

Please ask for Democratic Services

Phone (01283) 595722/ 595848

Typetalk 18001

DX 23912 Swadlincote

Democratic.services@southderbyshire.gov.uk

Our Ref

Your Ref

Date: 14 July 2021

Dear Councillor,

Finance and Management Committee

A Meeting of the **Finance and Management Committee** will be held at **Grove Hall (Special)**, Greenbank Leisure Centre, Civic Way, Swadlincote, DE11 0AD on **Thursday, 22 July 2021** at **18:00**. You are requested to attend.

Yours faithfully,



Chief Executive

To:- **Labour Group**

Councillor Pearson (Chair), Councillor Tilley (Vice-Chair) and
Councillors Rhind, Richards, Singh, Southerd and Taylor.

Conservative Group

Councillors Ackroyd, Bridgen, Lemmon, Redfern and Watson.

Independent Group

Councillor 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 | TREASURY MANAGEMENT ANNUAL REPORT 2020-21 | 4 - 25 |
| 7 | FINAL CAPITAL OUTTURN 2020-21 | 26 - 35 |
| 8 | FINAL REVENUE BUDGET OUTTURN 2020-21 | 36 - 59 |
| 9 | CORONAVIRUS (COVID-19) FINANCIAL IMPACT - UPDATE | 60 - 66 |
| 10 | CHIEF EXECUTIVE'S DIRECTORATE SERVICE PLAN 2021-22 | 67 - 91 |
| 11 | SOCIAL MOBILITY UPDATE | 92 - 95 |
| 12 | COMMITTEE WORK PROGRAMME | 96 - 101 |

Exclusion of the Public and Press:

- 13** 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.

- 14** To receive any Exempt questions by Members of the Council pursuant to Council procedure Rule No. 11.
- 15** VISITOR INFORMATION PROPOSALS
- 16** REGRADE OF POSTS - LICENSING OFFICERS (ENFORCEMENT)
- 17** FUTURE SERVICE DELIVERY AND EMPLOYMENT MODELS

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 6
DATE OF MEETING:	22nd JULY 2021	CATEGORY: RECOMMENDED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	VICKI SUMMERFIELD Victoria.summerfield@southderbyshire.gov.uk	DOC: s/finance/committee/2020-21/July/TM reports
SUBJECT:	TREASURY MANAGEMENT ANNUAL REPORT 2020/21	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 08

1.0 Recommendations

- 1.1 The Treasury Management Annual Report for 2020/21 is approved.
- 1.2 The Prudential Indicators and Limits for 2021/22 to 2025/26 as approved in February 2021 are noted.
- 1.3 The updated counterparty (lending) list as at 31st March 2021 is approved.

2.0 Purpose of the Report

- 2.1 To detail the Council's Treasury Management activities for 2020/21 as set out in the Annual Report.
- 2.2 In addition, the report also confirms the Prudential Indicators for treasury operations for 20/21 and the medium-term financial planning period, 2021/22 to 2025/26. This is in accordance with the requirements of the Local Government Act 2003, updated for provisions contained in the Localism Act 2011.

3.0 Summary

The Prudential System for Capital Finance

- 3.1 The Council is required to manage its treasury and capital expenditure activities under a National Code. The main aims of the National Prudential System are to ensure that:
 - Capital investment plans of local authorities are affordable and sustainable.
 - Treasury management decisions are taken in accordance with best professional practice.

- Financial planning and asset management are integrated into the Council's overall corporate planning arrangements.

- 3.2 Treasury operations are measured within a set of prudential indicators. The main purpose of these indicators is to provide the limits and benchmarks to control the level of capital expenditure, borrowing and investment. The Council is expected to operate comfortably within these limits.
- 3.3 The Prudential System allows councils the freedom to borrow on a prudential basis. Any new borrowing has to be accommodated within any maximum debt limits or caps set by Central Government and the Council has to demonstrate that it can afford to service and repay the debt within its financial plans.
- 3.4 The Chartered Institute of Public Finance (CIPFA) published new versions of its Treasury Management in the Public Services: Code of Practice and Cross-sectoral Guidance Notes (TM Code) and The Prudential Code for Capital Finance in Local Authorities (Prudential Code) in late December 2017. This applied from April 2018 and will inform the strategy for 2019/20 onwards.

The Treasury Management Strategy

- 3.5 The Strategy aims to provide transparency for treasury decisions including the use of counterparties, together with assessing how risk is managed on a day-to-day basis.

Prudential Indicators

- 3.6 The relevant indicators required under the regulations are detailed in the statement.

4.0 Financial Implications

- 4.1 As detailed in the report.

5.0 Corporate Implications

- 5.1 None directly

6.0 Community Implications

- 6.1 None directly

7.0 Background Papers

- 7.1 Treasury Management in Public Services and the Code of Practice (CIPFA Publication – November 2011)
- 7.2 Local Government Act 2003 (Part 1)
- 7.3 Localism Act 2011 – Part 7 Chapter 3



Treasury Management Annual Report 20/21

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 was marginally updated and approved by Finance and Management Committee on 18th March 2021 after full approval at Council on 19th 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: The coronavirus pandemic dominated 2020/21, leading to almost the entire planet being in some form of lockdown during the year. The start of the financial year saw many central banks cutting interest rates as lockdowns caused economic activity to grind to a halt. The Bank of England cut Bank Rate to 0.1% and the UK government provided a range of fiscal stimulus measures, the size of which has not been seen in peacetime.

Some good news came in December 2020 as two COVID-19 vaccines were given approval by the UK Medicines and Healthcare products Regulatory Agency (MHRA). The UK vaccine rollout started in earnest; over 31 million people had received their first dose by 31st March.

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 on Christmas Eve.

The Bank of England (BoE) held Bank Rate at 0.1% throughout the year but extended its Quantitative Easing programme by £150 billion to £895 billion at its November 2020 meeting. In its March 2021 interest rate announcement, the BoE noted that while GDP would remain low in the near-term due to COVID-19 lockdown restrictions, the easing of these measures means growth is expected to recover strongly later in the year. Inflation is forecast to increase in the near-term and while the economic outlook has improved there are downside risks to the forecast, including from unemployment which is still predicted to rise when the furlough scheme is eventually withdrawn.

Government initiatives supported the economy and the Chancellor announced in the 2021 Budget a further extension to the furlough (Coronavirus Job Retention) scheme until September 2021. Access to support grants was also widened, enabling more self-employed people to be eligible for government help. Since March 2020, the government schemes have helped protect more than 11 million jobs.

Despite the furlough scheme, unemployment still rose. Labour market data showed that in the three months to January 2021 the unemployment rate was 5.0%, in contrast to 3.9% recorded for the same period 12 months ago. Wages rose 4.8% for total pay in nominal terms (4.2% for regular pay) and was up 3.9% in real terms (3.4% for regular pay). Unemployment is still expected to increase once the various government job support schemes come to an end.

Inflation has remained low over the 12-month period. Latest figures showed the annual headline rate of UK Consumer Price Inflation (CPI) fell to 0.4% year/year in February, below expectations (0.8%) and still well below the Bank of England's 2% target. The ONS' preferred measure of CPIH which includes owner-occupied housing was 0.7% year/year (1.0% expected).

After contracting sharply in Q2 (Apr-Jun) 2020 by 19.8% q/q, growth in Q3 and Q4 bounced back by 15.5% and 1.3% respectively. The easing of some lockdown measures in the last quarter of the calendar year enabled construction output to continue, albeit at a much slower pace than the 41.7% rise in the prior quarter. When released, figures for Q1 (Jan-Mar) 2021 are expected to show a decline given the national lockdown. After collapsing at an annualised rate of 31.4% in Q2, the US economy rebounded by 33.4% in Q3 and then a further 4.1% in Q4. The US recovery has been fuelled by three major pandemic relief stimulus packages totalling over \$5 trillion. The Federal Reserve cut its main interest rate to between 0% and 0.25% in March 2020 in response to the pandemic and it has remained at the same level since. Joe Biden became the 46th US president after defeating Donald Trump.

The European Central Bank maintained its base rate at 0% and deposit rate at -0.5% but in December 2020 increased the size of its asset purchase scheme to €1.85 trillion and extended it until March 2022.

Financial markets: Monetary and fiscal stimulus helped provide support for equity markets which rose over the period, with the Dow Jones beating its pre-crisis peak on the back of outperformance by a small number of technology stocks. The FTSE indices performed reasonably well during the period April to November, before being buoyed in December by both the vaccine approval and Brexit deal, which helped give a boost to both the more internationally focused FTSE 100 and the more UK-focused FTSE 250, however they remain lower than their pre-pandemic levels.

Ultra-low interest rates prevailed throughout most of the period, with yields generally falling between April and December 2020. From early in 2021 the improved economic outlook due to the new various stimulus packages (particularly in the US), together with the approval and successful rollout of vaccines, caused government bonds to sell off sharply on the back of expected higher inflation and increased uncertainty, pushing yields higher more quickly than had been anticipated.

The 5-year UK benchmark gilt yield began the financial year at 0.18% before declining to -0.03% at the end of 2020 and then rising strongly to 0.39% by the end of the financial year. Over the same period the 10-year gilt yield fell from 0.31% to 0.19% before rising to 0.84%. The 20-year declined slightly from 0.70% to 0.68% before increasing to 1.36%.

1-month, 3-month and 12-month SONIA bid rates averaged 0.01%, 0.10% and 0.23% respectively over the financial year.

The yield on 2-year US treasuries was 0.16% at the end of the period, up from 0.12% at the beginning of January but down from 0.21% at the start of the financial year. For 10-year treasuries the end of period yield was 1.75%, up from both the beginning of 2021 (0.91%) and the start of the financial year (0.58%).

German bund yields continue to remain negative across most maturities.

Credit review: After spiking in March 2020, credit default swap spreads declined over the remaining period of the year to broadly pre-pandemic levels. The gap in spreads between UK ringfenced and non-ringfenced entities remained, albeit Santander UK is still an outlier compared to the other ringfenced/retail banks. At the end of the period Santander UK was trading the highest at 57bps and Standard Chartered the lowest at 32bps. The other ringfenced banks were trading around 33 and 34bps while Nationwide Building Society was 43bps.

Credit rating actions to the period ending September 2020 have been covered in previous outturn reports. Subsequent credit developments include Moody's downgrading the UK sovereign rating to Aa3 with a stable outlook which then impacted a number of other UK institutions, banks and local government. In the last quarter of the financial year S&P upgraded Clydesdale Bank to A- and revised Barclay's outlook to stable (from negative) while Moody's downgraded HSBC's Baseline Credit Assessment to baa3 whilst affirming the long-term rating at A1.

The vaccine approval and subsequent rollout programme are both credit positive for the financial services sector in general, but 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 and durations on the Authority's counterparty list recommended by treasury management advisors Arlingclose 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 2021, the Authority had net borrowing of (£3.03M) arising from its revenue and capital income and expenditure a decrease on net borrowing from 2020 of £10.5M. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). Actual CRF versus budgeted CFR is summarised below:

Capital Financing Requirement (CFR)	20/21
	£'000 Actual
CFR b/fwd	66,572
Add New Financing	0
Less MRP	-197
Less VRP	-131
Less Debt Repayment	0
CFR c/fwd	66,251
General Fund Proportion	4,667
HRA Proportion	61,584
Total CFR	66,251

Lower official interest rates have lowered the cost of short-term, temporary loans and investment returns from cash assets that can be used in lieu of borrowing. 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 treasury management position as at the 31st March 2021 and the year on year change is shown in the table below:

Treasury management position

	31.3.20 Balance £m	Movement £m	31.03.21 Balance £m	Average Rate %
Long-term borrowing:				
Fixed	47,423	0	47,423	3.19%
Variable	10,000	0	10,000	0.35%
Short-term borrowing	28	61	89	0.00%
Total borrowing	57,451	61	57,512	
Long-term investments	4,000	0	4,000	4.47%
Short-term investments	43,350	14,150	57,500	0.29%
Cash and cash equivalents	2,561	(3,517)	(956)	0.07%
Total investments	49,911	10,633	60,544	
Net borrowing	7,540	10,572	(3,032)	

The net borrowing of the Council reduced during 2020/21 due to an increase in investments. Government Grant income, lower expenditure and budget savings in year resulted in larger cash balances to invest which is reflected below.

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.

Borrowing Strategy

At 31st March 2021 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	0.23	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		57,512		

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

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Authority's investment balances ranged between £49.9

million and £60.4 million due to timing differences between income and expenditure. The investment position is shown in the table below.

Treasury Investment Position

Investments	31.03.20 Balance £'000	2021 Movement £'000	31.03.21 Balance £'000	31.03.21 Rate of Return %
Banks (unsecured)	2,561	(3,517)	(956)	0.00
Local Authorities	40,350	3,650	44,000	0.29
Money Market Funds	3,000	10,500	13,500	0.08
CCLA Property Fund	4,000	0	4,000	4.47
Total investments	49,911	10,633	60,544	

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 around zero.

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.

Given the increasing risk and low returns from short-term unsecured bank investments, the Authority has diversified into higher yielding asset classes (CCLA fund) and continues to hold £4m in the pooled property fund

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

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

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %
31.03.2021	4.48	AA-	29%	84	0.41
Similar LAs	4.63	A+	65%	40	1.38
All LAs	4.63	A+	63%	15	0.90

Benchmarking Key:

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 Funds:

The Council has invested £4m 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 income return of £157K which is used to support services in year.

Similar to many other property funds, dealing (i.e. buying or selling units) in the CCLA Local Authorities' Property Fund was suspended by the fund in March 2020 and lifted in September. There was also a change to redemption terms for the CCLA Local Authorities Property Fund; from September 2020 investors are required to give at least 90 calendar days' notice for redemptions.

The performance of the investment over the year is shown in the table below.

CCLA Property Fund Performance

		2019/20	2020/21
		Q4	Q4
Dividend Received	£	40,484	37,084
Annual Equivalent Interest Rate	%	4.57	4.12%
Bid (Selling) Price	pence/unit	291.15	289.08

The mid-market value of the CCLA Property Fund as at the 31st March 2021 is £3,654,460 and the bid market value is £3,597,831 with the total number of units held being 1,244,580.

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 is 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. In light of their performance over the medium/long-term and the Authority's latest cash flow forecasts, investment in these funds has been maintained.

Performance Indicators

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 last year is shown below.

	As at 31.03.20	As at 31.03.21
Average 7-Day Money Market Rate (Target)	0.65%	0.11%
Average Interest Rate Achieved on Short Term Deposits	0.66%	0.13%

Compliance

The Chief Finance Officer reported that during the third quarter of 20/21 treasury management activities did not fully comply with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy.

To mitigate the risk of a further breach the cash limits were increased following Committee approval on the 26th November 2020. The limit was increased in the Councils current account Barclays to £3 million and 3 new Money Market Funds were opened increasing the limit to £14 million.

No further breaches were suffered as a result of the Counterparty limit changes.

Compliance with the authorised limit and operational boundary for external debt is demonstrated below.

Debt Limits

	Actual Debt 20/21	Operational Boundary	Authorised Limit
Debt Limits	£'000	£'000	£'000
HRA	57,423	57,423	66,853
General Fund	0	5,000	4,988

Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure. The total debt for the year did not exceed the operational boundary.

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

Investment Limits

Sector	Maximum Investment Q4 2021	Counterparty Limit	Time Limit	Sector Limit	Complied
The UK Government	£19m	£20m	364 days	n/a	✓
Local authorities & other government entities	£42m	£5m	364 days	Unlimited	✓
Banks (unsecured)*	£2.7m	£3m	35 days	Unlimited	✓
Building societies (unsecured)*	£4m	£2m	35 days	£5m	✓
Money Market Funds*	£13.5m	£2m	60 days	£14m	✓
Strategic Pooled Funds	£4m	£4m	n/a	£4m	✓
Other Investments*	0	£1m	35 days	Unlimited	✓

Other

CIPFA consultations: In February 2021 CIPFA launched two consultations on changes to its Prudential Code and Treasury Management Code of Practice. These follow the Public Accounts Committee's recommendation that the prudential framework should be further tightened following continued borrowing by some authorities for investment purposes. These are principles-based consultations and will be followed by more specific proposals later in the year.

In the Prudential Code the key area being addressed is the statement that "local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums

borrowed”. Other proposed changes include the sustainability of capital expenditure in accordance with an authority’s corporate objectives, i.e. recognising climate, diversity and innovation, commercial investment being proportionate to budgets, expanding the capital strategy section on commercial activities, replacing the “gross debt and the CFR” with the liability benchmark as a graphical prudential indicator.

Proposed changes to the Treasury Management Code include requiring job specifications and “knowledge and skills” schedules for treasury management roles to be included in the Treasury Management Practices (TMP) document and formally reviewed, a specific treasury management committee for MiFID II professional clients and a new TMP 13 on Environmental, Social and Governance Risk Management.

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



South Derbyshire District Council

Prudential Indicators 2021/22

March 2021

Introduction

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

Estimated Capital Expenditure and Financing

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

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Estimated Capital Expenditure	£	£	£	£	£	£
General Fund	1,510,610	3,620,423	1,191,545	926,420	1,569,814	1,916,760
HRA	4,341,663	2,719,673	2,470,000	2,182,186	2,477,000	2,743,503
TOTAL	5,852,273	6,340,096	3,661,545	3,108,606	4,046,814	4,660,263
Financed by						
Grants and Contributions	1,056,027	1,728,440	423,072	400,000	400,000	400,000
Council Resources	4,796,246	4,611,656	3,238,473	2,708,606	3,646,814	4,260,263
TOTAL	5,852,273	6,340,096	3,661,545	3,108,606	4,046,814	4,660,263

The current year expenditure on the General Fund relates to significant investment into the asset base of the Council. Approval for a capital bidding round and scoring of bids following recommendations from the Service and Financial Planning Working Group was granted at Finance and Management Committee on the 9th July.

Twenty bids were submitted with fourteen receiving approval to be funded from capital receipts totalling £2.34m. Along with the capital projects approved on 8th October 2020, the Council continues to invest in its ICT Strategy and vehicle replacement programme. The Council is also delivering projects across the District funded through the Better Care Fund.

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

The general downward trend of HRA expenditure relates to the reduction in New Build Properties and a reduction in major works due to the need to set-aside funds for the repayment of debt. The completion on the purchase of 14 new properties has been successful during 2021 with the addition of 9 houses and 5 bungalows being added to the Councils housing stock. The major repairs have a five-year plan for improving Council properties to decent homes standard. [Page 18 of 101](#)

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

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

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

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

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

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

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

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

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

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

Expected CFR	Actual 2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
CFR b/fwd	66,572	66,251	55,993	55,798	45,610	45,455
Add New Financing	0	0	0	0	0	0
Less MRP	-190	-182	-175	-168	-155	-148
Less VRP	-131	-76	-21	-21	0	0
Less Debt Repayment	0	-10,000	0	-10,000	0	0
CFR c/fwd	66,251	55,993	55,798	45,610	45,455	45,307
General Fund Proportion	4,667	4,409	4,214	4,026	3,871	3,723
HRA Proportion	61,584	51,584	51,584	41,584	41,584	41,584
	66,251	55,993	55,798	45,610	45,455	45,307

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

Debt Pools

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

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

There is no requirement to make a MRP or VRP in the Housing Revenue Account. The HRA has debt outstanding of just over £57m. This represents the debt inherited under the self-financing framework for Council Housing.

Although no MRP is required for the HRA, money is being set-aside to repay the HRA debt in accordance with the maturity profile. This strategy is reflected in the HRA's Financial Plan. The expected CFRs over the current financial planning period to 2025/26 are detailed in the following table.

Expected CFR	Actual					
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000	£'000
General Fund	4,667	4,409	4,214	4,026	3,871	3,723
HRA	61,584	51,584	51,584	41,584	41,584	41,584

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

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

The larger CFR on the HRA is forecast to remain fairly static until such time as any new borrowing is undertaken or until the first repayment of £10m self-financing debt in 2021/2022.

Limits to Borrowing Activity

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

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

Estimated Borrowing Compared to the CFR	Actual 2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Gross Borrowing - HRA	57,423	47,423	47,423	37,423	37,423	37,423
Gross Borrowing - General Fund	0	0	0	0	0	0
Total Gross Borrowing	57,423	47,423	47,423	37,423	37,423	37,423
Total CFR	66,251	55,993	55,798	45,610	45,455	45,455

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

The Authorised Limit for External Debt

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

The Operational Boundary for External Debt

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

The Limit and Boundary are summarised in the following table.

Debt Limits	Actual 2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Authorised Limit - General Fund	4,667	4,409	4,214	4,021	3,858	3,703
Authorised Limit - HRA	66,853	66,853	66,853	66,853	66,853	66,853
Operational Boundary	62,423	52,423	42,423	42,423	42,423	42,423

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

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

Cost of Debt to Finance Capital Expenditure

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

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

	Actual 2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Cost of Servicing Debt						
Estimated Net Interest Received - General Fund	-247,667	-180,000	-169,000	-129,000	-111,960	-110,000
Estimated Band D Properties (per MTFP)	34,474	35,218	35,962	36,731	37,576	38,469
Cost per Band D Property	-£7.18	-£5.11	-£4.70	-£3.51	-£2.97	-£2.86

Estimated Net Interest Payable - HRA	1,540,408	1,738,000	1,738,000	1,738,000	1,738,000	1,738,000
Estimated Dwellings (per MTFP)	2,974	2,949	2,929	2,911	2,893	2,875
Annual Cost per Dwelling	£517.96	£589.35	£593.38	£597.05	£600.76	£604.52

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

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

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

	Actual 2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Estimated Usable Reserves						
General Fund	13,274	11,626	10,951	9,381	7,123	4,548
Earmarked	21,626	17,010	17,237	17,643	17,958	18,279
Capital Receipts and Grants	1,664	574	517	516	516	522
Debt Repayment	1,536	1,444	1,594	1962	1,546	1487
HRA General Reserve	8,335	6,785	4,724	3,001	2,132	1,747
TOTAL	46,435	37,439	35,023	32,503	29,275	26,583

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

It is estimated that the current level of earmarked reserves will gradually increase over the planning period due to S106 receipts and provisions for growth. The level of capital receipts is estimated to fluctuate due to the timing of receipts from council house and planned land sales, together with the timing of actual capital expenditure payments.

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

Ratio of Financing Costs to Net Revenue Stream

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

Financing Ratios	Actual 2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £
General Fund						
Estimated Council Tax Income	6,552,782	5,941,508	6,185,333	6,440,675	6,717,435	7,011,134
Net Interest Receivable	-247,667	-180,000	-169,000	-129,000	-111,960	-110,000
Proportion	-3.78%	-3.02%	-2.57%	-2.73%	-1.67%	-1.57%
HRA						
Estimated Rental Income	11,977,213	12,385,000	12,577,000	12,838,000	13,141,000	13,450,000
Estimated Interest Payable	1,540,408	1,738,000	1,738,000	1,738,000	1,738,000	1,738,000
Proportion	12.86%	14.03%	13.82%	13.54%	13.23%	12.92%

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

COUNTERPARTY LIST 2020/21
(as at March 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	£5m
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: 7
DATE OF MEETING:	22nd JULY 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/July/outturn
SUBJECT:	FINAL CAPITAL OUTTURN 2020/21	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM08

1.0 Recommendations

- 1.1 To approve the final Capital outturn position for both the General Fund and Housing Revenue Account (HRA).
- 1.2 To approve the final balance on Capital Reserves for 2020/21.

2.0 Purpose of the Report

- 2.1 To detail the final outturn position for 2020/21 on the Council's capital accounts.
- 2.2 This report is divided into the following sections:
 - Section 3 – General Fund and HRA Capital 2020/21
 - Section 4 – Capital Reserves

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. Additional budgets have also been included for the General Fund Capital Bids and for property acquisitions on the HRA all reported separately.

- 3.5 Outturn for the year on capital projects and the total financing of all the projects is summarised in the following tables. A detailed list of the projects is attached in Appendix 1.

	Actual £	Budget £	Variance £
Council House Improvements	2,711,992	2,935,000	223,008
Council House New Build and Acquisition	1,629,671	2,107,905	478,234
Private Sector Housing	544,994	2,017,850	1,472,856
Community Services	524,689	2,536,655	2,011,966
Environmental Services	3,177	28,500	25,323
Property, Plant and Equipment	437,750	1,565,361	1,127,611
TOTAL EXPENDITURE	5,852,273	11,191,271	5,338,998

	Actual £	Budget £	Variance £
External Grant and Contributions	566,027	2,020,850	1,454,823
Capital Resources	1,362,328	3,094,264	1,731,936
S106 Contributions	490,000	1,060,000	570,000
General and Earmarked Reserves	3,433,918	5,016,157	1,582,239
TOTAL FUNDING	5,852,273	11,191,271	5,338,998

HRA Capital

- 3.6 Major refurbishment works to Council housing was delayed initially due to the pandemic, but works have progressed well during the year. An underspend was expected against the budget, and this will be carried forward into 2021/22.
- 3.7 Disabled adaptations of Council housing are lower than budget mainly due to the pandemic. Delays to the assessment process and Occupational Therapist (OT) referrals, plus Council employees and contractor issues with accessing dwellings has resulted in a lower level of completions in year.
- 3.8 Measures have been undertaken to resolve the delays with additional contractor capacity secured and new OT resource recruited by Derbyshire County Council. The underspend will be carried forward to enable additional works in 2021/22.
- 3.9 The budget for new build and acquisition schemes consists of acquisitions of properties in Repton, Aston, Newhall and Overseal. Additional grant funding from the Fire Service was secured for properties in Overseal and Repton which was unbudgeted.
- 3.10 Five properties were acquired in Aston, four in Repton and five in Overseal and are all fully occupied.
- 3.11 The remaining 2 properties in Overseal were transferred to the Council in April 2021 therefore a carry forward of an element of the budget for 2020/21 was required for expenditure in 2021/22.
- 3.12 Acquisitions in Newhall are due to complete in 2021/22 and no expenditure has yet been incurred. The budget has been carried forward into 2021/22.

Private Sector Housing Works

- 3.13 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. Difficulties with OT referrals and access to properties due to the pandemic were also seen in this area but the underspend is to be carried forward for pipeline works in 2021/22.
- 3.14 In addition to the Better Care Fund (BCF) of £792k per annum received from Derbyshire County Council, the Council also received an additional top up for DFG in year of £106,696 from Central Government. This has been carried forward into 2021/22.
- 3.15 A list of projects was reported to the Committee in November 2020 and this report gave a three-year projection on expected spend. A number of these projects have been started in year but initial roll out was delayed due to the pandemic. A carry forward of £2,035,490 has been made during the year-end process to progress these projects in 2021/22. An updated report on progress with BCF projects will be reported to Housing and Community Services in August.

Leisure and Community Schemes

- 3.16 The Community Partnership Scheme has all the funding committed to specific projects, but the funding is still to be drawn down from the Council.
- 3.17 The Melbourne Sports Park project has been progressing throughout the year with completion expected early in 2021/22.
- 3.18 All of the remaining projects in this area were approved as part of the Capital Bidding round in October 2020. Progress has been slow in year, but all unspent budgets will be carried forward and any projects that were not expected to begin during 2020/21 have secured funding that has been drawn down from reserves during the year-end process.

Environmental Projects

- 3.19 The budget included a sum of £28,500 for fly tipping and surveillance which has been partially spent in year. The balance is to be carried forward into 2021/22.
- 3.20 In addition to the approved budget, funding of £586,500 was secured as part of the Green Homes Grant application. As at the 31 March 2021, no expenditure has been incurred but the project is progressing well during 2021/22 and full commitment of the grant to community support is expected.

Vehicle Replacements

- 3.21 The scheduled replacements in 2020/21 were for a number of vans and smaller vehicles, a refuse freighter, a bulky waste vehicle and a gully cleansing vehicle.
- 3.22 Supply of vehicles was delayed during the pandemic, and it is expected that these vehicles will be acquired in 2021/22. During the year, tractors and Grounds Maintenance vehicles were purchased.

Asset Disposals and Refurbishment

- 3.23 Costs associated with the sale of the former Depot site are covered by the £855k received for completion of the sale in year.
- 3.24 A General Fund contribution of £90k is set-aside each year to fund refurbishment and maintenance of Public Buildings. No major capital works were undertaken in year but repairs to Green Bank Leisure Centre and Public Buildings were completed and included in the revenue reporting.
- 3.25 The projects for the Chamber Building purchase, demolition works in the Town Centre, the extension of Marston on Dove Cemetery and Melbourne Assembly Rooms refurbishment were all approved as part of the Capital Bidding round. All expenditure is fully funded with underspends carried forward and overspends drawn down earlier than forecast.
- 3.26 Midway Community Centre pitch work and extension has not yet completed. The allocated budget of £250k will be carried forward. In addition, a contribution of £20k has been received in year from the Developer to help support the works. This has also been carried forward.

IT Strategy

- 3.27 Following approval of an IT Strategy, sums are being set-aside annually to fund new equipment and software.
- 3.28 Renewal of equipment and servers has been completed in year. The allocated budget was not expected to be fully spent in year with the underspend earmarked for replacements of equipment over the three-year planning cycle set out as part of the Strategy.

4.0 Capital Reserves

- 4.1 The capital reserve balances for the General Fund and HRA as at the 31 March 2021 are listed below.

	£
New Build and Acquisition Reserve	1,641,828
Major Repairs Reserve	4,541,948
Debt Repayment Reserve	8,006,000
HRA Capital Reserves	14,189,776
Capital Receipts Reserve	2,569,462
General Fund Capital Reserves	2,569,462
Total Capital Reserves	16,759,238

HRA Capital Reserves

- 3.29 The New Build and Acquisition Reserve is topped up by all retained receipts of sales of Council houses under Right to Buy.

3.30 Right to Buy sales have totalled 16 as at 31 March 2021 and £695,949 is included in the New Build and Acquisition Reserve above and is summarised in the following table.

	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	6	446,075	-167,294	278,781	62%
Quarter 4	2	142,640	-27,550	115,090	81%
Total	9	669,640	-261,249	408,391	61%

3.31 A sum of £120,915 was received in year from an insurance claim due to the loss of a dwelling because of a fire in Newhall in 2019/20. This has been transferred into the New Build and Acquisition capital reserve.

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

3.33 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 because of self-financing.

3.34 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

57,423,000

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

General Fund Capital Reserves

3.36 The Capital Receipts Reserve is made up of asset sales in recent years and there are many projects to be funded from the balance. Older committed projects are listed in the table below and the approved capital bid projects are listed in Appendix 2.

3.37 Section 106 contributions are a large element of funding for the Council's capital programme and future planned works. The list of contributions within the Council's control are detailed in Appendix 3 with commentary regarding committed projects and the time frame to spend. In summary, the total balance of S106 held by the Council is included in the table below.

	£
Cultural Services	2,744,165
Affordable Housing	2,980,212
Property	479,006
SDDC Unspecified	484,890

3.38 A sum of £855,000 has been received during 2020/21 in settlement for the sale of the former depot plus an amount of £517,803 under a collaboration agreement for sale of land at Oversetts Road. The remaining balance for this land sale is due in 2021/22.

	£ 2020/21	£ 2021/22	£ 2022/23	£ 2023/24	£ 2024/25	£ 2025/26
General Capital Receipts B/fwd	1,186,010	2,319,300	1,381,283	909,810	762,822	677,822
Receipts in Year:						
Sale of former Depot Site	855,000	0	0	0	0	0
Land Sale Oversetts Road	517,803	983,847	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	0	-38,000	0	0	0	0
Repairs to Village Halls	0	-6,700	0	0	0	0
Public Buildings Planned Maintenance	0	-58,032	0	0	0	0
Midway Community Centre Extension	0	-250,000	0	0	0	0
Vehicle Replacements	0	0	0	0	0	-650,000
Capital Bids approved October 2020	-217,043	1,569,132	-471,473	146,988	0	0
Cost of Depot sale	-22,470	0	0	0	0	0
	2,319,300	1,381,283			677,822	
Remaining Balance	0	3	909,810	762,822	2	27,822
Specific Receipts for Specific Projects						
B/fwd Balance	228,663	228,663	0	0	0	0
Remaining Balance on Oversetts Project	0	-228,663	0	0	0	0
C/fwd Balance	228,663	0	0	0	0	0
Total Capital Receipts Reserve Balance	2,547,963	1,381,283	909,810	762,822	677,822	27,822

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

3.40 Planned vehicle replacements may need to be drawn from capital receipts in 2025/26 as there is currently a shortfall in funding. This is under review and the planned scheduled replacements are due to be reported to Environmental and Development Services Committee and this Committee later in 2021/22.

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.

CAPITAL EXPENDITURE 2021/22

APPENDIX 1

	Actual £	Budget £	Variance £
Disabled Facility Grants and other Works	136,570	553,352	416,782
Discretionary Top-up Grants for under 18's	0	100,000	100,000
Healthy Homes Project	30,746	129,872	99,126
Establishing a Hospital to Home Scheme	0	200,000	200,000
Dedicated Mental Health Worker	36,593	40,000	3,407
Additional Technical Officer	32,892	40,000	7,108
Relocation Grant	0	100,000	100,000
Dementia Friendly Homes Grant	0	20,000	20,000
Domestic Violence Crisis Prevention	50,000	50,000	0
Hospital Discharge Grant	20,335	30,000	9,665
Healthy Homes Assistance Fund	59,071	199,626	140,555
Pilot Schemes	58,797	200,000	141,203
Capital One-off Projects	0	150,000	150,000
Stay Active and Independent for Longer	8,275	60,000	51,725
Temporary Health and Housing Co-ordinator	0	45,000	45,000
Temporary Public Health Officer	37,337	45,000	7,663
Temporary Occupational Therapist	0	55,000	55,000
Property Flood Resilience Recovery Support Scheme	74,378	0	-74,378
Private Sector Housing	544,994	2,017,850	1,472,856
Community Partnership Scheme	135,842	400,695	264,853
Melbourne Sports Park - Drainage Works	296,238	419,801	123,563
Urban Park William Nadin Way	19,381	0	-19,381
CCTV Town Centre	1,500	13,000	11,500
Revitalising Rosliston Forestry Centre	65,693	50,000	-15,693
Oversetts Road Football Facility	0	1,188,159	1,188,159
SuDS Improvements	0	20,000	20,000
Paradise Garden	0	30,000	30,000
Miners Memorial Project	0	185,000	185,000
Improvements to Swadlincote Woodlands	0	30,000	30,000
Eureka Park Bowling Green Improvements	0	40,000	40,000
Improvements to Play Areas	6,035	160,000	153,965
Community Services	524,689	2,536,655	2,011,966
Fly Tipping & Surveillance	3,177	28,500	25,323
Environmental Services	3,177	28,500	25,323
Vehicle Replacements	134,989	730,661	595,672
Asset Replacement and Investment	0	190,000	190,000
Darklands Road, Sale of Depot	22,470	0	-22,470
Repairs to Village Halls and Community Facilities	0	6,700	6,700
IT Strategy	84,742	210,000	125,258
Repairs to Melbourne Assembly Rooms	125,434	50,000	-75,434
Purchase Of Chamber Building	68,481	80,000	11,519
Town Centre Regeneration	1,635	0	-1,635
Extension to Marston on Dove Cemetery	0	48,000	48,000
Midway Community Centre Extension	0	250,000	250,000
Public Buildings - Planned Maintenance Programme			0
Property, Plant and Equipment	437,750	1,565,361	1,127,611
GENERAL FUND CAPITAL	1,510,610	6,148,366	4,637,756
Acquisitions - Aston on Trent	495,648	487,905	-7,743
Acquisitions - Repton	498,548	490,000	-8,548
Acquisitions - Overseal	635,475	850,000	214,525
Acquisitions - Newhall	0	280,000	280,000
Major Improvements under Self-financing	2,569,012	2,635,000	65,988
Major Disabled Adaptations	142,980	300,000	157,020
HRA CAPITAL	4,341,663	5,042,905	701,242

APPENDIX 2

Project	Fund	BUDGET					Total
		2020.21	2021.22	2022.23	2023.24	2024.25	
Fly Tipping and Environmental Surveillance	Capital receipts	28,500	0	0	0	0	28,500
Carbon Reduction	Capital receipts	0	0	50,000			50,000
Town Centre Regeneration	Earmarked	0	255,665	0	0	0	300,000
	General Fund	0	44,335	0	0	0	
Purchase of Unit 1 George Holmes BP	Earmarked	80,000	0	0	0	0	80,000
Melbourne Assembly Rooms	Capital receipts	50,000	110,000	100,000	0	0	260,000
Oversetts Road Football Facility	Capital receipts	618,159	0	0	0	0	1,188,159
	S106	570,000	0	0	0	0	
SuDS Improvements	Capital receipts	20,000	0	46,988	0	0	120,000
	Capital grants	0	50,000	3,012	0	0	
Paradise Garden, Swadlincote Town Centre	Capital receipts	30,000	0	0	0	0	30,000
Revitalising Rosliston Forestry Centre	Capital receipts	50,000	235,237	321,473	100,000	0	832,000
	Earmarked	0	125,290	0	0	0	
CCTV in Swadlincote Town Centre	Capital receipts	10,000	0	0	0	0	13,000
	External cont	3,000	0	0	0	0	
Improvements to Play Areas	Capital receipts	160,000	10,000	0	0	0	280,000
	S106	0	110,000	0	0	0	
Extension to Marston on Dove Cemetery	Capital receipts	48,000	0	0	0	0	48,000
Miners Memorial Project, Eureka Park	Capital receipts	185,000	0	0	0	0	185,000
Urban Park at William Nadin Way	Capital receipts	0	391,560	0	0	0	860,000
	S106	0	468,440	0	0	0	
Improvements to Swadlincote Woodlands	Capital receipts	30,000	0	0	0	0	40,000
	Earmarked	0	10,000	0	0	0	
Eureka Park Bowling Green Improvements	Capital receipts	40,000	0	0	0	0	40,000
TOTAL APPROVED CAPITAL BID BUDGETS		1,922,659	1,810,527	521,473	100,000	0	4,354,659

APPENDIX 3

		Cultural Services	Affordable Housing	Property	SDDC Unspecified	Spend Deadline	
		£	£	£	£		
2013/0663	Aston					20/03/2024	Canal Trust in talks
2010/0320	Aston	20,706				N/A	Weston & Aston PC taking lead
2012/0568	Aston	539,550				28/02/2024	180k of this to Derby City - 87k is in discussion with Swarkestone / Elvaston Cricket Club
2014/0232	Aston	22,839				06/04/2024	Weston & Aston PC have project for RIA
2016/0583	Aston	15,733				20/02/2024	Derby City taking lead
2016/0870	Aston	15,052				26/06/2024	working with Weston & Aston Parish on spend
2016/0898	Aston	14,886				05/07/2023	working with Weston & Aston Parish on spend
2017/0416	Church Gresley	24,979					£12k towards play equipment at Maurice Lea Memorial Park, £7k towards Woodhouse Recreation Ground, £4k towards Greenbank Leisure Centre
2012/0743	Church Gresley	214,779	152,773	77,921		20/11/2022	£212k towards Urban Park Project, £77.9k Green Bank
2013/1040	Etwall	89,737				22/02/2022	To be spent on Etwall LC car park
2014/0562	Etwall			60,386		06/11/2024	Etwall Leisure Centre
2014/1136	Etwall			298,452		19/06/2025	Leisure Centre
2015/0354	Etwall	21,590				01/10/2023	King George V Playing Field - Etwall PC getting 3 quotes
2015/0768	Etwall	146,126	2,142,360			14/02/2023	£94k towards Newhouse Farm Community Centre £52k towards group exercise and swimming provision at Etwall LC
2017/0349	Etwall	75,648			370,682	28/09/2025	Potentially towards Etwall Leisure Centre
2017/1293	Hilton	1,132				04/10/2024	Hilton Parish looking to spend
2013/1044	Hilton	214,103				21/06/2023	Hilton PC taking lead - £55k towards Scout Hut
2014/0980	Hilton	23,562				28/02/2022	Hilton PC taking lead
2017/0948	Linton	91,670				04/12/2025	Towards Revitalising Rosliston Forestry Centre project
2015/0426	Linton	20,946				21/11/2024	Badgers Hollow Recreation Ground - towards provision and or improvement of youth facilities
2015/0723	Linton	71,655				14/08/2024	Towards enhancements to RFC visitor centre, RFC play equipment and sports pitches at Strawberry Lane
2014/1141	Melbourne	15,326				01/11/2028	Kings Newton Bowls Club

2016/0094	Midway	26,256				19/10/2025	Towards Eureka Park, Miner's memorial and Swadlincote Town Hall improvements
2011/0952	Newhall and Stanton	15,708				05/05/2022	included within the "Improvements to play areas" project
2014/0222	Newhall and Stanton	16,892				01/09/2017	included within the "Improvements to play areas" project - Newhall Park
2014/0888	Newhall and Stanton	570,000				15/03/2020	Oversetts Road Football Facility
2015/0396	Newhall and Stanton	13,815				04/09/2024	Towards Oversetts Recreation Ground
2017/0667	Newhall and Stanton	76,182	187,162	42,246		02/02/2026	Towards Urban Park project
2016/1118	Repton	17,277				02/03/2026	Repton Village Hall
2013/0643	Repton		497,916			22/12/2022	
2014/0431	Seales	6,200				30/06/2022	Towards Swadlincote Woodlands
2015/0029	Seales	12,904				21/03/2026	Changeroom at Overseal Rec
2017/0819	Seales	5,635				28/02/2023	Towards improving existing changing rooms at Overseal Recreation Ground
2011/0006	Swadlincote	38,430				08/11/2023	including within the "Improvements to play areas" project
2019/1183	Swadlincote				14,208		
2011/0329	Swadlincote	19,386				29/03/2024	including within the "Improvements to play areas" project
2013/0818	Swadlincote	59,505				20/03/2022	£8.5k towards Urban Park project
2014/0300	Swadlincote	25,858				22/10/2024	towards MUGA at Maurice Lea Memorial Park
2006/0885	Willington and Findern				100,000		Willington Brook Works
2011/0292	Willington and Findern	46,857				N/A	£25k towards Twyford Pavilion
2012/0586	Woodville	11,918				N/A	Towards the provision of Open Space
2012/0861	Woodville	22,134				N/A	Included within the "Improvements to play areas" project
2013/0364	Woodville	2,118				15/03/2022	Projects relating to Improvements to Swadlincote Woodlands
2015/0534	Woodville	31,692				03/01/2023	Woodville PC taking lead
2015/0561	Woodville	20,402				12/12/2024	£16.9k towards Main Street Rec, £3.5k towards Goseley Community Centre
2015/0563	Woodville	8,335				07/02/2024	In talks with Hartshorne PC
2015/0976	Woodville	7,316				29/11/2023	Woodville Parish looking to spend
2016/0329	Woodville	28,960				02/07/2025	Included within the "Improvements to play areas" project
2018/0377	Woodville	20,366				16/03/2026	
TOTAL AVAILABLE		2,744,165	2,980,212	479,006	484,890	6,688,272	

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE (SPECIAL)	AGENDA ITEM: 8
DATE OF MEETING:	22nd JULY 2021	CATEGORY: RECOMMENDED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	VICKI SUMMERFIELD victoria.summerfield@southderbyshire.gov.uk	DOC: s/finance/committee/2020-21/July/budget outturn report 2021
SUBJECT:	FINAL REVENUE BUDGET OUT-TURN 2020/21	REF:
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 08

1.0 Recommendations

1.1 To approve the final outturn position for:

- The General Fund Revenue Account 2020/21
- The Housing Revenue Account 2020/21
- The Collection Fund 2020/21
- The Balance of Reserves as at 31 March 2021.

1.2 That a net appropriation of £5,081,382 in 2020/21 is made from the General Fund Reserve to other Earmarked Reserves and a net appropriation of £150,000 is made from the HRA General Reserve to Earmarked Reserves as detailed in the report.

1.3 That the Committee note the following contributions and adjustments have been made to Bad Debt and Appeal Provisions in 2020/21:

Sundry Debtors	115,288	General Fund
Temporary Accommodation	8,902	General Fund
Housing Benefit Overpayments	53,374	General Fund
Council Tax Arrears	156,858	General Fund
Business Rates Arrears	234,102	General Fund
Business Rates Appeals	319,560	General Fund
Redundancy Provision	63,460	HRA
Redundancy Provision	3,000	General Fund
Planning Appeals	-15,000	General Fund
Housing Rent Arrears	64,501	HRA

2.0 Purpose of Report

2.1 To detail the final out-turn position for 2020/21 on the Council's revenue accounts. The report also details the financial position on these accounts as at 31 March 2021 compared to that estimated in the Council's Medium-Term Financial Plan (MTFP).

Details of the Collection Fund position, together with details of provisions and reserves is also provided.

2.2 This report is divided into the following sections:

- Section 3 – General Fund Revenue Account and Collection Fund 2020/21
- Section 4 – Housing Revenue Account 2020/21
- Section 5 – Reserves as at 31 March 2021
- Appendix 1 - General Fund Account 2020/21
- Appendix 2 –The Collection Fund 2020/21
- Appendix 3 – Earmarked reserves 2020/21

3.0 **GENERAL FUND REVENUE ACCOUNT**

3.1 Apart from Council Housing, day-to-day income and expenditure on Council services is accounted for in the General Fund. The net expenditure is financed by:

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

3.2 The Budget for 2020/21, which was approved in February 2020, estimated a budget surplus of £806,757 for 2020/21. Following the update of the Medium-term Financial Plan (MTFP) in March 2021, this was revised to a surplus of £477,778 as summarised in the following table:

	£
Base Budget	13,838,320
Reverse out Depreciation	-988,536
Minimum / Voluntary Revenue Provisions	320,738
Contingent Sums	593,797
Total Estimated Spend	13,764,319
Council Tax	-5,787,948
Business Rates	-4,191,978
New Homes Bonus	-4,262,171
Estimated Surplus	-477,778

Final Budget Outturn 2020/21 - Summary

3.3 **Appendix 1** details the final outturn on the General Fund for 2020/21 with a comparison to the approved budget.

3.4 The appendix shows that the General Fund achieved a surplus, after appropriations, of £587,863 for the year which is £110,085 greater than budgeted.

Overview of Income and Expenditure 2020/21

3.7 Although there was an overall surplus, this was after meeting some additional cost pressures. Variances have been reported in monitoring reports during the year, with

actual figures now finalised. An analysis of the major variances is shown in the following tables with commentary in the sections that follow.

GENERAL FUND VARIANCE TO BUDGET MARCH 2021

	£'000
Salary savings (vacancies, maternity etc.) - E&D	390
Salary savings (vacancies, maternity etc.) - F&M	29
Salary savings (vacancies, maternity etc.) - H&C	237
Total Employee	656
Derbyshire County Increased Contributions	204
Housing Benefit Overpayments	133
Extra Refuse Collections	82
Industrial Unit Rental Income	80
Waste Disposal and Collection Costs	77
Investment Income	69
Pension Charges Overbudgeted	69
Election and Canvas Savings	63
Increased Environmental Services Income	37
Members Allowance, Room Hire and Training	36
Fuel	33
Utilities	30
Rosliston Forestry Centre Laundry & Advertising	25
Release of Planning Appeals Provision	25
Grant income	25
Land Charges & Street Naming Income	23
Cemetery Fee Income	22
Insurance Claim Settlements	19
Printing and Stationary	16
Lower Grant payments than budgeted	14
Training	13
NNDR Charges	13
Professional Fees	12
Choice Based Lettings Income	12
HRA Recharges	11
Savings on Events	9
Other Variances (net)	12
Total Favourable Variances	1,821
Bad Debt Provision Increase	-13
Recruitment Costs	-15
Costs of Councillor Complaints	-21
Audit and Employee Investigations	-30
Vehicle Hire	-32
Animal Welfare Act Costs	-39
Vehicle Spare Parts	-51
Rosliston Forestry Centre Income	-69
Agency and Consultancy Costs	-795
Total Adverse Variances	-1,065
Other Operating Income & Adjustments	-168
GENERAL FUND SURPLUS	588

Variances

- 3.8 Salary savings in year relate to vacancies and maternity (£656k) but are more than offset by agency and consultancy to support service areas (£795k) as noted in the following table. Due to current vacancies, a saving in employee training has been realised (£13k) and recruitment costs (£15k) have been incurred for two vacant posts in year.

	Employee Saving £'000	Agency Cost £'000	Variance £'000	
Refuse and Transport	61	-223	-162	Vacancies plus sickness
Land Charges	61	-151	-90	Vacancies - Lichfield DC supporting
Recycling	-21	-45	-66	No posts budgeted - costs offset by income and contract saving
Planning	55	-108	-53	Long-term sickness
Environmental	65	-118	-53	Long-term sickness plus vacancy
Finance	-25	0	-25	Post unbudgeted - savings made on professional fees (£12k)
Business Change	3	-21	-18	Long-term sickness
Licensing	21	-32	-11	Maternity cover
Housing	2	0	2	Pension
Digital Services	7	0	7	Vacancy
Democratic	17	-8	9	Long-term sickness
Civic Offices	15	-6	9	Vacancies and sickness
ICT	14	-3	11	Vacancy
Events	11	0	11	Reduced hours
Senior Management	11	0	11	Budget at top scale point
Rosliston Forestry Centre	16	0	16	Casual staff savings
Legal	104	-80	24	Vacant posts
Property	25	0	25	Vacant post
Organisational Development	31	0	31	Vacant post
Revenues and Customer Services	35	0	35	Vacancy
Street Scene	148	0	148	Vacant posts
	656	-795	-139	

- 3.9 Investment income is greater than budget due to the large value of cash deposits held by the Council. Cash investments have been higher in year due to lower service and capital expenditure as reported. £4m is currently invested in a longer-term high interest account with an average return of 4%. The receipt in year has exceeded the total budget on the General Fund by £69k.
- 3.10 Grant income was received in year for the Neighbourhood Plan of £25k This was unbudgeted, and costs were incurred for the work in 2019/20. In addition, a review of live and potential Planning Appeals has resulted in a release in year of the provision (£25k) due to lower costs incurred in 2020/21 and expected to incur during 2021/22.
- 3.11 Contributions from Derbyshire County Council are higher than budget on waste disposal (£193k) due to higher levels of green waste and recycling throughout the Covid-19 pandemic. Additional income has also been received for the service charge paid to the Council for use of the Civic Offices (£11k).

- 3.12 Waste disposal costs have been lower than budgeted in year as the budget was based on a lower number of tonnes than actually occurred but also an increase on the price per tonne of 8%. No increase in the rate has been implemented resulting in a large saving in year. Additional collections of refuse have been undertaken and Trade Waste income losses have been topped up by the COVID-19 grant funding received.
- 3.13 Food Safety and Pollution Reduction income has been lower in year than previously and so these losses have been transferred against the COVID-19 grant income. Fee income generated through food safety certificates generally exceeds the budget year-on-year. Costs of £102k have been incurred for seizing animals under the Animal Welfare Act although it was determined that £46k of this cost was directly related to the pandemic. This resulted in an overall adverse variance for the General Fund of 39k.
- 3.14 A budget is always included for the potential requirement for a By-Election each year. No Election was required and therefore a saving of £24k has been made. Additional savings have been made on the annual canvas whilst a review is underway of £39k providing a total Election based saving of £63k.
- 3.15 Commercial lets are favourable in line with previous years but expected income losses through non-payment have been topped up by the COVID-19 grant income received. Lower void properties has resulted in a lower NNDR liability for the Council. There is a potential that the impact of the pandemic will result in more void units in 2021/22 and this is being kept under review.
- 3.16 Due to reduced use of the Public Buildings and Rosliston, utility savings of £30k and printing of £16k have been made in year. Insurance claims for damage to Public Buildings during flooding have also been settled. This income was unbudgeted.
- 3.17 Street Naming, Land Charges and Cemetery fee income seen lower income in year due to the pandemic. Losses have been offset against the COVID-19 grant income received. Income from Choice Based Lettings is higher due to an increase to the price charged per authority as approved in fees and charges but not updated in the Base Budget.
- 3.18 Due to the site closure over the pandemic, Rosliston Forestry Centre has seen savings on casual staff wages (noted in the table at 3.8), advertising, laundry costs and utilities. Although income levels were lower than budgeted, the savings made on other cost lines have offset this loss. Savings have also been seen due to event cancellations.
- 3.19 Additional Benefit Overpayment Income was received in year which has offset the slightly higher than budgeted Local Authority error percentages. Further detail is included at 3.34.
- 3.20 Pension deficit charges are included within the budget each year. Added years due to redundancies and transferal of staff into the pension fund from Northgate Public Services has also been budgeted but the Council has not incurred a cost as large as expected.
- 3.21 During the year fifteen vehicles required major repair works resulting in an additional cost of £51k on spare parts plus vehicle hire of £16k. An additional vehicle hire cost of £16k was also incurred due to Recycling which has previously been reported. Savings have been made on fuel due to lower costs per litre which partially offset the overspends.

- 3.22 Recharges from the General Fund to the HRA are updated as part of the year-end process. Areas of additional expenditure on Finance, Customer Services and support from Grounds Maintenance partially offset by savings in other services areas has resulted in a larger than budgeted recharge of £11k.
- 3.23 Member's allowances and budgeted expenses have been lower in year (£36k) due to the pandemic and reduced travel. Costs have been incurred however for complaints against Councillors (£21k) which have been offset against these savings.
- 3.24 Grant payments are budgeted for Parish Council's for maintenance of public conveniences. The Committee approved the transfer of these assets to the Parish but the budget for payment of the grant was not removed. This saving is a one-off in 2020/21.
- 3.25 External audit fees are higher (£6k) in year due to the additional works completed in relation to the 2019/20 audit and external support has been required for internal investigations which was not budgeted for (£24k)
- 3.26 Accounting adjustments are made as part of the year-end process and in line with Accounting Standards. The main adjustments are for growth which has been earmarked in line with approval from this Committee, earmarked capital contributions also approved by this Committee, Minimum Revenue and Voluntary Revenue provisions as reported within the MTFP plus the reversal of depreciation and revaluation adjustments.

Provision for Bad Debts

- 3.27 Under accounting regulations, the Council has to provide for debts that may become uncollectable, and which may need to be written-off. Provisions are based on a calculation that considers the risk of a debt becoming uncollectable.
- 3.28 The provisions made in 2020/21 and charged against the General Fund are shown in the following table.

General Fund Bad Debt Provisions	
Sundry Debtors	£38,625
Temporary Accommodation	£8,902
Housing Benefit Overpayments	£65,435
Total	<u>£112,962</u>

- 3.29 The total contribution of £112,962, as shown in the above table, was greater than that budgeted of £100,000.
- 3.30 Sundry Debt has increased in year due to the decision to not chase debt across the Council during the early stages of the pandemic. A softer recovery approach commenced in October 2020 and some headway has been made during the first quarter of 2021/22. This is being closely monitored.

Temporary Accommodation - Bed and Breakfast Charges

- 3.31 These charges arise where the Council has to incur costs under its duties to provide temporary accommodation for homeless people. The Council is entitled to recover the costs, but this is generally difficult as people concerned are unlikely to have the means to pay.
- 3.32 The Council is responsible for pursuing recovery of the amount owed and this is generally difficult.
- 3.33 In addition, the Council has an earmarked reserve, which relates to Government grants not fully utilised from previous years to fund initiatives to prevent the incidence of homelessness occurring. This is overseen by the Housing and Community Services Committee.

Housing Benefit Overpayments

- 3.34 These relate to overpayments whether they have occurred through processing error, claimant misinformation or fraud. The recovery is usually slow and may take several years where an overpayment is being deducted from on-going benefit. Depending on how the overpayment occurred, on average, around 40% is reimbursed through the housing benefit subsidy system in the year that the overpayment occurred.

Net Cost of Housing Benefit

- 3.35 The cost of Housing Benefits decreased overall by £110k as shown in the following table.

	Estimate £'000	Actual £'000	Variance £'000
Rent Allowances Paid	8,043	8,118	75
Rent Allowances Subsidy	-7,809	-7,785	23
Net Cost of Rent Allowances	234	333	99
Rent Rebates Paid	4,930	4,962	33
Rent Rebates Subsidy	-4,881	-4,889	-9
Net Cost of Rent Rebates	49	73	24
Net Cost of Benefits Paid	283	406	123
Overpayments Recovered (Rent Allowances)	-150	-406	-256
Overall Cost of Housing Benefit	133	-0	-133

- 3.36 The cost of benefits falling on the Council is sensitive to small changes given the amount involved. It is important that the Council maximises its subsidy through robust processing. The total cost of benefits paid and administered was approximately £13m in 2020/21.

- 3.37 The previous table shows that the net cost of benefits paid was approximately £133k less than that estimated. Overpayments recovered were budgeted at £150k against

an actual recovery of £406k. Any overpayments recovered are a direct benefit to the General Fund.

Retained Business Rates

3.38 An analysis of income retained directly in the General Fund is shown in the following table.

	£
Precept	11,089,480
Tariff paid to Derby City Council	-6,631,195
Pool Contribution 2020/21	-710,436
Pool Contribution 2019/20	-160,366
Deficit	-3,715,725
Business Rates Reliefs	3,693,325
Taxation Income Guarantee	215,469
Retained Business Rates	3,780,552
Reversal of Current Year Deficit	3,715,725
Declared Surplus	18,957
Earmark S31 Reliefs	-3,263,164
General Fund Receipt	4,252,070

3.39 Business rates generated a large deficit in 2020/21 which was covered by the Taxation Income Guarantee grant and Business Rates Reliefs. The deficit for the year totalled £9,289,313 and the Council's share of 40% is listed in the table above. Increases in Appeals and Bad Debt plus lower Business Rates chargeable due to Reliefs was the cause for the deficit; *this is detailed later in the report from paragraph 3.52.*

3.40 The estimated budget for Business Rates was £4,191,978 and due to the reversal of the Deficit in year, the Council has performed favourably.

3.41 In year, the Council received large sums of Section 31 relief from the Government for compensation in applying large reliefs to Businesses through out the pandemic. As part of the year-end process, £3,263,164 has been earmarked to cover the reversal of the Deficit seen in year in future years. Although the sum is lower than the Deficit, the Council has a surplus in reserve to rely on and this earmarked sum has been reviewed in detail.

Transfers between Reserves

3.40 Numerous transfers are required between the General Reserve and other Reserves held by the Council as part of the year-end process. These transfers are split between expenditure that is incurred and financed from earmarked reserves, together with amounts received in advance and capital receipts, which need to be transferred into earmarked reserves to meet future expenditure.

3.41 In addition, certain budget mangers have made requests to transfer underspends from budgets in the year into 2021/22, to meet on-going commitments. Several of these have already been approved by the Committee. All proposed transfers are detailed in the following table.

Transfers between General Reserve and Other Reserves 2020/21

Transfers from General Reserve to other Usable Reserves

£'000

NNDR Relief for Future Year Deficit	3,263
New Burdens COVID Support	349
Vehicle Replacement Fund	315
District Growth	222
Local Authority COVID Support Remainder	181
Biodiversity Woodville Regeneration Route	158
ICT Strategy Contribution	125
Council Tax Support Hardship Scheme Underspend	99
Flooding Community Recovery Fund	92
Homelessness Prevention	76
Cultural Service Restructure Provision - previously approved	69
S106 movement in year	50
Rosliston Capital Contribution	50
Public Buildings Planned Maintenance and Asset Renewal	38
Land Charges Software Support	35
Welfare Reform, Fraud and Compliance	35
TIC Provision for Town Centre Unit	30
Finance Staffing and Resource - to support Payroll transfer	20
Get Active in the Forest contribution	19
Youth Engagement Contribution	14
Health Partnership contribution	13
Safer Communities	11
Corporate Training	9
Environmental Education	8
Planning Policy S106 Fee - new reserve	5
Public Open Spaces Contribution	3
	5,288

Transfers from other Usable Reserves to the General Reserve

£'000

Planning Reserve Drawdown	-5
Commuted Sums Drawdown	-15
Pension Reserve Drawdown	-39
Economic Regeneration Drawdown	-68
Garden Village Drawdown	-78
	-205
	5,083

Accounting Adjustments between General and other Reserves

Transfer of pension deficit adjustments to Pension Reserve	-1,222
Accounting Adjustments transferred to Unusable Reserves	-5,855
Transfer of land sales to Capital Receipts and Deferred Capital Receipts Reserve	855
	-6,222
TOTAL ADJUSTMENTS	-1,140

- 3.42 **Appendix 3** details the proposed adjustments to Earmarked Reserves. The overall effect on the General Reserve following the surplus on the General Fund, together with these transfers to other Reserves is detailed in Section 5.

COVID-19 PANDEMIC

- 3.43 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.
- 3.44 The following table shows the grant income received, costs incurred during 2020/21, income losses and shows the proposed carry forward balance to support the Council in 2021/22.

	£
Tranche 1	-44,449
Tranche 2	-1,068,691
Tranche 3	-156,241
Tranche 4	-169,839
Total Funding	-1,439,220
Agency	234,166
Council Tax and Business Rates Court Fees	192,238
ICT, Software, Licences and Home Working	109,574
Rosliston Income Losses	96,129
Leisure Centre Income	95,903
Community Centre and Environmental Education Income	64,029
Licensing, Land Charges and Street Naming Income	62,906
Overtime	60,010
Recycling Costs	56,284
Kennelling Costs	46,490
Rental Income Losses	45,826
Activity Income Losses	41,133
Trade Waste Income Losses	38,289
PPE	33,207
Contribution to East Midlands Gateway	22,235
Discretionary Grant Awards	17,700
Cemetery Income	15,545
Vehicle Hire	14,827
Void Cleaning	4,500
Signage, Warning Tape and Printing	4,029
Temporary Accommodation Furniture	2,981
Total Known Impact	1,258,002
Remaining Funding	-181,218

- 3.45 The figures quoted above are all actual incurred. The balance of £181,218 has been earmarked awaiting feedback from the Government on the final return submitted.
- 3.46 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.

- 3.47 Income losses have now been adjusted and are a reflection of the income usually generated by the Council in a normal year.
- 3.48 Court fee income is normally in excess of £200k for Council tax and Business Rates but due to the closure of the courts it has been impossible to secure this level of income in year.
- 3.49 As noted earlier in the report, the Council has incurred large costs for kennelling and vet bills for animals seized under the Animal Welfare Act.
- 3.50 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.
- 3.51 Additional costs for recycling have been incurred in year due to the volume of waste being collected. Due to the Recycling contractor filing for liquidation, the Council has incurred additional costs through agency and staffing plus vehicle hire.
- 3.52 The Committee set aside £100k for discretionary grant funding of which only £17,700 has been utilised. The remaining balance is to be carried forward as part of the £181,218 remaining on the fund.

THE COLLECTION FUND

- 3.43 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 other Preceptors on the Fund, including this Council.
- 3.44 During the year, income from Council Tax and Business Rates was lower than estimated, mainly due to the pandemic. The final outturn on the Fund for 2020/21 is detailed in **Appendix 2**.

Council Tax collectable

- 3.45 Overall collection generated a surplus in the year of £107k. This maintained a cumulative fund balance of £2,616k as at 31 March 2021 – an reduction of £949k compared to that estimated. This was mainly due to an increase in the bad debt provision and less growth than forecast.
- 3.46 The amount due to South Derbyshire is approximately £270k (10.3% of £2,616k). This amount remains in the Collection Fund pending the 2021/22 budget round, when the surplus on the Fund has to be declared in setting the Council Tax for the following year. Depending on the on-going performance of Council Tax, at this point any surplus due to the General Fund will be included in the MTFP. At this stage, it is not expected that the Fund will fall into deficit given the current positive balance, but this will be kept under review.

Business Rates

- 3.47 As highlighted earlier in the report, this part of the Fund generated a large deficit in 2020/21 of £9,289k, compared to an estimated surplus of £1k. This was due to significant Business Rates reliefs (funded by the Government) resulting in lower

chargeable rates plus an increase in both Appeals and Bad Debt Provisions due to the pandemic.

Business Rates Appeals

- 3.48 Under accounting regulations, the Council must provide against a certain number of appeals being successful.
- 3.49 During 2020/21, an increase in businesses appealing against the latest 2017 Valuation list has been seen. Although the Government has legislated that appeals due to the pandemic will not be heard and these have therefore been removed, there has still been a substantial increase in other appeals.
- 3.50 The provision for appeals bought forward from 2019/20 was £1.74m. This was increased to £2.54m after a review of the movement of outstanding appeals on file. Although the Government are supporting losses, income from Business Rates remains a risk to the Council's overall financial position.

4.0 HOUSING REVENUE ACCOUNT (HRA)

- 4.1 The Council is required to account separately for income and expenditure in providing Council Housing. The approved HRA Budget for 2020/21 was set with a surplus of £171k.

Final Outturn 2020/21

- 4.3 Final performance on the HRA is shown in the following table.

HRA SURPLUS 2020/21			
Summary HRA 2020/21	BUDGET £000	ACTUAL £000	PROJECTED VARIANCE £000
Total Income	-12,618	-12,546	-72
Contribution to Capital & New Build	2,935	2,935	0
Responsive & Planned Maintenance	3,345	3,543	-198
Interest Payable and Receivable	1,713	1,378	335
Supervision & Management	1,780	1,754	26
Supported Housing & Careline Services	839	884	-45
Provision for Bad Debts	100	65	35
Provision for Debt Repayment	1,542	1,536	6
Asset Replacement Contribution	45	45	0
Contingent Sums	148	236	-88
Surplus	-171	-170	-1

- 4.4 The table shows that the HRA generated a surplus in line with that expected but there were some more significant variances within the overall variance figure of £1k as shown in the above table.
- 4.5 Interest on debt was lower due to the interest rate on the variable element of the debt portfolio (£10m) having been settled at 0.35% compared to that budgeted of 2.50%. Interest received from investments was also significantly higher than budgeted due to the Council having more funds on deposit than in previous years as noted earlier in the report.

Other Variances

- 4.6 The main favourable variances related to supervision and management and repairs and maintenance. There were savings made in year on vacancies (£400k) and training (£11k) but these were more than offset by agency costs (£471k) to support services.
- 4.7 Repairs and maintenance costs increased as the year progressed, and some headway has now been made on planned works and void dwellings. During 2019/20 this area had underspent due to a delay to the start of a new contractor. The pandemic initially delayed works at the beginning of the year but during the final quarter the pace of works has increased.
- 4.8 Capital expenditure in year was lower than budgeted. The contribution to capital from revenue resources is a statutory requirement through a depreciation charge. Depreciation charged to revenue is then reversed in reserves but can only be used to fund capital items. In year, the depreciation was lower than initially forecast due to a smaller movement than expected on revaluation of dwellings. An additional contribution of £700k has also been made to fund future capital projects.
- 4.9 Rental income was lower in year due to void properties. Right to Buy losses have been lower than budgeted in year which has aided the reduction in income. Right to Buy is a significant risk to the HRA and it is considered that the pandemic helped slow the losses, but these are likely to pick up as 2021/22 progresses. Void losses however should reduce as turnaround of dwellings improves.
- 4.10 As noted earlier in the report, the recharge from the General Fund to the HRA was higher by £11k in year.
- 4.11 The provision for bad debts is based on the level of rent arrears at each year-end. The level of arrears and associated bad debts provision is shown in the following tables.

	2019 £	2020 £	2021 £
Leaseholders	6,071	3,804	615
Current Tenants	300,512	435,928	459,228
Former Tenants	100,527	114,849	118,271
	407,110	554,581	578,114

- 4.12 The level of arrears has increased by £24k in the year. The bad debt provision required has increased from £369k to £423k, with an increase of £65k after write-offs (compared to an estimate of £100k) required as shown in the following table.

	£
Bad Debt Provision B/fwd	369,067
Less write-offs	-10,482
Remaining Provision	358,585
Provision Required	423,086
Top up	64,501

- 4.13 Universal credit is starting to show an impact on arrears which has been compounded by the pandemic and the Housing team are working with tenants and monitoring the arrears position closely.
- 4.14 Overall, the effect of the HRA surplus on the HRA's General Reserve is detailed in **Section 5**.

5.0 RESERVES

General Fund Reserve

- 5.1 Following the out-turn figures detailed in *Section 3*, the position on the General Fund Reserve Balance is summarised in the following table.

General Fund Reserve	Budget £'000	Actual £'000	Variance £'000
Balance b/fwd 1st April 2020	-12,605	-12,605	0
Add: Deficit / (Surplus) for the Year	-478	-588	-110
Add: Asset Replacement and Renewal Fund Contribution	540	540	0
Add: ICT and Digital Strategy Contribution	210	210	0
Add: Funding for Capital Projects	865	416	-449
Add: Accumulated Absences Adjustment	0	-26	-26
Transfer to Earmarked, Capital and Unusable Reserves	0	-1,140	-1,140
Closing Balance as at 31st March 2021	-11,468	-13,193	-1,725

- 5.2 The table shows that the level of general reserves was greater than estimated at March 2021 by around £1.7m, after allowing for the transfers in reserves of £1.1m as detailed in Section 3 of the report. This improved position is due to a better out turn as detailed in Section 3 plus a lower capital cost of £449k. The above balance is still subject to audit.
- 5.3 The contributions towards capital works that were unspent in year will be maintained in the Reserve. They will be drawn down as expenditure is incurred to complete the relevant schemes in 2021/22. The effect of the 2020/21 out-turn on the longer-term General Fund Balance, will be reported to the Committee at its meeting on 26 August 2021.

Earmarked Reserves

- 5.4 The Council maintains earmarked reserves that are held, at the Council's discretion, for specific purposes. These are to meet one-off items of expenditure, together with areas where costs are incurred over several years, for example, vehicle and ICT replacements together with repairs and maintenance and where external funding may be received in advance of expenditure.
- 5.5 Annual contributions are made to these reserves from other accounts and reserves, and they are drawn down to finance expenditure in revenue and capital accounts as required.
- 5.6 Once established, earmarked reserves can only be used for that specific purpose. Other reserves may be established through a legal agreement or contractual commitment.
- 5.7 The Council's earmarked reserves are detailed in **Appendix 3**. This shows the overall change on individual balances during 2020/21, including the appropriations detailed earlier in the report in Section 3.

Housing Revenue Account (HRA) Reserve

- 5.8 Section 4 detailed the final account of the HRA, and this highlighted a surplus for 2020/21 of £170k.

5.9 The HRA reserve balance totals £8.42m as at 31 March 2021 and is the balance expected in the MTFP.

5.10 The reserve balance is shown in the following table.

HRA General Reserve	Budget £'000	Actual £'000	Variance £'000
Balance b/fwd 1st April 2020	-8,260	-8,260	0
Add: Surplus for year	-171	-170	1
Closing Balance as at 31st March 2021	-8,431	-8,430	1

7.0 Financial Implications

7.1 As set out and detailed in the report.

8.0 Corporate Implications

8.1 As detailed in the report.

9.0 Community Implications

9.1 The production of financial information in a timely manner is an important part of stewardship and accountability for public resources. It aims to give electors, those subject to locally levied taxes and charges, Elected Members of the Council, employees and other interested parties clearer information about the Council's finances and its financial standing.

10.0 Background Papers

10.1 None

GENERAL FUND OUTTURN 2020/21

APPENDIX 1


Cost Centre	Actual £	Budget £	Accounting Adjustments £	(Surplus) / Deficit £	Comment
Emergency Planning	15,505	16,000	0	-495	
Local Land Charges	70,091	-3,196	0	73,287	Favourable salaries £61k, fees £17k; adverse agency £151k
Grounds Maintenance	524,711	658,899	-4,113	-138,301	Favourable salaries £119k, HRA recharge £14k, training £5k
Countryside Recreation & Management	14,478	14,404	0	73	
Tourism Policy, Marketing & Development	59,014	66,071	7,057	0	Earmarked
Food Safety	111,447	85,926	0	25,521	Favourable salaries £59k, fees £26k, prof fees £7k; adverse agency £118k
Pollution Reduction	318,097	320,971	-274	-3,149	Favourable training £3k, fees £11k; adverse prof fees £8k, subs £3k
Pest Control	12,700	18,255	0	-5,555	Favourable salaries
Public Health	989	200	0	789	Adverse County contribution
Licensing	6,055	4,379	0	1,676	Favourable salaries £21k, training £4k, prof fees £5k; adverse agency £32k
Public Conveniences	58,372	56,245	-16,061	-13,934	Favourable grants £12k, utilities £2k
Community Safety (Safety Services)	201,039	175,289	0	25,750	Favourable materials £13k; adverse Animal Welfare Act £39k
Street Cleansing (not chargeable to highways)	375,687	390,641	-36,531	-51,485	Favourable salaries £29k, training £4k, materials £12k, recharge £3k, prof fees £3k
Household Waste Collection	1,845,442	1,596,007	-140,144	109,291	Favourable salaries £37k, extra collections £38k, County income £44k, TPP £37k; adverse agency £223k, vehicle hire £16k, materials £22k, insurance £4k
Trade Waste Collection	-173,553	-101,171	0	-72,382	Favourable waste collection £42k, fees £44k; adverse materials £6k, TPP £8k
Recycling	344,210	418,435	0	-74,225	Favourable County income £150k, TPP £6k; adverse salaries £21k, agency £45k, vehicle hire £16k
Operational Services Central Admin	203,231	212,166	0	-8,936	Favourable salaries £7k, subs £2k
Building Regulations	35,200	35,200	0	0	

Planning Delivery	325,785	254,915	-45,999	24,872	Favourable salaries £55k, appeals £25k, training £9k; adverse fees £6k, agency £108k
Planning Policy	235,773	301,605	40,960	-24,871	Favourable grant income
Street Naming and Numbering	7,303	13,207	0	-5,904	Favourable fees
Environmental Education	78,905	86,423	7,518	-0	Earmarked
Promotion and Marketing of the Area	243,446	267,613	23,236	-931	
Community Development	8,720	10,000	0	-1,280	Favourable grant payments
Environmental Maintenance (Other Roads)	-7,308	-1,281	0	-6,027	Favourable gully cleansing
Off-Street Parking	127,238	98,667	-35,364	-6,794	Favourable utilities
Welfare Services	4,570	1,800	0	2,770	Adverse welfare funeral costs
Public Transport	16,988	28,999	0	-12,011	Favourable bus shelter cleaning
Transport Services	612,461	602,775	-2,344	7,342	Favourable salaries £17k, fuel £33k, HRA recharge £5k; adverse insurance £11k, spare parts £51k
Environmental and Development Services Total	5,676,594	5,629,445	-202,060	-154,911	

General Grants, Bequests & Donations	299,278	300,594	0	-1,316	Favourable grant payments
Melbourne Leisure Centre	42,841	2,463	-40,238	140	
Arts Development & Support	14,160	15,290	0	-1,130	Favourable prof fees
Events Management	101,870	124,106	0	-22,236	Favourable salaries £11k, NNDR £2k, events £9k
Midway Community Centre	48,167	12,316	-39,989	-4,138	Favourable utilities
Stenson Fields Community Centre	360	14,746	0	-14,387	Favourable NNDR £7k, fees £7k
Community Centres	202,157	263,719	60,536	-1,026	Favourable fees
Get Active in the Forest	10,015	28,779	18,763	-0	Earmarked
Sports Development & Community Recreation	178,742	165,004	-13,738	-0	Earmarked
Indoor Sports & Recreation Facilities	611,621	436,657	-175,186	-222	
Outdoor Sports & Recreation Facilities (SSP)	-9,670	2,938	12,609	0	Earmarked
Playschemes	-8,026	19,949	27,976	0	Earmarked
Allotments	-953	-1,212	0	259	
Village Halls	0	4	0	-4	

Rosliston Forestry Centre	185,955	214,623	23,668	-4,999	Favourable salaries £16k, insurance £9k, utilities £17k, laundry £15k, materials & R&M £50k (earmarked), adv £9k, bank chgs £4k, prof fees £4k; adverse fees £69k
Cemeteries	-4,211	17,797	-126	-22,134	Favourable fees
Closed Churchyards	3,353	6,230	0	-2,877	Favourable repairs
Housing Standards	91,609	82,978	0	8,632	Favourable fees £3k; adverse salaries £4k, prof fees £8k
Community Safety (Crime Reduction)	116,703	128,443	11,740	0	Earmarked
Defences Against Flooding	57,667	51,987	0	5,679	Adverse grounds fees £1k, HRA recharge £4k
Market Undertakings	1,520	589	0	932	Adverse subscriptions
Housing Strategy	95,610	95,803	0	-193	
Administration of Renovation & Improvement Grants	44,532	50,813	0	-6,280	Favourable salaries
Bed / Breakfast Accomodation	4,356	6,500	2,144	0	
Pre-tenancy Services	115,719	189,924	74,206	0	
Other Housing Support Costs (GF)	13,245	25,487	0	-12,241	Favourable fees (higher charge than budgeted)
Community Parks & Open Spaces	317,432	281,132	-36,300	-0	
Housing and Community Services Total	2,534,053	2,537,659	-73,934	-77,541	

Democratic Representation & Management	92,923	83,003	0	9,921	Favourable salaries £17k, training £1k, subs £3k, comp main £2k; adverse agency £8k, Cllr complaints £21k, HRA recharge £4k
Corporate Management	63,674	63,905	0	-230	
Corporate Finance Management	38,550	37,114	0	1,436	Favourable HRA recharge £3k; adverse audit fees £4k
Funded Pension Schemes	209,663	278,341	0	-68,678	Overbudgeted added years charges
Planning Agreements	-137,918	0	137,919	1	
Increase/Decrease in Provision for Bad or Doubtful Debts (GF)	112,962	100,000	0	12,962	Benefits £65k, sundry £39k, B&B £9k
Council Tax Collection	85,495	100,110	0	-14,615	Favourable salaries £7k, training £3k, court costs £4k
Non Domestic Rates Collection	-87,885	-84,500	0	-3,385	Favourable court costs
Elected Members	306,484	316,031	0	-9,547	Favourable Cllr allowances, expenses & training £26k, prof fees £10k; adverse HRA recharges £26k

Registration of Electors	19,687	58,729	0	-39,043	Annual canvas under review - saving expected
Conducting Elections	139,956	163,773	0	-23,817	No election during 20/21
Parish Councils	417,375	417,441	0	-67	
COVID-19 Emergency Fund	-280,311	0	280,311	-0	Earmarked
Business Change	96,674	100,361	0	-3,687	Favourable salaries £3k, comp maintenance £7k, HRA recharge £22k; adverse agency £21k, training £7k
Digital Services	125,591	149,219	0	-23,627	Favourable salaries £7k, printing £16k, comp maintenance £4k; adverse training £3k, recruitment £8k
Concessionary Fares	-9,791	0	9,791	0	Earmarked
Rent Allowances Paid	-63,276	94,266	0	-157,542	 Detail included within report
Rent Rebates	72,850	48,809	0	24,041	
Revenues & Benefits Support & Management	282,368	282,368	0	-0	
Housing Benefits Administration	75,344	143,925	30,544	-38,037	Favourable salaries £28k, training £8k, periodicals £2k
Corporate Fraud	61,740	44,500	-17,240	0	Earmarked
Caretaking	116,844	122,100	0	-5,256	Favourable salaries £11k, County recharge £11k; adverse agency £6k, HRA recharge £11k
Senior Management	437,567	427,426	0	10,140	Favourable salaries £11k; adverse HRA recharge £21k
Financial Services	384,405	433,607	20,000	-29,202	Favourable training £14k(earmarked), prof fees £12k (less £6k earmarked), HRA recharge £48k; adverse salaries £25k
Internal Audit	108,667	108,340	0	328	Favourable HRA recharge £2k; adverse inflation £2k
Merchant Banking Services	58,718	69,942	0	-11,223	Favourable bank charges £4k, HRA recharge £7k
ICT Support	699,863	635,281	-54,524	10,057	Favourable salaries £14k, prof fees £7k; adverse training £5k, agency £3k, HRA recharge £23k
Legal Services	216,698	250,898	35,000	800	Favourable salaries £139k (less £35k earmarked), training £3k, fees £4k; adverse agency £80k, recruitment £7k, HRA recharge £25k

Performance and Policy	35,646	37,841	0	-2,195	Favourable HRA recharge £3k; adverse salaries £1k
Personnel/HR	350,394	358,598	8,550	346	Favourable salaries £25k, corp training £9k (earmarked), HRA recharge £13k; adverse medical fees £10k, audit & investigation costs £24k, comp maintenance £4k
Communications	86,725	96,989	0	-10,264	Favourable salaries £2k, training £1k, HRA recharge £23k; adverse agency £16k
Customer Services	493,743	505,542	11,799	-0	Earmarked
Health & Safety	40,661	50,531	0	-9,870	Favourable salaries £5k, HRA recharge £1k, tools £3k, training £1k
Admin Offices & Depot	764,700	524,260	-192,355	48,085	Favourable salaries £4k, insurance claim £13k, NNDR £6k, utilities £2k; adverse recycling bins £4k, comp maintenance £2k, vehicle hire £3k, HRA recharge £32k
Estate Management	-304,743	-254,409	-71,087	-121,422	Favourable salaries £25k, repairs £10k, income £80k, insurance claim £6k, HRA recharge £2k; adverse NNDR £2k
Protective Clothing	26,358	23,250	0	3,108	HRA recharge
Procurement	11,911	17,033	0	-5,123	HRA recharge
Interest & Investment Income (GF)	-245,224	-177,738	0	-67,487	Investment income
IAS19 Pensions Adjustment (GF)	1,221,721	0	-1,221,721	-0	
External Interest Payable (GF)	29	700	0	-671	
Finance and Management Total	6,126,837	5,627,588	-1,023,014	-523,765	

Taxation & non specific grant income (GF)	-15,066,280	-14,242,097	-102,915	-927,098	NNDR, Ctax and NHB
Contingent Sums (GF)	0	-74,001	-351,685	-277,685	Savings on Refuse - trf to 21/22
Other Operating Income & Expenditure (GF)	517,859	43,627	373,793	848,025	Parish Precept
Other Reserve Adjustments	0	0	525,112	525,112	Capital contributions to Earmarked
Other Operating Income and Expenditure Total	-14,548,422	-14,272,470	444,305	168,354	

GENERAL FUND SURPLUS 2020/21

-210,938 -477,778 -854,703 -587,863

Collection Fund Account 2020/21

	Actual 2019/20 £'000	Estimate 2020/21 £'000	Actual 2020/21 £'000	Variance 2020/21 £'000
COUNCIL TAX - INCOME & EXPENDITURE				
Council Tax collectable	62,162	65,270	65,215	-55
County Council Precept	-44,054	-46,517	-46,517	0
Police and Crime Commissioner Precept	-7,213	-7,812	-7,812	0
Fire and Rescue Authority Precept	-2,538	-2,680	-2,680	0
SDDC Precept	-5,405	-5,704	-5,704	0
SDDC Parish Precepts	-798	-848	-848	0
Bad Debt Provision Movement	337	-653	-1,547	-894
Surplus for the year	2,491	1,056	107	-949

COUNCIL TAX BALANCE				
Opening balance as at 1st April	1,819	3,310	3,310	0
Surplus paid to County Council	-734	-587	-587	0
Surplus paid to Police and Crime Commissioner	-111	-96	-96	0
Surplus paid to Fire and Rescue Authority	-45	-34	-34	0
Surplus paid to SDDC	-110	-83	-83	0
Surplus for the year (as detailed above)	2,491	1,056	107	-949
Closing balance as at 31st March	3,310	3,566	2,617	-949

BUSINESS RATES - INCOME & EXPENDITURE				
NNDR collectable	27,253	27,756	19,572	-8,184
Central Government Precept	-13,398	-13,862	-13,862	0
SDDC Precept	-10,718	-11,089	-11,089	0
County Council Precept	-2,412	-2,495	-2,495	0
Fire and Rescue Authority Precept	-268	-277	-277	0
Cost of Collection	-91	-92	-91	1
Transitional Protection Payments	635	456	341	-115
Bad Debt Provision Movement	-183	-311	-589	-278
Provision for Appeals	241	-85	-799	-714
Surplus / Deficit (-) for the year	1,059	1	-9,289	-9,290

BUSINESS RATES BALANCE				
Opening balance as at 1st April	-377	1,155	1,155	0
Deficit paid by Central Government	-286	36	36	0
Surplus paid to County Council	460	-40	-40	0
Surplus paid to Fire and Rescue Authority	5	0	0	0
Surplus paid to SDDC	294	-19	-20	-1
Deficit for the year (as detailed above)	1,059	1	-9,289	-9,290
Closing balance as at 31st March	1,155	1,133	-8,158	-9,291

List of Earmarked Reserves 2020/21

	Balance b/fwd April 2020 £	Movement 2020/21 £	Balance c/fwd March 2021 £
Specific Grants/Earmarked Reserves			
Homelessness Prevention	267,794	76,350	344,144
Schools Sport Partnership Project	255,949	12,609	268,558
Rosliston Forestry Centre - Capital Works	125,290	50,154	175,444
Rosliston Forestry Centre - Café Reserve	40,573	0	40,573
IT Reserve (incl HRA)	635,927	230,258	866,185
Local Plan - Consultation and Implementation	145,233	40,690	185,923
Operational Services Public Open Space	146,906	7,834	154,740
Vehicle, Plant and Replacement Fund (incl HRA)	352,085	790,011	1,142,096
Environmental Education	16,414	7,518	23,932
Dilapidation Works - Factory Site as per Lease Agreement	10,869	-1,635	9,234
New Town Centre Project Fund	43,717	0	43,717
Land Charges Software Support	0	35,000	35,000
Planning - Staffing and Support Costs	138,775	-45,999	92,776
Planning - 20% Fee Increase	90,598	0	90,598
Software upgrades to GIS/LLPG	9,000	0	9,000
Biodiversity Enhancements - Swadlincote Woodville regeneration route	0	157,638	157,638
Flooding - Community Recovery Fund	0	91,500	91,500
Cultural Services Restructure Provision	0	69,101	69,101
New Burdens - COVID-19 Support	0	349,300	349,300
Local Authority Support COVID-19	0	181,218	181,218
NNDR Relief Overpayment Provision	0	3,263,164	3,263,164
Council Tax Support Scheme - Hardship Fund	0	99,093	99,093
Pensions Reserve	130,288	-38,794	91,494
Corporate Training	63,035	8,550	71,585
Welfare Reform, Fraud & Compliance	291,867	34,894	326,761
District Growth	1,121,759	-208,405	913,354
Business Change and Transformation	52,000	0	52,000
Garden Village Fund	77,854	-77,854	0
S106 Planning Policy Fee	0	5,000	5,000
EU Exit Funding	52,452	0	52,452
Economic Regeneration Fund	1,000,000	-68,481	931,519
Building Control Transition	13,709	0	13,709
Public Buildings Maintenance	251,463	-52,351	199,112
Asset Replacement and Renewal Fund	194,316	90,000	284,316
Cultural Services Public Open Space	412,775	-5,306	407,469
Parks Improvement Fund	16,071	0	16,071
Finance Staffing and Resource Costs	30,000	20,000	50,000
District Conservation Works	10,000	0	10,000
Swadlincote Woodlands - S106	39,949	0	39,949
Tourist Information Centre Premises Provision	0	30,293	30,293
South Derbyshire Partnership Reserve	4,617	0	4,617
Community Safety and Crime Reduction	362,460	11,105	373,565
Young People's Cultural Partnership / Arts Development	7,306	0	7,306
Public Open Space - Commuted Sums	486,695	-15,000	471,695
Youth Engagement Partnership	584,029	14,238	598,267
Get Active in the Forest Partnership	73,423	18,763	92,186
Maurice Lea Park NHLF Grant	23,012	0	23,012
Tetron Point Storm Water Basin - S106 UK Coal	53,012	0	53,012
Total	7,631,221	5,180,456	12,811,677
Section 106 - Earmarked Funds	10,319,539	50,205	10,369,744

TOTAL EARMARKED/SPECIFIC RESERVES

17,950,760	5,230,661	23,181,421
-------------------	------------------	-------------------

REPORT TO:	FINANCE and MANAGEMENT COMMITTEE (SPECIAL)	AGENDA ITEM: 9
DATE OF MEETING:	22nd JULY 2021	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (01283 595811) Kevin.stackhouse@southderbyshire.gov.uk	DOC: h/KS/covid19/committee reports/coronavirus committee update June 2021
SUBJECT:	CORONAVIRUS (COVID-19) FINANCIAL IMPACT UPDATE	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 08

1.0 Recommendations

- 1.1 That the financial impact of Covid-19 and deployment of Government Funding as detailed in the report is approved.

2.0 Purpose of the Report

- 2.1 To provide an update on how Government funding has assisted local businesses and residents affected by the Covid-19 pandemic.

3.0 Detail

- 3.1 Details of financial measures implemented by the Government to support local businesses and residents, were reported to the Committee in July and November 2020. In addition, quarterly budget reports during 2020 and 2021 have provided updates on additional income and expenditure incurred by the Council in response to Covid-19.
- 3.2 Immediately following the national lockdown back in March 2020, several funding streams were allocated to local authorities to support businesses and local residents. Other funding was also made available during the various lockdowns and restriction measures put in place.

Effect in South Derbyshire

- 3.3 In total, Rate Relief of £10 million, together with cash grants of over £28 million, were distributed to local businesses between April 2020 and July 2021.
- 3.4 In addition, £683,000 has been paid out to low-income households to reduce their Council Tax liability and to support those individuals who lost earnings due to having to self-isolate as instructed by the NHS.
- 3.5 A summary is provided in the following table.

Funding Stream	Funding Provided	Purpose
Small Business Rate Retail	£2.9 million	Relief credited to 1,074 small businesses.
Extended Retail and Hospitality Sector Discount	£7.2 million	Discounts credited to 457 businesses in the District who paid no Business Rates in 2020/21 in addition to the small businesses above.
Local Restrictions Support Grant (Lockdown 1)	£15.1 million	Cash grants ranging from £2,500 to £25,000 paid to 1,323 rated businesses for the period March to July 2020.
Closed for Business Scheme	£10.1 million	Distributed to 551 closed rated businesses. The grants ranged from £230 up to £18,000 and have supported businesses that were required to close across the hospitality, leisure, non-essential retail and close personal services sectors during the various lockdowns. The grants have included payments to support closures, as well as payments to support the reopening of businesses as the restrictions have lifted nationwide.
Discretionary Closed for Business Scheme	£1.6 million	The Council also supported closed businesses that were not rated through a separate discretionary scheme. This included hairdressers and beauticians who rent space in a salon, or businesses in shared spaces. Grants ranged from £230 up to £6,000 and supported 131 small businesses.
Open for Business Scheme	£1.3 million	Businesses that were not required to close but were severely affected by closures elsewhere in the economy, were supported through this scheme. This included businesses in the supply chain for closed businesses, such as drinks manufacturers and cake producers, as well as a range of operators supporting events, weddings, as well as those affected by social distancing measures. Grants ranged from £230 up to £6,000 and supported 315 businesses.
Business Rescue Fund	£150,000	Home and mobile based businesses that were able to claim SEISS or furlough, but who still struggled to cover ongoing businesses costs due to the pandemic, were also supported through this discretionary scheme. Grants of £3,000 were distributed to 50 businesses.
Wet Led Pubs	£58,000	In December 2020, the Council distributed a one-off payment of £1,000 to 58 pubs across the District who could not open as they did not serve food. This

		was intended to compensate for lost revenue over the Christmas period.
Hardship Fund for Local Residents	£606,000 (Maximum Allocation)	During 2020/21, £507,000 was paid out to support 2,900 households on low incomes and claiming Council Tax Support. Up to £300 was credited to these households and as a consequence, many of these households did not have to pay any Council Tax in 2020/21. This Committee have previously approved that the balance of the funding (£99,000) is carried forward to 2021/22 as part of the Council's discretionary Council Tax Discount Scheme to continue to support households on low income.
Test and Trace Support Payments	£268,500 (Maximum Allocation)	To-date, £175,500 has been paid to 351 individuals who lost earnings, having been forced to self-isolate by the NHS, and were unable to work from home. Each person received a one-off payment of £500.

Other Funding Made Available

- 3.6 In addition to the financial support provided to local businesses and residents, the Council also received funding to implement and enforce Government restrictions in the District.

Covid Compliance and Enforcement Grant

- 3.7 In October 2020, the Council received an allocation of £52,000 aimed at enforcing social distancing measures, the provision of guidance and advice, together with the appointment of marshals to educate, but where necessary, enforce compliance with Government measures.
- 3.8 To-date, approximately 50% of the funding has been utilised, mainly to employ Covid marshals. The original brief for the marshals was to engage, explain and encourage best practice with businesses and shoppers in central Swadlincote.
- 3.9 Their role was subsequently expanded to provide compliance audits in local businesses, with over 500 audits completed. The Marshals have also patrolled local parks and open spaces, together with supporting compliance at polling stations and Committee meetings.
- 3.10 The current Contract, with an external agency who supply the marshals, is due to expire in September 2021, although this is being reviewed in accordance with additional funding being made available, which would enable the service to be extended until March 2022.

Covid Test and Trace/Outbreak Support

- 3.11 The Council received £50,000 from Derbyshire County Council to support local businesses to implement test and trace measures. Consequently, this has been paying for a temporary Business Compliance Officer to be employed until March 2022.

- 3.12 The Officer has also been involved in supporting agencies to implement interventions which limit local outbreaks of the Virus.

Reopening High Streets Safely and Welcome Back Fund

- 3.13 The Council has received a grant allocation of up to £191,000 to support the safe reopening of high streets and other local shopping areas as Covid restrictions are eased. However, the main aim of the funding is to regenerate local economies by supporting initiatives to attract visitors to town centres and public realm areas.
- 3.14 The funding is available to draw down until March 2022 and the Council has recently submitted proposals to the Government with its plans to spend the grant. This includes:
- A marketing campaign aimed at Swadlincote and Melbourne Town Centres.
 - To stage an Arts Trail in the period up to and including Christmas 2021.
 - To commission regular events and support local organisers and performers.
 - To improve the appearance of access ways into the Towns.
 - To support businesses to diversify.

Contain Outbreak Management Fund

- 3.15 The Council has also been awarded funding of £126,500 to support public health activities directly related to Covid-19 activities. This funding is available until March 2022, and it is proposed to utilise the funding as follows:
- To extend the use of Covid Marshals until March 2022.
 - To provide additional resources for food inspections due to a backlog which has built up as Officers have focused on Covid investigations.
 - To employ an additional Community Safety Enforcement Officer to focus on witness and suspect interviews and to support nuisance and licensing investigations
 - To appoint a temporary Licensing Officer to deal with the backlog of inspections and increased volume of applications.

New Burdens Funding

- 3.16 In addition, the Government also paid local authorities "*new burdens funding*" towards administration of the various funding streams detailed above. The Council has received £355,300 in total and this was allocated in accordance with the "*relative needs formula*", which is used to distribute resources to local authorities in the annual Local Government Settlement and is one-off funding.
- 3.17 As detailed in the Budget Out-turn 2020/21, which is subject to a separate report elsewhere on the Agenda, only £6,000 has been directly charged against this funding with the remainder being carried forward to 2021/22. Generally, additional costs

associated with administration, such as overtime and software changes, has been charged against the general Covid funding, as detailed below.

- 3.18 Although not guaranteed, it is unlikely that the Government will clawback any unspent funding; under their New Burdens Doctrine, it is at the discretion of each local authority how the funding is deployed, assuming of course that the Government's schemes are delivered.

General Funding for Covid-19

- 3.19 As previously reported, the Council has received grant funding of approximately **£1.4 million** as part of a national funding package.
- 3.20 Although the Government indicated that it expected this funding to be directed to dealing with additional costs of social care and homelessness, it is not ring-fenced and is intended to help councils address pressures on their services relating to Covid-19, depending on local circumstances, at the Council's discretion.

Utilising the Funding

- 3.21 At its meeting in July, the Council agreed to set-aside £1/2 million of the funding as a contingency to cover additional costs and loss of service income,
- 3.22 In addition, a further £100,000 was set-aside to support small institutions, businesses and other local community-based organisations who were not eligible for other funding as detailed earlier in the report.
- 3.23 Allocation of this funding was delegated to the Chairman of this Committee, in consultation with the Chief Executive, guided by the Section 151 (Chief Finance) Officer
- 3.24 To be awarded funding, an organisation should clearly demonstrate that they had suffered a loss of income or incurred additional expenditure, directly related to Covid-19 and that the contribution would support the local community or protect the local economy.
- 3.25 To-date, four organisations have received grants totalling £17,700 from the £100,000 sum, as follows:
- ✓ Dame Catherine Harpur's School in Ticknall, which provides a key service to local families and children with special educational needs (£10,000).
 - ✓ The Parkside Community Café in Newhall (£5,000).
 - ✓ Melbourne Carnival and Fete (£700).
 - ✓ South Derbyshire Music Trust (£2,000).

The Council's Services

- 3.26 Additional expenditure and loss of income, directly related to Covid-19, is detailed in the Budget Out-turn for 2020/21 This highlights that actual and committed expenditure as at 31 March 2021, totalled £1.2m. The remaining amount of approximately £200,000 is being carried forward to 2021/22.

- 3.27 It is not clear whether the Government will clawback any unspent money, although they are asking all authorities to account for how the funding is being utilised on a monthly basis.

Leisure Management

- 3.28 In addition, the Council's Leisure Management Contractor (Active Nation) has received an allocation of £1/4 million from the National Leisure Recovery Fund. The application was supported by the Council.
- 3.29 This funding is in addition to that directly provided by the Council, of approximately £80,000 for 2021/22.

5.0 Financial Implications

- 5.1 As detailed in the report.
- 5.2 All funding received has been subject to regular monitoring by the Government through various returns.
- 5.3 The process for distributing the various Business Grants was subject to an Internal Audit review, which was reported to the Audit Sub Committee in March 2021. The process attracted a substantial assurance rating from the Audit, with only one recommendation which was duly implemented.
- 5.4 This process included robust fraud checks to ensure that grants were distributed to eligible businesses in accordance with Government guidelines.

6.0 Corporate Implications

Employment Implications

- 6.1 None

Legal Implications

- 6.2 None

Corporate Plan Implications

- 6.3 None directly, although maintaining the financial sustainability of the Council, its residents, and the local economy, will enable the Corporate Plan (2020 to 2024) to be delivered in the long-term.

Risk Impact

- 6.4 Conversely, if the financial position of the Council is adversely affected in the long-term, this could affect the Council's ability to deliver some elements of its Corporate Plan. The position continues to be kept under review.

7.0 Community Impact

Consultation

7.1 None required.

Equality and Diversity Impact

7.2 None

Social Value Impact

7.3 None

Environmental Sustainability

7.4 No direct implications

8.0 Background Papers

8.1 None

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE (SPECIAL)	AGENDA ITEM: 10
DATE OF MEETING:	22nd JULY 2021	CATEGORY: DELEGATED
REPORT FROM:	CHIEF EXECUTIVE	CATEGORY:
MEMBERS' CONTACT POINT:	FRANK MCARDLE (01283 595702) frank.mcardle@southderbyshire.gov.uk	DOC:
SUBJECT:	CHIEF EXECUTIVE'S DIRECTORATE SERVICE PLAN 2021-22	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: G

1.0 Recommendations

- 1.1 To note the clarification provided.

2.0 Purpose of the Report

- 2.1 To clarify a query raised by Members at a previous meeting of this Committee regarding the Chief Executive's Directorate Service Plan 2021-22.

3.0 Detail

- 3.1 The Service Plan for the Chief Executive's Directorate contains a portfolio of local economic and labour market indicators (eg unemployment rate) that are monitored but that the Council does not have control over so does not set targets for. This has now been clarified in the Service Plan using the same format as found in other Directorates' Service Plans. A copy of the amended Service Plan is attached as Appendix A (with amends shown in red on pages 13/14). It should be noted that longer term targets have been set for a selection of key economic indicators elsewhere in the Corporate Plan monitoring (eg. no. jobs, growth in employment floorspace).
- 3.2 The Service Plan also includes a number of service outputs (eg no. business events) which will be monitored but given the unknown restrictions of social distancing it has not been possible to set targets for 2021-22.

4.0 Financial and Corporate Implications

- 4.1 All implications are detailed in the Service Plan.

5.0 Community Implications

- 5.1 All implications are detailed in the Service Plan.

Appendices

- A. Chief Executive's Directorate – Service Plan 2021-22



Contents

Introduction	3
Key aims	4
Service structure	6
Service operations	8
Functions of the Monitoring Officer	10
Economic Development and Growth	11
Legal and Democratic Services	15
Workforce	20
Budgets	21
Partnerships	22

All information presented in this plan was correct at the time of publication.

Introduction

The Corporate Plan

The Corporate Plan 2020-2024 sets out the values and vision for South Derbyshire District Council and outlines its priorities for delivering services.

The three key priorities are:

- Our environment
- Our people
- Our future.

The Plan sets out how the Council can make South Derbyshire a great place to live, visit and invest.

The Corporate Plan focuses on the issues that are important to residents, on national priorities set by the Government and on the opportunities and challenges resulting from the changing social, economic, health and environmental aspects of South Derbyshire.

It links the Council's strategic priorities and objectives directly to the activities of each service area through annual service plans that are subject to ongoing monitoring in line with the Council's performance management framework.

The Council is divided into three directorates: Chief Executive's, Corporate Resources and Service Delivery and each produces its own annual service plan.

This plan, covers the financial year 2021/22 and demonstrates how services will be delivered, making the most effective use of available and future resources.

Our values

The Council's values show the behaviour that is expected from every employee in everything it does, including how the Council works with others.

Our values are:

Together we will:

- **Take pride in our place**
We will promote responsible behaviour and are committed to creating a more sustainable District.
- **Have respect for everyone**
We will listen, be honest and act with integrity at all times.
- **Achieve excellence in all we do**
We will take pride in our District, always striving for continuous improvement.

The importance of service planning

While Council budgets are constrained, there are ever-increasing pressures and demands to do more with fewer resources, particularly during the response and recovery phases of the COVID-19 pandemic.

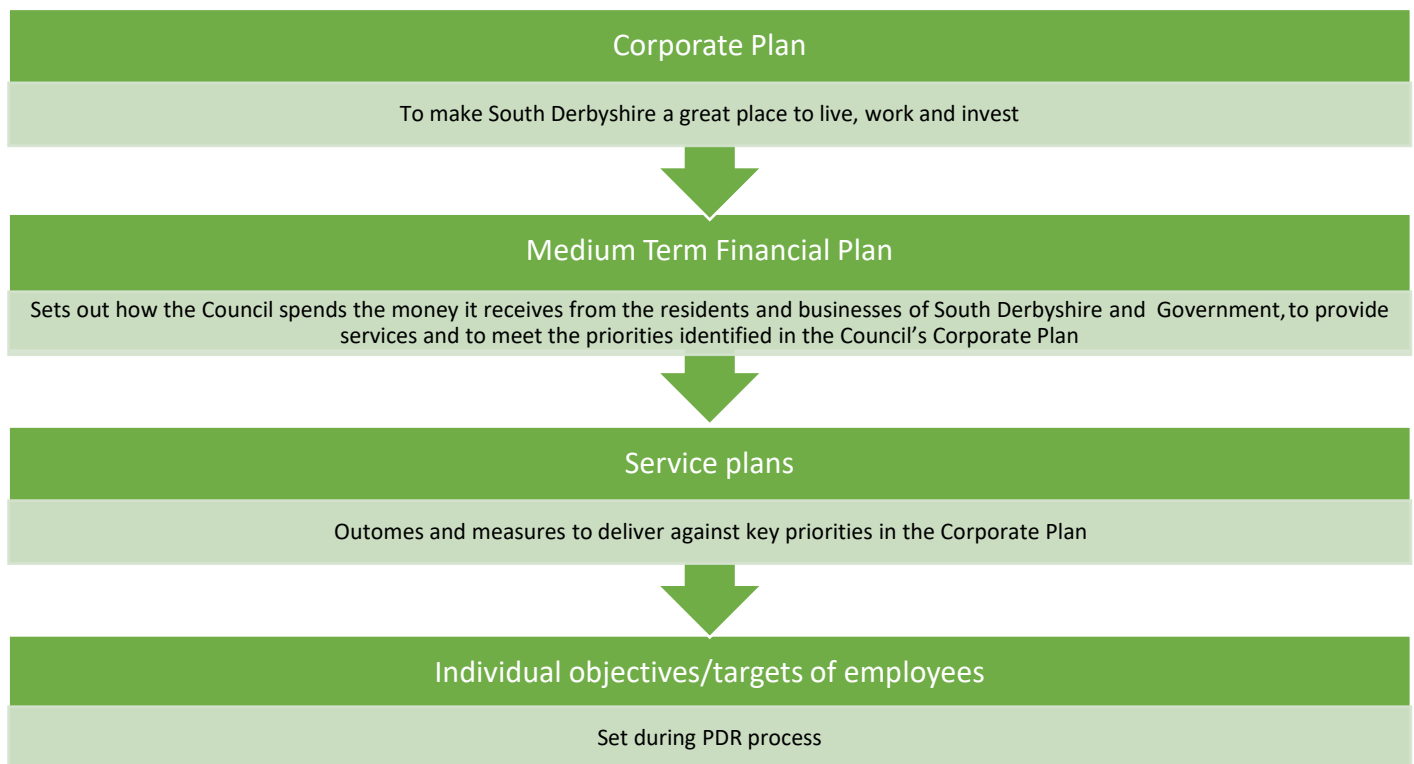
It is essential that services are well planned, with the capability to evolve to meet the needs of residents, local businesses and other stakeholders.

This allows the Council to identify requirements and resources required including technology, workforce, funding, capital infrastructure and information management.

Performance Management Framework

The Performance Management Framework enables the Council to monitor the progress it is making towards the achievement of its Corporate Plan.

The framework consists of four levels.



The Council's performance is reported on a quarterly basis and is available on the Council's website: www.southderbyshire.gov.uk/performance.

Managing risks

The Council's Risk Management Framework sets out a consistent and robust framework for managing corporate risks. From this, service risk registers are managed, monitored and reviewed on a regular basis to provide operational governance and control around the delivery of services.

Council resources are organised to deliver value for money services for residents, community groups, local businesses and stakeholders. The Council identifies and manages risks that might affect service delivery through regularly reviewing performance and taking action where required.

Monitoring and review

This plan will be monitored on a quarterly basis as part of the Council's Performance Management Framework to monitor service delivery, identify any risks and put in place any actions to develop and improve services.

Key aims

All priorities and activities carried out by the Service Delivery directorate complement the Corporate vision 'to make South Derbyshire a great place to live, visit and invest.'

Through the Service Plan, all corporate action plans and performance measures for the Directorate contribute to the corporate themes of:

Our Environment - Keeping a clean, green District for future generations

Our People - Working with communities and meeting the future needs of the District

Our Future - Growing our District and our skills base

The strategic aims for the directorate are outlined in each service area.

Equality, diversity and inclusion

The Council is committed to the principles of equality, diversity and inclusion in employment and the delivery of services and is keen to celebrate the diversity of people who live and work in South Derbyshire.

The Council's Equality, Diversity and Inclusion Strategy and Action Plan for 2021-2025 sets out commitments to equality for the next four years and outlines how the Council will ensure that all its services and employment opportunities are provided with fairness and accessible to everyone.

Following an extensive programme of consultation five key objectives have been identified for the next four years. They are to:

- Encourage and enable a skilled and diverse workforce, to build a culture of equality, diversity, and inclusion in everything we do.
- Demonstrate inclusive leadership, partnership, and a clear organisational commitment to being a leader in equality, diversity, and inclusion in the District.
- Involve and enable diverse communities to play an active role in society and put the residents' voice at the heart of decision-making.
- Deliver responsive services and customer care that is accessible and inclusive to individuals' needs and respects cultural differences.
- Understand the District's diverse communities and embed that understanding in how policy and practice are shaped across the Council.

The following actions are cross-cutting and all service areas will contribute towards:

- Continue to carry out an employee risk assessment should an employee's circumstances change in relation to any of the protected characteristics and put in place reasonable adjustments where necessary.
- Carry out an equality impact assessment when considering new or changes to existing policy, service or processes in terms of how it might impact on different groups of people.
- Develop the Council's website to signpost people to services that are delivered in partnership with other organisations.

Each service area has actions that relate to the key objectives in the Equality, Diversity and Inclusion Strategy and Action Plan. The Council will report annually on its performance and outcomes that have been achieved against each of the five objectives outlined above and communicate this to elected members, residents, community, voluntary and faith-based group groups, and partners.

COVID-19 response

2020/21 saw unprecedented challenges faced by South Derbyshire District Council and Local Government as a result of the COVID-19 pandemic.

Each service area contributed to the response and the recovery phase of the pandemic. Some of the key actions taken are listed below:

- Redeploying staff so that refuse and recycling collections in South Derbyshire were carried out rather than suspended
- Supporting elderly and vulnerable residents through the Careline and supported living services
- Supporting Council tenants and leaseholders by delivering essential repairs, maintenance, and improvements to their homes and properties
- Carrying out necessary adaptations to facilitate discharge from hospitals and to enable residents to continue living in their own homes
- Providing premises and volunteers to support the most vulnerable residents through making and delivering food parcels in partnership with volunteer organisations
- Providing premises and staff to support the rollout of the COVID-19 testing and vaccination programme
- Rolling out technology to allow agile working including allowing Council and Committee meetings to be held and allow the press and public to attend the meetings
- Continuing to support local businesses by administering and delivering more than £15 million in COVID-19 grants
- Making Test and Trace payments totalling £101,500 to people on low incomes who had to self-isolate
- Reducing residents' council tax by up to £300 per household via the Hardship Fund in appropriate cases to the sum of £503,729. This supported working age residents who claimed Council Tax Support in 2020/2021
- Expanding the environmental protection inspections to cover COVID-19 restrictions and providing advice and support for local businesses
- Providing staff and residents with the latest information on lockdown and social distancing requirements
- Providing appropriate support to schools to enable key worker parents to continue to operate.

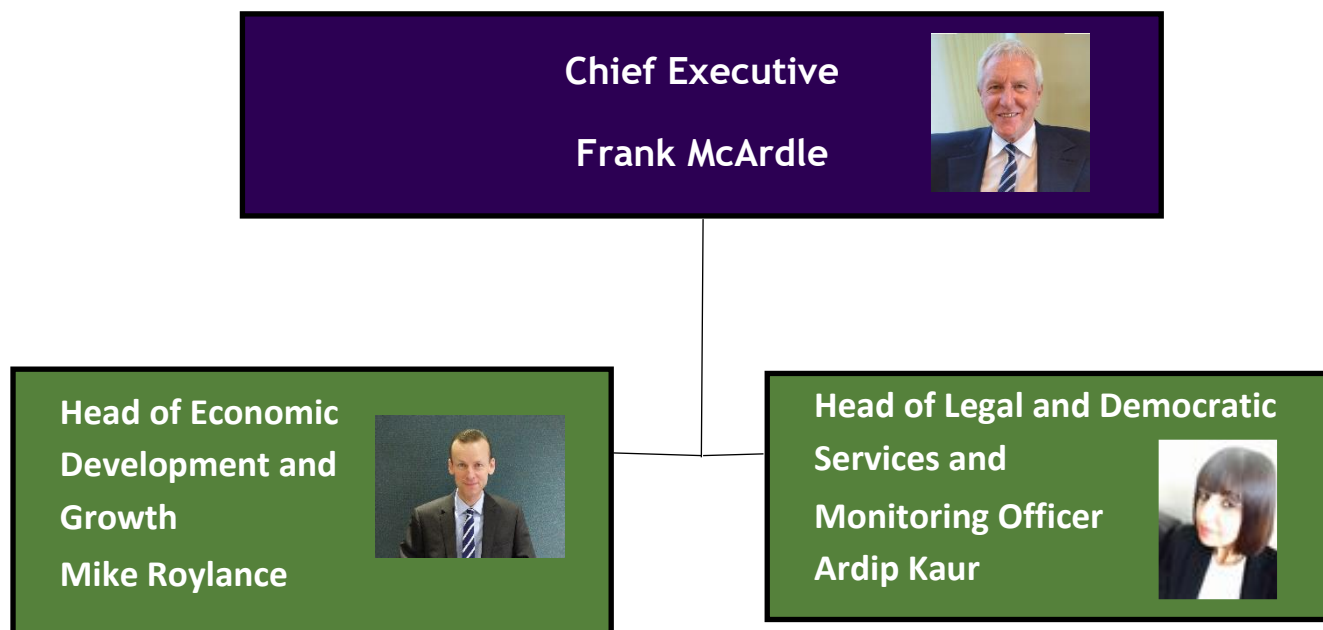
In 2021/22, the Council will continue to work on a recovery plan as and when lockdown measures are lifted.

The impact of the pandemic and other challenges to the national and local economy will mean that resources will be restricted. The Council will have to prioritise and focus actions and resources on the things that are most important for the people of South Derbyshire.

The Council will continue to respond to the pandemic, drawing on lessons learned for the future.

Service structure

The structure of the Chief Executive's Directorate is shown below:



Service operations

The Chief Executive's directorate plays a key role in meeting the Council's objectives.

The directorate is made up of seven service areas:

- Legal Services
- Democratic Services
- Elections
- Licensing
- Economic Development and Growth
- Land Charges
- Visitor information for South Derbyshire

The Directorate focuses on the core functions of Legal and Democratic Services, critical to the legal, democratic and compliant delivery of all services; Economic Development and Tourist Information, which is vital to the sustained stability and growth of the District and the quality of life for those who visit, live and work within it; Elections and Licensing, which governs, co-ordinate and monitors everything from Parish, District, County, Parliamentary, European elections and referendums to licenses for public houses and events to pet shops and scrap yards.

The directorate provides these services to internal and external customers, including Elected Members, officers, the electorate, businesses, partners, central Government, all levels of local Government and the general public. In addition, it provides information for residents and visitors to South Derbyshire and the National Forest, including:

- things to do
- places to stay
- food and drink
- tracks and trails
- shopping
- towns and villages
- waterways and reservoirs
- what's on

Functions of the Monitoring Officer

The Head of Legal and Democratic Services is also appointed to carry out the statutory role of Monitoring Officer in accordance with the Local Government and Housing Act 1989 and Local Government Act 2000.

The Monitoring Officer's responsibilities include:

- Maintaining the Council's Constitution
- Receiving and determining Elected Member Code of Conduct complaints
- Investigating the conduct of District and Parish Councillors following complaints
Ensuring lawfulness and fair decision-making and specifically, ensuring the Council, its officers and Elected Members maintain the highest standards of conduct at all times
- Maintaining the registers of Disclosable Pecuniary Interests for Elected Members
- Proper officer for access to information
- Corporate governance

Economic Development and Growth

The Economic Development and Growth service is responsible for:

- Workforce development support for businesses - working with businesses to meet their workforce needs, raising skills levels and productivity
- Social mobility - equipping people with the skills and resources to realise their potential, promoting entrepreneurship and matching their aspirations with knowledge of the local economy
- Employability - addressing employability barriers, such as work-readiness, and the accessibility of work and training
- Accessibility - seeking improvements to access and connectivity, both transport links, sustainable transport modes and services, digital services
- Business support - providing business support, advice and signposting including to financial, exporting, innovation and other assistance (including the South Derbyshire Business Advice Service)
- Inward investment - attracting new inward investment, plus reinvestment by existing businesses, including by promoting the District and vacant land and property, and supporting investors (including Invest in Derbyshire)
- Visitor information - promoting the attractions of South Derbyshire and the National Forest to both residents and potential visitors
- Visitor destination - supporting the development of the visitor offer of South Derbyshire and marketing the area as a destination to potential visitors, working with Marketing Peak District and Derbyshire and the National Forest
- Town centre vitality - attracting shoppers and visitors to the town centres and supporting the activities of event and market organisers (including Swadlincote Market)

Key aims

The Economic Development and Growth service leads on the implementation of the Economic Development Strategy for South Derbyshire 2016-2020. The strategy's aims are:

Business: business support, access to finance and innovation

- To attract new inward investment, plus reinvestment by existing businesses
- To provide business support, advice and signposting (including financial, exporting, innovation and other assistance)
- To promote the development of the area's key sectors, such as manufacturing and tourism.

Skills: recruitment, employment and skills

- To work with businesses to meet their workforce needs, raising skill levels and productivity
- To address employability barriers, such as work-readiness, and the accessibility of work and training
- To equip people with the skills and resources to realise their potential, promoting entrepreneurship and matching their aspirations with knowledge of the local economy.

Infrastructure: infrastructure for economic growth

- To provide a range of sites and premises and pursue associated infrastructure improvements
- To seek improvements to access and connectivity - both transport links, sustainable travel modes and services, and digital services
- To support vibrant town centres as commercial, community and service centres.

The Economic Development and Growth service has a key role in contributing to the achievement of a number of the aims in the Corporate Plan 2020-24, in particular:

- Enhance the appeal of Swadlincote town centre as a place to visit
- Support social mobility to ensure people have the opportunity to access skilled jobs, higher and further education
- Attract and retain skilled jobs in the District
- Support unemployed residents back into work
- Encourage and support business development and new investment in the District.

Economic Development and Growth performance

The service measures below support the delivery of the Corporate Plan 2020-2024.

Our Environment					
Keeping a clean, green District for future generations					
Key Aim	Outcome	Service Measure	20-21 Target	20-21 Outturn	21-22 Target
E3. Enhance the attractiveness of South Derbyshire	E3.1 Enhance the appeal of Swadlincote town centre as a place to visit	Percentage of ground floor commercial units that are vacant	8% (2019)	7% (9% National average) (2020)	No target**
		Footfall: Average number of people per 10 minutes between 10am-1pm in the busiest footfall location for a Market Day and a Non-Market Day	174 Market Day; 121 Non-Market Day (2019)	136 (110) Market Day; 117 (105) Non-Market Day (National average) (2020)	No target**
		Total number of market stalls	N/A	1,609	No target**
Our People					
Working with communities and meeting the future needs of the District					
Key Aim	Outcome	Service Measure	20-21 Target	20-21 Outturn	21-22 Target
P2. Supporting and safeguarding the most vulnerable.	P2.4 Support social mobility to ensure people have the opportunity to access skilled jobs, higher and further education.	Educational attainment performance - Average Attainment 8 Score	N/A	43.6 (44.6 Eng) (2017)	No target**
		Percentage of youth unemployment (16-24yrs)	2.2%; Eng 3.3% (Feb 2020)	5.4%; Eng 7.3% (Feb 2021)	No target**
		Percentage of the working age population qualified to Level 4 and above	34.7%; 39.3% GB (2018)	38.4%; 40.3% GB (2019)	No target**
		Number of pupils undertaking ‘purposeful and impact measured’ employer interventions by year group in secondary schools (D2N2 EAN)	N/A	Not available	No target**
Our Future					
Growing out District and our skill base					
Key Aim	Outcome	Service Measure	20-21 Target	20-21 Outturn	21-22 Target
F1. Develop skills and careers	F1.1 Attract and retain skilled jobs in the District.	Percentage Economically Active in employment (16-64)	92.2%; 78.9% GB (Sept 2019)	83.5%; 79.0% GB (Sept 2020)	No target**
		Percentage Employment by Occupation: Soc 2010 Major Group 1-3 (Professional, managers and technical) Soc 2010 Major Group 4-5 (Administration, skilled and trade) Soc 2010 Major Group 8 (Process plant and machine ops)	46.6% (47.4% GB); 28.5% (19.9% GB); 7.9% (6.2% GB) (2019)	50.7% (49.2% GB); 18.7% (19.5% GB); 12.2% (5.6% GB) (2020)	No target**
	F1.2 Support unemployed	Percentage unemployed (Claimant Count)	1.7%; 3.0% GB (Feb 2020)	4.0%; 6.5% GB (Feb 2021)	No target**

	residents back into work.				
F2. Support economic growth and infrastructure	F2.1 Encourage and support business development and new investment in the District.	Number of businesses in the District	3,715 enterprises (2019)	3,775 enterprises (2020)	No target**
		Number of businesses/entrepreneurs engaged in workshops/events	70 (2019/20)	Impacted by COVID-19	Impacted by COVID-19*
		Number of visitor enquiries	N/A	Impacted by COVID-19	Impacted by COVID-19*
		Number of SDBAS 1-2-1 advice sessions with pre-start/start-up/existing businesses	272 (2019/20)	342 (2020/21)	Impacted by COVID-19*
		Number of SDBAS new business starts	19 (2019/20)	16 (2020/21)	Impacted by COVID-19*

* The timescales for the lifting of social distancing restrictions and thus ability to deliver activities is not known.

** There are no targets for these measures because the authority does not have the ability to control the outcome but works to achieve a positive direction of travel.

Economic Development and Growth equality diversity and inclusion actions 2021-2025

Economic Development and Growth is responsible for supporting and delivering the following action from the Plan:

- Promote employment and training opportunities including volunteering for school leavers, the unemployed and those furthest from employment or self-employment, through attendance at careers events, job fairs and other events held in the District.

Legal and Democratic Services

Legal Services

Work is carried out to support a broad range of Council functions.

Contentious work:

- Civil litigation
- Criminal litigation
- Enforcement
- Tribunals and inquiries.

Non-contentious work:

- Conveyancing
- Contracts
- Miscellaneous agreements.

Legal advice:

- Governance
- Probity
- Compliance
- Powers and duties
- Statutory powers
- Procedure and decisions
- Civil and criminal litigation.

Democratic Services

Democratic Services is responsible for the management and administration of the Council's committee process, delivering an effective and impartial decision-making mechanism for the Council.

The structure consists of:

- Three policy committees (Finance and Management Committee, Housing and Community Services Committee and Environmental and Development Services Committee)
- Two regulatory committees (Planning and Licensing and Appeals)
- Overview and Scrutiny Committee
- Standards Committee
- Audit Sub-Committee.

There is also responsibility for the following:

- Preparation and despatch of reports, agendas and minutes for the Council and committees, sub-committees, working panels and other meetings
- Arrangement and clerking of all Council and committee meetings, including the preparation of the annual cycle of meetings
- The provision of advice to ensure compliance with the Council's constitution, the law and procedure of meetings
- Administering the Elected Member Allowances Scheme

- Ensuring access to information of agendas and minutes on the Council's website

Elections

Areas of responsibility include the following:

- Maintain and update the Register of Electors
- Administer Parish, District, County, Parliamentary, European elections and referendums
- Carrying out a canvass of the District and compiling, publishing and maintaining a Register of Electors published on 1 December each year
- Promoting voter registration
- Registering special category electors
- Processing and determining applications for absent voters
- Ensure compliance with elections law.

Licensing

The Licensing section is responsible for the administration, compliance and enforcement of the following areas of legislation:

- Licensing Act 2003
- Gambling Act 2005
- Private hire licensing
- Pet shops
- Animal boarding establishments
- Dog breeding
- Zoos
- Dangerous wild animals
- Riding establishments
- Street trading
- Sex establishments
- Tattooists, electrolysis, acupuncture, semi-permanent skin colouring, piercing
- Scrap metal dealers
- House to house and street collections.

Land Charges

Land Charges deals with all enquiries and requests for property and land searches, both commercial and residential. The service provides both a statutory function and direct service within a commercial market either directly or through a partner organisation.

Local land charges include:

- Conditions imposed in a planning decision
- Conservation areas
- Enforcement notices
- Tree preservation orders
- Financial charges, for example for work carried out in default
- Notices served under Acts relating to buildings, waterworks, highways, housing, and planning.

Legal and Democratic Services Performance

The below Service Measures support the delivery of the Corporate Plan 2020-2024.

Our Future					
Growing our District and our skills base					
Key Aim	Outcome	Service Measure	20-21 Target	20-21 Outturn	21-22 Target
F2. Support economic growth and infrastructure	F2.1 Encourage and support business development and new investment in the District.	Increase the number of initiatives year on year - in 2019, 4 initiatives were held.	6 initiatives were planned with various agencies and partners.	0 initiatives were completed as all were cancelled due to Covid 19	6 initiatives
		Increase the number of inspections carried out year on year - in 2019, 130 inspections were carried out. Inspections include reactive and proactive inspections.	>130	154 inspections completed despite COVID-19	>154

Legal and Democratic Services equality diversity and inclusion actions 2021-2025

In addition to the Council-wide equality, diversity and inclusion actions, Legal and Democratic Services is responsible for supporting and delivering the following action:

- Review the involvement of diverse communities within the district with guidance on how they may be involved in the democratic processes of the Council.

Council-wide service measures

The tackling climate change actions in the 2021/22 service plans reflect the Staff Travel Plan actions which were approved by the Council in January 2020.

Our Environment					
Keeping a clean, green District for future generations					
Key Aim	Outcome	Service Measure	20-21 Target	20-21 Outturn	21-22 Target
E2. Tackle climate change	E2.1 Strive to make South Derbyshire District Council carbon neutral by 2030.	Continued reduction in the 'grey' miles travelled in delivering the service compared to 2018/19 baseline.	7% reduction on grey miles 2018/19	Q3 2020/21 "grey" miles show a 60% reduction in mileage - this could be largely impacted due to COVID-19.**	Total 12% reduction from 2018/19 to 2021/22
		Measure and compare grey miles travelled by all relevant staff in the service for comparison against baseline mileage.	N/A	Complete	Not c/f for 2021/22
		Develop with relevant staff, appropriate actions to reduce grey mileage over the next 3 years.	Impacted by COVID-19	Impacted by COVID-19	Not c/f for 2021/22 but will be incorporated into reshaping the Councils services.
		>30% of staff in the service to be either working flexibly or travelling to work sustainably by 2021.	>30%	36%* of staff are working flexibly between home and the office. Whilst 20% envisage working from home full time after COVID	To be confirmed following review of Q4 data.
		Develop an action plan to enable as many staff members as possible to work flexibly or travel to work sustainably.	Impacted by COVID-19	Impacted by COVID-19	Not c/f for 2021/22 but will be incorporated into reshaping the Councils services.
		Reduction in the quantity of fleet diesel used compared to 2018/19 baseline.	5% reduction on 2018/19 data	4.19%	3.8% reduction in the quantity of fleet diesel used compared to 2018/19 baseline.***
		Measure and compare fleet diesel consumption by all relevant vehicles and staff in the service to baseline mileage.	N/A	Complete	Not c/f for 2021/22
		Develop an action plan to reduce diesel mileage over the next 3 years.	N/A	Complete	Action Plan will be managed through the Transformation Project

		Monthly Environmental Performance Report to be completed by each service (including environment data required for carbon reporting for relevant service areas)		New measure for 2021-22.	
--	--	--	--	--------------------------	--

* At the time of publishing the outturn data for quarter four 2020-2021 was not available. Therefore, quarter three data has been provided (April 20 - December 2020.)

**The current trajectory for Q4 2020/21 “grey” miles is to be estimated to be around 38% reduction compared to 2018/19

***2020/21 missed target by 0.81% = Therefore adding this to 3% additional target this year = 3.8% reduction to achieve the total 10% reduction goal by 22/23 in the Staff travel plan

The impacts of COVID-19 from March 2020 has changed where and how the Council works and how our staff commute to, and travel for work.

The scale of this impact means the current Staff Travel Plan actions do not adequately reflect the changes in travel behaviours. The contents of the Staff Travel Plan will be revised following further staff consultations and the outcomes of reshaping the Council services following the COVID-19 pandemic.

Workforce

In terms of workforce development, an annual training and development plan is produced after Performance Development Reviews are held. Some homeworking opportunities are provided, and flexible working is considered crucial to motivate, retain and engage high-performing staff.

As of 1 April 2021, 17 staff are employed in the Chief Executive's Directorate.

A breakdown is shown in the following table:

Chief Executive	1
Economic Development and Growth	5
Legal and Democratic Services	11

Budgets

Revenue budget 2021/22

The directorate's budget for 2021/22 is outlined in the following table:

Service	Budget (£)
Economic Development and Growth	345,228
Legal and Democratic Services	924,267
Total	1,269,495

Capital budget 2021/22

The directorate's capital budget for 2021/21 is outlined in the following table:

Service	Budget (£)
Economic Development and Growth	0
Legal and Democratic Services	0
Total	0

Partnerships

The directorate's significant partnerships are outlined below:

Partnership	Main purpose
Derbyshire Constabulary	Joint working for promotion of licensing objectives
Derbyshire Trading Standards	Joint working for promotion of licensing objectives
Derbyshire Licensing Group	Support, advice and guidance and sharing of best practice
South Derbyshire Partnership	Partnership of public, private and voluntary/ community sector organisations focusing on the themes of: <ul style="list-style-type: none"> • Children and young people; • Healthier communities; • Stronger communities; • Sustainable development; and, • Safer communities
National Forest Company	Joint working with the Company that leads the creation of the National Forest as a new forested landscape and visitor destination
Derbyshire Economic Partnership	County-wide partnership to promote economic development
D2N2 Local Enterprise Partnership	Derby, Derbyshire, Nottingham and Nottinghamshire partnership to promote economic development
Working in partnership with Litchfield District Council	Land charges

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE (SPECIAL)	AGENDA ITEM: 11
DATE OF MEETING:	22nd JULY 2021	CATEGORY: DELEGATED
REPORT FROM:	CHIEF EXECUTIVE	CATEGORY:
MEMBERS' CONTACT POINT:	FRANK MCARDLE (01283 595702) frank.mcardle@southderbyshire.gov.uk	DOC:
SUBJECT:	SOCIAL MOBILITY UPDATE	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM

1.0 Recommendations

- 1.1 To note the update provided.

2.0 Purpose of the Report

- 2.1 To respond to a query raised by the Chair of this Committee at a previous meeting of this Committee regarding Social Mobility.

3.0 Detail

- 3.1 The Council's Corporate Plan sets out the aim to 'Support Social Mobility to ensure people have the opportunity to access skilled jobs, higher and further education' (P2.4).
- 3.2 Progress on this aim has been affected by the pandemic. The Chair of this Committee requested a Note updating Members on the current position, including the plan to develop a Social Mobility Action Plan. A copy of the Note is attached as Appendix A.

Appendices

- A. Note on Social Mobility

Appendix A

Note on Social Mobility 26 June 2021

Definitions of Social Mobility vary, the Social Mobility Commission states that, 'Social Mobility is about ensuring that everyone has the opportunity to build a good life for themselves regardless of their family background. In a Socially Mobile society, every individual has a fair chance of reaching their potential ... But Britain's Social Mobility problem is not just one of income or class background. It is increasingly one of geography'.

Social Mobility in South Derbyshire was highlighted in 2017 when the Social Mobility Commission ranked South Derbyshire 311th out of 324 local authorities in England (1 is best) (**State of the Nation 2017: Social Mobility in Great Britain**). The study combined a number of indicators, focused on education and employment prospects, together with life stages (early years, school, youth, and working lives) to identify where people from disadvantaged backgrounds are most, and least likely, to make social progress.

	Overall ranking	Early Years	Schools	Youth	Adulthood
Ages		0-5	5-16	16-18	18+
South Derbyshire	311 / 324	288	313	301	69

Social Mobility Commission, 2017

The Commission used those eligible for Free School Meals (FSM) as its key indicator of disadvantage. In 2018, 1,233 young people were eligible for FSM in South Derbyshire, a rate of 10.5% (England average 14.1%).

The State of the Nation report highlighted that the greatest challenges were faced by those aged under 18 years. This has since been reiterated in two more recent studies.

In stark contrast to the State of the Nation report, South Derbyshire is ranked 3rd most Socially Mobile in England in **The long shadow of deprivation: Differences in opportunity across England** (Social Mobility Commission, 2020). This study focused on adult earnings, exploring the differences in pay of the sons of the most and least disadvantaged families. Outside of London, South Derbyshire was found to have one of the smallest pay gaps at age 28 between the most and least deprived sons at age 16, by where they grew up. It also has one of the smallest educational attainment gaps at age 28 between the most and least deprived sons at age 16, by where they grew up.

The report found that Social Mobility is a postcode lottery, with large differences across areas in both the adult pay of disadvantaged adults, and the size of the pay gap for those from deprived families, relative to those from affluent families. Disadvantaged young adults in areas with high Social Mobility can earn twice as much as their counterparts in areas where it is low. In areas of high Social Mobility, educational achievement accounts for almost all of the earnings difference between individuals from deprived and affluent families.

Most recently, the study **Lost Learning: Why we need to level up education** (Onward/New Schools Network, 2021) explored regional disparities and found that families in some areas have little chance of securing access to a Good or Outstanding School. South Derbyshire is identified as the worst performing area where pupils have a 1 in 3

chance of attending an underperforming primary school and a 100% chance of attending an underperforming secondary school. Taking a three-year average of 1998-2000 and 2017-2019, Derbyshire dropped 74 places from 40th to 124th in GCSE attainment.

South Derbyshire	Bottom 20 local authorities by share of pupils attending underperforming primary schools	Bottom 20 local authorities for share of pupils attending underperforming secondary schools
Rank of local authorities	7 th lowest	1 st lowest
Share of pupils	32%	100%

Ofsted Inspection Data 2019, Onward analysis

These Social Mobility issues can be seen in the performance of secondary schools in the area.

South Derbyshire Secondary School	Progress 8 - Progress description (KS2-4 across 8 subjects)	Progress 8 - School disadvantaged pupils progress score (Eligible for FSM)	Percentage achieving Grade 4 or above in English and Maths (~GCSE C or above)	Attainment 8 score (Eight qualifications including English and Maths)	Attainment 8 disadvantaged pupils (Eligible for FSM)
John Port Spencer Academy	0.03 (Average)	-0.51	78%	51.7	42.4
William Allitt School	-0.58 (Well below average)	-0.97	58%	40.2	29.8
Granville Academy	-0.16 (Average)	-0.45	67%	43.0	35.2
The Pingle Academy	0.11 (Average)	-0.33	65%	43.1	31.4
Eng state funded schools average		0.13	65%	46.7	50.3

Ofsted Inspection Data, 2019

Challenges

- available data is lagged by several years; OFSTED inspections were undertaken some years ago.
- the State of the Nation index has not been updated since 2017.
- headline data is likely to mask a more complex picture.
- activities of schools and other organisations have been restricted by social distancing.
- resources of partner organisations have been diverted to Covid response activities.

The Council has worked with the South Derbyshire Partnership, which brings together the local authorities with schools, colleges, employers and other agencies. The Partnership has consulted with experts from Derbyshire County Council and the University of Derby plus other local organisations to explore the data and issues, and undertaken research and explored other areas facing similar issues.

Emerging Focus

- Issues affect younger age groups not adults; Rapid population growth may be a factor.
- A relatively small group of children and young people face a high level of disadvantage compared to others in the area; Likely to include issues of school readiness.
- Households with children eligible for Free School Meals; Issues of complex lifestyles.
- Geographic concentration; A focus on Swadlincote urban core, Newhall, Woodville.
- Challenges in school performance – attendance, attainment and progression.
- COVID-19 may have exacerbated existing issues; Eg. household debt, digital exclusion.

Individual partner organisations have increasingly prioritised Social Mobility in their plans and strategies. The Partnership itself is currently funding a pilot project in Newhall led by South Derbyshire CVS. This is working intensively with a small cohort of households with complex issues/needs, exploring underlying issues and developing solutions. Along with the research and data analysis this will inform the Partnership's Social Mobility Action Plan.

The Partnership aims to complete the research and develop the Action Plan during 2021/22. However, this will be subject to the resources that the partner organisations can commit alongside their ongoing Covid-19 response activities.

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE (SPECIAL)	AGENDA ITEM: 12
DATE OF MEETING:	22nd JULY 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 July 2021
Work Programme for the Municipal Year 2021/22

Work Programme Area	Date of Committee Meeting	Contact Officer (Contact details)
Corporate Resources & Chief Executive Service Plans	10 th June 2021	Fiona Pittam (Head of Organisational Development & Performance) Fiona.pittam@southderbyshire.gov.uk (01283 595735)
Corporate Plan Performance Monitoring 2020/21: Quarter 4	10 th June 2021	Fiona Pittam (Head of Organisational Development & Performance) Fiona.pittam@southderbyshire.gov.uk (01283 595735)
Compliments, Comments, Complaints and FOI Requests	10 th June 2021	Kevin Stackhouse (Strategic Director) Kevin.stackhouse@southderbyshire.gov.uk (01283 595811)
Complaints Policy and Procedure	10 th June 2021	Kevin Stackhouse (Strategic Director) Kevin.stackhouse@southderbyshire.gov.uk (01283 595811)
Climate Emergency Action Planning	10 th June 2021	Matthew Holford, (Head of Environmental Services) matthew.holford@southderbyshire.gov.uk , 01283 595856
Final Revenue Budget Outturn 2020/21	22 nd July 2021	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)

Treasury Management Annual Report 2020/21	22 nd July 2021	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Final Capital Outturn 2020/21	22 nd July 2021	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Covid 19 Funding: Update	22 nd July 2021	Kevin Stackhouse (Strategic Director) Kevin.stackhouse@southderbyshire.gov.uk (01283 595811)
Chief Executive's Directorate Service Plan 2021-22	22 nd July 2021	Frank McArdle (Chief Executive) frank.mcardle@southderbyshire.gov.uk (01283) 595702
Social Mobility Update	22 nd July 2021	Frank McArdle (Chief Executive) frank.mcardle@southderbyshire.gov.uk (01283) 595702
Corporate Plan Performance Monitoring 2021/22: Quarter 1	26 th August.2021	Fiona Pittam (Head of Organisational Development & Performance) Fiona.pittam@southderbyshire.gov.uk (01283 595735)
Revenue Financial Monitoring 2021/22	26 th August.2021	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Capital Financial Monitoring 2021/22	26 th August.2021	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)

Treasury Update 2021/22	26 th August.2021	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Revenues: Collection Rates, Recovery and Write-offs	26 th August.2021	Lizzie Barton (Head of Customer Services) Elizabeth.barton@southderbyshire.gov.uk (01283 595779)
Proposed Local Council Tax Support Scheme 2022/23	26 th August 2021	Lizzie Barton (Head of Customer Services) Elizabeth.barton@southderbyshire.gov.uk (01283 595779)
Corporate Plan Performance Monitoring 2021/22: Quarter 2	25 th November 2021	Fiona Pittam (Head of Organisational Development & Performance) Fiona.pittam@southderbyshire.gov.uk (01283 595735)
Revenue Financial Monitoring 2021/22	25 th November 2021	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Capital Financial Monitoring 2021/22	25 th November 2021	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Treasury Update 2021/22	25 th November 2021	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Proposed Local Council Tax Support Scheme 2022/23	25 th November 2021	Lizzie Barton (Head of Customer Services) Elizabeth.barton@southderbyshire.gov.uk (01283 595779)

Compliments, Comments, Complaints and FOI Requests	25 th November 2021	Kevin Stackhouse (Strategic Director) Kevin.stackhouse@southderbyshire.gov.uk (01283 595811)
Revenues: Collection Rates, Recovery and Write-offs	25 th November 2021	Lizzie Barton (Head of Customer Services) Elizabeth.barton@southderbyshire.gov.uk (01283 595779)
Annual Statement of Accounts 2020/21	6 th January 2022	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Service Base Budgets 2022/23	6 th January 2022	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
General Fund Consolidated Budget 2022/23 and MTFP to 2027	10 th February 2022	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Housing Revenue Account Budget 2022/23 and Financial Plan to 2032	10 th February 2022	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Capital Budget to 2022 to 2027	10 th February 2022	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Annual Report of the Section 151 Officer	10 th February 2022	Kevin Stackhouse (Strategic Director) Kevin.stackhouse@southderbyshire.gov.uk (01283 595811)

Corporate Plan Performance Monitoring 2021/22: Quarter 3	17 th March 2022	Fiona Pittam (Head of Organisational Development & Performance) Fiona.pittam@southderbyshire.gov.uk (01283 595735)
Revenue Financial Monitoring 2021/22	17 th March 2022	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Capital Financial Monitoring 2021/22	17 th March 2022	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Treasury Update 2021/22	17 th March 2022	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Revenues: Collection Rates, Recovery and Write-offs	17 th March 2022	Lizzie Barton (Head of Customer Services) Elizabeth.barton@southderbyshire.gov.uk (01283 595779)