 151 Chief Finance Officer	11 th February 2021	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbyshire.gov.uk (01283 595811)
Introduction of Pre-Planning Application Charging	11 th February 2021	Steffan Saunders Head of Planning and Strategic Housing Steffan.saunders@southderbyshire.gov.uk
Corporate Plan Performance Monitoring Quarter 3 2021/22	18 th March 2021	Clare Booth Corporate Performance & Policy Officer Clare.booth@southderbyshire.gov.uk
Revenue Budget Monitoring 2020/21	18 th March 2021	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Capital Strategy Update	18 th March 2021	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Capital Budget Monitoring 2020/21	18 th March 2021	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Treasury Management Update 2020/21	18 th March 2021	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)

Standby and Callout Procedure	18 th March 2021	David Clamp Human Resources Manager David.clamp@southderbyshire.gov.uk
Extension to the Community and Environmental Partnership Scheme	18 th March 2021	Chris Smith Communities Team Manager Chris.smith@southderbyshire.gov.uk (01283 595924)
Proposed Council Tax Reduction Scheme 2022/2023 – Options for Consultation	29 th April 2021	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbyshire.gov.uk (01283 595811)
Transformation Plan Update and Financing	29 th April 2021	Anthony Baxter Head of Business Change and ICT Anthony.baxter@southderbyshire.gov.uk (01283 595712)