



F B McArdle,
Chief Executive,
South Derbyshire District Council,
Civic Offices, Civic Way,
Swadlincote, Derbyshire DE11 0AH.

www.southderbyshire.gov.uk

@SDDC on Twitter

Please ask for Democratic Services

Phone (01283) 595722 / 595848

Typetalk 18001

DX 23912 Swadlincote

democraticservices@southderbyshire.gov.uk

Our Ref: DS

Your Ref:

Date: 20th November 2019

Dear Councillor,

Finance and Management Committee

A Meeting of the **Finance and Management Committee** will be held in the **Council Chamber**, on **Thursday, 28 November 2019 at 18:00**. You are requested to attend.

Yours faithfully,

Chief Executive

To:- **Conservative Group**

Councillor Watson (Chairman), Councillor Fitzpatrick (Vice-Chairman) and Councillors Angliss, Billings, Mrs. Brown, Ford, MacPherson and Roberts

Labour Group

Councillors Dr. Pearson, Rhind, Richards, Southerd and Taylor

AGENDA

Open to Public and Press

- 1** Apologies and to note any Substitutes appointed for the Meeting.
- 2** To receive the Open Minutes of the following Meetings:

Finance and Management Committee 29th August 2019 **4 - 9**
- 3** To note any declarations of interest arising from any items on the Agenda
- 4** To receive any questions by members of the public pursuant to Council Procedure Rule No.10.
- 5** To receive any questions by Members of the Council pursuant to Council procedure Rule No. 11.
- 6** Reports of Overview and Scrutiny Committee
- 7** ANNUAL STATEMENT OF ACCOUNTS 2018-19 **10 - 125**
- 8** CORPORATE PLAN 2016 TO 2021 PERFORMANCE REPORT FOR QUARTER 2 201920 **126 - 151**
- 9** REVENUE FINANCIAL MONITORING 2019-20 **152 - 166**
- 10** CAPITAL FINANCIAL MONITORING 2019-20 **167 - 172**
- 11** TREASURY MANAGEMENT UPDATE 2019-20 **173 - 184**
- 12** COMMENTS, COMPLIMENTS, COMPLAINTS &FOI 01.04.19-30.09.19 **185 - 190**
- 13** FEASIBILITY STUDY FOR REOPENING THE LEICESTER TO BURTON RAILWAY LINE **191 - 197**

14	HOUSING ENVIRONMENTAL IMPACT PROJECT	198 - 202
15	THE BETTER CARE FUND – PLANNED SPEND	203 - 235
16	COMMITTEE WORK PROGRAMME	236 - 242

Exclusion of the Public and Press:

- 17** 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.
- 18** To receive the Exempt Minutes of the following Meetings:
Finance & Management Committee 29th August 2019
- 19** To receive any Exempt questions by Members of the Council pursuant to Council procedure Rule No. 11.
- 20** ACQUISITION OF TWO 'RIGHT TO BUY' PROPERTIES
- 21** CONCURRENT FUNCTIONS GRANT PAYMENTS TO PARISH COUNCILS
- 22** STRUCTURE REVIEW ORGANISATIONAL DEVELOPMENT AND PERFORMANCE
- 23** SERVICES AND SUPPORT FOR HOMELESS PEOPLE
- 24** BAD AND DOUBTFUL DEBTS

FINANCE AND MANAGEMENT COMMITTEE

29th August 2019

PRESENT:-

Conservative Group

Councillor Watson (Chairman), Fitzpatrick (Vice-Chairman) and Councillors Angliss, Billings, Mrs. Brown, Corbin (substituting for Councillor Ford), Roberts and Mrs Wheelton (substituting for Councillor Macpherson).

Labour Group

Councillors Dr. Pearson, Rhind, Richards, Southerd and Taylor.

FM/37 **APOLOGIES**

Apologies were received from Councillors Ford and Macpherson (Conservative Group).

FM/38 **DECLARATIONS OF INTEREST**

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

FM/39 **QUESTIONS FROM MEMBERS OF THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE NO 10**

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

FM/40 **QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO 11**

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

FM/41 **REPORTS OF OVERVIEW AND SCRUTINY COMMITTEE**

The Committee was informed no reports had been received.

MATTERS DELEGATED TO COMMITTEE

FM/42 **AUDIT SUB-COMMITTEE**

The Open Minutes of the Audit Sub-Committee Meeting held on 24th July 2019 were submitted.

Councillor Shepherd, whilst referring to Minute No. AS/18, requested that in relation to Infinity Garden Village, the confidential report be made available to all Elected Members.

A further request from Councillor Richards that the report of the Monitoring Officer and a further internal investigation by the Chief Executive regarding the Infinity Garden Village be made available to all Members of the Council.

The Chief Executive responded that both reports were made under the instruction of Council and were confidential and exempt. Therefore, Council would be the only body that could, if they felt it necessary, authorise the request. The Chief Executive undertook to raise this matter, in exempt, under his reports to a future Council.

FM/43 **CORPORATE PLAN 2016-21 PERFORMANCE REPORT**

The Strategic Director (Corporate Resources) presented the report to Committee highlighting achievements and areas where targets had not been met. He noted a risk that remained for the Council was Britain's exit from the European Union as the implications remain unknown.

RESOLVED:

The Committee considered progress against performance targets set out in the Corporate Plan. The Committee reviewed the Risk Register and Action Plan for the Committee's services.

FM/44 **REVENUE FINANCIAL MONITORING 2019/20**

The Strategic Director (Corporate Resources) presented the report to Committee providing an update on performance against budget for 2019/20 and updated Members on the first quarter's income and expenditure. In relation to the General Fund, the Strategic Director (Corporate Resources) highlighted that the Senior Management restructure would make savings due to vacant roles within the new structure, noting that these savings had been offset, in part, by support costs and recruitment costs.

In relation to the Collection Fund, the Committee was informed of an appeal made by NHS Foundation Trusts on the payment of business rates and a recent ruling where they could become exempt. The Strategic Director (Corporate Resources) advised although this would not have a direct impact on the Council, it would affect the Derbyshire pool.

Councillor Billings, whilst commenting on the Council's strong financial position, proposed that an investment of £275,000 be made towards a further round of the Community Partnership Scheme, and requested that priority be given to environmental factors in the assessment criteria.

Councillor Southerd sought clarification on whether the proposal would be open across the District. The Chairman requested that the scheme be widely advertised.

The proposal was carried by the Committee.

RESOLVED:

The Committee considered and approved the latest revenue financial position for 2019/20 as detailed in the report.

The Committee noted changes to the Policy Committee Base Budgets detailed in Appendix 4 due to the Senior Management restructure.

The Committee approved a capital allocation of £275,000 towards a further round of the Community Partnership Scheme, and requested that priority be given to environmental factors in the assessment criteria.

FM/45 **CAPITAL FINANCIAL MONITORING 2019-20**

The Strategic Director (Corporate Resources) presented the report to the Committee.

Councillor Southerd, whilst referring to paragraph 3.3 of the report, sought clarification on the financial difference between the budget allocated for disabled facility grants and the actual spend. The Strategic Director (Corporate Resources) responded that often there is a time lag between funding being allocated and the works being procured for this funding to be drawn down. Councillor Brown suggested that in order to address the matter, a further report be submitted to this Committee on disabled facility grants.

This proposal was carried by the Committee.

RESOLVED:

The Committee considered and approved the latest capital financial position for 2019/20 as detailed in the report. The Committee approved that a separate report on the take-up of disabled facility grants be put to a future Committee.

FM/46 **TREASURY MANAGEMENT UPDATE 2019-20**

The Strategic Director (Corporate Resources) presented the report to the Committee on the management of investments explaining credit ratings, long-term investments and level of interest rates. The Strategic Director (Corporate Resources) explained that the issue of Britain's exit from the European Union, would potentially impact some investments made in the money market funds as they are domiciled in Republic of Ireland and Benelux countries. Once further information was available, Committee was informed that funding could be pulled at a day's notice if such action would be required.

RESOLVED:

The Committee considered and approved the latest Treasury Management Update for quarter 1 2019/20 as detailed in Appendix 1 to the report.

The Committee approved the updated Counterparty List for investments and bank deposits as detailed in Appendix to the report.

FM/47 **DEBT MANAGEMENT POLICY**

The Strategic Director (Corporate Resources) presented the report to the Committee and addressed a query that had been raised by Councillor Rhind at a previous Committee in relation to the recovery of housing benefit overpayment as a result of an error made by the local authority. The Strategic Director (Corporate Resources) confirmed that this is the case where the Claimant could reasonably know that they were being overpaid. For example, notification is sent to a claimant advising the level of income used for the assessment and it is the claimant's responsibility to inform the Council if the information contained is incorrect. In such circumstances, the Council must seek to recover the overpayment.

RESOLVED:

The Committee approved the updated Debt Management Policy for the recovery of Council Tax, Business Rates and Housing Benefit Overpayments.

FM/48 **PICTORIAL WILDFLOWER PLANTING TRIAL**

The Strategic Director (Corporate Resources) presented the report to the Committee advising that it had been approved, in principle, by the previous Environment and Development Services Committee (EDS). The Committee was advised that if the four pilot schemes are successful, then a further report would be submitted to both EDS and this Committee for approval prior to implementation across the District.

Councillor Wheelton welcomed the report noting the positive visual impact the scheme would bring and thanked the new Head of Cultural and Community Services for looking to pilot the scheme.

Councillor Southerd, whilst in support, sought clarification on whether the growth of wildflowers near verges would have an adverse impact on visibility displays from road junctions. The Chairman responded that he had been assured that planting would not be near sight lines, so there would be no such impact.

RESOLVED:

The Committee approved the financial implications of the Pictorial Wild Flower Planting Trial report as approved by Environment and Development Services Committee on the 15 August 2019.

FM/49 **COMMITTEE WORK PROGRAMME**

The Strategic Director (Corporate Resources) presented the report to the Committee.

RESOLVED:

Members considered and approved the updated work programme.

FM/50 **LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)**

RESOLVED:-

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

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

The Committee was informed no questions had been received.

LAND IN SWADLINCOTE

The Committee approved the recommendation in the report.

ONE PUBLIC ESTATE

The Committee approved the recommendation in the report.

SOUTH DERBYSHIRE ACTIVE SCHOOLS PARTNERSHIP

The Committee approved the recommendation in the report.

EXTENSION OF CONTRACT-PARKLIFE OFFICER

The Committee approved the recommendation in the report.

STRUCTURE REVIEW BUSINESS CHANGE AND ICT

The Committee approved the recommendation in the report.

PAYROLL SERVICES AND STRUCTURE OF THE FINANCIAL SERVICES UNIT

The Committee approved the recommendation in the report.

BAD AND DOUBTFUL DEBTS

The Committee approved the recommendation in the report.

The meeting terminated at 7.40 pm.

COUNCILLOR P WATSON

CHAIRMAN

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 7
DATE OF MEETING:	28 NOVEMBER 20189	CATEGORY: RECOMMENDED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	Vicki Summerfield (01283 595939) Victoria.summerfield@southderbyshire.gov.uk	DOC: u/ks/accounts/finalaccounts18 19/approval of accounts report 28 November 2019
SUBJECT:	ANNUAL STATEMENT OF ACCOUNTS 2018/19	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 08

1.0 Recommendation

- 1.1 That the Council's Annual Statement of Accounts for 2018/19 are approved and signed by the Chairman of the Committee for publication.

2.0 Purpose of Report

- 2.1 Under the Accounts and Audit Regulations 2015, the Council's Audited Accounts and Financial Statements are presented for approval. The Committee is required to approve the accounts with the knowledge of the opinion of the Council's External Auditor, Ernst and Young LLP (known as EY).
- 2.2 Their findings were contained in a report which was presented to the Audit Sub-Committee earlier on 28 November 2018. [External Audit Report](#)
- 2.3 The Council issued its draft Statement of Accounts in accordance with the statutory date of 31 May 2019. They were published on the Council's website and have been open for inspection.
- 2.4 As previously reported, the Audit of the Accounts was delayed due to the availability of resources from EY in order to undertake their work by 31 July 2019. The Audit was subsequently rescheduled and took place during the final weeks of October and the early part of November 2019.
- 2.5 Following the Audit, an unqualified opinion was given on the Statement of Accounts for 2018/19. Therefore, they are now presented for approval, following which they will be formally published.

3.0 Detail

- 3.1 A full copy of the accounts is enclosed alongside this covering report. They will also be publicised in the media, via public notices and made available on the Council's website.
- 3.2 The Statement of Accounts is considered to be a complex and technical document that is prepared to meet accounting and financial standards. It acts as the statutory report on the Council's financial position.
- 3.3 It is an in depth analysis of the Council's accounts, including its assets, liabilities and overall financial position at a point in time. The figures are supported by numerous commentaries and disclosure notes to help explain the various balances, together with income and expenditure in the Accounts.

International Financial Reporting Standards (IFRS)

- 3.4 The Accounts for 2018/19 have been prepared on a full IFRS basis and in accordance with the Code of Practice on Local Authority Accounting in the UK.

The Statement of Accounts

- 3.5 A summary of each of the main sections contained within the accounts is set out in the following sections. The format and content of each of the Statements is in accordance with the Code of Practice.

Narrative Report

- 3.6 This sets out a summary to explain in non-technical terms, the most significant matters reported in the Accounts. It gives an overview of the year's performance, both financially and in more general terms against the key performance indicators in the Council's Corporate Plan. Some
- 3.7 General information regarding the District and the Council is also provided. This is aimed at helping the reader of the Accounts to understand the financial performance of the Council in the context of local service priorities and challenges.
- 3.8 The Narrative also outlines significant factors that affect the understanding of the accounts and provides an overview of assets, reserves and liabilities. It also outlines the Council's medium-term financial position, together with the financial issues and risks that the Council faces.

Governance Statement

- 3.9 This sets out the local governance framework comprising the systems, processes, culture and values, etc. by which the Council is directed and controlled. It also demonstrates how the Council accounts to and engages with the local community.

- 3.10 The Governance Statement reports on the effectiveness of the framework for 2018/19 and highlights any issues (in an Action Plan) that have been identified to ensure that the Council's governance arrangements remain robust. The Governance Statement was considered and approved for inclusion in the Statement of Accounts, by the Audit Sub-Committee on 29 May 2019.

Comprehensive Income and Expenditure Summary (CIES)

- 3.11 This Statement is a summary that reports the accounting cost for the year of all functions for which the Council is responsible. However, the net expenditure in this Statement is not the amount funded from taxation.
- 3.12 Councils raise tax to cover expenditure in accordance with regulations and this is usually different from the accounting cost which includes debt financing and capital accounting charges such as depreciation. The taxation position is shown in the Movement in Reserves Statement.
- 3.13 Further analysis of the figures reported in the CIES is contained within the disclosure notes that follow later in the Accounts.

Movement in Reserves Statement

- 3.14 This Statement shows the movement in reserves held by the Council during the year. It includes amounts charged in and out of the Income and Expenditure Account for accounting purposes that are not a charge on the Council Tax or Rent Payer. It reconciles the accounting cost in the CIES to the cost of services funded through taxation.
- 3.15 The balance as at 31 March 2019 reflects the level of resources available whether unallocated or held within earmarked reserves, i.e. *usable reserves*. Other reserves such as the Revaluation Reserve reflect accounting transactions and are not available for spending, i.e. they are *unusable reserves*.

Balance Sheet

- 3.16 This shows the Council's overall financial position as at 31 March 2019 with a comparison to the previous year, 2017/18. It reports the Council's assets and liabilities as valued at the financial year end. This includes land, property, money owing to and from the Council, together with reserves and provisions, etc.
- 3.17 The overall value of the Council's assets increased slightly in 2018/19 from £84.1m to £85.7m. Although there was increase in usable reserves from approximately £35 million to £44 million, this was offset by the increase in the reported Pension Deficit from approximately £31 million to £41 million.

The Pension Deficit

- 3.18 The increase in the Pension Deficit is based on a valuation by the Fund's Actuaries. The Deficit can fluctuate between years due to changes in assumptions regarding investment returns and future liabilities. The Deficit effectively shows the underlying commitments that the Council has in the long-term to pay retirement benefits.
- 3.19 However, statutory arrangements for funding the deficit mean that the financial position of the Council is not materially affected in any one year. Plans are in place to reduce the deficit on the Pension Fund over time through various pension reforms affecting the Local Government Pension Scheme at a national level.

Cash Flow Statement

- 3.20 This shows the actual inflow and outflow of cash for the year by adjusting the accounts for all non-cash transactions.

Disclosure Notes to the Financial Statements

- 3.21 These are designed to provide further explanations of the reported figures contained in the Financial Statements. The notes are required under the Code of Practice to give added clarity and understanding for readers and users of the Accounts.
- 3.22 The notes cover details of income and expenditure, including the Council's accounting policies, together with explanations regarding the critical judgements and assumptions used in preparing the Accounts.

Supplementary Financial Statements

- 3.23 These contain further detail relating to the ring-fenced Housing Revenue Account (HRA) and the Collection Fund. This shows the amounts collected in Council Tax and Business Rates and how that income has been distributed amongst the preceptors on the Collection Fund.

Glossary

- 3.24 This is not required under the Code, but it is considered best practice to incorporate a glossary to help explain the terms and phrases used in the Accounts and the Financial Statements.

Value for Money

- 3.25 As part of their audit work, the Auditor is also required to consider whether the Council has put in place "proper arrangements to secure economy, efficiency and effectiveness on its use of resources." This is generally known as the VFM conclusion.
- 3.26 For 2018/19, this was based on the overall evaluation criterion:

“In all significant aspects, the audited body had proper arrangements to ensure that it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.”

3.27 Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise the Council’s arrangements to:

- Take informed decisions;
- Deploy resources in a sustainable manner; and
- Work with partners and other third parties.

3.28 In considering these arrangements, the Auditor will draw on the Council’s Corporate Governance Framework. The Auditor is only required to determine whether there are any risks that they consider significant, which the Code of Audit Practice defines as:

“A matter is significant if, in the Auditor’s professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public.”

3.29 In EY’s Audit Plan for 2018/19, they identified two significant risks to their value for money conclusion, which were as follows:

- Securing financial resilience as the Council’s Medium Term Financial Plan currently forecasts budget deficits in future years. The Auditors concluded that *the Council will need to continue scrutinising the financial plan and consider whether a savings plan will be required to address forecast budget deficits in order to minimise the risk of requiring unplanned reserves contributions.*
- Procurement and related contract issues in the Housing and Environment Services Directorate. This risk was reported due to the control weaknesses identified in 2016/17 for which the Council was implementing actions during 2017/18 and 2018/19.

3.30 The Auditor concluded *that the Council has now implemented all of the outstanding recommendations and continues to embed arrangements to strengthen governance arrangements.*

3.31 The Auditors therefore stated that *they expected having no matters to report about your (the Council’s) arrangements to secure economy, efficiency and effectiveness in your use of resources.*

4.0 Financial Implications

4.1 The production and publication of the Accounts and Financial Statements is undertaken within current resources.

5.0 Corporate Implications

5.1 None directly.

6.0 Community Implications

- 6.1 The production of the Council's Statutory Annual Accounts and Financial Statements is an important part of stewardship and accountability for public resources.
- 6.2 The document aims to give electors, those subject to locally levied taxes and charges, Elected Members, employees and other interested parties, detailed information about the Council's financial position.

7.0 Background Papers

- 7.1 None



Statement of Accounts 2018/19

Contents

Narrative Report	3
Statement of the Council's and Chief Financial Officer's Responsibilities for the Statement of Accounts	14
Governance Statement	15
Certificate of the Chief Financial Officer	29
Independent Auditors Report	30
Council Approval of Statement of Accounts	33
Comprehensive Income and Expenditure Statement	34
Movement in Reserves Statement	35
Balance Sheet	36
Cash Flow Statement	37
Notes to the Financial Statements	
1. Accounting Policies	38
2. Accounting Standards that have been issued but have not yet been adopted	50
3. Critical Judgements	50
4. Assumptions made about the future and other major sources of uncertainty	51
5. Exceptional Items of Income and Expense	52
6. Events after the Balance Sheet Date	53
7. Expenditure and Funding Analysis	54
8. Note to the Expenditure and Funding Analysis	55
9. Expenditure and Income Analysed by Nature	56
10. Adjustment between Accounting Basis and Funding Basis under Regulations	57
11. Movement in Earmarked Reserves	59
12. Other Operating Income and Expenditure	59
13. Financing and Investment Income and Expenditure	60
14. Taxation and Non-Specific Income	60
15. Property, Plant and Equipment	62
16. Investment Properties	65
17. Financial Instruments	66
18. Debtors	73
19. Debtors for Local Taxation	73
20. Cash and Cash Equivalents	73
21. Assets Held for Sale	74
22. Creditors	74

23. Provisions	74
24. Usable Reserves	75
25. Unusable Reserves	77
26. Agency Services	80
27. Members' Allowances	80
28. Officers' Remuneration	81
29. External Audit Fees	82
30. Grant Income	82
31. Related Parties	83
32. Capital Expenditure and Capital Financing	83
33. Leases	84
34. Defined Benefit Pension Schemes	85
35. Contingent Liabilities	91
36. Prior Year Adjustment	91
Housing Revenue Account – Income and Expenditure	92
Movement on the Housing Revenue Account	93
Notes to the Housing Revenue Account	
1. Introduction	94
2. Housing Stock	94
3. Major Repairs Reserve	94
4. Property, Plant and Equipment	95
5. Capital Expenditure	97
6. Capital Receipts from Disposal of Land, Houses and Other Property	97
7. Rent Arrears	97
8. Provision for Bad and Doubtful Debts	97
9. Depreciation and Impairment of Fixed Assets	98
10. Pension Costs	98
Collection Fund Account	99
Notes for the Collection Fund Account	
1. Council Tax	100
2. Council Tax Valuation Bands	100
3. Council Tax Base	100
4. Council Tax Precepts and Demands	101
5. Non-Domestic Rates	102
6. Non-Domestic Rate Demands	102
Glossary	104

Narrative Report

INTRODUCTION

The Council's financial performance for the year ended 31st March 2019 is set out in the Comprehensive Income and Expenditure Statement and its financial position is set out in the Balance Sheet and Cash Flow Statement.

These financial statements have been prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The purpose of this narrative is to highlight and summarise the key facts and figures which make up the Council's financial standing, which is detailed in the various statements and disclosure notes. The Narrative Report also gives an overview of the District, the Council structure and performance against the Corporate Plan.

The Statement follows approved accounting standards and is necessarily technical in parts. A glossary is provided at the end of this document to explain the main terms and technicalities associated with the Council's Accounts.

In accordance with accounting practice, the Council has reported its financial position in a series of accounting statements as detailed within the Explanation of the Financial Statements.

The Narrative Report is structured as follows:

- An Introduction to South Derbyshire
- An Introduction to the Council
- Council Performance
- An Explanation of the Financial Statements
- A Summary of Financial Performance

INTRODUCTION TO SOUTH DERBYSHIRE

South Derbyshire is a thriving, attractive place to live, work and visit.

It has been transformed during the past few decades from a clay and mining area to a successful District that serves as home to more than 102,000 people.

It contains a third of The National Forest which, together with other attractions including Calke Abbey, Mercia Marina, Rosliston Forestry Centre and Sharpe's Pottery Museum, attract more than two million visitors each year.

South Derbyshire offers a mixture of well-developed urban areas and historic rural settlements.

Its natural features combine with historic sites and modern community and leisure facilities to provide places and activities for residents and visitors alike to enjoy in their spare time.

South Derbyshire boasts 3,500 business enterprises, among them international names JCB, Nestle and Toyota Motor Manufacturing UK. The wide range of employment opportunities means unemployment is very low in the District.

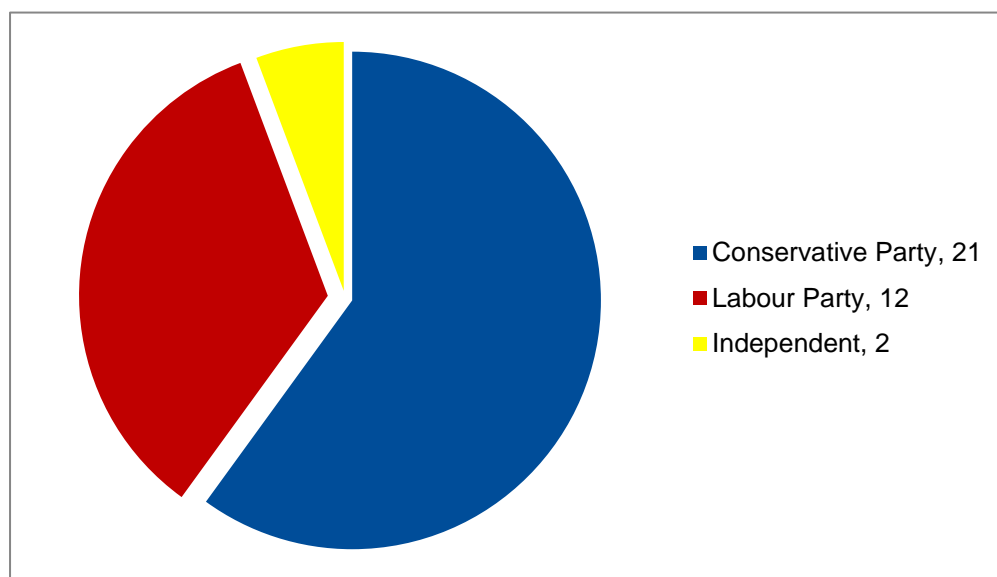
Working with our partners to keep crime and anti-social behaviour to a minimum has cemented South Derbyshire's reputation as one of the safest places to live in the county.

Narrative Report (continued)

INTRODUCTION TO SOUTH DERBYSHIRE DISTRICT COUNCIL

South Derbyshire District Council was formed on 1 April 1974 as a merger of the Swadlincote Urban District along with Repton Rural District and part of South East Derbyshire Rural District. The Council provides statutory services which include planning, refuse collection, street cleaning, environmental health, housing strategy and housing benefits alongside non-statutory functions to support the health and wellbeing of residents within the District.

South Derbyshire is divided into 15 wards with a total of 36 seats. There was 1 vacant seat during 2018/19. The political composition of seats as at 31st March 2019 is as follows:



About the Council

We have more than 300 employees working to ensure South Derbyshire continues to change for the better.

Services for the District are divided between Derbyshire County Council and ourselves. Through the values in our Corporate Plan, we aim to provide them as efficiently and effectively as possible.

Our constitution sets out how we operate, how decisions are made and the procedures which are followed to ensure we are efficient, transparent and accountable.

To show that our business is conducted in accordance with the law and proper standards, we produce an Annual Governance Statement which is detailed later in the Statements.

How we work

Our Leadership Team (LT), made up of paid officers, works closely with elected Members to deliver our vision and values.

The LT is headed up by our Chief Executive Frank McArdle, who has been with us for more than 40 years and has been instrumental in the regeneration of Swadlincote town centre and attracting significant inward investment into South Derbyshire.

The team is completed by two Strategic Directors and the Head of Legal and Democratic Services in their role as Monitoring Officer.

Narrative Report (continued)

COUNCIL PERFORMANCE

The Corporate Plan 2016-2021 sets out our values and vision for South Derbyshire and defines our priorities for delivering services.

It describes how - under four themes of People, Place, Progress and Outcomes - we will work with partners to improve the quality of life of residents, community groups and businesses.

The Corporate Plan does not cover everything that we do, but instead focuses on the issues most important to residents, on national priorities set by the Government and on the opportunities and challenges resulting from the changing social, economic and environmental aspects of our District.

As well as enabling effective monitoring and leading our performance management, it links our strategic priorities and objectives directly to the activities of each service area through annual Service Plans.

Aspirational targets are set to embed a process of continual improvement throughout our workforce and operations to ensure that we deliver high quality services at reasonable cost.

Our Medium Term Financial Plan is monitored and revised to ensure we maintain stability and sustainability. Throughout all we do, we aim to be environmentally responsible and actively encourage corporate social responsibility.

The four themes and key aims in the Corporate Plan are summarised below:

People: keeping residents happy, healthy and safe

- Enable people to live independently
- Developing the workforce of South Derbyshire to support growth in relation to aspirations, employability, skills and travel to work
- Protect and help support the most vulnerable, including those affected by financial challenges
- Use existing tools and powers to take appropriate crime enforcement action
- Increase levels of participation in sport, health, environmental and physical activities
- Reduce the amount of waste sent to landfill

Place: creating vibrant communities to meet residents' needs

- Facilitate and deliver a range of integrated and sustainable housing and community infrastructure
- Enhance understanding of the planning process
- Help maintain low crime and anti-social behaviour levels in the District
- Connect with our communities, helping them feel safe
- Support provision of cultural facilities and activities throughout the District
- Deliver services that keep the District clean and healthy

Progress: encouraging inward investment and tourism opportunities

- Work to attract further inward investment
- Unlock development potential and ensure the continuing growth of vibrant town centres
- Work to maximise the employment, training and leisure uses of The National Forest by residents and increase the visitor spend by tourists
- Help to influence and develop the infrastructure for economic growth

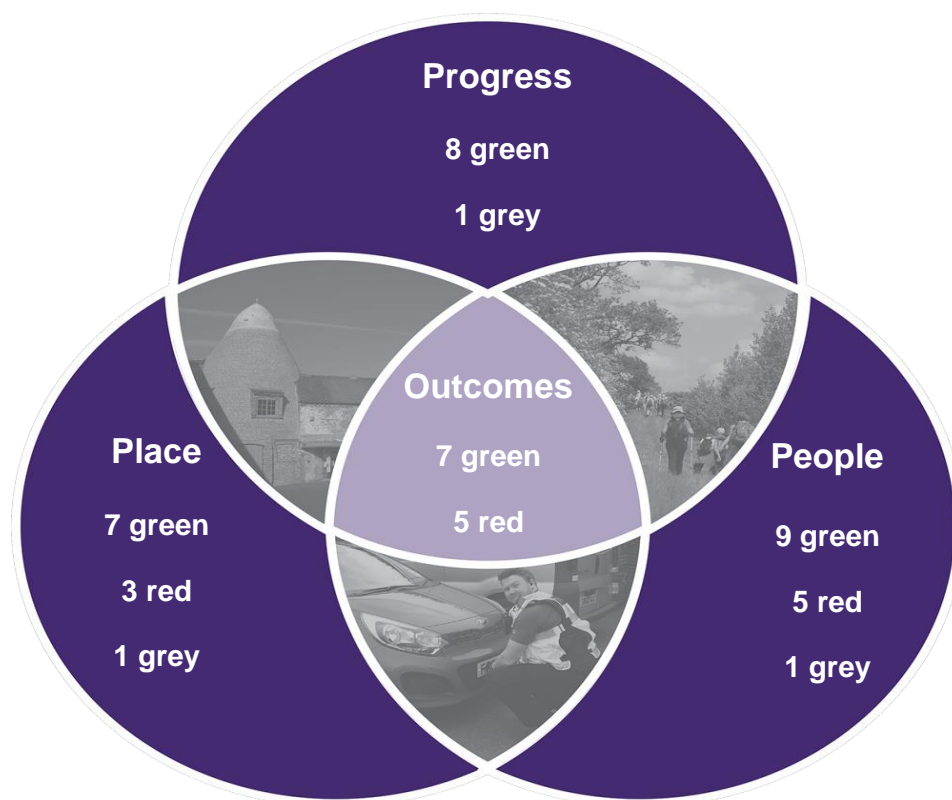
Narrative Report (continued)

- Provide support to businesses and the not for profit sector and promote innovation and access to finance, including in rural areas

Outcomes: work that underpins all of our activities

- Maintain financial health
- Achieve proper Corporate Governance
- Maintain customer focus
- Minimise business risks and realise the benefits of technological opportunities
- Promote and enable active democracy
- Enhance environmental standards
- Maintain a skilled workforce
- Promote inclusion

Below shows the overall Council performance against the Corporate Plan for 2018/19:



Green indicators are targets that have been achieved or exceeded in year. Red indicators are targets that have not been achieved in year but an action plan is in place and is reported to each decision making Committee. Grey indicators are measures against which we stop reporting during the year due to a change in circumstances or one which we are monitoring but have no basis against which to set a target.

Of the 47 strategic projects and measures for the Council, 31 are green, 13 are red and 3 are grey at the year-end.

There are many risks faced by the Council both financial and non-financial which are categorised and mitigated as far as possible.

Narrative Report (continued)

Further detail of Council performance against the Corporate Plan and our detailed risk registers are reported quarterly to elected Members to each decision-making Committee and can be found on our website.

EXPLANATION OF THE FINANCIAL STATEMENTS

The Movement in Reserves Statement

This Statement shows the movement in the year on the different reserves held by the Council, analysed into “**usable reserves**” (i.e. those that can be applied to fund expenditure or reduce local taxation) and other “**unusable**” reserves. The Surplus or Deficit on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement (CIES).

These are different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for Council Tax setting and Council House rent setting purposes. The Net Increase/Decrease before transfers to Earmarked Reserves line shows the statutory General Fund Balance and the Housing Revenue Account balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

Comprehensive Income and Expenditure Statement (CIES)

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

The Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the Council's assets and liabilities. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories.

The first category of reserves are usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt).

The second category of reserves is those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve) where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line ‘Adjustments between accounting basis and funding basis under regulations’.

The Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The Statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which

Narrative Report (continued)

cash outflows have been made for resources which are intended to contribute to the Council's future service delivery.

Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

Changes to the Financial Statements

There has been one change to the Financial Statements for the year ended 31st March 2019 in relation to the Council's Pension liability. Further detail on this change is included in Note 6 to the Financial Statements. Some disclosures have been updated to ensure that the Financial Statements comply with best practice.

Accounting Policies

The Council's Accounting Policies are set out in Note 1 to the Financial Statements. There have been two changes in the Accounting Policies during the year as listed below:

Accruals of Income and Expenditure

The accounting policy for Accruals of Income and Expenditure has been amended as a result of changes to the Code of Practice introduced by the adoption of IFRS 15 Revenue from Contracts with Customers.

IFRS 15 presents new requirements for the recognition of revenue, based on control-based revenue recognition model. The Council does not have any material revenue streams within the scope of the new standard so the impact of the change in accounting policy has been negligible.

Financial Instruments

The accounting policy for Financial Instruments has been amended as a result of changes to the Code of Practice introduced by the adoption of IFRS 9 Financial Instruments.

IFRS 9 introduces fundamental changes to the classification of financial assets. Under previous editions of the Code, there were three classes for financial assets: 1) Loans and Receivables, 2) Fair value through profit or loss, and 3) available for sale. Financial Instruments are now classified as either 1) amortised cost, 2) fair value through Other Comprehensive Income, or 3) fair value through profit or loss. The default position is that financial assets are carried at their fair value and that movements in fair value will be accounted for as income or expenditure as they arise.

The Code requires authorities to apply IFRS 9 retrospectively, however this is subject to some concessions, the most important of which mean that there should be no restatement of preceding year information. Consequently, where financial instruments have been reclassified and remeasured, adjustments will be calculated with retrospection, but the adjustments are only accounted for at 1st April 2018.

Financial Report

This narrative report now goes on to explain the broad facts and figures regarding the Council's financial performance and position for 2018/19.

Narrative Report (continued)

SUMMARY OF FINANCIAL PERFORMANCE

The statutory financial statements are intended to fulfil external reporting requirements and provide a comprehensive assessment of the Council's financial position. Management accounts, which show individual service expenditure, are to be reported to the Council on 25th July 2019.

These report the financial performance of Council services against the Budget for the year at a more detailed service level, the effect on reserves, together with explanations for budget variances and where income and expenditure changed during the year.

Income and Expenditure

Each year the Council spends money on key service areas, delivered in accordance with local priorities and statutory requirements. Income is received to fund this expenditure from various sources but primarily Central Government, local residents in the form of Council Tax, local businesses in the form of Business Rates and rent from Council House tenants.

Although included in the overall Income and Expenditure Statement, the Council is required to account separately for the costs of providing Council Housing. This is undertaken in a supplementary financial statement called the Housing Revenue Account, or HRA.

Costs within the HRA must be met by the rental income received from Council House tenants. Any surplus or deficit is adjusted through the HRA Reserve which has to remain "ring-fenced" from other Council reserves.

During 2018/19, the Council achieved a surplus on the Provision of Services of £5,361k. After adjustments in reserves for non-cash items and capital receipts, the adjusted surplus of £2,155k was allocated in the Movement in Reserves Statement between the General Fund and HRA.

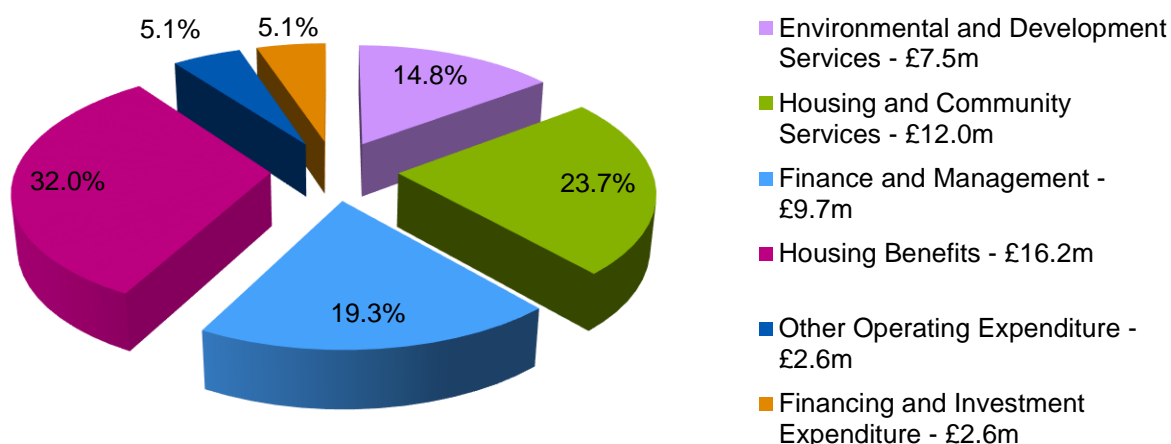
Additional revenue from Council Tax and Business Rates due to greater than budgeted growth in the District and participation in the 100% Business Rates Pilot for Derbyshire plus lower service expenditure has resulted in a contribution to the General Fund Reserve of £383k. The HRA Reserve has increased by £1,772k due mainly to lower service expenditure than budgeted.

The Comprehensive Income and Expenditure Statement is reported by the decision-making Committee structure of the Council. Performance of individual service areas within each Committee is reported to elected Members on a quarterly basis.

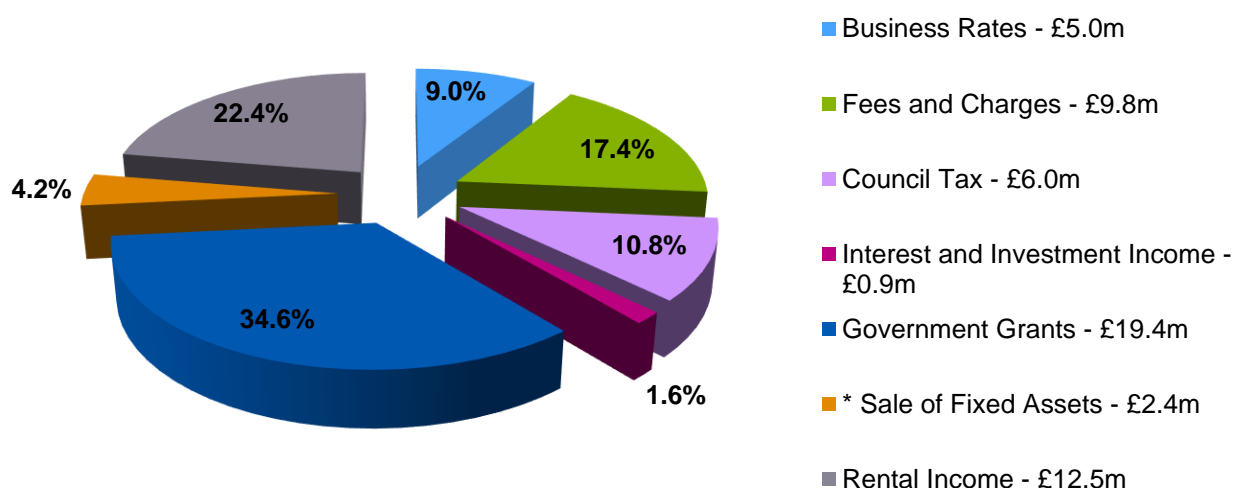
The following charts show the income received and expenditure incurred by the Council during 2018/19 as shown in the Comprehensive Income and Expenditure Statement and the Expenditure and Funding Analysis in Notes 7 to 9:

Narrative Report (continued)

Total Council Expenditure - £50.6m



Sources of Income - £56.0m



**The sale of fixed assets of £2.4m is not used to fund service expenditure and has been transferred into a capital reserve within the Movement in Reserves Statement*

Capital Expenditure and Financing

The Council incurs expenditure in acquiring new assets or through undertaking significant improvements to existing assets. This expenditure is financed from external contributions, Government grants and from the Council's own reserves.

Approximately £4.3m was spent by the Council on capital schemes during 2018/19, compared to £4.1m in 2017/18.

In summary, the capital expenditure incurred was on Council Houses (£1.3m), investment in new vehicles (£1.4m), investment in upgrading leisure and recreational facilities (£0.4m), Disabled Facility Grants (£0.5m), asset sale and upgrades (£0.2m) plus the final phase of Council house new build which is anticipated to be complete during the first quarter of 2019/20 (£0.5m).

Narrative Report (continued)



New Vehicle Fleet

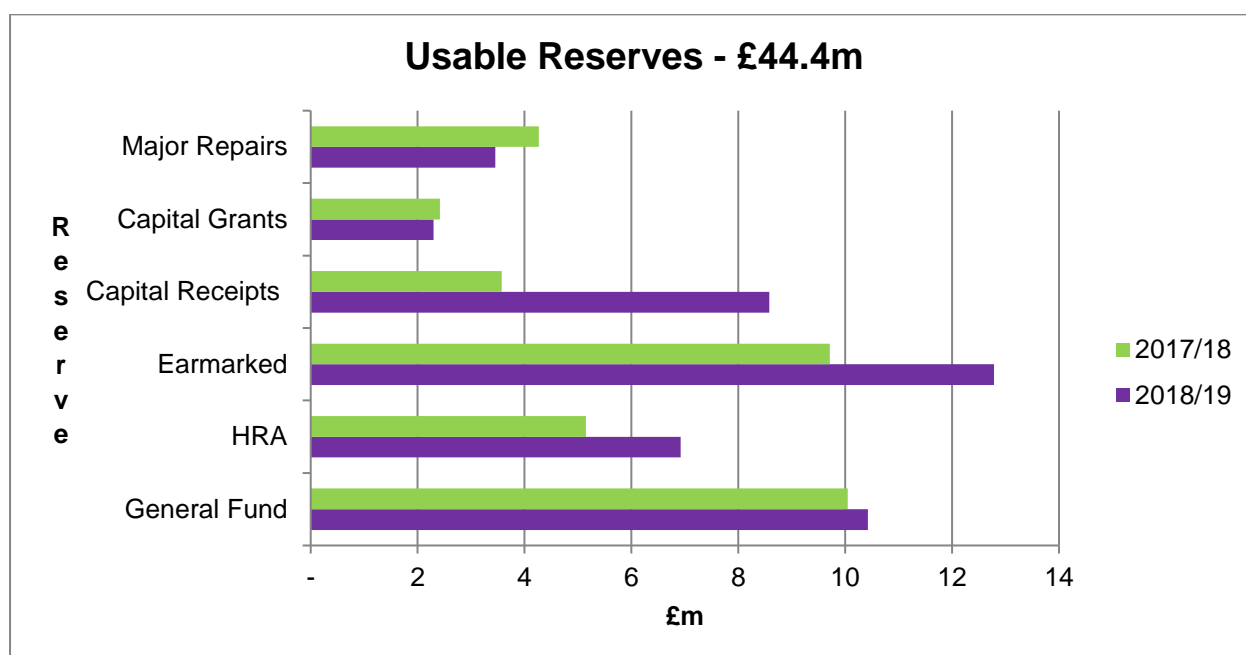


Construction of houses at Lullington Road

Council Reserves

The Council's Usable Reserves have increased in the year from £35.1m to £44.4m due to surpluses in year, receipts of Section 106 (£2.1m) plus asset sale receipts.

Detail of the Council's Usable Reserves can be found in Note 24 to the Financial Statements but a summary chart showing the movement between 2017/18 and 2018/19 is below:



Unusable reserves have decreased from £48.9m to £41.3m mainly due to an increase in the Revaluation Reserve of £2.5m which was more than offset by an increase in the Pension deficit of £9.9m as detailed in Note 34 to the Financial Statements. Further detail of the Unusable Reserves held by the Council is listed in Note 25.

Key Indicator

As part of the Council's Financial Strategy, a minimum unallocated contingency balance of £1.5m is maintained on the General Fund reserve and £1m on the Housing Revenue Account (HRA) reserve. This represents approximately 13% of net revenue expenditure. The balance on the General Fund of £10.4m and £6.9m on the HRA reserve comfortably exceeded this amount as at 31st March 2019.

Narrative Report (continued)

The Balance Sheet

The Balance Sheet is the Council's assets and liabilities as at 31st March each year. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. The overall value of the Council's net assets increased from £84.1m in 2017/18 to £85.7m in 2018/19.

Assets

Non-current assets increased by £2.7m in year. This is as a result of increased revaluation of the Council's assets plus an investment of an additional £1m in the Local Authority Property Fund taking the total investment in the Fund to £2m. The link to the approval for the additional investment is included below.

[CMIS/July 2018](#)

Current assets increased by £8.4m in year. The reason for the large movement is mainly due to the increase in cash held by the Council. Reductions in expenditure and increased capital receipts in year are the main cause for the increased levels of cash. Detail of movements in cash held by the Council is in Note 20.

Liabilities

The liabilities of the Council increased in year by £9.5m. The main movement was the large increase of the Pension deficit.

Further detail on the Financial Instruments of the Council and performance against our key target can be found in Note 17.

Council Spending and Future Financial Position

The Council's detailed budget and spending plans for 2019/20 and the projected medium-term financial position to 2024 is available at:

[CMIS/February 2019](#)

The Council's General Fund is estimated to generate a deficit in 2019/20. Following several years of budget savings, the Council's financial position has remained stable and has generally performed better than forecast.

The current Medium-Term Financial Plan (MTFP) highlights budget deficits from 2019/20 onwards. Current base budget costs are forecast to increase year-on-year due to inflation, together with a rapid growth in the local population which will place additional demands upon services.

South Derbyshire District Council does have a good track record of spending within its Budget and in recent years has absorbed inflation and growth. This has enabled it to build up a good level of general reserves as highlighted in these Accounts.

The Council continues to benefit from increased income, mainly through planning fees, Council Tax and Business Rates growth. These income streams can be volatile and not guaranteed, being subject to external factors. Some of this income is being reinvested back into services to meet increased demand.

Narrative Report (continued)

The Future

As mentioned previously, the Council is forecast to slip into a deficit from 2019/20 onwards in the current MTFP to 2024. The funding gap of £1.7m is set to be funded from the General Reserve which is unsustainable in the longer-term.

The challenges faced by the Council are due to reductions in Central Government funding. Changes to funding streams of Revenue Support Grant and New Homes Bonus have had the biggest impact and have been reported in detail in the MTFP during recent years.

Two Government Consultations (Business Rates Retention Review and Fair Funding Review) were released as part of the settlement in December 2018 to help determine future core funding. It is unclear at this stage the potential impact but any updates will be included in future forecasts and will be reported to the Finance and Management Committee in detail.

During 2018/19 the County of Derbyshire was selected by Central Government to be part of a 100% Business Rates Retention Pilot. An additional £1m was generated in South Derbyshire through the Pilot which has been earmarked for use on future Economic Development projects within the District. The County has been unsuccessful in continuation of the 100% Pilot and will revert back to the former funding mechanism in 2019/20.

Going forward, in the medium-term the Council is able to continue with service provision due to a healthy general reserve balance and measures are in place to ensure future deficits are managed and reduced.

CORPORATE GOVERNANCE

Besides the financial facts and figures contained in these Accounts, the Council sets out (in its Annual Governance Statement – “AGS”) how it approaches and aims to continually strengthen its governance arrangements. This shows how the Council ensures that it does the right things, in the right way, for the right people in a timely, inclusive, open and accountable manner. As such, it comprises the systems, processes, culture and values by which it is directed and controlled and through which it accounts to, engages with and leads its local community.

AND FINALLY

For information regarding the Trade Union (Facility Time Publication Requirements) Regulations 2017, please see the Council's website.

The following sections set out the Council's Accounts and Financial Statements for 2018/19. As highlighted earlier, to meet accounting standards, they are necessarily detailed and technical in nature.

Further information is available from the Council at www.southderbyshire.gov.uk or by e-mail to customer.services@southderbyshire.gov.uk referencing any queries as **Statement of Accounts**

Certificate of the Council's and CFO Responsibilities

The Council's Responsibilities

The Council is required to:

- Make arrangements for the proper administration of its financial affairs; and to secure that one of its officers has the responsibility for the administration of those affairs. In the Council that officer is the Strategic Director (Corporate Resources);
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statement of Accounts.

The Strategic Director (Corporate Resources) Responsibilities

The Strategic Director (Corporate Resources) is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code of Practice').

In preparing this Statement of Accounts, the Strategic Director (Corporate Resources) has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Code of Practice.

The Strategic Director (Corporate Resources) has also:

- Kept proper accounting records which were up to date; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certification by the Strategic Director (Corporate Resources)

I certify that this Statement of Accounts has been prepared in accordance with proper accounting practices and presents a true and fair view of the financial position of the Council at 31st March 2019, and its income and expenditure for the year ended on that date.



Kevin Stackhouse (CPFA)

Chief Finance (Section 151) Officer

28th November 2019

Governance Statement

A SCOPE OF RESPONSIBILITY

As a public authority, South Derbyshire District Council is responsible for ensuring that its business is conducted in accordance with the law, proper standards and that public money is safeguarded, properly accounted for and achieves value for money. The Council also has a duty to make arrangements to secure continuous improvement in the way in which its functions and services are delivered.

In discharging these responsibilities, the Council is required to put in place proper arrangements for the governance of its affairs, which includes arrangements for the management of risk.

The Local Code of Corporate Governance

In order to ensure it meets its responsibilities, the Council adheres to a Local Code of Corporate Governance. This is based on a National Framework which assists local authorities to ensure that they are delivering “Good Governance” in exercising their functions.

The Local Code sets out a range of principles for which an authority can assess its individual governance arrangements. This helps to identify any areas that fall short of the required standards, together with issues that need to be reviewed and developed.

The Code is based on 7 core principles which embody “good governance”. These principles are:

- Behaving with integrity.
- Ensuring stakeholder engagement
- Establishing clear outcomes
- Establishing interventions to achieve outcomes
- Developing capacity and leadership in the organisation
- Managing risks and performance
- Upholding good practice in reporting and transparency

The Annual Governance Statement (AGS)

The Local Code is published in a detailed report which documents how the Council achieves “Good Governance”. It is reviewed and updated every 6 months and is monitored by the Council’s Audit Committee.

The AGS is a formal statement which summarises a council’s governance arrangements for its stakeholders. It also provides an overview on how effective those arrangements have been, based on independent assessments and other evidence. In addition, it highlights any issues that have been identified which need to be strengthened.

The AGS and the Local Code are complimentary documents.

B THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The Governance Framework is diverse and comprises:

Governance Statement (continued)

- The systems and processes, culture and values, by which the Council is directed and controlled.
- The activities through which it accounts to, engages with and leads the local community.
- The management of risk to an acceptable and reasonable level through Internal Control

Good corporate governance is considered to be essential in demonstrating that there is credibility and confidence in public services. Sound arrangements should be founded on openness, integrity and accountability, together with the overarching concept of leadership.

C THE GOVERNANCE FRAMEWORK AT SOUTH DERBYSHIRE

The Governance Framework detailed in this Statement has been in place at South Derbyshire District Council for the year ended 31 March 2019. The key elements of the systems and processes that comprise South Derbyshire District Council's Governance Framework are set out in the following sections.

Decision Making

The Council operates under a Constitution ([the Constitution](#)). This sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people.

The Constitution sets out the individual roles and responsibilities of Members and the Council's 3 statutory officers who are as follows:

- The Chief Executive in their role as the Head of Paid Service.
- The Strategic Director of Corporate Resources in their role as the Chief Finance Officer.
- The Head of Legal and Democratic Services in their role as Monitoring Officer.

The Full Council makes decisions on key policies and sets the budget and levels of local taxation for the Council's services. The Constitution includes the delegation from Full Council down to the Policy Committees and provides a Scheme of Delegation to Officers.

The Council's Leadership Team

This consists of a Chief Executive, two Strategic Directors and the Monitoring Officer. They work closely with Elected Members to deliver the Council's services.

Policy Making

This is facilitated through 3 Policy Committees which are responsible for the main service areas of the Council and are:

- Environmental and Development Services
- Housing and Community Services
- Finance and Management

Each Committee is governed by its own Terms of Reference, as laid down in the Constitution. Meetings of these committees are open to the public, except where issues of an exempt nature are being disclosed in accordance with Access to information Regulations.

Governance Statement (continued)

An Overview and Scrutiny Committee has 'call-in' powers to consider the appropriateness of Policy Committee decisions. It also shadows the policy committees, supports policy development and review, together with carrying out external reviews on issues that affect South Derbyshire.

Six Area Forums, a Parish Liaison Meeting and a Flood Liaison Meeting are well established and these meet throughout the year. These forums are designed to improve community involvement in policy making and provide a continuous link with local residents, parish councils, the voluntary sector and other public bodies.

Compliance

It is the function of the Monitoring Officer to ensure compliance with established policies, procedures, laws and regulations. After consulting with the other Statutory Officers, they have the power to report to Full Council if they consider that any proposal, decision or omission would give rise to unlawfulness or maladministration.

Such a report would prevent the proposal or decision being implemented until the report has been considered.

The Council operates 2 regulatory committees; a Planning Committee focusing on development control (planning applications and enforcement) and a Licensing and Appeals Committee which deals with licensing applications and appeals.

In addition, a Standards Committee, which contains independent (of the Council) members, oversees the conduct of Elected Members in their respective roles.

Accountability for the use of public funds and service provision is largely undertaken through the annual publication of a Statement of Accounts and an Annual Report.

Health and Safety

The Council has a Health and Safety Policy that sets out the Council's commitment to health and safety and identifies those positions with responsibility to ensure that the Council complies with Health and Safety legislation.

Compliance is monitored by a Health and Safety Committee, where employee representatives meet with service managers and Elected Members. The Committee monitors policies, working practices and reviews accident statistics for its own employees and members of the public using Council services.

Standards of Financial Conduct

Financial management is conducted in accordance with financial regulations and procedural rules, as set out in Part 4 of the Constitution. The Council has designated the Strategic Director of Corporate Resources as its Chief Finance Officer (CFO) in accordance with Section 151 of the Local Government Act 1972.

The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).

The CFO is responsible for making arrangements for the proper administration of the Council's financial affairs in accordance with best professional practice. This includes medium-term financial planning and regular monitoring of income and expenditure, all of which is reported quarterly to Policy Committees.

In addition, under a national Code of Audit Practice, the Council has a responsibility to ensure that its affairs are managed in accordance with proper standards and to prevent and detect fraud and

Governance Statement (continued)

corruption. The Council has adopted a Counter Fraud and Corruption Policy in order to achieve this and works to an annual programme which is monitored by the Council's Audit Sub-Committee ([Anti-Fraud and Corruption Plan 2018/19](#)).

Standards of Overall Conduct

Members and Officers of the Council operate under Codes of Conduct. These codes provide a set of standards of conduct expected of employees at work and for councillors in performing their public duties.

The Codes take into account the requirements of the law and the provisions of official conduct in the appropriate National Conditions of Service (for employees). Members and Officers are required to disclose any potential conflicts of interest in public registers. These are available for inspection from the Monitoring Officer.

In addition, the Council has adopted an Ethics Statement in its Constitution which sets out the behaviour requirements expected of Officers.

The Council Leader and the Chief Executive are the Corporate Governance Champions for Members and Officers respectively, designed to create a climate of openness, support and respect, promoting a strong ethical culture and upholding the values of good governance.

The Standards Committee hears Members' Code of Conduct complaints referred by the Monitoring Officer in line with the procedure for considering such complaints. These are complaints against Elected Members of the District Council and elected or co-opted Members of the Parishes of South Derbyshire.

The Standards Committee is also informed of complaints not referred to them for consideration and dealt with by the Monitoring Officer, with a summary of the outcome in relation to each matter.

Development of Members and Officers

Members and officers receive a formal induction tailored to their role in the Council, including when they take on new roles. The Council has adopted an e-induction system for Officers and induction training is undertaken by Members at the beginning of each four year term of office. Members' role profiles exist under Section 6 of the Constitution.

Members also have access to regional training courses and seminars organised through the forum of East Midlands Regional Councils.

In addition, on an annual basis, existing and new Members of the Planning and Licensing & Appeals Committees must attend training sessions to enable them to continue to sit on these Committees, to ensure that they are fully briefed on all new developments in these areas.

The Council provides a full range of development opportunities for Members with ad-hoc training and briefing sessions.

Personal Development Reviews provide Employees with a clear understanding of how their work is enabling the Council to deliver its services, together with identifying their own individual training needs.

Establishing Council Objectives

These are set out in the Council's **Corporate Plan** ([The Corporate Plan](#)). This is effectively the Council's business/forward plan, set for five years and reviewed on an annual basis. This plan sets out the Council's vision for South Derbyshire, its values and the priorities for delivering services for local communities.

Governance Statement (continued)

Service Plans are the cornerstone of the operating framework and demonstrate how each section of the Council will deliver improvements in line with priorities detailed in the Corporate Plan.

The Sustainable Community Strategy for South Derbyshire (2009-2029) is co-ordinated by The South Derbyshire Partnership ([The Partnership and Strategy](#)).

This sets out the District wide priorities across a range of public service providers that include the District Council, County Council, Police, Health Authority and the Voluntary Sector.

This plan aims to improve the overall economic, social and environmental wellbeing of South Derbyshire by addressing issues that are important to the local community, businesses and service providers.

Consultation and Communication

What the Council does is informed through consultation and communication. The Council has strategies and work programmes in place to ensure that the views of stakeholders are gathered and fed into the decision-making process.

Through regular and targeted communication, the Council strives to enhance its reputation and profile as a community leader and to ensure that stakeholders are aware of what the Council is achieving and the issues and challenges that it faces.

Assessing and Reviewing Performance

The Council has in place a range of Key Performance Indicators (KPIs) which it uses to measure performance. Indicators are developed for each of the Council's main priorities in the Corporate Plan, alongside specific indicators in service plans.

During the year, the Policy Committees receive quarterly performance monitoring reports. A "traffic light" monitoring system is used to highlight areas at risk of not being achieved and agreed remedial measures in action plans are approved where these were necessary.

In addition, the Finance and Management Committee receive quarterly financial monitoring reports. Performance reporting includes a review of both service and corporate risks.

Data Quality

A key element of reporting performance is the information that underpins it, i.e. data quality. This is to ensure that the Council's arrangements for recording and collecting information are robust so that the evidence and management information is reliable. The Council has adopted a Strategy to govern data quality and its arrangements are subject to regular review, including an annual audit.

Compliments and Complaints

The Council has a Corporate Compliments and Complaints Procedure ([Complaints Procedure](#)). This is used to help identify service improvements from compliments, complaints and other comments received regarding the Council's services. Information is collated centrally and reported half yearly to the Finance and Management Committee, where performance can be challenged and areas for improvement identified.

Arrangements are also in place for dealing with and monitoring Ombudsman's complaints and reporting annually to Full Council.

The Council also has arrangements in place for whistleblowing to which staff and all those contacting the Council have access. A confidential reporting code is reviewed regularly and publicised.

Governance Statement (continued)

Information Communication Technology (ICT)

The Council is responsible for gathering, processing and managing large amounts of personal data and also maintains sensitive and confidential information.

The Council would not be able to operate without an effective ICT infrastructure in place. The Council's ICT and Digital Strategy ([ICT Strategy](#)) is designed to ensure that the appropriate infrastructure is in place to enable the Council to deliver its services efficiently and effectively, together with ensuring that data is secure and processed in accordance with Data Protection legislation.

Appropriate safeguards are in place to ensure the integrity of the Council's ICT infrastructure and this is subject to an annual audit and independent health check. In addition, the Council complies with national best practise for security as contained within the Public Services Network (PSN) Code. Under this Code, the Council's ICT security arrangements are tested and reviewed each year by an independent organisation approved for such work.

Data Management

The Council has Records Management and Document Retention Policies that direct how the Council manages personal and other data that it holds and processes in accordance with the Data Protection Act 2018.

The Council has appointed its Business Change and ICT Manager as its Data Protection Officer. This Officer reports to the Leadership Team on a quarterly basis, including details of any data breaches or other data management issues.

Transparency in the Publication of Information

Besides producing an Annual Statement of Accounts, to demonstrate accountability, the Council publishes a wide range of information on its use of resources. This includes an Annual Pay Policy Statement which details how the pay and remuneration of Officers is determined. The Council also complies with regulations regarding the "Gender Pay Gap" and publishes its figures each year.

In addition, the Council publishes various data sets and information in accordance with the Government's Transparency Code. This includes details of all payments (excluding those to employees) in excess of £250, details of procurement card transactions, together with remuneration and expenses paid to Members. There are also details regarding assets owned and all contracts for goods and services awarded externally in a Contracts Register.

This information is available on the Council's web-site in the "*Open Data and Transparency*" section ([Open Data](#)).

Service Review

To support service delivery, the Council has Procurement and Business Change functions. These sections identify and co-ordinate projects to improve efficiency and effectiveness in the use of Council resources.

Partnership Working

The Council works in partnership with many other public agencies, including the voluntary sector, together with private organisations to deliver its services ([List of Partnerships](#)).

The Council's most significant partnerships are the South Derbyshire Partnership and the Safer South Derbyshire Partnership for Derbyshire. These partnerships are properly constituted and

Governance Statement (continued)

Committees are established (comprising representatives of the Council) who monitor and review progress.

The governance arrangements include a constitution and terms of reference. They have annual action plans which are monitored and reported quarterly to the relevant Strategic Boards. The Council receives annual reports on their performance which identifies the outcomes of partnership work and the financial implications of their work undertaken.

Risk Management

The Council has adopted a Risk Management Policy Statement ([RM Policy and Guidance](#)) which sets out the principles, responsibilities and commitment to dealing with risk. Backed-up by detailed guidance, it is effectively the process for the management of risk throughout the Council.

The Council, through its service planning process, has a system for identifying and evaluating significant risks. Each Service maintains an operational risk register and this is developed and maintained by Officers involved in planning and delivering services.

In addition, the Council's Corporate and Financial Plans identify and evaluate risk at a more strategic level. Furthermore, evaluation of proposals for new spending and capital investment includes a risk assessment analysis. The Council's risk management process provides a framework to embed risk within services. It also includes guidance for managers in assessing and treating risk.

Business Continuity

The Council's arrangements are set out in a Business Continuity Plan in accordance with Civil Contingencies legislation. The Council is supported by Derbyshire County Council's Emergency Planning Unit and subscribes to the Government's Resilience Direct network.

Internal Audit

Under the Account and Audit Regulations 2015, the Council maintains an internal audit function to evaluate the effectiveness of the Council's risk management, internal control and overall governance processes. This is based on public sector internal auditing standards.

Internal audit is the means by which the Council obtains assurances that systems are operating effectively. Internal Audit is required to issue an Assurance Statement (Annual Report) each year that provides an assessment of the Council's internal control system.

The Council employs the services of the Central Midlands Audit Partnership (CMAP) to provide its Internal Audit function.

They work to an annual plan, agreed with and monitored by Members and Senior Officers ([Internal Audit Plan and Charter 2018/19](#)). Internal Audit provides opinions on internal controls in place to manage risks across the Council's activities. Its plans and outputs are monitored and challenged by the Council's Audit Sub-Committee.

Audit review all fundamental financial systems each year and other systems over a five yearly cyclical period. This is based on a risk assessment of each service area.

The reporting process requires a report of each audit to be submitted to the relevant service manager.

Audit reports include recommendations for improvements that are included within an action plan and require agreement or rejection by Council managers. The process includes reviews of recommendations by the auditors through a tracking system, to ensure that they are acted upon.

Governance Statement (continued)

Under Auditing Standards, CMAP is subject to an independent quality assessment of their operational effectiveness at least once in every 5 years.

The Council's Audit Sub-Committee

Under its terms of reference, the Committee independently oversees the Council's corporate governance, together with reviewing the adequacy of the risk management framework and internal control environment.

Internal Audit reports to the Council's Audit Sub-Committee on a quarterly basis. Reports to the Committee provide an overall assurance rating of each system or service area subject to audit. This includes a statement as to whether there are any possible implications for the Annual Governance Statement ([illustrative Reports](#)).

The Committee receive details of any issues that are found to have a potentially "high-risk" impact on the Council's control environment. These are subject to on-going monitoring until all recommended actions have been implemented

External Scrutiny

Ernst & Young LLP (EY) is the Council's appointed external auditor. Besides auditing the accounts and financial statements of the Council, they also focus on more strategic performance and financial management arrangements.

Each year, the Council's External Auditors are required to consider whether the Council has put in place "proper arrangements" to secure economy, efficiency and effectiveness on its use of resources. This is known as the "value for money conclusion".

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise the Council's arrangements to:

- Take informed decisions
- Deploy resources in a sustainable manner
- Work with partners and other third parties

In drawing their conclusion, the Auditors consider the financial resilience of the Council and its past record of delivering financial management.

The Audit Sub-Committee and Officers of the Council meet regularly with the external auditors to discuss planned and on-going external audit activity through the Annual Audit Plan. The Annual Audit Letter, which is considered by a meeting of the Full Council, summarises the conclusions and significant issues arising out of their audit.

D REVIEWING THE EFFECTIVENESS OF THE GOVERNANCE FRAMEWORK

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its Governance Framework, including the system of internal control.

As part of an on-going review, the overall framework was strengthened in 2018/19 following a work programme arising out the Governance Statement for the previous year, 2017/18. Actions are detailed in **Section E**.

Evidence on which to base how effective the Council's governance and internal control framework (as detailed in Section C) has been during 2018/19 is provided in the following sections.

Governance Statement (continued)

The Local Code of Corporate Governance

The Council's Local Code was kept under review during and considered by the Audit Sub-Committee in December 2018 ([Local Code Dec 2018](#)) and May 2019 ([Local Code May 2019](#))

Compared to the 21 individual requirements in the Code, it was considered that the Council was performing satisfactorily in 20 as at May 2019, with 1 area identified for review and development, i.e. organisational development and capacity.

The Council's plan to strengthen this area is included in the Action Plan in **Section E**.

Internal Audits Undertaken in 2018/19

All audits completed and reported to the Audit Sub-Committee during 2018/19 found no material weaknesses which could affect the Council's Governance framework. All audits provided some assurance regarding the internal control environment.

Out of 33 individual audit assignments, only 2 attracted a Limited Assurance Rating with all others attracting either a Comprehensive or Reasonable Rating.

No critical risks were identified to those systems and processes audited during the year. From 142 individual recommendations made to maintain or strengthen control, 121 were considered to be low risk with 3 being considered significant; these significant risks have or are being addressed.

Annual Internal Audit Report on the Council's System of Internal Control

Under the Code of Practice for Internal Audit in Local Government in the United Kingdom (2006) the Head of Internal Audit (HIA) provided their annual report regarding their overall opinion on the Council's system of Internal Control.

The report for 2018/19 was considered by the Audit Sub-Committee on 29 May 2019 ([Audit Committee 29 May 2019](#)).

The report concluded that:

*"Based on the work undertaken during the year, I have reached the overall opinion that there is a **Satisfactory System of Internal Control** - Findings indicate that on the whole, controls are satisfactory, although some enhancements may have been recommended."*

This report also provides further details of the work of Internal Audit during the year as outlined above.

Value for Money (VFM)

At the date of the publication of this Draft Statement, the External Auditor had not reported their conclusion on the Council's arrangements for securing VFM in 2018/19. When this has been issued, the Governance Statement will be updated alongside the publication of the Audited Accounts and Financial Statements later in the year.

The Effectiveness of Internal Audit

No independent review was undertaken in 2018/19 following that completed in 2017/18. The review in 2017/18 assessed Internal Audit as generally conforming to all approved standards.

Communication

Besides the normal publication of events and activities, the Council undertook specific media campaigns aimed at raising awareness of key issues in the Council's Corporate Plan. These were:

Governance Statement (continued)

- **“We’re Watching You Campaign”** aimed at reducing dog fouling and encouraging reporting.
- **Fly Tipping:** Publicising successful prosecutions and enforcement actions.
- **Recycling:** Targeting campaigns to reach new audiences and educate residents, particularly those on new housing developments on the importance of recycling,
- **The National Forest:** Focusing on South Derbyshire’s unique position at the heart of the Forest with the leisure and economic development opportunities that it presents.

Consultation

During 2018/19, there was a wide-ranging series of consultation in order to inform service provision. The main areas of consultation focused on:

- **April 2018:** Views were sought on proposals to clamp down on fly-tipping at a well-known fly-tipping and anti-social behaviour hot-spot in the District.
- **May 2018** – During the National Forest Walking Festival, participants on every walk were asked to complete an evaluation form and to provide feedback on the event.
- **June 2018** – Council tenants were given the opportunity to have their say on how satisfied they are with their homes and services provided. The Survey of Tenants and Residents (STAR) Survey explored areas such as the quality of homes and communities, the effectiveness of repairs and maintenance work and whether tenants think they are getting value for their money.
- **August 2018** - Tenants were invited to comment on methods of communication used by the Council via text message.
- **February 2019** – a six-week consultation on the Council’s proposed submission on the Local Green Spaces Plan.

Changes to the Constitution

The Monitoring Officer reported some cosmetic changes to the Constitution during the year. The only substantive change was the adoption of an Ethics Statement under Part 5 which was approved by the Council in May 2018.

Work of the Overview and Scrutiny Committee

The Committee did not “call-in” any decision during 2018/19 and was not required to undertake any special investigations.

The Committee presented its Annual Report to Full Council on 16 May 2019. This detailed the areas scrutinised in the year and included:

- *The Council’s use of its powers under the Regulation of Investigatory Powers Act 2000*
- *The Council’s Budget proposals for 2019/20*
- *Provision of rural play facilities*
- *The impact of Universal Credit*
- *Customer engagement in the Digital Age*
- *Allocations to Council housing*

Governance Statement (continued)

- *Litter collection following the publication of the Government's Litter Strategy for England.*
- *The use of Safer Neighbourhood grants*

In addition, the Committee scrutinised two issues of an external nature, i.e. the use of Section 106 Health Service contributions across the District, together with the provision of Broadband in rural areas.

Outcomes from these reviews and recommendations for service improvements were detailed in the Annual Report ([Item 11 Annual Report](#)).

Propriety in the Conduct of Council Business

In respect of 2018/19, the following matters are noted.

Ombudsman Complaints

There were no cases of maladministration found against the Council. The Local Government and Social Care Ombudsman issue their Annual Report in September each year.

Their latest report to the Council in September 2018 ([Ombudsman Annual Report](#)) highlighted that they had investigated 8 complaints against the Council in the most recent reporting period between April 2017 and March 2018. Of these, only one complaint was upheld and this was subsequently resolved.

Code of Conduct

There were no breaches of either the Member or Employee Code of Conduct during 2018/19.

Register Of interests

There were no issues raised in the year regarding the register of interests and declarations of gifts/hospitality which required investigation.

Whistleblowing

There were no matters raised under the Council's Whistleblowing Policy in 2018/19.

Data Protection

The Data Protection Officer reported 10 separate data incidents/breaches during 2018/19. They were all classed as minor and subsequently resolved. No incidents occurred which warranted separate notification to the Information Commissioners Office under the Data Protection Act 2018.

ICT Security

There was no major IT security incidents reported during 2018/19.

Health and Safety

There were 5 reportable accidents under Health & Safety Regulations during 2018/19 (4 in 2017/18) involving Council Employees. Following investigation of each accident, risk assessments were reviewed and updated where necessary. There were no major incidents which required reporting to the Health and Safety Inspectorate.

Governance Statement (continued)

During the year, the Council received a suspect package through the post. The incident was dealt with by the relevant agencies. A subsequent debrief of the incident led to further training and procedural changes for dealing with incoming post.

The Council once again achieved a Gold Award from the Royal Society for the Prevention of Accidents (RoSPA) in 2018/19 for its commitment to preventative Health and Safety ([ROSPA Gold Award](#)).

Litigation

During 2018/19, the Council was the subject of a case in the Employment Tribunal, but this was struck out and there were no implications for the Council. In April 2019, further cases were brought against the Council in the Employment Tribunal, all of which have also been dismissed.

Application Process – Infinity Garden Village

An investigation relating to the Expression of Interest submitted for the above was carried out by the Monitoring Officer in August 2017. It was determined, that although the application was submitted without the consent of Elected Members, the position was regularised with a formal resolution from the Environmental and Development Services Committee on 2nd March 2017.

Business Continuity

There were no major incidents during 2018/19 which necessitated the Council invoking its Business Continuity procedures. However, the Council was part of a multi-agency working group regarding the potential consequences on the Council's services of "Brexit" and in particular the scenario of the UK leaving the EU without a deal. At the time of the publication of this Statement, this issue was being kept under review.

A Review of the Local Code and Governance Statement

During the year, Internal Audit undertook a review of the Council's Local Code and Governance Statement. The Audit focused on the format and usefulness of these documents and how key messages were communicated to stakeholders. The review did not focus on the Governance Framework itself per se.

At the time of the publication of this Statement, the Audit report was in draft and subject to consultation with Senior Officers to finalise the recommendations. However, no major issues were identified and the recommendations arising from the Audit will be included in the preparation of the Governance Statement for 2019/20.

Assessment of the Overall Effectiveness of the Council's Governance Arrangements

Pending the External Auditor's report on the Council's arrangements for securing Value for Money, it is considered that the Council's overall Governance Framework continues to be effective. This is based on the Framework itself (as detailed in **Section C**) together with the evidence detailed in **Section D** above.

E KEY GOVERNANCE MATTERS FOR SOUTH DERBYSHIRE

The Council operates within a changing environment with constant development in electronic communications and increasing public expectations, together with additional demand on its services due to substantial residential growth in the District.

Governance Statement (continued)

Consequently, Governance needs to be subject to constant review to take account of changing circumstances. Good governance is a key outcome underpinning the Council's Corporate Plan.

Some areas for review were identified in the Governance Statement for 2017/18 to strengthen the Council's arrangements. In particular, these related to the promotion of the Council's Culture and Ethical Standards amongst employees to ensure the expected standards of behaviour were communicated, implemented and maintained throughout the Council.

Subsequent actions were completed in 2018/19 as reported to the Audit Sub-Committee in the Local Code on 29 May 2019 ([Local Code Report](#)).

Work Plan 2019/20

The main area identified for development during 2019/20 as detailed in the Local code is:

- To commission an External Peer Review to benchmark the Council's capacity to deliver services in a period of significant change and identify any areas for improvement based on good practice at other local authorities.

Note: This has been identified in the Local Code of Corporate Governance as good practice and was originally planned to be undertaken during 2018/19. However, a restructure of the Council's Senior Management during 2018/19 delayed this work being undertaken.

This development is set out and included in a Governance Work Plan for 2019/20 as detailed in the following table.

GOVERNANCE WORK PLAN 2019/20

Work Area	Timescale	Lead Officers	Corporate Plan Priority
Continue to review the Local Code of Corporate Governance and to monitor the Governance Work Plan for the year.	½ yearly reviews reported to the Audit Sub-Committee in December 2019 and May 2020.	Head of Legal and Democratic Services	Maintain Proper Corporate Governance
Undertake an External Peer Assessment	<ul style="list-style-type: none">• Outline approved and assessment commissioned (October 2019)• Report and findings submitted to the Council (December 2019)• Action Plan approved (February 2020)	Chief Executive	Maintain a skilled workforce

Governance Statement (continued)

Council Sign Off

We propose over the coming year to take steps to address the issues identified in the Work Plan to further enhance our governance arrangements.

We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

This Annual Governance Statement is signed by the Leader of the Council and the Chief Executive on behalf of South Derbyshire District Council.

Signed:

Dated:

Signed:

Dated:

Certificate of Chief Financial Officer

I certify that:

- (a) The Statement of Accounts for the year ended 31st March 2019 on pages 34 to 37 has been prepared in the form directed by the Code and under the accounting policies set out on pages 38 to 50.
- (b) In my opinion the Statement of Accounts presents fairly the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year.

Signed:

Dated:

Independent Auditor's Report

TO BE INCLUDED AFTER COMPLETION OF THE AUDIT

Independent Auditor's Report

TO BE INCLUDED AFTER COMPLETION OF THE AUDIT

Independent Auditor's Report

TO BE INCLUDED AFTER COMPLETION OF THE AUDIT

Council Approval of Statement of Accounts

These accounts are to be approved by resolution of the Finance and Management Committee on 28th November 2019 after completion of the External Audit.

Signed:

Dated:

Comprehensive Income and Expenditure Statement

For the year ended 31st March 2019

This statement, as set out below, shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

£000's	2018/19			2017/18		
	Expenditure	Income	Net	Expenditure	Income	Net
Environmental and Development Services	7,486	(3,257)	4,229	7,318	(3,369)	3,949
Housing and Community Services (incl HRA)	11,978	(14,027)	(2,050)	9,306	(14,580)	(5,274)
Finance and Management	25,965	(21,538)	4,427	25,840	(20,821)	5,020
Cost of Services	45,429	(38,822)	6,606	42,464	(38,770)	3,694
Other Operating Income & Expenditure			519			(255)
Exceptional (Note 5)			(336)			(739)
Total Other Operating Income & Expenditure (Note 12)			183			(994)
Financing & Investment Income & Expenditure (Note 13)			1,671			3,766
Taxation & Non-Specific Grant Income (Note 14)			(13,821)			(13,995)
(Surplus)/Deficit on Provision of Services			(5,361)			(7,529)
(Surplus)/Deficit on revaluation of Assets			(3,757)			(1,461)
(Surplus)/Deficit on revaluation of Available for Sale Assets			55			55
Remeasurement of the Net Defined Benefit Liability (Note 34)			7,468			(3,088)
Total Comprehensive Income & Expenditure			(1,596)			(12,023)

Movement in Reserves Statement

For the year ended 31st March 2019

This Statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The surplus or deficit on the provision of services represents the true economic cost of providing services but is not the same as the statutory amounts that must be charged to the General Fund and the Housing Revenue Account for the purpose of setting Council Tax and dwelling rents. These are shown by the net increase / (decrease) before transfers to Earmarked Reserves and are calculated after entering all the adjustments that are required to move from the economic (accounting) basis to the funding basis.

Reserves 2018/19	General Fund	Earmarked Reserves	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied Account	Major Repairs Reserve	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
<i>£000's</i>									
Balance at 31 March 2017	8,434	8,460	3,703	1,949	2,408	1,266	26,219	45,893	72,113
Movement in reserves during 2017/18:									
Total Comprehensive Income & Expenditure	1,759	-	5,769	-	-	-	7,529	4,494	12,023
Adjustments between accounting basis & funding basis (Note 10)	625	-	(4,095)	1,873	7	3,004	1,414	(1,414)	-
Net increase/(decrease) before transfers to Earmarked Reserves'	2,384	-	1,674	1,873	7	3,004	8,943	3,080	12,023
Transfers to/from Earmarked Reserves	(774)	1,253	(229)	(250)	-	-	-	-	-
Increase/(decrease) for the year ended 31 March 2018	1,610	1,253	1,444	1,623	7	3,004	8,943	3,080	12,023
Balance at 31 March 2018	10,044	9,713	5,147	3,573	2,415	4,271	35,161	48,973	84,136
Movement in reserves during 2018/19:									
Total Comprehensive Income & Expenditure	2,106	-	3,255	-	-	-	5,361	(3,765)	1,596
Adjustments between accounting basis & funding basis (Note 10)	1,182	-	(1,317)	5,008	(120)	(817)	3,936	(3,936)	-
Net increase/(decrease) before transfers to Earmarked Reserves'	3,288	-	1,938	5,008	(120)	(817)	9,297	(7,701)	1,596
Transfers to/from Earmarked Reserves	(2,906)	3,072	(166)	-	-	-	-	-	-
Increase/(decrease) for the year ended 31 March 2019	383	3,072	1,772	5,008	(120)	(817)	9,297	(7,701)	1,596
Balance at 31 March 2019	10,427	12,785	6,919	8,580	2,295	3,454	44,458	41,272	85,732

Balance Sheet

For the year ended 31st March 2019

The Balance Sheet shows the value as at 31st March 2019 of the Council's assets and liabilities. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves is those that the Council is not able to use to provide services. This category includes reserves that hold unrealised gains and losses from asset revaluations, together with reserves that account for timing differences.

£000's		2019	2018
	<i>Notes</i>		
Property, Plant & Equipment	15	145,480	144,175
Investment Property	16	5,845	5,412
Long-term Investments	17	1,931	985
Long-term Debtors	17	84	89
Non-Current Assets		153,341	150,662
Inventories		102	85
Short-term Debtors	18	4,041	5,295
Assets Held for Sale	21	1,318	900
Cash & Cash Equivalents	20	35,799	26,593
Current Assets		41,259	32,873
TOTAL ASSETS		194,599	183,535
Short-term Creditors	22	(8,663)	(9,243)
Short-term Borrowing	17	(28)	(28)
Provisions	23	(1,061)	(993)
Current Liabilities		(9,752)	(10,264)
Long-term Creditors	17	(43)	(43)
Long-term Borrowing	17	(57,423)	(57,423)
Pension Deficit	34	(41,650)	(31,669)
Non-Current Liabilities		(99,117)	(89,136)
TOTAL LIABILITIES		(108,868)	(99,399)
NET ASSETS		85,731	84,135
Usable Reserves	24	(44,459)	(35,162)
Unusable Reserves	25	(41,272)	(48,973)
TOTAL RESERVES		(85,731)	(84,135)

Cash Flow Statement

For the year ended 31st March 2019

The Cash Flow Statement, as set out below, shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery.

Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital to the Council.

£000's		2019	2018
	<i>Notes</i>		
Cash generated from operations			
Net Surplus/(Deficit) on the provision of services		5,361	7,529
Adjustment for non-cash movements:			
Depreciation	15	4,657	5,659
Impairments/Revaluations		(1,133)	(3,043)
Movement in Pension Liability	34	2,513	1,862
(Profit)/Loss from the sale of Property, Plant & Equipment	12	(609)	(1,367)
Changes in working capital:			
(Increase)/Decrease in Inventory		(16)	4
(Increase)/Decrease in Debtors	17/18	1,021	(2)
Increase/(Decrease) in Provision for Bad Debts	18	238	146
Increase/(Decrease) in Creditors	22/23	(512)	2,086
Net cash generated from operations		11,520	12,874
Cash flows from investing activities			
Purchase of Property, Plant & Equipment	32	(3,353)	(3,312)
Purchase of Investment Properties	16	-	-
Purchase of long-term Investments	17	(1,000)	(1,000)
Proceeds from the sale of Non-Current Assets	12	2,039	2,484
Net cash flows from investing activities		(2,314)	(1,828)
Cash flows from financing activities			
Proceeds from new Borrowings	17	-	-
Repayment of Borrowings	17	-	-
Net cash flows from financing activities		-	-
Net increase in cash & cash equivalents		9,206	11,046
Cash & cash equivalents at the beginning of the period	20	26,593	15,547
Cash & cash equivalents at the end of the period	20	35,799	26,593

Notes to the Financial Statements

For the year ended 31st March 2019

1. Accounting Policies

(a) General Principles

The Statement of Accounts summarises the Council's transactions for the 2018/19 financial year and its position as at 31st March 2019. It has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 and the Service Reporting Code of Practice 2018/19, supported by the International Financial Reporting Standards (IFRS). The accounting convention adopted is historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The Council's financial statements have been prepared on a going concern basis; that is, the accounts have been prepared on the assumption that the functions of the Council will continue in operational existence for the foreseeable future.

The Statement of Accounts has been prepared in Sterling rounded to the nearest thousand.

The accounting policies are consistent with those applied in the year ended 31st March 2018, as amended to reflect the adoption of any new accounting standards as required by the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.

(b) Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from the sales of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser and it is probable that the economic benefits or services potential associated with the transaction will flow to the Council.
- Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption, they are recognised as inventories on the Balance Sheet.
- Revenue from the provisions of services is recognised when the Council can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument, rather than the cash flows fixed or determined by the contract.
- Where the income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- Expenses relating to the services received (including services provided by employees) are recorded as expenditure when the services are received rather than when the payments are made.
- The Council Tax and income included in the Income and Expenditure Statement is the Council's share of the Collection Fund's accrued income for the year. The NDR income included in the Income and Expenditure Statement is the Council's share of the Collection Fund's accrued income for the year from the Statutory Return following the close of the financial year. The difference between this value and the amount required by regulation to

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

be credited to the General Fund is taken to the Collection Fund adjustment account through the Movement in Reserves Statement.

Accounting for Council Tax

While the Council Tax income for the year credited to the Collection fund is the accrued income for the year, regulations determine when it should be released from the Collection Fund and transferred to the General Fund or paid from the Collection Fund to the major preceptors. The amount credited to the General Fund under statute is the Council's precept for the year, plus or minus the Council's actual share of the surplus / deficit on the Collection Fund for the previous year.

The cash collected by the Council from Council Tax payers belongs predominantly to all the major preceptors. The difference between the amounts collected on behalf of the other major preceptors and payments made to them is reflected as a debtor or creditor balance as appropriate.

Accounting for Non-Domestic Rates (NDR) – Business Rates

The NDR income for the year credited to the Collection Fund is the accrued income for the year. Regulations determine when it should be released from the Collection Fund and paid out to major preceptors (excluding the Police and Crime Commissioner for Derbyshire) and the Government. The amount credited to the General Fund under statute is the Council's estimated share of NDR for the year from the statutory return made to the Government at the commencement of the financial year.

The cash collected by the Council from NDR Tax payers belongs predominantly to all the major preceptors (excluding the Police and Crime Commissioner for Derbyshire) and the Government. The difference between the amounts collected on behalf of the other major preceptors and payments made to them is reflected as a debtor or creditor balance as appropriate.

(c) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Cash equivalents are investments that mature in a specified period of no more than 364 days, or less from the date of acquisition. They are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

(d) Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for in the current and future years, but do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

(e) Charges to Revenue for Non-Current Assets

Service revenue accounts, support services and trading accounts are debited with the following amounts to record the real cost of holding fixed assets during the year:

- Depreciation attributable to the assets used by the relevant service.
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the revaluations reserve against which the loss can be written off.

The Council is not required to raise Council Tax to cover depreciation, impairment losses or amortisations. However, it is required to make an annual provision from the revenue to contribute towards the reduction in its overall borrowing requirement (equal to either an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance). Depreciation, impairment losses and amortisations are replaced by the contribution in the General Fund of a Minimum Revenue Provision (MRP) by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

(f) Employee Benefits

Benefits Payable during Employment

Short Term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, annual leave, sick pay and car allowances. These are for current employees and are recognised as expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements, including annual leave, earned by employees but not taken before the year-end which employees can carry forward into the next financial year.

The accrual is made at the wage or salary rate applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination Benefits are amounts payable as a result of a decision by the Council to terminate employment of employees before the normal retirement date, or an employee's decision to accept voluntary redundancy. These are charged on an accruals basis to the relevant service line of the Comprehensive Income and Expenditure Statement, when the Council is clearly committed to the termination of employment.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the Pension Fund in the year, not the amount calculated according to accounting standards. In the Movement in Reserves Statement appropriations are required to and from the Pensions reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the Pension Fund and any such amounts payable but unpaid at the year-end.

Post-Employment Benefits

Employees of the Council are entitled to be members of the Local Government Pension Scheme, administered by Derbyshire County Council. This scheme provides defined benefits to members (retirement lump sums and pensions) earned as Council employees.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

The Local Government Pension Scheme is accounted for as a funded defined benefit final salary scheme:

- The liabilities of the Derbyshire County Council Pension Scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method. This means there is an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices using a discount rate based on the indicative rate on long-term redemption yields available on AA rated corporate bonds.
- The assets of the Derbyshire County Council Pension Fund attributable to the Council are included in the Balance Sheet at their fair value:
 - Quoted securities - mid market value.
 - Unquoted securities - professional estimate.
 - Unitised securities - average of the bid and offer rates.
 - Property - market value.

The change in the net pension's liability is analysed into the following components:

Service cost comprising

- Current service cost - the increase in liabilities as result of years of service earned this year, allocated in the Comprehensive Income and Expenditure Statement to the revenue accounts of services for which the employees worked.
- Past service cost - the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier year, debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Finance and Management.
- Net interest on the net defined benefit liability (asset) i.e. net interest expense for the Council – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Finance and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement; this is calculated by applying the discount rate used to measure the defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Re-measurement comprising

- The return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions reserve as Other Comprehensive Income and Expenditure.
- Actuarial gains and losses - changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions - charged to the Pensions reserve as Other Comprehensive Income and Expenditure.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

Contributions paid to the Derbyshire County Council Pensions Fund

The cash paid as employer's contributions to the pensions fund in the settlement of liabilities are not accounted for as an expense as statutory provisions require the General Fund and Housing Revenue Account Balances to be charged with the amount payable by the Council to the Pension Fund, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the Pension Fund and any amounts payable to the fund but unpaid at the year-end. The negative balance that arises on the pensions reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flow rather than as benefits earned by the employees.

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any additional liabilities that arise as a result of a discretionary award to an employee are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

(g) Events after the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of event can be identified:

- ➔ Those that provide evidence of conditions that existed at the end of the reporting period; the Statement of Accounts is adjusted to reflect such events.
- ➔ Those that are indicative of conditions that arose after the reporting period, the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

(h) Financial Instruments

Financial Liabilities

Financial Liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate for the instrument. For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principle. Interest charged to the Comprehensive Income and Expenditure Account is the amount payable for the year in the loan agreement.

Financial Assets

Financial assets are classified into three types:

- Loans and receivables - assets that have fixed or determinable payments but are not quoted on an active market.
- Fair value through other comprehensive income (FVOCI) – where cash flows are solely payments of principal and interest and the Council's business model is to both collect those

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

cash flows and sell the instrument; and equity investments that the Council has elected into this category.

- Fair value through profit and loss – all other financial assets.

Loans and receivables are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially valued at fair value, based upon prevailing benchmark market rates for new borrowing. They are subsequently measured and carried on the Balance Sheet at amortised cost. PWLB loan fair value estimates are based upon new borrowing (certainty rate) discount rates. Annual credits to the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Investments elected into the FVOCI category are recognised when the Council becomes a party to the contractual provisions of a financial instrument and are initially valued at fair value in the Balance Sheet. Changes in fair value are balanced by an entry in the Financial Instrument Revaluation Reserve and the gain/loss is recognised in the surplus or deficit on Revaluation of Financial Instruments. Any gains/losses on de-recognition are taken directly to the Comprehensive Income and Expenditure Statement, along with any accumulated gains or losses previously recognised in the Financial Instrument Revaluation Reserve.

(i) Government Grants and Contributions (Revenue)

Whether paid on account, by instalments or in arrears, Government grants and third-party contributions and donations are recognised as due to the Council when there is reasonable assurances that the:

- Council will comply with the conditions attached to the payments; and
- Grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

(j) Investment Property

Investment properties are those that are solely used to earn rentals and/or capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset would be exchanged between knowledgeable parties at arm's length. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposals.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserve Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

(k) Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the Service Reporting Code of Practice 2014/15. The total absorption costing principle is used — the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- ➔ Corporate and Democratic Core — costs relating to the Council's status as a multi-functional, democratic organisation.
- ➔ Non-Distributed Costs — the cost of discretionary benefits awarded to employees retiring early, capital to be funded through reserves and bad debt provisions.

These two categories are defined in the Service Reporting Code and accounted for as separate headings in the Comprehensive Income and Expenditure statement, as part of Net expenditure on continuing Services.

(l) Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administration purposes and that are expected to be used in more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of, Property, Plant or Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Assets are valued into components where a component may be a significant proportion of the overall value of the asset. For example, asset values may be split between land, buildings and services. Where a component is replaced, the carrying amount of the old component is derecognised and the new component reflected in the carrying amount, subject to the recognition principles detailed above being met.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

Measurement

Fair value is defined by IFRS 13 as 'the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date'. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

1. In the principal market for the asset or liability, or
2. In the absence of a principle market, in the most advantageous market for the asset or liability.

The Council uses external valuers to provide a valuation of its assets and liabilities in line with the highest and best use definition within the accounting standard. The highest and best use of the asset or liability being valued is considered from the perspective of a market participant.

IFRS13 seeks to increase consistency and comparability in fair value measurements and related disclosures through a 'fair value hierarchy'. Inputs to the valuation techniques in respect of the Councils fair value measurement of its assets and liabilities are categorised within the fair value hierarchy as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access as the measurement date.

Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – unobservable input for the asset or liability.

The Council measures some of its assets and liabilities at fair value at the end of the reporting period. The Council is unable to capture the impact of adopting IFRS13 in isolation as many other factors, such as market conditions, will have had an impact upon the valuation in the end.

Assets are initially measured at cost, comprising:

- The purchase price.
- Any cost attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Assets are then carried in the Balance Sheet using the following measurements bases:

- Vehicles, Plant and Equipment – depreciated historical cost.
- Land and Buildings - Fair value (the amount that would be paid for land and buildings in their existing use)
- Dwellings – fair value, determined using the basis of existing use value for social housing (EUV-SH).
- Assets under construction – carried at cost until in use and then carried at EUV-SH.
- Surplus assets – best use fair value, based on what would be paid for the asset on the open market.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

- All other assets – fair value determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. (Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from reversals of a loss previously charged to a service.)

Where decreases in value are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains.)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1st April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- Where there is a balance of revaluation gains of the asset in the Revaluation Reserve, the carrying amount of the asset is written down against the balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain community assets) and assets that are not yet available for use (i.e. assets under construction).

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

Depreciation is calculated on the following bases:

- Dwellings and other buildings – Straight-line allocation over the useful life of the property as estimated by the Valuer (between 4 and 60 years)
- Vehicles, plant, furniture and equipment – Straight-line allocation over the useful life of the item, as advised by a suitably qualified officer (between 2 and 7 years)
- Community Assets – Not depreciated as their life is non-determinable
- Land, Surplus assets not held for sale (land) and assets under construction - Not depreciated
- Surplus assets not held for sale (property) - Straight-line depreciation over the useful life of the asset (between 7 and 45 years)
- Infrastructure Assets - Straight-line depreciation allocation over the useful life of the asset (between 10 and 20 years)
- Depreciation is not charged in the year of acquisition or disposal

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item (as determined by the VOA), the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell.

Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the surplus or deficit on provisions of services. Depreciation is not charged on Asset Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to Non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the value of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on the disposal. Receipts from disposals are credited to the same line in the Comprehensive Income and Expenditure Statement in addition to part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

Amounts received for a disposal are categorised as capital receipts. A proportion of receipts relating to housing disposals (75% for dwellings, 50% for land and other assets, net of statutory deductions and allowances) is payable to the Government. The balance of receipts is required to be credited to the Capital Receipts Reserve and then only can be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the Capital Financing Requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against Council Tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from General Fund balance in the Movement in Reserves Statement.

(m) Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the amount of the obligation. For instance the Council may be involved in a dispute that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, and are measured at the best estimate of the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision set-up in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year, where it becomes more likely than not that a transfer of economic benefits will not now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service revenue account.

Where some or all of the payment required to settle a provision is expected to be met by another party (e.g. from an insurance claim), this is only recognised as income in the relevant service revenue account if it is virtually certain that reimbursement will be received if the obligation is settled.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

(n) Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund and HRA Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserve Statement so that there is no net charge against Council Tax for the expenditure incurred.

Certain reserves are kept to manage the accounting processes for Non-current assets, financial instruments, retirements and employee benefits. These do not represent usable resources for the Council. These reserves are explained in the relevant policies.

(o) Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of non-current assets has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts so there is no impact on the level of Council Tax.

(p) Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not receivable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

(q) Principal and Agent Transactions

In its capacity as a billing authority the Council acts as an agent when collecting Council Tax & Non-Domestic Rate income. Council Tax income is collected and distributed by the Council both on its own behalf and as an agent for Precepting Authorities. Non-Domestic Rate (NNDR) income is collected on behalf of the Council, the Government, Derbyshire Fire and Rescue Authority & Derbyshire County Council.

Where the Council is acting as an agent, transactions are not reflected in the financial statements, except where cash is collected or expenditure is incurred on behalf of the other bodies. In this case a debtor or creditor will be raised. Council Tax & NNDR income is included in the Comprehensive Income & Expenditure Statement on an accruals basis

(r) Inventories and Long-Term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The inventory is used in the delivery of Council services.

Work in progress on long-term contracts, where interim valuations are made, is included in the appropriate revenue accounts at historical cost covering the main cost elements (labour, materials, etc.)

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

(s) Leases

Leases are classified as finance leases where the terms of the lease transfer substantially the entire risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

Operating Leases - The Council as a Lessee

Rental paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the service benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

Operating Leases - The Council as a Lessor

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental Income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease).

(t) Exceptional Items

When items of income and expense are material, their nature and amount are disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or as a Note to the Statement of Accounts depending on how significant the items are to an understanding of the Council's financial performance.

2. Accounting Standards that have been issued but not yet adopted

Local Authorities are required to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. The following standards have not yet been adopted:

→ IFRS 16 Leases

The impact of IFRS 16 will be considered for the 2019/20 Statement of Accounts. It is not considered that this standard will have a material impact on the Accounts although the exact impact is not currently known.

3. Critical Judgements

In applying the accounting policies as set out in Note 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in these Accounts are detailed below.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

Assets held for Sale

Former Depot site, Darklands Road, Swadlincote

Committee approval has been granted to sell this site and a planning application has been granted to the developer. A disposal is expected during 2019/20 although negotiations remain ongoing.

Oversetts Road, Swadlincote

The Council has removed a covenant on land to access the site on Oversetts Road during 2018/19. This is part of a Collaboration Agreement with a third party, whereby Council and third party land is being sold together. The Council is receiving a proportion of receipts from both the Council and third party land, and these payments are therefore being received before and after the actual sale of the Council land.

As a result, £290k was received for removal of the covenant, and further receipts will be forthcoming as the Council's share in the sale of land within the Collaboration is completed.

The Council has classified the above assets as "held for sale" in accordance with IFRS 5.

4. Assumptions made about the future and other major sources of uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain.

Estimates are made taking into account historical experience, current trends and other relevant factors.

However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31st March 2019 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current financial climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.
Provisions	The Council has made provisions in 2018/19 totalling approximately £1m, comprising Planning Appeals (£70k) and Business Rate appeals (£991k). The amounts are based on informed estimates of the final liability.
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets, etc. A firm of consulting actuaries is engaged to provide the Pensions Administrator with expert advice about the assumptions to be applied.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

Asset Valuation	<p>It is considered that a fair value basis under IFRS 13, applies to the Council's Investment Properties which are let under leases to local businesses in return for a rental income. These assets are not held as part of a wider economic development strategy for the District. Their value, at approximately £5.8m as shown in Note 16, reflects this position.</p> <p>In addition, long-term financial liabilities in the form of HRA loans outstanding of approximately £57m reflect a fair value measurement as shown in Note 17.</p>
Employee Benefits Payable During Employment	<p>The Council has accrued for known holiday entitlement outstanding as at 31st March 2019, but not taken. This was based on the Council's on-line Annual Leave System (ALS) which sets and records leave as it is authorised and taken during the year. Accrued leave was calculated as £10k at 31 March 2019, compared to £14k at 31st March 2018. The Council has policies in place concerning the taking of accrued leave and other time in lieu. Only in special circumstances can this be converted into cash payments to the employees concerned. Therefore, in practice, much of the accrued sum is unlikely to be a true financial cost and in most circumstances the accrued time is managed within the confines of service delivery. Therefore, the accrued sum is not a charge to the Council's Reserves and with any cash payments being accounted for in the year that they are made.</p>
Bad and Doubtful Debts	<p>The Council has a number of debts outstanding at 31st March 2019. It is likely that a proportion of this debt will not be collectable in the future. Therefore, judgements are made to determine the amount that will remain uncollected and this is converted into a sum which is paid into a provision, in order that uncollectable debts can be written off.</p> <p>Debts are categorised into type and profile of the debtor. Judgements are then made, in some instances at an individual level, regarding the size of debt, period outstanding and any payments in place, etc. A percentage is then applied to debts that may not be collected. Generally, the older the debt, the greater the percentage applied. The percentage is also informed by past experience and the current economic climate. Within the overall resources of the Council, a prudent view is taken in calculating a bad debts provision.</p>

5. Exceptional items of Income and Expense

Oversetts Road, Swadlincote

Land at Oversetts Road, Swadlincote was listed as "surplus" in the 2017/18 Accounts. A receipt of £290k has been received during 2018/19 under the Collaboration agreement, detail of which is included in note 3. The land has been reclassified as "held for sale" and "community assets".

Nettlefold Crescent, Kings Newton

A payment of £45k was received in 2018/19 as consideration for the release of a Council controlled covenant which restricted the use to garden land. The release enabled the land owner to develop the land off Nettlefold Crescent for residential purposes.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

6. Events after the Balance Sheet Date

On 27th June 2019, the Supreme Court denied the Government's request for an appeal in the McCloud and Sargeant case in respect of age discrimination and pension protection. They ruled that the transitional protections afforded to older members when the Public Service Pension Schemes were amended constituted unlawful age discrimination.

At this stage it is uncertain whether there will be an issue for the Local Government Pension Scheme and its employers, nor is it clear what the exact extent would be of any required changes. The potential effects if the transitional protections need to be extended to younger members of the Scheme have been included in the final version of the Statement of Accounts.

The Pension Liability, Reserve and charge to the Surplus on Provision of Services has increased by £611k as a result of the adjustment.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

7. Expenditure and Funding Analysis

The Expenditure and Funding Analysis takes the net expenditure that is chargeable to taxation and rents and reconciles it to the Comprehensive Income and Expenditure Statement.

£000's	2018/19			2017/18		
	Net Expenditure Chargeable to GF & HRA	Adjustments between Accounting & Funding (Notes 8&10)	Net Expenditure in Comprehensive Income & Expenditure Statement	Net Expenditure Chargeable to GF & HRA	Adjustments between Accounting & Funding (Notes 8&10)	Net Expenditure in Comprehensive Income & Expenditure Statement
Environmental and Development Services	5,195	966	4,229	4,323	374	3,949
Housing and Community Services (incl HRA)	(1,239)	810	(2,050)	(1,533)	3,742	(5,274)
Finance and Management	2,576	(1,851)	4,427	3,482	(1,538)	5,020
Net Cost of Services	6,532	(74)	6,606	6,272	2,578	3,694
Other Operating Income & Expenditure	(11,759)	208	(11,967)	(10,330)	892	(11,223)
(Surplus)/Deficit	(5,226)	135	(5,361)	(4,058)	3,471	(7,529)
Opening General Fund and HRA Balances	(24,905)			(20,597)		
(Surplus) / Deficit on General Fund and HRA Balances in year	(5,226)			(4,058)		
Transfers between reserves	-			(250)		
Closing General Fund and HRA Balances at 31st March	(30,131)			(24,905)		

*For a split of the balance between General Fund and HRA see the Movement in Reserves Statement [Page 70 of 842](#)

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

8. Note to the Expenditure and Funding Analysis

2018/19	Adjustments for Capital Purposes [1]	Net Change for the Pensions Adjustments [2]	Other Differences [3]	Total Adjustments
£000's				
Environmental and Development Services	966	-	-	966
Housing and Community Services	1,208	(398)	-	810
Finance and Management	264	(2,115)	-	(1,851)
Net Cost of Services	2,439	(2,513)	-	(74)
Other Income and Expenditure from Expenditure and Funding Analysis	337	-	(128)	208
Difference between General Fund and HRA (Surplus)/Deficit and the (Surplus)/Deficit on the Provision of Services	2,776	(2,513)	(128)	135

2017/18	Adjustments for Capital Purposes [1]	Net Change for the Pensions Adjustments [2]	Other Differences [3]	Total Adjustments
£000's				
Environmental and Development Services	374	-	-	374
Housing and Community Services	4,051	(310)	-	3,742
Finance and Management	14	(1,552)	-	(1,538)
Net Cost of Services	4,440	(1,862)	-	2,578
Other Income and Expenditure from Expenditure and Funding Analysis	345	-	547	892
Difference between General Fund and HRA (Surplus)/Deficit and the (Surplus)/Deficit on the Provision of Services	4,786	(1,862)	547	3,471

1. These amounts relate to adjustments for capital purposes such as depreciation, impairments and revaluations.
2. These amounts relate to the net change for the removal of pension contributions and the addition of IAS19 Employee Benefits.
3. This amount relates to the difference between what is chargeable under statutory regulations for council tax and NNDR and income recognised under generally accepted accounting practices in the Code.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

9. Expenditure and Income Analysed by Nature

£000's	2018/19	2017/18
Expenditure		
Employee Expenses	14,131	13,102
Other service expenses	29,874	30,444
Depreciation and Impairment	3,524	2,616
Interest payable	1,591	1,554
Parish precepts	816	800
Elected Members allowances	359	349
Payments to Housing Capital Receipts Pool	312	312
Total expenditure	50,607	49,177
Income		
Fees, charges and other service income	(9,762)	(9,254)
Interest and investment income	(888)	(693)
Income from Council Tax and Non-Domestic Rates	(11,059)	(10,679)
Rental income	(12,521)	(12,900)
Income from Sale of Fixed Assets	(2,375)	(2,484)
Government grants and contributions	(19,363)	(20,696)
Total income	(55,968)	(56,705)
(Surplus) / Deficit on the Provision of Services	(5,361)	(7,529)

Income received on a segmental basis is analysed in the table below

£000's	2018/19	2017/18
Environmental and Development Services	(3,280)	(3,339)
Housing and Community Services (incl HRA)	(1,375)	(1,607)
Finance and Management	(5,107)	(4,308)
Total income from external customers	(9,762)	(9,254)

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

10. Adjustments between Accounting Basis and Funding Basis under Regulation

2018/19	Usable Reserves					Total
	General Fund	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Major Repairs Reserve	
£000's						
<u>Adjustments to Revenue Resources</u>						
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:						
Pensions Costs (transferred to/from Pensions Reserve)	2,115	398	-	-	-	2,513
Council Tax and NNDR (transferred to/from Collection Fund Adjustment Account)	128	-	-	-	-	128
Holiday Pay (transferred to/from Accumulated Absences Reserve)	(2)	(2)	-	-	-	(4)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (charged to the Capital Adjustment Account)	1,380	3,573	-	-	-	4,954
Total Adjustments to Revenue Resources	3,622	3,970	-	-	-	7,591
<u>Adjustments between Revenue and Capital Resources</u>						
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(721)	(1,627)	2,347	-	-	-
Payments to the Government Housing Receipts Pool	-	312	(312)	-	-	-
Posting of HRA resources from Revenue to the Major Repairs and Capital Receipts Reserve	-	(3,971)	3,509	-	462	(0)
Posting of General Fund resources from revenue to the Capital Grants Unapplied	43	-	-	(43)	-	-
Voluntary revenue contribution for capital funding	(131)	-	-	-	-	(131)
Statutory provision for the repayment of debt (transferred from the Capital Adjustment Account)	(206)	-	-	-	-	(206)
Capital expenditure financed from revenue (transferred to the Capital Adjustment Account)	(1,301)	-	-	-	-	(1,301)
Total Adjustments between Revenue and Capital Resources	(2,316)	(5,286)	5,545	(43)	462	(1,638)
<u>Adjustments to Capital Resources</u>						
Use of Capital Receipts Reserve to finance capital expenditure	(124)	-	(537)	-	(11)	(672)
Use of Major Repairs Reserve to finance capital expenditure	-	-	-	-	(1,268)	(1,268)
Application of capital grants to finance capital expenditure	-	-	-	(77)	-	(77)
Total Adjustments to Capital Resources	(124)	-	(537)	(77)	(1,279)	(2,017)
Total Adjustments	1,182	(1,317)	5,008	(120)	(817)	3,936

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

10. Adjustments between Accounting Basis and Funding Basis under Regulation (continued)

2017/18	Usable Reserves					Total
	General Fund	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Major Repairs Reserve	
£000's						
Adjustments to Revenue Resources						
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:						
Pensions Costs (transferred to/from Pensions Reserve)	1,552	310	-	-	-	1,862
Council Tax and NNDR (transferred to/from Collection Fund Adjustment Account)	(547)	-	-	-	-	(547)
Holiday Pay (transferred to/from Accumulated Absences Reserve)	(16)	1	-	-	-	(14)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (charged to the Capital Adjustment Account)	2,501	1,232	-	-	-	3,733
Total Adjustments to Revenue Resources	3,490	1,543	-	-	-	5,034
Adjustments between Revenue and Capital Resources						
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	(1,767)	(1,455)	3,222	-	-	-
Payments to the Government Housing Receipts Pool	-	312	(312)	-	-	-
Posting of HRA resources from Revenue to the Major Repairs and Capital Receipts Reserve	-	(4,496)	250	-	4,246	-
Posting of General Fund resources from revenue to the Capital Grants Unapplied	(9)	-	-	9	-	-
Voluntary revenue contribution for capital funding	(131)	-	-	-	-	(131)
Statutory provision for the repayment of debt (transferred from the Capital Adjustment Account)	(214)	-	-	-	-	(214)
Capital expenditure financed from revenue (transferred to the Capital Adjustment Account)	(707)	-	-	-	-	(707)
Total Adjustments between Revenue and Capital Resources	(2,828)	(5,639)	3,161	9	4,246	(1,052)
Adjustments to Capital Resources						
Use of Capital Receipts Reserve to finance capital expenditure	(37)	-	(1,287)	-	37	(1,287)
Use of Major Repairs Reserve to finance capital expenditure	-	-	-	-	(1,279)	(1,279)
Application of Capital Grants to finance capital expenditure	-	-	-	(2)	-	(2)
Total Adjustments to Capital Resources	(37)	-	(1,287)	(2)	(1,241)	(2,568)
Total Adjustments	625	(4,095)	1,873	7	3,004	1,414

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

11. Movements in Earmarked Reserves

This note details the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans, together with amounts posted back from earmarked reserves to meet General Fund expenditure in 2018/19.

£000's	Closing balance 2017/18	Transfers in	Transfers out	Closing balance 2018/19
General Fund				
IT Reserve	282	300	-	582
Committed Expenditure Reserve	109	-	-	109
Economic Regeneration Fund	-	1,000		1,000
S106 Receipts	5,972	3,244	(1,097)	8,119
Rosliston Capital Reserve	-	150	-	150
Public Buildings Maintenance	-	130		130
Welfare Reform, Fraud and Compliance	241	89	(80)	249
Homelessness Prevention	174	75	-	249
Schools Sport Partnership Project	190	38	-	228
Pensions Reserve	139	-	-	139
Planning Staffing & Support Costs Reserve	94	30	-	124
District Growth	600	415	(30)	985
Garden Village Reserve	229	-	(65)	164
Other Earmarked Reserves	614	174	(496)	292
Total	8,644	5,644	(1,769)	12,521
Fixed Asset Replacement Fund	1,070	503	(1,308)	265
	9,714	6,147	(3,077)	12,785

12. Other Operating Income and Expenditure

Total £000's	2018/19	2017/18
Parish Council Precepts	773	756
Parish Council Tax Support Grant	44	44
Payments to the Government Housing Capital Receipts Pool	312	312
Total - Other Operating Expenditure	1,128	1,111
Profit on disposal of non-current assets		
Normal (see below)	(609)	(1,367)
Exceptional (Note 5)	(336)	(739)
Total - profit on disposal of non-current assets	(945)	(2,105)
Total - Other Operating (Income) / Expenditure	183	(994)

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

12. Other Operating Income and Expenditure (continued)

(Profits)/losses on the disposal of non-current assets £000's	2018/19	2017/18
Net Proceeds from Sale of General Assets	(527)	(1,029)
Net Proceeds from Sale of HRA Assets	(1,579)	(1,455)
Disposal Costs	68	1
Book Value of non-current assets sold	1,430	1,116
Total	(609)	(1,367)

13. Financing and Investment Income and Expenditure

Total £000's	2018/19	2017/18
Interest Payable and Similar Charges	1,596	1,559
Interest Receivable and Similar Income	(302)	(109)
Net Interest on the Net Defined Benefit Liability (note 33)	876	868
Income and Expenditure in Relation to Investment Properties	(499)	1,448
Total	1,671	3,766

14. Taxation and Non-Specific Income

Total £000's	2018/19	2017/18
Council Tax Income	(6,037)	(5,842)
NNDR Income	(5,022)	(4,837)
Non Ring Fenced Government Grants	(2,762)	(3,316)
Total	(13,821)	(13,995)

Council Tax Income £000's	2018/19	2017/18
Current Year	(6,037)	(5,842)
Total	(6,037)	(5,842)

National Non Domestic Rates (NNDR) £000's	2018/19	2017/18
Current Year	(12,864)	(10,096)
Tariff Payments	8,242	6,194
Business Rate Reliefs	(537)	(1,529)
Derbyshire Economic Prosperity Board Payment	138	-
Payment to Business Rates Pool	-	1,149
Receipt from Business Rates Pool	-	(556)
Total	(5,022)	(4,837)

* NNDR between years has changed due to the 100% Derbyshire Business Rates Pilot which has resulted in a larger precept and tariff but reductions in other reliefs. The Council will no longer be part of the Pilot in 2019/20.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

14. Taxation and Non Specific Income (continued)

Non Ring Fenced Government Grants <i>£000's</i>	2018/19	2017/18
Revenue Support Grant	-	(668)
Transition Grant	-	(3)
EU Exit Funding	(17)	-
Custom Build Grant	(30)	-
New Homes Bonus	(2,702)	(2,619)
New Burdens Grant	(13)	(26)
Total	(2,762)	(3,316)

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

15. Property, Plant and Equipment

Year ended 31 March 2019	Council Dwellings	Land & Buildings	Vehicles, Plant & Equipment	Community Assets	Assets Under Construction	Surplus Assets	Total
<i>£000's</i>							
Cost or valuation							
At 1 April 2018	123,402	17,885	3,421	1,225	-	305	146,239
Additions	1,302	83	1,385	-	517	-	3,287
Disposals	(976)	-	(334)	-	-	-	(1,311)
Transfers	-	(225)	-	14	-	(200)	(411)
Revaluations recognised in the revaluation reserve	(857)	522	-	61	-	-	(274)
At 31 March 2019	122,871	18,266	4,472	1,300	517	105	147,531
Depreciation & Impairment							
At 1 April 2018	-	-	(2,064)	-	-	-	(2,064)
Charge for the Year	(3,561)	(778)	(318)	-	-	-	(4,657)
Disposals	-	-	331	-	-	-	331
Transfer	-	-	-	-	-	-	-
Impairments recognised in the Provision of Services	1,077	(137)	-	-	-	-	940
Depreciation written out to the revaluation reserve	2,484	915	-	-	-	-	3,399
At 31 March 2019	(0)	0	(2,051)	-	-	-	(2,051)
Net Book Value							
At 31 March 2019	122,871	18,266	2,421	1,300	517	105	145,480
At 1 April 2018	123,402	17,885	1,357	1,225	-	305	144,175

**The balance of £411k on transfers is due to a classification change from Surplus Assets to Assets Held for Sale for land at Oversetts Road, from Land & Buildings to Investment Property for the Caretaker's house at Melbourne and Surplus Assets to Community Assets for the split of land at Oversetts Road*

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

15. Property, Plant and Equipment (continued)

Year ended 31 March 2018	Council Dwellings	Land & Buildings	Vehicles, Plant & Equipment	Community Assets	Assets Under Construction	Surplus Assets	Total
<i>£000's</i>							
Cost or valuation							
At 1 April 2017	121,634	18,710	2,755	1,231	-	755	145,085
Additions	1,316	1,329	666	-	-	-	3,312
Disposals	(923)	(102)	-	-	-	-	(1,025)
Transfers	-	(568)	-	-	-	(450)	(1,018)
Revaluations	1,376	(1,485)	-	(6)	-	-	(115)
					-		-
At 31 March 2018	123,402	17,885	3,421	1,225	-	305	146,239
Depreciation & Impairment							
At 1 April 2017	-	-	(1,798)	-	-	-	(1,798)
Charge for the Year	(4,581)	(812)	(266)	-	-	-	(5,659)
Disposals	-	-	-	-	-	-	-
Transfer		49					49
Impairments	4,452	(1,492)	-	-	-	-	2,960
Revaluations	130	2,254	-	-	-	-	2,384
At 31 March 2018	-	(0)	(2,064)	-	-	-	(2,064)
Net Book Value							
At 31 March 2018	123,402	17,885	1,357	1,225	-	305	144,175
At 1 April 2017	121,634	18,710	957	1,231	-	755	143,287

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

15. Property, Plant and Equipment (continued)

Valuations

In accordance with IAS 16, the Council revalues all Property, Land and Buildings annually on a fair value basis. It is considered that there is no material difference in a fair value basis compared to a valuation based on carrying value. All valuations were carried out externally by Richard Hemsworth MRICS, Senior Surveyor, VOA. Valuations of land and buildings were carried out as at 31st March 2019 in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

Except for Vehicles, Plant and Equipment, all assets are valued each year and summary values are shown in the following table.

	Council Dwellings	Land & Buildings	Vehicles, Plant & Equipment	Community Assets	Assets under Construction	Surplus Assets	Total
£000's							
Carried at historical cost 2018/19	-	-	4,472	-	-	-	4,472
Carried at valuation as at:							
31 March 2019	122,871	18,266	-	1,300	517	105	143,059
31 March 2018	123,402	17,885		1,225	-	305	142,818

Valuation Assumptions

The significant assumptions applied in estimating the fair values by the Valuer are as follows:

- The land and property are not contaminated nor adversely affected by radon.
- Parts of the property which are covered, unexposed or inaccessible have not been inspected, and any inspection of those parts that have not been inspected would neither reveal defects nor cause material alteration at any valuation.
- No potentially deleterious or hazardous materials were used in the construction of the assets and none has subsequently been incorporated.
- No investigation has been carried out to determine the presence of contamination, deleterious or hazardous materials at any of the properties.
- The Valuer has not undertaken building or soil surveys or a survey of possible contamination of the subject properties, although the Valuer shall have regard to the apparent state of repair and condition of the properties.
- There has been no recent flooding affecting the assets and representation of the assets on any map identifying possible flood occurrences will have no effect on the value.
- Reliance has been placed on information provided by the Council, except where stated otherwise, and all information supplied by the Council with regard to details of tenure, tenancies, planning consents, details of floor areas and site areas, and all other relevant information is accurate.
- Original documents of title and lease and documentation have not been read.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

15. Property, Plant and Equipment (continued)

- Except where specifically mentioned, it has been assumed that the assets are not subject to any unusual or especially onerous restrictions, encumbrances, mortgages, charges or other outgoing would affect their value and a good title can be shown.
- Mechanical and electrical installations and other specialist installations and services have not been tested.
- The assets and their values are unaffected by any matters which would be revealed by local search and replies to the usual enquiries or by any statutory notice, and that neither the construction of the properties nor their condition, use or intended use, is or will be unlawful or in breach of any covenants.
- No access audit has been undertaken to ascertain compliance with the Equality Act 2010.
- No allowances have been made for any rights obligations or liabilities arising from the Defective Premises Act 1972.
- Where a building is either listed or is in a conservation area, this will be identified in any individual report or on the valuation schedules.

Impairments

Impairments for the year ended 31st March 2019 recognised in the Income and Expenditure Statement were £1,484k, with £2,364k of impairments being reversed relating to previous years.

16. Investment Properties

The following table summarises the movement in the fair value of investment properties over the year.

£000's	2018/19	2017/18
Balance at the beginning of the year	5,412	5,161
Transfers In Year	225	168
Surplus/(Deficit) on revaluation	208	83
Balance at the end of the year	5,845	5,412

Income and expenditure associated with Investment properties (including asset charges) have been accounted for in the "Financing and Investment Income and Expenditure" line in the Comprehensive Income and Expenditure Statement (Note 13).

The transfer in year is for the Caretaker's house in Melbourne which has been reclassified as an Investment Property.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

17. Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet:

£000'S	Non-current		Current	
	2018/19	2017/18	2018/19	2017/18
Investments				
Loans and receivables at amortised cost	40	40	-	-
Investments elected to fair value through other comprehensive income	1,891	945	-	-
Total Investments	1,931	985	-	-
Debtors				
Loans and receivables at amortised cost	84	89	-	-
Financial assets carried at contract amounts	-	-	3,676	3,107
Debtors that are not financial instruments	-	-	364	2,188
Total Debtors	84	89	4,041	5,295
Cash and cash equivalents				
Loans and receivables at amortised cost	-	-	27,299	22,593
Investments held at fair value through profit and loss	-	-	8,500	4,000
Total cash and Cash Equivalents	-	-	35,799	26,593
Borrowings				
Financial liabilities at amortised costs	(57,423)	(57,423)	(28)	(28)
Total Borrowings	(57,423)	(57,423)	(28)	(28)
Other Long Term Liabilities	(43)	(43)	-	-
Total Other long term liabilities	(43)	(43)	-	-
Creditors				
Financial liabilities carried at contract amounts	-	-	(1,736)	(1,449)
Creditors that are not financial instruments	-	-	(6,927)	(7,794)
Total Creditors	-	-	(8,663)	(9,243)

The Council adopted the IFRS9 Financial Instruments accounting standard with effect from 1st April 2018. The main changes include the reclassification and measurement of financial assets and the earlier recognition of the impairment of financial assets.

Upon transition to IFRS 9 on 1st April 2018, and in accordance with paragraphs 5.7.5 and 7.2.8(b) of IFRS 9, the Council made an irrevocable election to present changes in the fair value of the Local Authority (CCLA) Property Fund investments in other comprehensive income.

The Council has made use of the transitional provisions in IFRS9 to not restate the prior year's financial statements and the changes made to the Balance Sheet on transition are summarised in the following table.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

17. Financial Instruments (continued)

£000'S	IAS 39 31-Mar-18	IFRS 9 01-Apr-18
Investments		
Loans and receivables	40	
Loans and receivables at amortised cost		40
Available for Sale Investments	945	
Investments elected to fair value through other comprehensive income		945
Total Investments	985	985
Debtors		
Loans and receivables	89	
Loans and receivables at amortised cost		89
Financial assets carried at contract amounts	3,107	3,107
Debtors that are not financial instruments	2,188	2,188
Total Debtors	5,384	5,384
Cash and cash equivalents		
Loans and receivables	22,593	
Loans and receivables at amortised cost		22,593
Available for Sale Investments	4,000	
Investments held at fair value through profit and loss		4,000
Total Cash and Cash Equivalents	26,593	26,593
Borrowings		
Financial liabilities at amortised costs	(57,451)	(57,451)
Total Borrowings	(57,451)	(57,451)
Other Long Term Liabilities	(43)	(43)
Total Other long term liabilities	(43)	(43)
Creditors		
Financial liabilities carried at contract amounts	(1,449)	(1,449)
Creditors that are not financial instruments	(7,794)	(7,794)
Total Creditors	(9,243)	(9,243)

The investments elected to fair value through other comprehensive income of £1,891k is the fair value of the Council's investment in the CCLA Property Fund. The investments of £40k relate to money held in trust for a local community group. Debtors (Loans and receivables at amortised cost) relate to charges placed on properties following work undertaken by the Council under statutory powers plus other small loans.

As at 31st March 2019, the debt outstanding comprised the following loans.

- A portfolio of loans from the Public Works Loan Board with a book value of £57,423k (2018: £57,423k). £47,423k of the loan portfolio is fixed with rates between 2.7% and 3.5%.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

17. Financial Instruments (continued)

The remaining £10,000k loan is a variable rate loan (with a benchmark of the six month gilt) currently incurring interest at 0.92% (2018: 0.79%) with a maturity of 2022.

- Loans of £28k have been received from various Parish Councils within the South Derbyshire District Council area who have deposited funds with the Council. These loans can be recalled on immediate notice. Interest is calculated at the Bank of England Base Rate, less 1%. In 2018/19 no interest was calculated due to the Bank of England Base Rate being less than 1%.

Interest Income, Expenses, Gains and Losses

As part of the CIPFA Code of Practice in the financial instruments note, the Council is also required to disclose the interest income and expenses and the gains and losses in respect of this. These are shown in the table below:

£000'S	2018/19					2017/18			
	Financial Liabilities measured at amortised cost	Financial Assets: Loans and Receivables	Financial Assets: Elected to Fair Value through OCI	Financial Assets: Fair Value through Profit & Loss	Total	Financial Liabilities measured at amortised cost	Financial Assets: Loans and Receivables	Financial Assets: Available-for-Sale	Total
Interest Expense	1,595	-			1,595	1,559	-		1,559
Total Expense	1,595	-			1,595	1,559	-		1,559
Interest and Dividend Income	-	(192)	(66)	(44)	(302)	-	(84)	(25)	(109)
Total Income	-	(192)	(66)	(44)	(302)	-	(84)	(25)	(109)
Losses on Revaluation			55		55			55	55
Net (Gains)/Loss for the Year	1,595	(192)	(11)	(44)	1,348	1,559	(84)	30	1,505

Fair Values of Assets and Liabilities

The financial liabilities, financial assets represented by loans and receivables and long-term debtors and creditors are carried in the Balance Sheet at amortised cost. The fair value is assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- The fair values of long term loans from the Public Works Loan Board have been based on the new lending rates for equivalent loans at that date with an identical remaining term to maturity.
- For loans receivable prevailing benchmark market rates have been used to provide the fair value.
- No early repayment impairment is recognised.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

17. Financial Instruments (continued)

Available-for-Sale assets and assets and liabilities at fair value through profit or loss are carried in the Balance Sheet at their fair value. These fair values are based on public price quotations where there is an active market for the instrument.

£000'S	Carrying amount 2018/19	Fair Value 2018/19	Carrying amount 2017/18	Fair Value 2017/18
Financial Liabilities				
Long Term	(57,423)	(64,174)	(57,423)	(63,491)
Short Term	(28)	(28)	(28)	(28)
	(57,451)	(64,202)	(57,451)	(63,519)
Financial Assets				
Money Market Investments	8,500	8,500	4,000	4,000
CCLA Property Fund	2,000	1,891	1,000	945
	10,500	10,391	5,000	4,945

The fair value adjustment for long term financial liabilities relates to the Public Works Loan Board Portfolio. The fair values were obtained from the Treasury Management advisor Arlingclose Ltd, which values all loans for the purpose of year-end financial statements. The fair value in 2019 is approximately £7m higher than the current book value. This reflects that the loans are currently worth more due to the average discount rate on these loans being 1.71%, compared to the average actual interest paid of 2.81%.

The valuation technique to measure the money market investments and the CCLA Property Fund is in the category, Level 1, as explained in the Accounting Policies note.

Nature and Extent of Risks arising from Financial Instruments

The CIPFA's Code of Practice on Treasury Management which requires the adoption of the CIPFA Treasury Management Code and the approval of Treasury Management Strategy before the commencement of each financial year has been adopted by the Council. The Strategy sets out the parameters for the management of risks associated with financial instruments.

The Council is exposed to the financial risks:

- Credit risk - the possibility that other parties might fail to pay amounts due to the Council;
- Liquidity risk - the possibility that the Council might not have funds available to meet its commitments to make payments;
- Re-financing risk - the possibility that the Council might be required to renew a financial instrument on maturity at disadvantageous interest rates or terms
- Market Risk - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

17. Financial Instruments (continued)

Overall Procedures for Managing Risk

The Council's risk management procedures focus on the unpredictability of financial markets, and on implementing restrictions to minimise these. The procedures for risk management are set out in the Local Government Act 2003 and the associated regulations. These require the Council to comply with the CIPFA Prudential Code for Treasury Management in the Public Sector which governs borrowing and investment activity.

Overall, these procedures require the Council to manage risk in the following ways by:

- Formally adopting the requirements of the Code of Practice.
- Approving annually in advance prudential indicators for the following three years limiting:
 - The Council's overall borrowing;
 - Its maximum and minimum exposures to fixed and variable rates;
 - Its maximum and minimum exposures to the maturity structure of its debts;
 - Its maximum annual exposures to investments maturing beyond a year.
- By approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with the Government Guidance.

These matters are required to be reported and approved at or before the Council's Annual Council Tax Budget setting. These items are reported with the Annual Treasury Management Strategy which outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure. Actual performance is also reported annually to Members.

The Council maintains written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash through Treasury Management Practices (TMPs). These TMPs are a requirement of the Code of Practice and are reviewed regularly.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above. The following narrative summarises the Council's potential maximum exposure to credit risk on financial assets, based on the experience of default assessed by the ratings agencies and the Council's treasury advisors.

The following table summarises the balances held at 31st March 2019:

Counterparty	Credit rating criteria met when Investment placed	Balance invested at 31 March 2019
£000's		
Banks	Yes	2,500
Other local authorities	Yes	25,000
Money Market Funds	Yes	8,500
CCLA Property Fund	Yes	2,000
		38,000

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

17. Financial Instruments (continued)

Liquidity Risk

The Council has ready access to borrowings from the Money Markets to cover any day-to-day cash flow need, and whilst the Public Works Loan Board (PWLb) provides access to longer term funds, it also acts as a lender of last resort to councils (although it will not provide funding to a council whose actions are unlawful). The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is, therefore, no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The Council manages its liquidity position through the risk management procedures detailed previously, the setting and approval of prudential indicators, together with the approval of the Treasury and Investment Strategy Reports and through cash flow management procedures required by the Code of Practice.

The maturity analysis of financial liabilities is as follows:

Maturity analysis of financial liabilities	Balance at 31 March 2019	Balance at 31 March 2018
£000'S		
Less than one year	28	28
Between one and two years	-	-
Between two and five years	20,000	10,000
Between five and ten years	10,000	20,000
More than ten years	27,423	27,423
	57,451	57,451

Refinancing and Maturity Risk

The Council maintains debt and short-term investment portfolios. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer term risk to the Council relates to managing the exposure of replacing financial instruments as they mature.

The approved prudential indicator limits for the maturity structure of debt, and the limits placed on investments, are the key parameters used to address this risk. The Council's approved Treasury and Investment Strategies address the main risks and the Financial Services Unit addresses the operational risks within the approved parameters. This includes monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council's day-to-day cash flow needs.

Market Risks

a) Interest Rate Risk

The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing investment periods. For instance, a rise in variable and fixed interest rates would have the following effects:

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

17. Financial Instruments (continued)

- Borrowings at variable rates - the interest expense charge to the Income and Expenditure Account will rise.
- Borrowing at fixed rates – the fair value of the borrowing liability will fall.
- Investments at variable rates – the interest income credited to the Income and Expenditure Account will rise.
- Investments at fixed rates – the fair value of the assets will fall.

The Council has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together the Council's prudential indicators and its expected treasury operations, including an expectation of interest rate movements.

The Council's benchmark, as approved in the Treasury Management Strategy, is to achieve a return on its short-term investments which is at least the average 7-day market rate over the year.

During 2018/19, the average investment rate returned was 0.66%, compared to a market average of 0.65%. The average rate earned from the Government's Debt Management Office (DMO) was 0.39%, whilst that earned from other local authorities was 0.67%.

Due to uncertainty in financial markets, the Council's lending policy is quite strict in safeguarding public money. Deposits are placed predominantly with the Government's Debt Management Office, Money Market Funds, instant access bank accounts and other local authorities. Although these are the safest form of deposit available and are "guaranteed," interest rates tend to be lower than the market average.

During the year, the Council also made an additional investment in the CCLA Property Fund which will generate a higher rate of return for the authority.

Investments classed as 'loans and receivables' and loans borrowed are not carried at fair value, so changes in their fair value will have no impact on Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services.

If all interest rates had been 1% higher, with all other variables held constant, the financial effect would be:

	2018/19	2017/18
£000'S		
Increase in interest payable on variable rate borrowings	(100)	(100)
Increase in interest receivable on variable rate investments	310	243
Impact on Surplus or Deficit on the Provision of Services	210	143

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

17. Financial Instruments (continued)

b) Price Risk

The Council's investment in a pooled property fund is subject to the risk of falling commercial property prices. This risk is limited by the Council's maximum exposure to property investments of £2m. A 5% fall in commercial property prices would result in a £100,000 charge to Other Comprehensive Income & Expenditure – this would have no impact on the Surplus or Deficit on the Provision of Services until the investment was sold.

18. Debtors

Current £000's	2018/19	2017/18
Trade receivables	1,194	885
Prepayments	698	834
Other receivable amounts	4,392	5,581
	6,285	7,300
Less: Bad Debt Impairment Provisions	(2,244)	(2,006)
Total	4,041	5,295

19. Debtors for Local Taxation

The past due but not impaired amount for local taxation (Council Tax and Non-Domestic Rates) can be analysed by age as follows:

Past Due £000's	2018/19	2017/18
Less than 3 Months	1,960	1,296
3 - 6 Months	-	-
6 Months - 1 Year	-	-
More than 1 Year	5,170	5,725
Total	7,130	7,021

20. Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents include cash on hand and in bank, together with short term deposits and investments (considered to be cash equivalents) net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the Balance Sheet:

£000's	2018/19	2017/18
Cash and Bank Balances	2,299	3,093
Short Term Deposits (considered to be cash equivalents)	25,000	19,500
Money Market Funds	8,500	4,000
Total	35,799	26,593

Short term deposits were all invested with other local authorities as at 31 March 2019.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

21. Assets Held for Sale

£000's	2019	2018
Balance at beginning of the year	900	1,000
Additions	65	1
Disposals	(450)	(1,001)
Revaluations	616	50
Transfers	186	850
Balance at end of the year	1,318	900

As detailed in Note 3, the assets held for sale are land at Oversetts Road, Swadlincote and the former depot site at Darklands Road, Swadlincote.

The Council has classified these assets as “held for sale” in accordance with IFRS 5. This is because in both cases committee approval to sell and planning permission to develop has been confirmed. A firm plan is in place to complete both sales within the next 12 months taking into consideration a number of conditions being satisfied.

The land at Oversetts Road, Swadlincote is to be redeveloped as residential property whilst the old depot has been highlighted as a potential site for economic regeneration which would bring significant community benefits to Swadlincote Town Centre.

22. Creditors

Current	2018/19	2017/18
£000's		
Trade payables	(555)	(468)
Other payables	(6,714)	(7,221)
Accruals	(1,393)	(1,554)
Total	(8,663)	(9,243)

23. Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. The Council has made 2 provisions in the accounts for 2018/19 as shown in the following table.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

23. Provisions (continued)

Current £000's	At 1 April	Increase in provision during year	Utilised during the year	Unused amounts released	At 31 March
2018/19					
Planning Appeal	(107)	(71)	8	100	(70)
NNDR Appeals	(822)	(510)	180	162	(991)
Termination Benefits	(64)	-	64	-	-
	(993)	(581)	252	262	(1,061)
2017/18					
Personal Searches	(13)	-	-	13	-
Planning Appeal	(102)	(108)	12	91	(107)
NNDR Appeals	(993)	(401)	-	572	(822)
Termination Benefits	-	(64)	-	-	(64)
	(1,109)	(573)	12	676	(993)

Planning Appeals

This provision is for the costs associated when planning permission is originally rejected by the Council but is then overturned by the Planning Inspectorate on appeal.

National Non-Domestic Rate (NNDR) Appeals

This was reduced in 2018/19 due to a large number of appeals lodged with the District Valuer in 2010 being settled in year.

24. Usable Reserves

£000's	2018/19	2017/18
General Fund ¹	10,426	10,044
Earmarked Reserves ^{1,2}	12,785	9,714
HRA ¹	6,919	5,147
Capital Receipts Reserve ²	8,580	3,573
Capital Grants Unapplied Account ²	2,295	2,415
Major Repairs Reserve ²	3,454	4,271
Total	44,459	35,163

1. Reserve for Revenue purposes
2. Reserve for Capital purposes

Revenue Reserves

The General Fund is the main revenue fund of the Council. Day-to-day spending on services is met from this Fund. Income and expenditure associated with the provision of Council Housing is charged separately under statute within the Housing Revenue Account (HRA). The HRA has its own reserve.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

24. Usable Reserves (continued)

Earmarked Reserves

The Council maintains various earmarked reserves for specific purposes. These reserves are used to meet one-off commitments or to spread the cost of more significant expenditure over a number of years, for example, replacement of vehicles and ICT developments. Reserves are also created where income, for example, external contributions, is received in advance of expenditure which may occur beyond one year.

£000's	2018/19	2017/18
IT Reserve	582	282
Welfare Reform, Fraud and Compliance	249	241
Committed Expenditure Reserve	109	109
S106 Capital Receipts	8,119	5,972
Economic Regeneration Fund	1,000	0
Rosliston Capital Reserve	150	0
Public Buildings Maintenance	130	0
Fixed Asset Replacement Fund	265	1,070
Homelessness Prevention	249	174
Schools Sport Partnership Project	228	190
Pensions Reserve	139	139
Planning Staffing & Support Costs Reserve	124	94
Other Earmarked Reserves	292	614
District Growth	985	600
Garden Village Reserve	164	229
Total	12,785	9,714

Capital Reserves

These are held to provide new assets or to upgrade existing ones.

Capital Receipts Reserve

These are cash receipts from the sale of Council assets, which have not yet been used to finance new capital expenditure. This includes a sum contributed from the HRA for repayment of loans due within the next 5 years.

Capital Grants Unapplied

This generally comprises Government, or other grants and external contributions received to fund expenditure, which is generally incurred beyond one year. A list of unapplied grants is listed below.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

24. Usable Reserves (continued)

£000's	2018/19	2017/18
Public Open Space (Commutated Sums)	1,140	1,237
Crime and Disorder Partnership	351	332
Youth Engagement Partnership	605	638
Get Active in the Forest Partnership	61	43
Other Capital Grants Unapplied	138	165
Total	2,295	2,415

Major Repairs Reserve

This reserve is used to finance investment in the housing stock and the reserve is funded by transfers from the HRA (through the Capital Expenditure Requirement).

A full analysis of the movements is provided in the Housing Revenue Account Statements.

25. Unusable Reserves

£000's	2018/19	2017/18
Capital Adjustment Account ²	58,203	58,261
Revaluation Reserve ²	24,939	22,423
Pensions Reserve ¹	(41,702)	(31,721)
Collection Fund Adjustment Account ¹	(49)	79
Financial Instruments Revaluation	(109)	-
Available for Sale Financial Instruments	-	(55)
Accumulating Compensated Absences Adjustment Account ¹	(10)	(14)
Total	41,272	48,973

1. Reserve for Revenue purposes

2. Reserve for Capital purposes

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis).

The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

25. Unusable Reserves (continued)

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1st April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 10 “Adjustments between Accounting Basis and Funding Basis under Regulations” provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

£000's	2018/19
Balance at 1st April 2018	58,261
Charges for depreciation and impairment of non-current assets	(3,774)
Revaluation gains on Property, Plant and Equipment	1,241
Revenue expenditure funded from capital under statute	973
Amounts of non-current assets written off on disposal	(1,430)
Net written out amount of the cost of non-current assets consumed in the year	55,271
Capital financing applied in the year:	
Use of Capital Receipts to finance new capital expenditure	595
Use of Major Repairs Reserves to fund new capital expenditure	1,268
Application of grants to capital financing from the Capital Grants Unapplied Account	77
Minimum Revenue Provision	206
Voluntary Revenue Provision	131
Capital expenditure credited to the General Fund and HRA balance	406
Movements in the market value of Investment Properties	250
Balance as at 31st March 2019	58,203

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment.

The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost;
- Used in the provision of services and the gains are consumed through depreciation; or
- Disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1st April 2007, the date that the Reserve was created.

Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

25. Unusable Reserves (continued)

£000's	2018/19
Balance at 1st April 2018	22,423
Upward revaluation of assets	3,955
Downward revaluation of assets	(198)
Amounts of non-current assets written off on disposal	-
Surplus on revaluation of non-current assets not posted to the Provision of Services	26,180
Accumulated gains on assets sold	(1,241)
Balance as at 31st March 2019	24,939

Financial Instruments Revaluation Reserve

The Financial Instruments Revaluation Reserve contains the gains made by the Council arising from increases in the value of its instruments that have quoted market prices or otherwise do not have fixed or determinable payments. The balance is reduced when investments with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- disposed of and the gains are realised

£000's	2018/19
Balance at 1st April 2018	(55)
Upward/(Downward) revaluation of investments not charged to the Surplus/Deficit on the Provision of Services	(55)
Balance as at 31st March 2019	(109)

The Council adopted IFRS9 Financial Instruments during 2018/19 and changes to the Reserves and Balance Sheet are listed in detail in note 17.

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

However, statutory arrangements require a benefit earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax and Business Rates income in the Comprehensive Income and Expenditure Statement as it falls due from Council Tax and Business Rate payers, compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

25. Unusable Reserves (continued)

Accumulating Compensated Absences Adjustment Account

The Accumulating Compensated Absences Adjustment Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

26. Agency Services

The Council carries out, under an agency agreement with Derbyshire County Council, certain highways and gulley cleaning work. The value of this work is shown in the following table.

£000's	2018/19	2017/18
Income	275	275
Expenditure	(57)	(95)
Net surplus arising on the agency agreement	218	180

27. Members' Allowances

During the year Members allowances totalled £359k (2017/18: £349k) as shown in the following table.

	2018/19	2017/18
Basic Allowance	228	224
Telephone Allowance	-	-
Travel and Subsistence	5	6
Special Responsibility Allowances	126	119
	359	349

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

28. Officers' Remuneration

The number of employees whose remuneration, excluding employer's pension contributions, was £50,000 or more is as follows:

	2018/19 Number	2017/18 Number
£50,001 to £55,000	3	-
£60,001 to £65,000	1	3
£65,001 to £70,000	1	-
£80,001 to £85,000	-	-
£85,001 to £90,000	2	1
£120,001 to £125,000	-	1
£125,001 to £130,000	1	-
	8	5

The remuneration of the officers included in the above table is disclosed in more detail below:

£'s	Salary, Fees And Allowances	Expenses Allowances	Pension Contributions	Total
2018/19				
Chief Executive	125,901	1,511	17,374	144,786
Strategic Director (Corporate Resources)	89,250	1,511	12,317	103,077
Strategic Director (Service Delivery)	88,754	1,503	12,248	102,505
Legal & Democratic Services Manager and Monitoring Officer	66,508	1,239	9,178	76,925
Head of Organisational Development	63,148	1,511	8,714	73,373
Direct Services Manager	50,615	1,511	6,985	59,111
Planning Services Manager	50,615	1,239	6,985	58,839
Housing Services Manager	50,355	1,239	6,949	58,543
TOTAL FOR 2018/19	585,146	11,263	80,750	677,160
2017/18				
Previous Structure up to 30th November 2017:				
Chief Executive	82,288	1,004	11,356	94,648
Director of Finance & Corporate Services	56,534	1,004	7,802	65,339
Director of Housing & Environmental	-	-	-	-
Director of Community & Planning	59,372	1,353	10,196	70,921
Legal & Democratic Services Manager and Monitoring Officer	42,794	826	5,906	49,525
Head of Organisational Development	41,273	1,004	5,696	47,973
TOTAL	282,261	5,191	40,954	328,406
Revised Structure from 1st December 2017:				
Chief Executive - Strategic Director (Central Services)	41,144	502	5,678	47,324
Strategic Director (Corporate Resources)	29,167	502	4,025	33,694
Strategic Director (Service Delivery)	-	-	-	-
Legal & Democratic Services Manager and Monitoring Officer	21,403	413	2,954	24,770
Head of Organisational Development	20,637	502	2,848	23,986
TOTAL	112,351	1,919	15,504	129,774
TOTAL FOR 2017/18	394,611	7,109	56,459	458,179

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

28. Officers' Remuneration (continued)

Exit Packages and Other Departures

	2018/19 Number	2017/18 Number	2018/19 £	2017/18 £
£0 to £20,000	4	3	37,730	39,070
£20,001 to £40,000	-	-	-	-
£40,001 to £60,000	-	-	-	-
£60,001 to £80,000	-	-	-	-
£80,001 to £100,000	-	1	-	85,313
£101,001 to £120,000	-	1	-	115,018
	4	5	37,730	239,401

Two early termination payments were made as part of voluntary redundancy arrangements under the Council's Policy and were charged in the Comprehensive Income and Expenditure Statement.

In addition, two other exit packages were agreed and severance of £8.3k was paid on termination of employment from the Council.

29. External Audit Fees

The Council has incurred the following costs relating to the annual audit of the Statement of Accounts and certification of grant claims.

£000's	2018/19	2017/18
External Audit Fees	38	49
Grant Claim Certification Fees	16	16
Audit Commission Rebate	-	(7)
Total	54	58

30. Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2018/19:

£'000	2018/19	2017/18
Credited to Taxation and Non Specific Grant Income (Note 14)		
General Government Grants	2,762	3,316
Business Rate Reliefs (Section 31 Grants)	537	1,529
	3,300	4,845
Credited to Net Cost of Service		
Department of Works and Pensions (Benefit Subsidy and Welfare Reform)	16,154	16,817
Supported Housing	175	190
Contributions from Developers (section 106 Planning Agreements)	3,320	2,271
Other Grants and Contributions to Service Expenditure	1,660	1,409
	21,309	20,687

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

30. Grant Income (continued)

The Council has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them, which if not met would require the monies or property to be returned to the giver. The balances as at 31st March 2019 are as follows:

£'000	2018/19	2017/18
Capital Grants Received in Advance	1,151	793

31. Related Parties

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

Central Government

Central Government has effective control over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits). Grants received from Government Departments are set out in Note 14 – Taxation and Non-Specific Income. Debtor and Creditor values are analysed in Notes 18 and 21 respectively.

Elected Members

The Council appoints elected members to sit as representatives in an official capacity on committees of local voluntary and community organisations. Some of these organisations are also grant funded by the Council. In addition, there are some members who also sit on these committees as an independent person not representing the Council, or who may have close family employed by these organisations.

In each case, the member is part of a wider decision making body and cannot on their own materially influence operations or funding, etc. In addition, members concerned are required to declare an interest in any funding decisions made by the Council in which they are in attendance and cannot then participate in any discussion or decision. The Council maintains appropriate records of these related parties in accordance with its Constitution. This applies to both Council Officers and Members.

All members are required to specify relationships that they have such as through employment and directorships, etc. During 2018/19, the Council had no significant dealings with any companies or organisations declared by elected members which would have a bearing on the Financial Statements.

32. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the following table, together with the resources that have been used to finance it.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

32. Capital Expenditure and Capital Financing (continued)

The Capital Financing Requirement (CFR) is a measure of the Council's underlying need to borrow for capital purposes. It increases with new borrowing and is reduced as loans are repaid and amounts set-aside to repay future debt. The Council's overall debt outstanding cannot exceed the CFR.

The position for 2018/19 is shown in the following table.

£000's	2018/19	2017/18
Capital Financing Requirement at 1 April	67,239	67,584
Add: Capital Expenditure		
Property, Plant and Equipment	3,353	3,312
Investment Properties	0	0
Revenue Expenditure Funded from Capital under Statute	973	845
Total Expenditure	4,326	4,157
Less: Source of Finance		
Capital Receipts	(537)	(1,288)
Government Grants and External Financing	(600)	(557)
Other External Contributions	(403)	(168)
General Fund Revenue Contributions	(1,230)	(825)
Housing Revenue Account Contributions	(1,554)	(1,279)
Planning Agreements - S106 Developer Contributions	(1)	(41)
Total Financing	(4,326)	(4,157)
Minimum Revenue Provision	(206)	(214)
Voluntary Revenue Contribution	(131)	(131)
Actual Loan Principal Repaid	0	0
Total Repayments and Revenue Provisions	(337)	(345)
Capital Financing Requirement at 31 March	66,902	67,239
Actual Borrowings Outstanding - Gross (Note 17)	57,451	57,451
Investments		
Short-term Investments Outstanding	(33,500)	(23,500)
Long-term Investments Outstanding	(2,000)	(1,000)
Net Borrowings Outstanding (Gross less Investments)	21,951	32,951

33. Leases

Other land and building leases primarily consist of the lease of an Industrial Estate where the rental payable in 2018/19 was **£50k** (2017/18: £50k) plus some other minor commercial properties. The total future cash payments required under these leases are estimated at £360k (2018: £350k).

The Council was committed at 31st March 2019 to making payments of **£360k** (2018: £350k) under operating leases, comprising the following elements:

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

33. Leases (continued)

			2018			2017
	Other Land and Buildings	Vehicles, Plant and Equipment	Total	Other Land and Buildings	Vehicles, Plant and Equipment	Total
£000's						
Within one year	54	-	54	53	-	53
Between two & five years	213	-	213	206	-	206
After five years	94	-	94	91	-	91
	360	-	360	350	-	350

The Council rents some properties to tenants under lease arrangements. Amounts receivable under these leases in 2018/19 was **£753k** (2017/18: £723k). The asset value of these properties at 31st March 2019 was **£5,845k** (2018: £5,412K)

34. Defined Benefit Pension Schemes

Nature of the Scheme

The Local Government Pension Scheme is available for Local Government in England and Wales. All employees are bought into the scheme unless they choose the option to opt out. South Derbyshire District Council is part of the Derbyshire Local Government Pension Scheme which is administered by the Derbyshire County Council Pension Section. Income and expenditure of the Scheme is accounted for in a Pension Fund managed by the County Council's Pensions Committee.

The Fund complies with Local Government Pension Scheme (Administration) Regulations 2008 and the draft statutory guidance issued on 21st July 2008 and incorporates changes approved by the Pensions Committee on 26th September 2008.

As the administering body Derbyshire County Council has a statutory responsibility for administering the pension scheme under the Local Government Pension Scheme Regulations and associated legislation under Sections 7.12 & 24 of the Superannuation Act 1972; this is delegated to the Pensions Committee.

Participation in the Local Authority Pension Scheme

As part of the terms and conditions of employment of its officers the Council makes contributions towards the cost of post-employment benefits. Although there benefits will not actually be payable until employees retire, the Council has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme administered by Derbyshire County Council. This is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

Governance of the Council's Pension Scheme

The Scheme is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the Scheme is the responsibility of the Pensions Committee. Policy is determined in accordance with the Pension Fund Regulations. The investment managers of the Fund are appointed by the Pensions Committee.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

34. Defined Benefit Pension Schemes (continued)

Pensions Risk

The principal risks to the Council of the Scheme are the longevity assumptions, statutory changes to the Scheme, structural changes (i.e. large scale withdrawals) changes to inflation, bond yields and the performance of the equity investments held by the Scheme. These are mitigated to a certain extent by the statutory requirements to charge the General Fund and Housing Revenue Account the amounts required by statute as described in the accounting policies in note 1 to these Accounts.

Discretionary Post Retirement Benefits

These are unfunded defined benefit arrangements for which liabilities are recognised when awards are made. There is no investment assets built up to meet these pension liabilities and cash has to be generated to meet actual pension payments as they eventually fall due.

Transactions relating to retirement benefits – CIES Charges

The Council recognises the cost of retirement benefits in the Cost of Services on Continuing Operations when they are earned by employees, rather than when the benefits are eventually paid as pensions.

However, the charge the Council is required to make against Council Tax and Housing Rents is based on the cash payable in the year, and the real cost of retirement benefits is reversed out in the adjustments between accounting basis and funding basis under regulations in the Movement in Reserves Statement. The following transactions have been made in the CIES and the adjustments between accounting basis and funding basis under regulations line, in the Movement in Reserves Statement during the year.

£000's	2018/19	2017/18
Included in Net Cost of Services:		
Current Service Cost	2,872	2,798
Past Service Cost/(Gain) including curtailments	603	42
Pension Strain	-	-
	3,475	2,840
Included in Financing and Investment Income and Expenditure		
Interest income on plan assets	(2,403)	(2,250)
Interest cost on defined benefit obligations	3,279	3,118
	876	868
Net charge/(credit) to the Comprehensive Income and Expenditure Account	4,351	3,708
Other Comprehensive Income and Expenditure		
Changes in demographic assumptions	-	-
Changes in financial assumptions	10,103	(2,323)
Other Experience	18	(19)
Return on assets excluding amounts included in net interest	(2,653)	(746)
Total	7,468	(3,088)
Adjustments Between Accounting Basis and Funding Basis under Regulations		
Reversal of items relating to retirement benefits debited or credited on the Provision of Services in the CIES	(4,351)	(3,708)
Actual Amount Charged Against the General Fund Balance for Pensions in the Year		
Employers' Contributions Payable to the Scheme	1,838	1,846
Net (credit)/charge to the General Fund	(2,513)	(1,862)

The Current Service Cost figures include an allowance for administration expenses of 0.30%.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

34. Defined Benefit Pension Schemes (continued)

The following tables show the changes between the value of the liabilities and assets (investments) of the Council's Pension Scheme in the year and the overall liability in the longer term. These figures are based on an independent actuarial valuation of the Pension Fund as at 31st March.

Reconciliation of the Present Value of the Scheme Liabilities £000's	2018/19	2017/18
Balance at 1 April	(121,034)	(119,752)
Current Service Cost	(2,872)	(2,798)
Past Service Cost	(603)	(42)
Interest Cost on Defined Benefit Obligation	(3,279)	(3,118)
Contributions by Members	(484)	(459)
Changes in Demographic Assumptions	-	-
Changes in Financial Assumptions	(10,103)	2,323
Past Service (Costs) including curtailments	-	-
Effect of business combinations and disposals	-	-
Other Experience	(18)	19
Estimated Benefits Paid	2,809	2,644
Unfunded Benefits	148	149
Balance at 31 March	(135,436)	(121,034)

Reconciliation of the Present Value of the Scheme Assets £000's	2018/19	2017/18
Balance as at 1 April	89,366	86,858
Interest Income on Plan Assets	2,403	2,250
Contributions by Members	484	459
Contributions by Employer	1,690	1,697
Contributions in respect of unfunded benefits	148	149
Return on Assets excluding amounts included in net interest	2,653	746
Effect of business combinations and disposals	-	-
Estimated Benefits Paid	(2,809)	(2,644)
Unfunded Benefits Paid	(148)	(149)
Balance at 31 March	93,787	89,366

The expected return on scheme assets is determined by considering the expected returns available on the assets from the current investment policy. Expected yields on fixed interest investments are based on gross redemption.

Analysis of scheme assets and liabilities

£000's	2019	2018	2017	2016	2015
Fair Value of Assets in Pension Scheme	93,787	89,366	86,858	54,972	55,689
Present Value of Defined Benefit Obligation	(135,436)	(121,034)	(119,753)	(78,921)	(85,473)
(Deficit) in the Scheme	(41,649)	(31,668)	(32,895)	(23,950)	(29,784)

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

34. Defined Benefit Pension Schemes (continued)

The table shows that there is a continuing deficit on the Pension Scheme. This can fluctuate between years due to changes in assumptions and the value of annual payments into the Fund. The liabilities show the underlying commitments that the Council has in the long-term to pay retirement benefits. The total liability of £135.4m (2018: £121.0m) has a substantial impact on the net worth of the Council as recorded in the Balance Sheet, resulting in a net liability of £41.6m (2018: £31.6m).

However, statutory arrangements for funding the deficit meant that the financial position of the Council is not materially affected in any one year. Plans are in place to reduce the deficit on the Pension Fund over time through various pension reforms affecting the Local Government Pension Scheme at a national level.

The net increase in the deficit in 2018/19 is approximately £9.9m. Corporate bond yields are lower at 31st March 2019 than at 31st March 2018 which serves to increase the value placed on the obligations. The effect of this has been partially offset by investment returns being greater than the 31st March 2018 discount rate. However, service costs and net interest of the Fund are broadly in line with prior year assumptions.

Major categories of plan assets

The Pension Fund's assets consist of the following categories, by proportion of the total assets held:

£000's	2019 Quoted Prices in Active Markets	2019 Quoted Prices not in Active Markets	2019 Total	2019 Percentage of Total Assets	2018 Quoted Prices in Active Markets	2018 Quoted Prices not in Active Markets	2018 Total	2018 Percentage of Total Assets
Equity Securities:								
Consumer	5,697	0	5,697	6%	5,745	0	5,745	6%
Manufacturing	5,919	0	5,919	7%	7,848	0	7,848	9%
Energy & Utilities	4,146	0	4,146	5%	4,890	0	4,890	5%
Financial Institutions	4,567	0	4,567	5%	6,187	0	6,187	7%
Health & Care	2,972	0	2,972	3%	3,083	0	3,083	3%
Information Technology	2,240	0	2,240	2%	2,656	0	2,656	3%
Other	10,024	0	10,024	10%	10,183	0	10,183	11%
Government Bonds:								
Corporate Bonds (investment grade)	0	9,892	9,892	10%	0	7,040	7,040	8%
UK Government	8,738	0	8,738	10%	8,448	0	8,448	9%
Other	1,826	0	1,826	2%	1,393	0	1,393	2%
Private Equity:								
All	1,308	1,253	2,560	3%	1,215	592	1,807	2%
Real Estate								
UK property	0	7,481	7,481	8%	0	5,879	5,879	7%
Investment Funds & Unit Trusts								
Equities	16,520	0	16,520	17%	17,007	0	17,007	19%
Bonds	0	0	0	0%	0	0	0	0%
Infrastructure	1,479	2,277	3,755	4%	1,372	1,536	2,907	3%
Cash & Cash Equivalents								
All	0	7,450	7,450	7%	0	4,294	4,294	5%
	65,435	28,352	93,787	100%	70,025	19,341	89,366	100%

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

34. Defined Benefit Pension Schemes (continued)

Basis for Estimating Liabilities

Liabilities have been assessed by the Actuary using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Estimates have been based on data pertaining to the latest full valuation of the Pension Scheme as at 31st March 2016. The assumptions are shown in the following table.

	2018/19	2017/18
Mortality Assumptions (years):		
Men	21.9	21.9
Women	24.4	24.4
Longevity at 65 for Future Pensioners:		
Men	23.9	23.9
Women	26.5	26.5
Principal Assumptions in the Valuation of the Liability		
Inflation / Rate of Increase in Pensions	2.50%	2.40%
Rate of Increase in Salaries	3.00%	2.90%
Discount Rate	2.40%	2.70%
Take-up of option to convert annual pension into retirement lump sum:		
Service to April 2008	50%	50%
Service post April 2008	75%	75%

Information about the Defined Benefit Obligation

Defined benefit obligation illustrates the profile of the scheme liabilities between types of member, including the weighted average duration of the pension obligation.

Change in assumptions at 31 March 2019	Liability Split %	Weighted Average Duration
Active Members	40.30	23.10
Deferred Members	25.20	22.90
Pensioner Members	34.50	11.80
	100.00	17.60

Sensitivity Analysis

The sensitivity analysis shows the effect a change in financial assumptions used would have on the value of the scheme liabilities as at 31st March 2019 on varying basis.

To quantify the uncertainty around life expectancy a calculation was completed on a 1 year increase in life expectancy for sensitivity purposes giving an around 3 - 5% increase in cost of benefits. In practice the actual cost of a one year increase would depend on the structure of the revised assumption, for example, do survival rates predominantly apply at younger or older ages.

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

34. Defined Benefit Pension Schemes (continued)

Change in assumptions at 31 March 2019	Approximate % Increase to Employer Liability	Approximate monetary amount £000
0.5% decrease in Real Discount Rate	10.0	13,960
0.5% increase in Salary Increase Rate	1.0	1,581
0.5% increase in Pension Increase Rate	9.0	12,167

Projected Defined Benefit Cost for the Period 31 March 2020

The Projected Defined Benefit is an analysis of the projected amount to be charged to the operating profit for the period to the 31st March 2020 and is shown in the following table.

Period Ended 31 March 2020	Assets	Obligations	Net (Liability)/asset	
	£000	£000	£000	% of pay
Projected Service Cost	0	3,308	(3,308)	(45)
Past Service Cost including curtailments	0	0	0	0
Effects of settlements	0	0	0	0
Total Service Cost	0	3,308	(3,308)	(45)
Interest Income on plan assets	2,242	0	2,242	30
Interest cost on defined benefit obligation	0	3,245	(3,245)	(44)
Total Net Interest Cost	2,242	3,245	(1,003)	(14)
Total Included in Profit & Loss	2,242	6,553	(4,311)	(58)

When the LGPS benefit structure was reformed in 2014, transitional protections were applied to certain older members close to normal retirement age. The benefits accrued from 1 April 2014 by these members are subject to an ‘underpin’ which means that they cannot be lower than what they would have received under the previous benefit structure. The underpin ensures that these members do not lose out from the introduction of the new scheme, by effectively giving them the better of the benefits from the old and new schemes.

In December 2018 the Court of Appeal upheld a ruling (“McCloud/Sargeant”) that similar transitional protections in the Judges’ and Firefighters’ Pension Schemes were unlawful on the grounds of age discrimination. The implications of the ruling are expected to apply to the LGPS (and other public service schemes) as well. The UK Government requested leave to appeal to the Supreme Court, but this was denied at the end of June 2019. LGPS benefits accrued from 2014 may therefore need to be enhanced so that all members, regardless of age, will benefit from the underpin. Alternatively, restitution may be achieved in a different way, for example by paying compensation. In either case, the clear expectation is that many more members would see an enhanced benefit rather than just those currently subject to these protections. There will therefore be a retrospective increase to members’ benefits, which in turn will give rise to a past service cost for the Fund employers.

Quantifying the impact of the judgement at this stage is very difficult because it will depend on the compensation awarded, members’ future salary increases, length of service and retirement age, and whether (and when) members withdraw from active service. Salary increases in particular can vary significantly from year to year and from member to member depending on factors such as budget restraint, job performance and career progression. The Government Actuary’s Department

Notes to the Financial Statements (continued)

For the year ended 31st March 2019

(GAD) has estimated that the impact for the LGPS as a whole could be to increase active member liabilities by 3.2%, based on a given set of actuarial assumptions. A full description of the data, methodology and assumptions underlying these estimates is given in GAD's paper, dated 10 June 2019.

The Fund's actuary has adjusted GAD's estimate to better reflect the Derbyshire Fund's local assumptions, particularly salary increases and withdrawal rates. The revised estimate as it applies to the South Derbyshire Pension Fund is that total liabilities (i.e. the increase in active members' liabilities expressed in terms of the employer's total membership) could be around 0.3% higher as at 31 March 2019, an increase of approximately £380k.

These numbers are high level estimates based on scheme level calculations and depend on several key assumptions.

The impact on employers' funding arrangements will likely be dampened by the funding arrangements they have in place. However, if the judgement is upheld then there will be unavoidable upward pressure on contributions in future years.

Guaranteed minimum pension (GMP) was accrued by members of the Local Government Pension Scheme (LGPS) between 6 April 1978 and 5 April 1997. The value of GMP is inherently unequal between males and females for a number of reasons, including a higher retirement age for men and GMP accruing at a faster rate for women. However overall equality of benefits was achieved for public service schemes through the interaction between scheme pensions and the Second State Pension. The introduction of the new Single State Pension in April 2016 disrupted this arrangement and brought uncertainty over the ongoing indexation of GMPs, which could lead to inequalities between men and women's benefits.

As an interim solution to avoid this problem, GMP rules were changed so that the responsibility for ensuring GMPs kept pace with inflation passed in full to pension schemes themselves for members reaching state pension age between 6 April 2016 and 5 April 2021. This new responsibility leads to increased costs for schemes (including the LGPS) and hence scheme employers.

The fund's actuary has carried out calculations in order to estimate the impact that the GMP indexation changes will have on the liabilities of South Derbyshire Pension Fund for financial reporting purposes. The estimate assumes that the permanent solution eventually agreed will be equivalent in cost to extending the interim solution to all members reaching state pension age from 6 April 2016 onwards.

The estimate as it applies to South Derbyshire Pension Fund is that total liabilities could be 0.3% higher as at 31 March 2019, an increase of approximately £230k.

These numbers are approximate estimates based on employer data as at 31 March 2016 and will be revised at the upcoming valuation.

35. Contingent Liabilities

There are no contingent liabilities to be reported by the Council in 2018/19.

36. Prior Year Adjustment

There are no prior year adjustments affecting the Accounts for 2018/19.

Page 107 of 242

Housing Revenue Account

For the year ended 31st March 2019

Income and Expenditure Account

The Housing Revenue Account (HRA) Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents. The Council charge rents to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, on the basis of which rents are raised, is shown in the HRA Movement in Reserves Statement.

	2018/19	2017/18
General	1,877	1,635
Special	823	821
Rents, rates & taxes	37	2
Depreciation & Impairment of NCA's	2,597	296
Provision for Bad Debts	64	48
Supervision & Management	5,398	2,802
Repairs & Maintenance	2,561	2,747
Total Expenditure	7,959	5,549
Dwelling Rents	(12,097)	(12,376)
Non-Dwelling Rents	(112)	(110)
Charges for Services & Facilities	(214)	(210)
Contributions towards Expenditure	(42)	(21)
Supporting People	(175)	(190)
Total Income	(12,639)	(12,907)
Net Cost of HRA Services as included in the Comprehensive I&E	(4,680)	(7,358)
HRA share of Corporate & Democratic Core	139	131
Net Cost of HRA Services	(4,541)	(7,227)
Losses/(Gains) on sale of HRA non-current assets	(336)	(207)
Interest payable and similar charges	1,593	1,556
HRA investment income	(109)	(36)
Pensions interest cost & expected return on pension assets	139	144
Surplus for Year on HRA Services	(3,255)	(5,769)

Housing Revenue Account

For the year ended 31st March 2019

Movement on the Housing Revenue Account

The Movement on the HRA Statement takes the outturn on the HRA Income and Expenditure Statement and reconciles it to the surplus or deficit for the year on the HRA, calculated in accordance with the requirements of the Local Government and Housing Act 1989.

£000's	2018/19	2017/18
Balance at the beginning of the year	5,147	3,703
Surplus/(Deficit) for the year on the HRA Income and Expenditure Statement	3,255	5,769
Transfers in Reserves	(166)	(229)
Adjustments between accounting and funding basis under regulations	(1,317)	(4,095)
Increase for the year on the HRA	1,772	1,444
Balance at the end of the year	6,919	5,148

Note to the Statement of Movement on the Housing Revenue Account

£000's	2018/19	2017/18
Items included in the HRA Income and Expenditure Account but excluded from the movement on HRA Balance for the year		
Revaluation and impairment of non-current assets ¹	2,597	296
Retirement benefits charged/(credited) ²	689	617
Adjustments in relation to Short Term compensated absences	(2)	(1)
(Gains)/losses on sale of HRA non-current assets ^{1,3}	(291)	(207)
	2,993	705
Items not included in the HRA Income and Expenditure Account but included in the movement on HRA Balance for the year		
Revenue contribution to finance major repairs	(1,979)	(4,244)
Revenue contributions to finance new build	-	-
Revenue contributions to finance debt repayment and capital	(2,039)	(250)
Employer's contributions payable to the Pensions Fund and retirement benefits payable direct to pensioners ²	(291)	(306)
	(4,309)	(4,800)
Net additional amount required by statute to be debited or (credited) to the HRA for the year	(1,317)	(4,095)

Notes

1. Transfers to / from Capital Adjustment Account
2. Transfers to / from Pensions Reserve
3. Transfers to / from Capital Receipts Reserve

Notes to the Housing Revenue Account

For the year ended 31st March 2019

1. Introduction

The Housing Revenue Account is a record of expenditure on, and income from, the provision of local council housing, and the form and content of the Account is prescribed by statute.

The Housing Revenue Account is “ring-fenced” and must be self-supporting. Contributions both to and from the Housing Revenue Account (e.g. from the General Fund) are limited to special circumstances.

2. Housing Stock

The number of dwellings in the Council's housing stock, as at 31st March 2019, totalled 2,971 (2018: 2,993) properties. This followed the sale of 22 properties under the Government's Right to Buy Scheme. The stock is broken down over type of properties as shown in the following table.

	2018/19	2017/18	2016/17
Houses	1,540	1,562	1,584
Flats	793	793	793
Bungalows	638	638	638
	2,971	2,993	3,015

Dwelling houses within the Housing Revenue Account are valued in accordance with the RICS Appraisal and Valuation Manual, as published by the Royal Institution of Chartered Surveyors, and DCLG guidance. Accordingly the Existing Use Value for Social Housing (EUV-SH) has been used as the basis of valuation. The beacon approach to valuation of the housing stock has been adopted as recommended by the MHCLG, including the regional adjustment to be adopted within the EUV-SH valuation.

The vacant possession value (open market value) of Council dwellings as at 31st March 2019 was £292,551 (2018: £293,815k). This does not compare to the Balance Sheet, which shows the Existing Use Value, the difference being an indication of the economic and social costs of providing Council housing at less than market rent.

3. Major Repairs Reserve

The Major Repairs Reserve is used to fund major improvements to Council properties. Expenditure financed from this Reserve is shown in Note 5. The movement on the Reserve during the 2018/19 is summarised below:

£000's	2018/19	2017/18
Balance at the beginning of the year	4,271	1,267
Add Depreciation Provision	3,676	4,749
Use of Capital Receipts Reserve	-	-
Revenue Contribution for Capital	1,968	4,246
Amount available for capital expenditure on HRA Land, Houses and Other Property	9,915	10,261
Less Capital expenditure in the year (including Depreciation)	(4,944)	(5,990)
Transfer to Debt Repayment Reserve	(1,517)	-
Balance at the end of the year	3,454	4,271

Notes to the Housing Revenue Account

For the year ended 31st March 2019

4. Property, Plant and Equipment

Year ended 31 March 2019	Council Dwellings	Land and Buildings	Vehicles, Plant and Equipment	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment	Investment Properties	Total
£000's								
Cost or valuation								
At 1 April 2018	123,402	2,276	116	-	105	125,899	211	126,110
Additions	1,302	-	240	517	-	2,059	-	2,059
Disposals	(976)	-	(84)	-	-	(1,061)	-	(1,061)
Transfers	-	-	-	-	-	-	-	-
Revaluations	(857)	-	-	-	-	(857)	-	(857)
At 31 March 2019	122,871	2,276	272	517	105	126,041	211	126,252
Depreciation and Impairment								
At 1 April 2018	-	-	(98)	-	-	(98)	-	(98)
Charge for the Year	(3,561)	(109)	(5)	-	-	(3,674)	-	(3,674)
Disposals	-	-	84	-	-	84	-	84
Transfers	-	-	-	-	-	-	-	-
Impairments	2,484	2	-	-	-	2,486	-	2,486
Revaluations	1,077	107	-	-	-	1,184	-	1,184
At 31 March 2019	0	0	(18)	-	-	(18)	-	(18)
Net Book Value								
At 31 March 2019	122,871	2,276	254	517	105	126,023	211	126,234
At 1 April 2018	123,402	2,276	18	-	105	125,801	211	126,012

Notes to the Housing Revenue Account

For the year ended 31st March 2019

4. Property, Plant and Equipment (continued)

Year ended 31 March 2018	Council Dwellings	Land and Buildings	Vehicles, Plant and Equipment	Assets Under Construction	Surplus Assets	Total Property, Plant and Equipment	Investment Properties	Total
£000's								
Cost or valuation								
At 1 April 2017	121,634	2,288	116	-	105	124,143	211	124,354
Additions	1,316		-	-	-	1,316	-	1,316
Disposals	(923)	(13)	-	-	-	(936)	-	(936)
Transfers	-	-	-	-	-	-	-	-
Revaluations recognised in the Revaluation Reserve	1,376	-	-	-	-	1,376	-	1,376
At 31 March 2018	123,402	2,276	116	-	105	125,899	211	126,110
Depreciation and Impairment								
At 1 April 2017			(94)			(94)	-	(94)
Charge for the Year	(4,581)	(160)	(4)	-	-	(4,745)	-	(4,745)
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Impairments recognised in the Provision of Services		-	-	-	-	-	-	-
Depreciation written out to the revaluation reserve	4,581	160	-	-	-	4,741	-	4,741
At 31 March 2018	-	-	(98)	-	-	(98)	-	(98)
Net Book Value								
At 31 March 2018	123,402	2,276	18	-	105	125,801	211	126,012
At 1 April 2017	121,634	2,288	22	-	105	124,049	211	124,260

Notes to the Housing Revenue Account

For the year ended 31st March 2019

5. Capital Expenditure

£000's	2018/19	2017/18
Capital Investment		
Operational Assets	2,120	1,329
	2,120	1,329
Sources of Funding		
External Grants	135	-
Capital Receipts in year	382	1,143
Revenue contribution	1,603	178
Capital Receipts Reserve	-	8
Major Repairs Reserve	-	-
	2,120	1,329

6. Capital Receipts from Disposal of Land, Houses and Other Property

£000's	2018/19	2017/18
Land	-	-
Council Homes	(1,579)	(1,455)
Total Receipts	(1,579)	(1,455)
Less: Pooled payments to Central Government	312	312
Net Receipts Retained (transferred to Capital Receipts Reserve)	(1,268)	(1,143)

The retained receipts are earmarked in the Housing Capital Receipts Reserve to fund the Council's New Build Programme, which is to provide new Council Housing for rent.

7. Rent Arrears

A summary of rent arrears and prepayments is shown in the following table:

£000's	2018/19	2017/18
Current Tenant Arrears	309	258
Former Tenant Arrears	101	130
Total Tenant Arrears	410	389

8. Provision for Bad and Doubtful Debts

The provision for bad and doubtful debts relating to rents and other charges, made against the Rent Arrears in Note 7 above, is £251k (2017: £234k).

Notes to the Housing Revenue Account

For the year ended 31st March 2019

9. Depreciation and Impairment of Fixed Assets

The Dwellings in the Housing Revenue Account were valued as at £292,551k. After taking account of houses sold in 2018/19 and the Social Housing Discount Factor, the vacant possession value of the remaining dwellings at 31 March 2019 was £122,871k (2018: £123,402k). The lower figure of £122,871k shown in the accounts represents the cost to the Council of providing housing at less than open market rents. As a result of the valuation the CIES was credited with £2,484k (2017/18: £4,452k) for the reversal of previous year impairments. This gain has been transferred to the Capital Adjustment Account.

The Housing Revenue Account assets were valued as at 31st March 2019; the balance sheet value reflects sales of dwellings and depreciation in the year. The revaluation was in accordance with the Government's resource accounting policy, at Existing Use Value - Social Housing. The Social Housing Discount Factor changed in 2016/17 from 34% to 42%.

As shown in Note 4, Depreciation of £3,674k (2018: £4,746k) has been charged to the HRA. This figure is made up of £3,561k (2018: £4,581k) for Council Dwellings and £113k (2018: £164k) is in respect of garages, shops and other assets. These amounts have been credited back to the HRA below the net operating expenditure as a transfer from the Major Repairs Reserve.

10. Pension Costs

As part of the terms and conditions of employment of its officers, the Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme administered by Derbyshire County Council. This is a funded scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

The cost of retirement benefits are recognised in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions.

However the charge required to be made against the Housing Revenue Account is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the Housing Revenue Account after Net Operating Expenditure.

The Collection Fund

For the year ended 31st March 2019

This account reflects the statutory requirements for the Council as a “Billing Authority” to maintain a separate Collection Fund Account. This shows the transactions of the Council in relation to Non-Domestic Rates and the Council Tax and illustrates the way in which these have been distributed to preceptors and the Council’s General Fund.

£000's	2018/19	2017/18
Income		
Council Tax Income	(57,262)	(53,295)
Business Rates Income	(25,226)	(24,457)
Transitional Protection Payments	(771)	(590)
Total Income	(83,258)	(78,342)
Expenditure		
Council Tax Precepts (Note 4)	55,923	52,056
Business Rates Precepts (Note 6)	26,676	24,804
Previous Year's Surplus/(Deficit) Paid to/by Preceptors (Notes 4 & 6)	(264)	(212)
Cost of Collection	91	91
Provision for Bad and Doubtful Debts	690	75
Provision for Business Rates Appeals	(72)	(428)
(Surplus) / Deficit on the Fund	(213)	(1,956)
Fund Balance Brought Forward	(1,229)	727
(Surplus) / Deficit in Year	(213)	(1,956)
Fund Balance as at 31st March	(1,442)	(1,229)
Council Tax Element (Note 1)	(1,819)	(1,421)
Business Rate Element	377	192

The increase in income for 2018/19 was due to continuing growth in the number of both residential and commercial properties, i.e. the Council's Tax Base together with an average Band D equivalent of 4.79% across all Preceptors. South Derbyshire set its increase at 1.95%.

Approximately 90% of Council Tax income is passed over to other Preceptors. During 2018/19, the County of Derbyshire was included in a 100% Business Rates Retention Pilot resulting in an increase in income to be retained within the County. Central Government received no precept from Business Rates during the year but the Pilot is not set to continue in 2019/20 which will result in the Council returning to a retained income level of 40%. The above table reflects the increases in 2018/19.

During 2018/19, the settlement of Business Rates Appeals from the 2010 valuation list resulted in a release of a proportion of the provision made in previous years of £72k.

A provision is required under accounting regulations, to recognise that some larger businesses have lodged appeals with the District Valuer against their rating assessment. The provision is made as a contingency should their appeals be successful and a refund of rates becomes due.

Notes to the Collection Fund

For the year ended 31st March 2019

1. Council Tax

The introduction of Council Tax on 1st April 1993 revised the method of accounting for the Council's Collection Fund. The main features of the arrangements are:

- a) Interest is not payable between the General Fund and the Collection Fund on cash-flow deficits/surpluses. All interest is payable directly to the General Fund, as shown on the Income and Expenditure Account.
- b) The year end surplus or deficit on the Collection Fund is distributed to the Billing and Precepting Authorities on the basis of estimates, made in January of each year-end balance. This also applies to the Business Rates element.

The balance has been disaggregated for the purpose of these Accounts to attribute relevant amounts to the Precepting Authorities and the Council, as the Billing Authority as follows:

£000's	2018/19	2017/18
Derbyshire County Council	(1,343)	(1,047)
Derbyshire Police and Crime Commissioner	(203)	(156)
Derbyshire Fire and Rescue Authority	(79)	(63)
	(1,625)	(1,266)
South Derbyshire District Council	(193)	(156)
	(1,819)	(1,421)

2. Council Tax Valuation Bands

Most domestic Dwellings (including flats) whether rented or owned, occupied or not, are subject to Council Tax. Each Dwelling is allocated to one of eight bands according to their open market capital value at 1st April 1991.

Band				
A	Between	0	and	40,000
B	Between	40,001	and	52,000
C	Between	52,001	and	68,000
D	Between	68,001	and	88,000
E	Between	88,001	and	120,000
F	Between	120,001	and	160,000
G	Between	160,001	and	320,000
H	Greater than	320,001		

3. Council Tax Base

The amount of Council Tax payable is calculated by establishing a 'Council Tax Base'. This is the Council's estimated number of chargeable dwellings subject to Council Tax, expressed in relation to those dwellings in Band D. The Tax Base for 2018/19 was based on 42,994 chargeable dwellings (42,131 in 2017/18).

After allowing for national exemptions and local discounts, such as the Single Persons Discount, the Tax Base for 2018/19, on which the Council Tax rate was set, is shown in the following table.

Notes to the Collection Fund

For the year ended 31st March 2019

3. Council Tax Base (continued)

Band	Calculated number of Dwellings	Ratio to Band D	Equivalent number of Dwellings 2018/19	2017/18
X	18	5/9	10	13
A	7,751	6/9	5,167	5,108
B	8,057	7/9	6,267	6,137
C	6,553	8/9	5,825	5,701
D	6,312	1	6,312	6,140
E	3,781	11/9	4,621	4,366
F	1,874	13/9	2,707	2,632
G	870	15/9	1,450	1,447
H	65	18/9	130	131
			32,488	31,676

The Band D Council Tax rate for South Derbyshire District Council was £159.21 (2017/18: £156.17).

4. Council Tax Precepts and Demands

2018/19 £000's	Precept	Surplus	Total
Derbyshire County Council	41,302	367	41,669
Derbyshire Police and Crime Commissioner	6,253	56	6,309
Derbyshire Fire and Rescue Authority	2,427	22	2,449
South Derbyshire District Council	5,942	55	5,997
	55,923	500	56,423

2017/18 £000's	Precept	Surplus	Total
Derbyshire County Council	38,345	367	38,712
Derbyshire Police and Crime Commissioner	5,715	56	5,771
Derbyshire Fire and Rescue Authority	2,297	22	2,319
South Derbyshire District Council	5,698	55	5,753
	52,056	500	52,556

Notes to the Collection Fund

For the year ended 31st March 2019

5. Non-Domestic Rates

Non-Domestic Rates are managed on a National basis. The Government specifies an amount and subject to the effects of transitional arrangements and any other prevailing reliefs, local businesses pay rates calculated by multiplying their rateable value by that amount. In 2018/19 the amount was 49.3p in the pound (2017/18: 47.9p). The Council is responsible for collecting rates due from the ratepayers in its area.

The total rateable value of business premises in South Derbyshire at 31st March 2019 was £65,975,301(2018: £63,814,684) – an increase of 3.4%, mainly due to growth in new business units and expansions. The total amount of Non Domestic Rates collected is shared on the following basis:

Public Body	%
Central Government	0%
South Derbyshire District Council	50%
Derbyshire County Council	49%
Derbyshire Fire and Rescue Authority	1%

The deficit balance on the Business Rates element of £377k on the Collection Fund Account, has been disaggregated for the purpose of these Accounts to attribute relevant amounts to the precepting authorities and the Council as the Billing Authority as follows:

£000's	2018/19	2017/18
Central Government	-	96
Derbyshire County Council	185	17
Derbyshire Fire and Rescue Authority	4	2
	189	115
South Derbyshire District Council	189	77
	377	192

6. Non-Domestic Rates Demands

These are the amounts (precepts) paid into the General Funds of the preceptors under statute.

2018/19 £000's	Precept	Deficit	Total
Central Government	-	(382)	(382)
Derbyshire County Council	13,071	(69)	13,003
Derbyshire Fire and Rescue Authority	267	(8)	259
South Derbyshire District Council	13,338	(306)	13,033
	26,676	(764)	25,913

Notes to the Collection Fund

For the year ended 31st March 2019

6. Non-Domestic Rates Demands (continued)

2017/18 £000's	Precept	Deficit	Total
Central Government	12,402	(356)	12,046
Derbyshire County Council	2,232	(64)	2,168
Derbyshire Fire and Rescue Authority	248	(7)	241
South Derbyshire District Council	9,922	(285)	9,637
	24,804	(712)	24,092

Glossary

ACCOUNTING PERIOD

The period of time covered by the Accounts, normally a period of twelve months commencing on 1st April. The end of the accounting period is the Balance Sheet date, 31st March each year.

ACCRUALS

Sums included in the Final Accounts to recognise revenue and capital income and expenditure earned or incurred in the financial year, but for which actual payment had not been received or made as at 31st March.

ACTUARIAL GAINS AND LOSSES

For a Defined Benefit Pension Scheme, the changes in actuarial surpluses or deficits that arise because:

- Events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses); or
- The actuarial assumptions have changed.

ASSET

An item having value to the Council in monetary terms. Assets are categorised as either current or fixed:

- A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and stock).
- A fixed asset provides benefits to the Council and to the services it provides for a period of more than one year and may be tangible e.g. a community centre, or intangible, e.g. computer software licences.

AUDIT OF ACCOUNTS

An independent examination of the Council's financial affairs.

BALANCE SHEET

A statement of the recorded assets, liabilities and other balances at the end of the accounting period.

BUDGET

The forecast of net revenue and capital expenditure over the accounting period.

CAPITAL EXPENDITURE

Expenditure on the acquisition of a fixed asset, which will be used in providing services beyond the current accounting period, or expenditure which adds to and not merely maintains the value of an existing fixed asset.

CAPITAL FINANCING

Funds raised to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

CAPITAL PROGRAMME

The capital schemes the Council intends to carry out over a specific period of time.

Glossary

CAPITAL RECEIPT

The proceeds from the disposal of land or other fixed assets. Proportions of capital receipts can be used to finance new capital expenditure, within rules set down by the Government but they cannot be used to finance revenue expenditure.

CIPFA

The Chartered Institute of Public Finance and Accountancy.

COLLECTION FUND

A separate fund that records the income and expenditure relating to Council Tax and non-domestic rates.

COMMUNITY ASSETS

Assets that the Council intends to hold in perpetuity, that have no determinable useful life and that may have restrictions on their disposal. Examples of community assets are parks and historical buildings.

CONSISTENCY

The concept that the accounting treatment of like items within an accounting period and from one period to the next are the same.

CONTINGENT ASSET

A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's Accounts.

CONTINGENT LIABILITY

A contingent liability is either:

- ➔ A possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control; or
- ➔ A present obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.

CORPORATE AND DEMOCRATIC CORE

The corporate and democratic core comprises all activities that local authorities engage in specifically because they are elected, multi-purpose authorities. The cost of these activities are thus over and above those which would be incurred by a series of independent single purpose, nominated bodies managing the same services. There is therefore no logical basis for apportioning these costs to services.

CREDITOR

Amount owed by the Council for work done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

CURRENT SERVICE COST (PENSIONS)

The increase in the present value of a Defined Benefits Pension Scheme's liabilities, expected to arise from employee service in the current period.

Glossary

DEBTOR

Amount owed to the Council for works done, goods received or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

DEFINED BENEFIT PENSION SCHEME

Pension schemes in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

DEPRECIATION

The measure of the cost of wearing out, consumption or other reduction in the useful economic life of the Council's fixed assets during the accounting period, whether from use, the passage of time or obsolescence through technical or other changes.

DISCRETIONARY BENEFITS (PENSIONS)

Retirement benefits, which the employer has no legal, contractual or constructive obligation to award and are awarded under the Council's discretionary powers such as the Local Government (Discretionary Payments) Regulations, 1996 eg benefits would be released if an employee was terminally ill.

EQUITY

The Council's value of total assets less total liabilities.

EVENTS AFTER THE BALANCE SHEET DATE

Events after the Balance Sheet date are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Statement of Accounts is authorised for issue.

EXCEPTIONAL ITEMS

Material items which derive from events or transactions that fall within the ordinary activities of the Council and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

EXPECTED RETURN ON PENSION ASSETS

For a Funded Defined Benefit Scheme, this is the average rate of return, including both income and changes in fair value but net of scheme expenses, which is expected over the remaining life of the related obligation on the actual assets held by the scheme.

EXTRAORDINARY ITEMS

Material items, possessing a high degree of abnormality, which derive from events or transactions that fall outside the ordinary activities of the Council and which are not expected to recur. They do not include exceptional items, nor do they include prior period items merely because they relate to a prior period.

FAIR VALUE

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction less, where applicable, any grants receivable towards the purchase or use of the asset.

Glossary

GENERAL FUND

The main revenue fund of the Council. Day-to-day spending on services is met from this fund. Spending on the provision of Council housing however must be charged to a separate Housing Revenue Account (HRA).

GOING CONCERN

The concept that the Statement of Accounts is prepared on the assumption that the Council will continue in operational existence for the foreseeable future.

GOVERNMENT GRANTS

Grants made by the Government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the Council. These grants may be specific to a particular scheme or may support the revenue spend of the Council in general.

HOUSING BENEFITS

A system of financial assistance to individuals towards certain housing costs administered by Authorities and subsidised by Central Government.

HOUSING REVENUE ACCOUNT (HRA)

A separate account to the General Fund, which covers the income and expenditure arising from the provision of Council housing accommodation.

IMPAIRMENT

A reduction in the value of a fixed asset to below its carrying amount on the Balance Sheet.

INCOME AND EXPENDITURE ACCOUNT

The revenue account of the Council that reports the net cost for the year of the functions for which it is responsible and demonstrates how that cost has been financed from precepts, grants and other income.

INFRASTRUCTURE ASSETS

Fixed assets belonging to the Council that cannot be transferred or sold, on which expenditure is only recoverable by the continued use of the asset created. Examples are highways, footpaths and bridges.

INTANGIBLE ASSETS

An intangible (non-physical) item may be defined as an asset when access to the future economic benefits it represents is controlled by the reporting entity. This Council's intangible assets comprise computer software licences.

INTEREST COST (PENSIONS)

For a Defined Benefit Scheme, the expected increase during the period of the present value of the scheme liabilities because the benefits are one period closer to settlement.

INVESTMENTS (PENSION FUND)

The investments of the Pension Fund will be accounted for in the statements of that fund. However, authorities are also required to disclose, as part of the disclosure requirements relating to retirement benefits, the attributable share of the Pension Scheme Assets associated with their underlying obligations.

Glossary

LIABILITY

A liability is where the Council owes payment to an individual or another organisation.

- A current liability is an amount which will become payable or could be called in within the next accounting period, e.g. creditors or cash overdrawn.
- A deferred liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.

LIQUID RESOURCES

Current asset investments that are readily disposable by the Council without disrupting its business and are either:

- Readily convertible to known amounts of cash at or close to the carrying amount; or
- Traded in an active market.

MATERIALITY

The concept that the Statement of Accounts should include all amounts which, if omitted, or mis-stated, could be expected to lead to a distortion of the financial statements and ultimately mislead a user of the accounts.

MINIMUM REVENUE PROVISION (MRP)

The minimum amount which must be charged to the Revenue Account each year in order to provide for the repayment of loans and other amounts borrowed by the Council.

NET BOOK VALUE

The amount at which Fixed Assets are included in the Balance Sheet, i.e. their historical costs or current value less the cumulative amounts provided for depreciation.

NET DEBT

The Council's borrowings less cash and liquid resources.

NON-DISTRIBUTED COSTS

These are overheads for which no user now benefits and as such are not apportioned to services.

NATIONAL NON-DOMESTIC RATES (NNDR)

The National Non-Domestic Rate is a levy on businesses, based on a National rate in the pound set by the Government and multiplied by the assessed rateable value of the premises they occupy. It is collected by the Council on behalf of Central Government and then redistributed back to support the cost of services.

NON-OPERATIONAL ASSETS

Fixed assets held by the Council but not directly occupied, used or consumed in the delivery of services. Examples are investment properties, assets under construction or assets surplus to requirements pending sale or redevelopment.

OPERATING LEASE

A lease where the ownership of the fixed asset remains with the lessor.

Glossary

OPERATIONAL ASSETS

Fixed assets held and occupied, used or consumed by the Council in the pursuit of its strategy and in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

PAST SERVICE COST (PENSIONS)

For a Defined Benefit Pension Scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to retirement benefits.

PENSION SCHEME LIABILITIES

The liabilities of a Defined Benefit Pension Scheme in respect of outgoings due after the valuation date. Scheme liabilities measured during the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

PRECEPT

The levy made by precepting authorities by billing authorities, requiring the latter to collect income from Council Tax on their behalf.

PRIOR YEAR ADJUSTMENT

Material adjustments applicable to previous years arising from changes in accounting policies or from the correction of fundamental errors. This does not include normal recurring corrections or adjustments of accounting estimates made in prior years.

PROVISION

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.

PUBLIC WORKS LOAN BOARD (PWLB)

A Central Government Agency, which provides loans for one year and above to authorities at interest rates only slightly higher than those at which the Government can borrow itself.

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 8
DATE OF MEETING:	28 NOVEMBER 2019	CATEGORY: DELEGATED
REPORT FROM:	LEADERSHIP TEAM	OPEN DOC:
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (5811) FRANK MCARDLE (5700)	
SUBJECT:	CORPORATE PLAN 2016-21: PERFORMANCE REPORT (QUARTER 2 – 1 JULY TO 30 SEPTEMBER)	
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: G

1.0 **Recommendations**

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

2.0 **Purpose of Report**

- 2.1 To report progress against the Corporate Plan for the year end performance under the themes of People, Place, Progress and Outcomes.
- 2.2 It should be noted that following the adoption of a new Corporate Plan (2020 to 2024) by the Council on 31 October 2019, this will bring to a close this particular Plan. Therefore, this will be the final performance report against the priorities in this Plan.
- 2.3 However, it is expected that some of the targets contained in this Plan will feature in the new Plan. Other targets will now feature in Service Plans where they are considered more operational. The new Plan will aim to have a streamlined suite of core indicators designed to measure performance against priorities in the new Corporate Plan (2020 to 2024).

3.0 **Detail**

- 3.1 The Corporate Plan 2016 – 2021 was approved following extensive consultation into South Derbyshire's needs, categorising them under four key themes: People, Place, Progress and Outcomes. The Corporate Plan is central to the Council's work – it sets out its values and vision for South Derbyshire and defines its priorities for delivering high-quality services.
- 3.2 This Committee is responsible for overseeing the delivery of the following key aims:

Outcomes

- *Maintain financial health*
- *Maintain proper corporate governance*
- *Maintain a skilled workforce*
- *Maintain customer focus*
- *Minimise business risks and realise the benefits of technological opportunities*

People

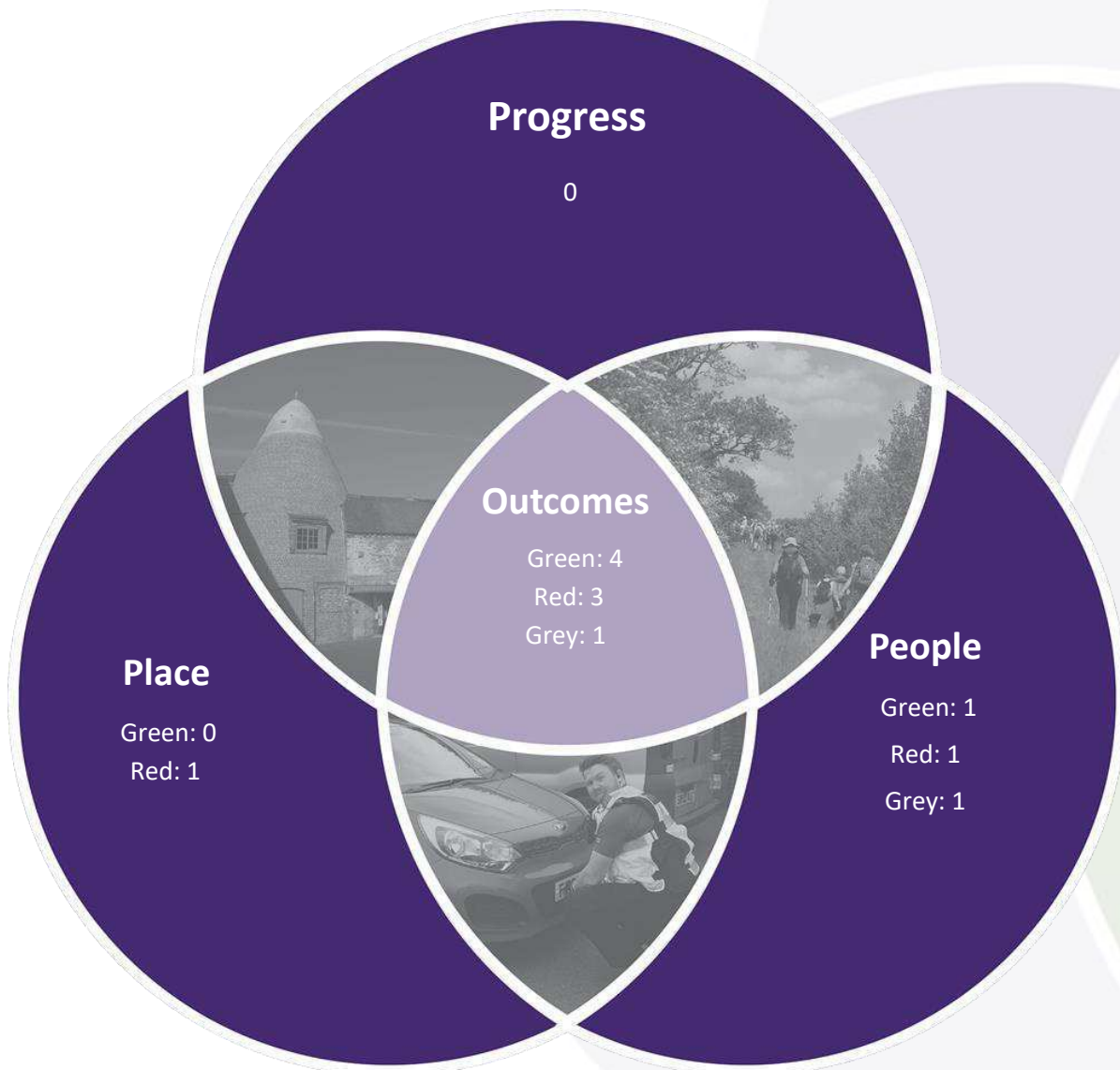
- *Protect and help support the most vulnerable, including those affected by financial challenges.*

Place

- *Facilitate and deliver integrated and sustainable housing and community infrastructure*

These aims are underpinned by outcomes including financial health, improved customer focus, good governance, enhanced environmental standards and maintaining a skilled workforce.

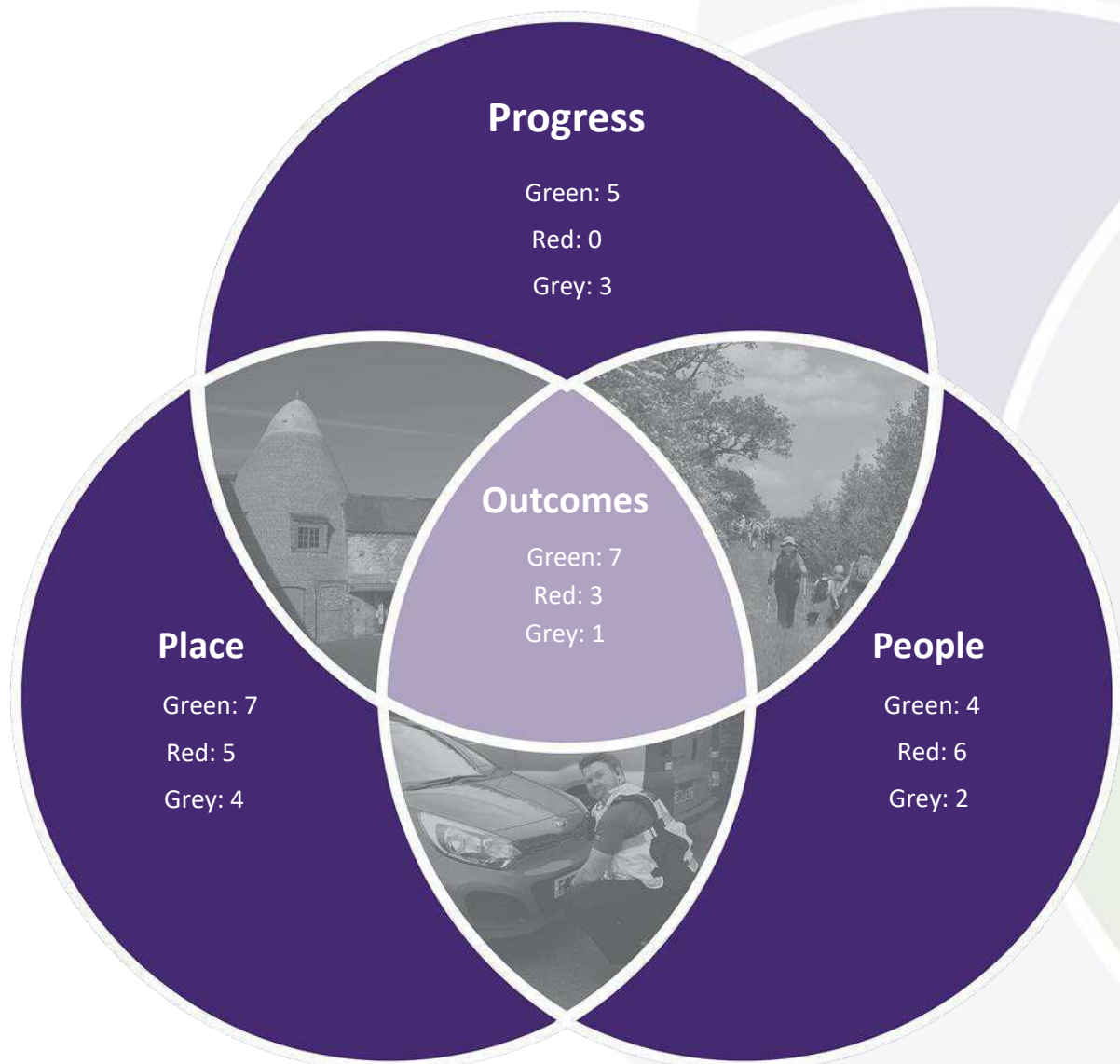
- 3.3 Of the 12 measures and projects under the jurisdiction of the Finance and Management Committee, 5 are green, 5 red and 2 grey. More information can be found in the Performance Board in **Appendix A**. A detailed breakdown of performance for the Committee is available in the performance summary, success areas and action plan documents (**Appendices B C and D respectively**).



- 3.5 The Risk Register for the Committee's services is detailed in **Appendix E, F and G**. This includes the registers and risk mitigation plans for the Corporate Resources and Chief Executive's Directorate, together with the Council's Strategic Risk Register.
- 3.6 Each risk has been identified and assessed against Corporate Plan aims and are considered to be the most significant risks to the Council in achieving its main objectives. The Risk Registers detail a matrix to show how each identified risk has been rated.
- 3.7 It should be noted that a new risk has been identified regarding Data Quality and this has been included in both the Strategic Risk Register and that relating to Corporate Services. In addition, the risk rating for the implementation of Universal Credit has been increased from Green to Amber as detailed in the both the Performance Board and Risk Register itself.

4.0 **Overall Council performance – Quarter 2 19 20**

Of the 47 Council projects/measures, there are 23 green, 14 red and 10 grey at the end of Quarter 2 2019/20.



5.0 **Financial and Corporate Implications**

Employment Implications

5.1 None directly

Legal Implications

5.2 None directly

Corporate Plan Implications

5.3 This report updates Members on the progress against the key measures agreed in the Corporate Plan and demonstrates how priorities under the People, Place, Progress and Outcomes themes contribute to that aspiration.

Risk Impact

5.4 Key risks impacting on this Committee are detailed in Appendix E, alongside the treatment and the mitigating actions in place to manage these risks.

6.0 Community Impact

Consultation

6.1 None required

Equality and Diversity Impact

6.2 Not applicable in the context of the report

Social Value Impact

6.3 Not applicable in the context of the report

Environmental Sustainability

6.4 Not applicable in the context of the report

7.0 Appendices

Appendix A – Performance Board 2019-20

Appendix B – Finance and Management: Performance Summary

Appendix C – Finance and Management: Key Successes

Appendix D – Finance and Management: Action Plans

Appendix E – Chief Executives Risk Register

Appendix F – Corporate Resources Risk Register

Appendix G – Strategic Risk Register

Theme	Key Aim	Strategic measure / projects	Q1 Target	Q1 Performance	Detail	Q2 Target	Q2 Performance	Detail
Outcomes	Maintain financial health	O1.1 Identify £1m of budget savings and additional income by March 31, 2023	No Action required		No Action required for Quarter 1	Review Medium Term Financial Plan (MTFP) following budget out-turn for 2018/19 and updated reserves position.		Reported to Finance & Management Committee on the 10th October . £1.9m in general fund reserve by 2024/25
Outcomes	Maintain financial health	O1.2 Rent arrears as a % of rent due.	< 2.5%	2.47%	Current Tenant arrears at the end of Quarter 1 were £295,838. The total rent due during Quarter 1 was £11,978,160	< 2.5%	2.85%	See Action Plan
Outcomes	Maintain proper corporate governance	O2.1 An unqualified opinion in the Annual Audit Letter.	No Action Q1.		No Action required for Quarter 1	Audit Opinion - Target Unqualified Opinion		The Audit of the Accounts and Financial Statements by the Council's External Auditors was delayed beyond 30 September due to resourcing issues at EY. This situation and the reasons for it have previously been reported in detail to the Audit Sub-Committee. The Auditors are now due to report their VFM conclusion to Finance and Management Committee on 28 November. Although this deadline has been missed, it is not the fault of the Council and this has been acknowledged by the Auditors and the National Audit Office
Outcomes	Enhance environmental standards.	O3.1 Uphold strong environmental management standards.	Address all minor non-conformities and observations from the October ISO14001 audit.		All 5 minor non-conformities have now been addressed.	Complete a baseline energy assessment to include the impact of the new Boardman estate depot. Develop five year energy management targets.		Energy and Carbon Management process completed and published on intranet (STEMS-07)
Outcomes	Maintain a skilled workforce.	O4.1 The average working days lost per employee.	< 2 days	2 days	On target at end of Quarter 1. 20% improvement on performance when compared to the same period over the previous two years.	< 2 days	2.30 days	See Action Plan
Outcomes	Maintain customer focus.	O5.1 Expand services in the Customer Contact Centre and maintain facilities for face to face enquiries where required	> 80%	76%	See Action Plan	>80%	78.0%	See Action Plan
Outcomes	Maintain customer focus.	O5.2 Expand services in the Customer Contact Centre and maintain facilities for face to face enquiries where required	< 8%	8%	April and especially May were had more contact than was expected and the abandoned rate was higher than normal, the Council able to pull it back in June to meet the quarter average.	< 8%	7.1%	Met target each month for this quarter
Outcomes	Maintain customer focus.	O5.3 To gather customer satisfaction data in a cost effective way and use the data to manage and improve services	Review and implement a new method of collection for tenant satisfaction across Housing.		Preliminary discussions have taken place with providers of STAR(T) customer satisfaction method. Wider discussions to be had with IT and Business Change relating to potential Council wide solutions.	Develop measures to monitor tenant feedback.		The Community Engagement Team is working with Tenants to develop measures as part of the Community Engagement Strategy.
Outcomes	Maintain customer focus.	O5.4 To provide a value for money service that fully meets the needs of our tenants and delivers high levels of customer satisfaction	Develop proposals to implement findings following the Housing Quality Network review of the Housing service.		Outcome of the HQN Review reported to Committee in June 2019. Action plan and project team are now in place	Update Elected Members on the implementation of proposals.		Elected members were updated in June and the proposals included in the action plan are being implemented as part of the Repairs Project by the project team.
Outcomes	Minimise business risks and realise the benefits of technological opportunities.	O6.1 Build IT infrastructure resilience to support change and minimise business risks.	Q1. Procurement and Commission of virtualised servers and Network Storage. Q1. Commission of secure mobile device management (MDM) and new smartphones.		New virtual servers and network storage have been commissioned. Migration of data is ongoing. Mobile device management (MDM) installed and smartphones have been issued to over 100 users. Remaining users are being targets on a departmental basis.	Q2. Implementation of new end user computing. Q2. Access to Office 365 Collaboration tools.		Refresh of End-User devices (Windows 10) has commenced, with a couple of departments completed to date. This programme will run until the end of the financial year. The access to Office 365 is through the end user computing update, however ever user has now been migrated.
Outcomes	Minimise business risks and realise the benefits of technological opportunities.	O6.2 Agree and deliver business change programme to support core objectives.	Q1. Review of Cloud Solution for Revenues and Benefits. Q1. Housing Service Modernisation Review.		Contract signed for Revenues and Benefits cloud solution. Project to migrate by December 2019 is underway. Housing Modernisation Review has started and will continue through Quarter 2	Q2. Installation of Planning and Land Charges System. Q2. Maintenance Standards Data Review.		The new Planning system went live on the 1 st August 2019. The Land Charges module is due to go live before December 2019. The Maintenance Standard Data Review Project is on track and is now feeding into wider corporate projects such as the review of Corporate Asset Management.
People	Enable people to live independently	PE1.1 Average time taken to re-let Council homes (excluding major voids)	< 21 days	99.6	See Action Plan	< 21 days	103.44	See Action Plan
People	Enable people to live independently	PE1.2 Average length of time for current voids	< 21 days	59.8	See Action Plan	< 21day	58.2	See Action Plan
People	Enable people to live independently	PE1.3. Delivery of Better Care Fund (BCF) schemes in accordance with assurance plans. NEW.	Report on the delivery of the £980k BCF programme for 2018/19.		The BCF plan was approved by the BCF Board on 29 th April in Quarter 1, the Council has since received a further £792,375 of grant for 2019/20. The BCF projects will continue to be monitored and progressed with quarterly reports taken to BCF Board outlining progress against each scheme and potential carry over of funding into 2020. The Hospital Avoidance Scheme has yet to be established which accounts for £100k per year	Submit plans for 2019/20 BCF spend following allocation and gain associated Committee approvals for projects.		See Action Plan
People	Protect and help support the most vulnerable, including those affected by financial challenges.	PE2.1 Number of successful introductory tenancies	> 85%	90%	The pre tenancy and induction process for new tenants are in the process of being reviewed.	> 85%	96.77%	Out of 31 introductory tenancies only one was not secured due to it being extended until 30.1.20.

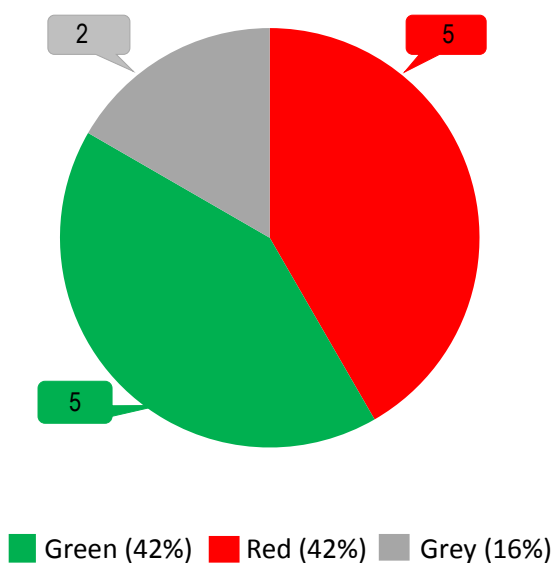
Theme	Key Aim	Strategic measure / projects	Q1 Target	Q1 Performance	Detail	Q2 Target	Q2 Performance	Detail
People	Protect and help support the most vulnerable, including those affected by financial challenges.	PE2.2 Average time for processing new Benefit claims.	< 18 days	22.9	See Action Plan	< 18 days	18.23	See Action Plan
People	Protect and help support the most vulnerable, including those affected by financial challenges.	PE2.3 Average time for processing notifications of changes in circumstances.	< 8 days	10.6	See Action Plan	< 8 days	4.9	Additional resource has been secured to process Verify Earnings and Pensions alerts sent by the DWP. We have also been successful in automating Universal Credit change in circumstance records, which has reduced the number needed for manual processing
People	Protect and help support the most vulnerable, including those affected by financial challenges.	PE2.4 Successful roll out of Universal Credit in South Derbyshire.	Embed revised working relationships with Citizens Advice South Derbyshire and City on new claim support.		Meeting has been held between the Council and Citizens Advice handing over Personal Budgeting/Assisted Digital Support to 'Help to Claim' on 14th March 2019. A direct email address has been created as a direct referral point for any resident needing assistance in claiming UC. The Chief Executive of Citizen's Advice attends Welfare Reform Group to provide updates on operational development.	Plan for managed migration of existing Housing Benefit (HB) working age caseload. Review HB processing performance indicators as result of Universal Credit and Department for Work and Pensions timescales.		Managed mitigation has been postponed by the DWP - No new timescales have been released yet.
People	Use existing tools and powers to take appropriate enforcement action.	PE3.1 Number of empty home intervention plans for dwellings known to be empty for more than two years.	≥0	4	Four long-term empty properties are now occupied or sold following the Council's intervention. These are at Woodmans Croft, Hatton; Dundee Road, Midway; Bretby Lane and Larch Road, Newhall.	≥2	10	Ten properties now occupied: Woodmans Croft; Hall Street; Wilson Close; Dundee Road; Station Street; Bretby Lane; Rykneld Road (two); Field View; Larch Road
People	Increase levels of participation in sport, health, environmental and physical activities.	PE4.1 Throughput at Etwall Leisure Centre, Green Bank Leisure Centre and Rosliston Forestry Centre.	Rosliston: Q1. 50,000 Leisure centres: Quarterly target 172,108, as per contract agreement. Walking Festival: 1,250 Community Participation: Q1. 21,465 Q1 Total Target: 244,823	374,368	60,079 visitors attended Rosliston Forestry Centre during the quarter. Participations at all leisure centres were 289,374. The Walking Festival had 1,780 attendees and there were 23,135 Community Participations during the quarter.	Rosliston: Q2. 60,000 Leisure centres: Quarterly target 172,108, as per contract agreement. Community Participation: Q2. 16,022 Q2 Total Target: 248,130	349,252	Rosliston Q2 visitor numbers (47,795) were down on target largely due to a wet summer YTD target under by 2126. Leisure Centre targets continue to be exceeded totalling (285,574). Overall participation levels exceed the Q2 target.
People	Increase levels of participation in sport, health, environmental and physical activities. H&CS	PE4.2 Delivery of the Active Derbyshire SLA for South Derbyshire.	Action Plan developed and milestones agreed with Active Derbyshire		Action Plan has been developed with Active Derbyshire and is now being implemented.	Monitoring report will be provided a minimum of every 6 months		Monitoring will be provided at Q3
People	Reduce the amount of waste sent to landfill.	PE5.1 Household waste collected per head of population (kg)	<130kgs	109kgs		<110kgs	115.1kgs	figures estimated and awaiting verification from DEFRA. See Action Plan
People	Reduce the amount of waste sent to landfill.	PE5.2 % of collected waste recycled and composted.	>54%	52%*	*Estimated data, verified data not available until September, dry recycling tonnage is increasing. However, residual tonnages have also increased whilst compost tonnages have decreased.	>52%	49.40%	figures estimated and awaiting verification from DEFRA. See Action Plan
Place	Facilitate and deliver a range of integrated and sustainable housing and community infrastructure.	PL1.1 Total number of affordable dwellings delivered.	Annual Target >150	53	53 Affordable homes delivered during Quarter 1. 19 at Affordable Rent, 19 at Social Rent and 15 Shared Ownership homes.	Annual Target >150	39	39 New affordable homes were delivered during quarter two - 13 for affordable rent, 18 for social rented and eight shared ownership properties - this figure includes the six new Council homes built in Overseal
Place	Facilitate and deliver a range of integrated and sustainable housing and community infrastructure.	PL1.2 Adopt Countywide Strategy – Housing and Accommodation for an ageing population: Vision for Derbyshire to 2035. NEW.	Q1 and Q2. Ensure at least 10% of all new affordable housing provision secured through Section 106 agreements or planning conditions is either adapted for disabled use or built to lifetime homes standards.		The Countywide 'Older People's Housing Accommodation and Support Strategy' for Derbyshire has now been approved by Derbyshire County Council. There are implications and actions for the Council to ensure the housing needs of our aging population are met. A report is due to be taken to October's Housing and Community Services Committee that outlines specific tasks / housing requirements and takes the Countywide report for formal adoption by the Council.	Q1 and Q2. Ensure at least 10% of all new affordable housing provision secured through Section 106 agreements or planning conditions is either adapted for disabled use or built to lifetime homes standards.		Countywide Older People's Housing, Accommodation and Support Strategy was formally adopted at Housing and Community Services Committee on 3.10.2019. The revised Affordable Housing Supplementary Planning Guidance will require more affordable homes to be built for older people and people who require adapted homes. There will also be a requirement from 2020 for all new affordable homes to be built to Lifetime Homes Standards.
Place	Facilitate and deliver a range of integrated and sustainable housing and community infrastructure.	PL1.3 Number of new homes added to the HRA (this indicator incorporates new builds and also acquired properties into the HRA).	Proxy (Annual)		Annual Figure (proxy measure)	Proxy (Annual)		Six new two bed houses were added to the Council's HRA during Q2 with a further 12 due to be added during Q3
Place	Facilitate and deliver a range of integrated and sustainable housing and community infrastructure.	PL1.4 Relevant documents adopted	Submission of Local Green Spaces Document to the Planning Inspectorate. Completion of Gypsy/Traveller Site Allocations Development Plan (GTSADP) scoping.		The Submission of Local Green Spaces Plan to the Planning Inspectorate was sent on the 24th May 2019 and the examination of on this plan will take place on the 12 September. The Gypsy/Traveller Site Allocations Development Plan (GTSADP) scoping has been completed and as a result a report will be taken to EDS on the 15th August.	First public consultation (Regulation 18) on GTSADP.		See Action Plan
						Examination of Local Green Spaces Document.		The Local Green Spaces Plan examination was held on 12 September 2019. Having received the post-hearing letter from the Inspector, modifications will be made to the Plan and consultation on those modifications will take place once they have been agreed with the Inspector.
Place	Facilitate and deliver a range of integrated and sustainable housing and community infrastructure.	PL1.5 Number of decisions made in time over number of decisions made	90%	94%		90%	94%	Despite continued pressure on resources, performance has improved on the previous quarter. This is due to focussed efforts by the Development Management Team to ensure applications are handled on time and only taken beyond their statutory timeframe where agreement has been obtained. The overall figure is made up of three 'groups': major, minor and other applications, of which all three returned at 90% or above.

Theme	Key Aim	Strategic measure / projects	Q1 Target	Q1 Performance	Detail	Q2 Target	Q2 Performance	Detail
Place	Facilitate and deliver a range of integrated and sustainable housing and community infrastructure.	PL1.6 Maximise delivery of housing units	Housing survey completed	100%	Bi-monthly meeting continue with site intelligence reported back to responsible officer. Current five year housing land supply rate at 5.5 years - most sites started are building at a rate above that originally anticipated such that c.1200 were completed in 2018/19 - work to accelerate progress on two sites underway	Review of progress on all 'major' housing sites. Continue proactive intervention		Bi-monthly meetings continue with site intelligence reported back to responsible officer. Working towards updated position paper for publication shortly. Current five-year housing land supply rate at 5.5 years - most sites started are building at a rate above that originally anticipated such that c.1200 were completed in 2018/19 - work to accelerate progress on remaining allocations underway.
Place	Facilitate and deliver a range of integrated and sustainable housing and community infrastructure.	PL1.7 Proportion of good quality housing development schemes (defined using Build for Life criteria) approved.	Reported annually		Reported annually	90%		Reported annually
Place	Facilitate and deliver a range of integrated and sustainable housing and community infrastructure.	PL1.8 Capital maintenance programme for investment in public buildings. NEW.	Draw up proposed programme, consult and match to resources.		See Action Plan	Presentation of five year maintenance plan for approval.		See Action Plan
Place	Facilitate and deliver a range of integrated and sustainable housing and community infrastructure.	PL1.9 Capital programme for the delivery of enhancements to public open spaces utilising Section 106 contributions. NEW.	Draw up proposed programme, consult where applicable and match to resources.		All Section 106 resources have been referenced against the Open Space, Sport and Community Facilities strategy and allocated to appropriate projects.	Presentation of delivery plan for approval.		See Action Plan
Place	Help maintain low crime and anti-social behaviour (ASB) levels	PL3.1 Downward trend in fly-tipping incidents.	<172	174	See Action Plan	<344	378	See Action Plan
Place	Help maintain low crime and anti-social behaviour (ASB) levels	PL3.2 Number of ASB incidents in Swadlincote Centre (reported as a rolling 12 month figure)	400 incidents over 12 month rolling period	332	New Town Centre Community Safety Enforcement Officer employed. Minor issues with two regular street drinkers gathering, Criminal Behaviour Order to be heard in Court for one that will ban him from the Town Centre if successful.	<400 incidents per quarter	295	During Q2 two Criminal Behaviour Orders (CBOs) were secured for two individuals known to be street drinkers banning them from the town centre. A third CBO application is in progress. The Town Centres Public Space Protection Order has been renewed for a further three years which will provide the Police and designated Council Officers extra enforcement powers to tackle ASB within the town centre.
Place	Connect with our communities, helping them feel safe and secure.	PL4.1 Review and update existing plan. Develop and deliver action plan.	Work with schools to develop delivery plan for community safety input in schools in 2019/20.		Schools have indicated they would again like to have Prison me, no way. The Police have yet to confirm if they will have funding for Your Choice events. The Police and Crime Commissioner is to review all input into Schools as looking at a Countywide approach to input into Schools	Support delivery of summer activities in urban core hot spot areas for young people to participate in.	16 Summer scheme activity sessions delivered in Urban core parks over the summer holiday period	Locations where sessions were delivered include Castle Gresley, Church Gresley, Swadlincote, Midway and Newhall. Total number of participants at the session was 1078.
Place	Deliver services that keep the District clean and healthy.	PL6.1 % adherence to service standards for Grass Cutting.	New indicator, performance figures gathered this year will be used to set improvement targets for 2020/21	90%	90% of all work completed on schedule and in accordance with service standards. The remaining 10% was completed at the commencement of Q2.	New indicator, performance figures gathered this year will be used to set improvement targets for 2020/21	92%	92% of works completed in accordance with the schedules and service standards the remaining 8% was completed at commencement of Q3
Place	Deliver services that keep the District clean and healthy.	PL6.3 % of fly-tips cleared within 24 hours	New indicator, performance figures gathered this year will be used to set improvement targets for 2020/21	84%	100% of all reported fly tips reported in Q1 were cleared in Q1 on average within 1.48 days	New indicator, performance figures gathered this year will be used to set improvement targets for 2020/21	72.28%	146 out of 202 fly tips were removed within 24 hours of operational services receiving the report
Place	Deliver services that keep the District clean and healthy.	PL6.2 Monitoring of street scene services (including fly-tipping, grass cutting and litter collection). NEW.	Annual measure		Discussions with Keep Britain Tidy have commenced now developing measures for the annual survey to take place end of Q2 commencement of Q3	Undertake Local Environment Quality Survey (LEQS).		See Action Plan
Progress	Work to attract further inward investment.	PR1.1 Net additional commercial/employment floor space created	Number of square metres. (Proxy).		Reported in Quarter 2 and Quarter 4 (proxy measure)	Number of square metres. (Proxy).	Net loss of 24462.8 sqm	Gain of 9406 sqm; loss of 33869 sqm (mainly at the former Hilton Depot MOD site which is being redeveloped for housing)
Progress	Unlock development potential and ensure the continuing growth of vibrant town centres.	PR2.1 Delivery of Vision and Strategy.	Q1A. Review way forward on receipt of National Forest Business Improvement District (BID) feasibility study. Q1B. Promote town centre investor opportunities.	Q1A One Delayed; Q1B:One Achieved	Quarter 1A: See Action Plan Quarter 1B: Receipt of consultant's feasibility study for Business Improvement District delayed; Town centre investment opportunities promoted online, in Property Bulletin publication and at property exhibition.	Q2. Support town centre initiatives (e.g. clean-up day).		Q1A: Outstanding Action completed. Q2: Activities included launch event for market operator in August with introduction of a new set of market stalls; and, World Clean-up Day event staged in September, with Council staff plus 25 volunteers collecting 42 bags of rubbish and two wheelie bins of recycling.
Progress	Unlock development potential and ensure the continuing growth of vibrant town centres.	PR2.2 Vacant premises in Swadlincote, Hilton and Melbourne	N/A		Reported in Quarter 2 and Quarter 4 (proxy measure)	Proxy	12	Hilton: one vacant unit representing 7.14% of all units. Melbourne: five vacant units representing 9.2% of all units. Swadlincote Town Centre Primary Frontage: six vacant units representing 4.72% of all primary frontage units

Theme	Key Aim	Strategic measure / projects	Q1 Target	Q1 Performance	Detail	Q2 Target	Q2 Performance	Detail
Progress	Work to maximise the employment, training and leisure uses of The National Forest by residents and increase the visitor spend by tourists.	PR3.1 Promote entrepreneurial opportunities to improve employability skills and raise awareness of self-employment.	Q1. Deliver Love Your Local Market young enterprise activity. Q1. Stage Swadlincote Jobs and Skills fair. Q1. Deliver Thinking of Starting a Business workshop.		Young Enterprise activity delivered with William Allitt School; Job Opportunities Day held at Green Bank Leisure Centre; 'Thinking of Starting a Business?' workshop held in Hilton.	N/A		No target during Q2
Progress	Provide support to businesses and the not for profit sector and promote innovation and access to finance, including in rural areas	PR5.1 Food businesses which have a Food Hygiene Rating score of five.	>83%	85.4%	This performance is an increase on the figure reported at the 31st March 2019 and is at the highest level ever recorded by the Council.	>83%	85.1%	599 retail food businesses currently have the top food hygiene rating
Progress	Provide support to businesses and the not for profit sector and promote innovation and access to finance, including in rural areas	PR5.2 Registered food businesses active in the District	≥810	859	This performance is an increase on the figure reported at the 31st March 2019 by an additional 17 businesses.	≥810	870	Currently the highest number of food businesses ever registered
Progress	Provide support to businesses and the not for profit sector and promote innovation and access to finance, including in rural areas	PR5.3 Visitor economy businesses supported through Swadlincote Tourist Information Centre (no. visitor enquiries, website hits, social media, etc.)	150,000	973,889	In addition to visitor enquiries serviced, other activities included staging of the National Forest Walking Festival 2019, promotion of the service at Festival of Leisure and publication of the Summer edition of What's On	150,000	698,203	In addition to visitor enquiries serviced, other activities included: 'Ay Up Me Duck Day' (and trail) family fun event supported on The Delph during the school holidays; and, staging the Hello Heritage/Heritage Open Days initiatives - attracting visitors to tours, talks and guided walks.
Progress	Provide support to businesses and the not for profit sector and promote innovation and access to finance, including in rural areas	PR5.4 Guidance offered to businesses or people thinking of starting a business (through the South Derbyshire Business Advice Service).	40	71	In addition to one-to-one advice sessions with businesses/entrepreneurs, a 'Thinking of Starting a Business?' workshop was held in Hilton	30	63	In addition to one-to-one advice sessions with businesses/entrepreneurs, workshops for businesses were supported on 'Researching Export Markets' and 'Inclusive Recruitment'.

Appendix B

F&M Overview



05.1 Expand services in the customer contact centre and maintain facilities for face to face enquiries where required
Target > 80% of telephone calls answered within 20 seconds



78%

01.2 Rent arrears as a % of rent due
Target < 2.5%



2.85%

Rent arrears as at quarter end was £340,629

PE2.2 Average time for processing new benefit claims
Target < 18 days



18.23 days

04.1 The average working days lost per employee
Target < 2 days



2.30 days

PE2.3 Average time for processing notifications of changes in circumstances
Target < 8 days



4.9 days

05.2 Expand services in the customer contact centre and maintain facilities for face to face enquiries when required

Target: call abandonment rate less than 8%









7.1%

Finance and Management Performance and Project Overview 2019/20 Quarter 2



Appendix B

	Strategic Project	Project Q2 Target	Q2 Performance
	O1.1 Identify £1m of budget savings and additional income by March 31, 2023	Review Medium Term Financial Plan (MTFP) following budget out-turn for 2018/19 and updated reserves position.	Achieved
	O2.1 An unqualified opinion in the annual audit letter	Audit Opinion - Target Unqualified Opinion	N/A
	O6.1 Build IT infrastructure resilience to support change and minimise business risks	Q2. Implementation of new end user computing. Q2. Access to Office 365 Collaboration tools.	Achieved
	O6.2 Agree and deliver business change programme to support core objectives	Q2. Installation of Planning and Land Charges System. Q2. Maintenance Standards Data Review	Achieved
	PE2.4 Successful roll out of universal Credit in South Derbyshire	Plan for managed migration of existing Housing Benefit (HB) working age caseload. Review HB processing performance indicators as result of Universal Credit and Department for Work and Pensions timescales.	N/A
	PL1.8 Capital maintenance programme for investment in public buildings	Presentation of five year maintenance plan for approval.	Not Achieved

Finance and Management Strategic and Service Key Success Areas 2019/20 Quarter 2



Appendix C

Target < 8 days Theme - People



4.9

Action - Process Benefit Claims efficiently

Measure – Average time for processing notifications of changes in circumstances

Success - Additional resource has been secured to process Verify Earnings and Pensions alerts sent by the DWP. We have also been successful in automating Universal Credit change in circumstance records, which has reduced the number needed for manual processing

Target:
Q2. Installation
of Planning and
Land Charges
System.
Q2.
Maintenance
Standards Data
Review.

Theme - Outcome

Action – Establish a corporate approach and responsibility for business change and improvement, standardising evaluation and delivery of projects across the Council.

Measure - O6.2 Agree and deliver business change programme to support core objectives.

Success – The new Planning system went live on the 1st August 2019. The Land Charges module is due to go live before December.

Project on track and is now feeding into wider corporate projects such as the review of Corporate Asset Management.



Achieved

Finance and Management Performance Action Plans 2019/20 Quarter 2

Appendix D



O1.2 Rent arrears of
Current tenants as a % of
rent due

2.85%

Target <2.5%

There are five actions for Finance and Management

Theme: Outcomes

Target vs performance:

Q2 Target: 2.5%

Q2 Performance: 2.85%

Trend (compared to last quarter/year):

Q1 Performance: 2.47%

Background:

The increase in rent arrears is likely to be a result of the increased numbers of tenants in receipt of Universal Credit (UC) and now subject to either delays in payment or simply a change in their payment schedule.

Current UC claimants from Department of Work and Pensions Landlord Portal	254
Total UC Claimant Rent arrears as at 06.10.19	£126,785.71
Total rent arrears for same group of people at 18.11.18	£60,471.79
Total Increase in rent arrears for UC claimants since UC roll out	£ 66,313.92

A group of 136 tenants who went on to claim UC had a balance of £0.00 at 18.11.18, the total arrears for that same group of people is currently £39,129.19. Had those tenants continued to claim Housing Benefit after November 2018 it is likely that the level of increase would not have happened, barring a change in circumstances.

This is a trend that is echoed in all other areas where UC has been introduced so the Council is not unique in this. Anecdotal information from Trent and Dove Housing indicates that its arrears are also increasing.

Key actions underway:

- Review all rent arrears accounts to ensure that the correct level

of enforcement action is being taken.

- Two members of the team, along with the Tenancy Sustainment Officer, will be focusing solely on income collection, arrears recovery and benefit queries/advice.
- Re-visit projects preparing tenants practically for UC with a programme of communications. This is designed to encourage current benefit claimant tenants to pay extra onto their rent to mitigate against the five weeks arrears which will occur when they move to UC.
- Finalise the arrears recovery procedure in the Orchard system to ensure that recovery is compliant, effective and is clear to Council tenants.
- Re-commence cold-calling to tenants who are in arrears.

Opportunities/risks:

- Opportunity to enhance services through completion of Orchard tasks.
- Opportunity to focus on tenants and provide support with their finances.
- Risks- that arrears continue to rise (at trend which is echoed by other providers in the region).



O4.1 average working days lost per employee.

2.30 days

Target <2.00 days

Theme: Outcomes

Target vs performance:

Q2 Target: 2.00 days per quarter
Q2 Performance: 2.30 days.

Based on a straight-line projection the annual target of 8 days per employee will not be achieved. Estimated outturn is 8.58 days.

Trend (compared to last quarter/year):

Performance is 0.30 days higher than previous quarter that represents an increase of 15% from the previous month.

Compared to the same quarter last year, performance is 24% lower and the overall straight-line project shows an improvement from last year's outturn figure of 11.38 days down to 8.58 days per employee – this would represent a reduction in the absence rate of 25%.

Background:

Whilst the performance is over target, the outturn figure demonstrates a sustained improvement in the number of working days being lost to ill health across the workforce. When compared to the same quarter over previous years, the level of performance is lower than any of the preceding 6 years.

Key actions underway:

An internal working group of employer and employee representatives, led by the Strategic Director (Service Delivery), meet to consider a range of measures to address the current levels of absence. The focus for the group is around 'improving attendance' with an emphasis centred around the highest incidences of sickness absence such as those related to mental health and musculoskeletal along with reviewing existing employment procedures to provide a rounded view of actions to be progressed.

An action plan has been developed and contact been made with different partners to identify initiatives to be progressed. Training has provided in

Mental Health First Aid with six people now available as points of contact; Mental Health Awareness for Managers; general Mental Health Awareness; Suicide Awareness; Handling Difficult Conversations and a coaching network for managers to support them in the role dealing with mental health in the workplace.

In support of the Five Ways to Wellbeing campaign (5WTWB); Body MOT's, lunch time walks, and other health promotion activities have been provided.

A review of the Attendance Management Procedure has been completed with amendments to trigger points and increased access to support materials and resources featuring in the new Procedure that is effective from 1st October 2019.

There is a dedicated site on the intranet containing supporting materials and resources around mental health and employee wellbeing. The Five Ways to Wellbeing campaign (5WTWB) is also being promoted internally with support from the Health Partnership Manager and Derbyshire County Council. National initiatives are promoted such as Mental Health Awareness Week.

Work is also being completed on the potential to offer employees access to physiotherapy services to support employees with musculoskeletal and related conditions in a similar way the counselling support is provided to employee with mental health and related conditions.

Opportunities/risks:

Sickness absence will lead to disruptions in service delivery and affect individual and team performance. Whilst employees are still paid during a period of absence (although this can reduce in periods of longer absence) extra costs can be incurred to cover the duties of absent colleagues.

Having effective practices and processes in place to manage the health and well-being of the workforce promotes a positive workforce environment and early, preventative action to improve levels of performance and attendance at work.



O5.1 Expand services in the Customer Contact Centre and maintain facilities for face to face enquiries where required

78%

Target < 80%

Theme: Outcome
Strategic Measure:

Target vs performance:

Q2 Target: >80% for all calls answered within 20 seconds

Q2 Performance : 78%

Trend (compared to last quarter/year):

Although quarter two has not been achieved, there has been an improvement from quarter one which was recorded at 75.9% Quarter two for 2018 achieved 71.6% so still a good improvement following previous year and also last quarter.

Background:

Customer Services did achieve >80% for August and September. July was the month where the target was not met and the out turn was 74.5%. The contributing factors to this include, a full weeks benefits training course for three new members of staff resulting in lack of resources for answering incoming. We also experienced a higher volume of calls relating to Council Tax due to 1000 reminders that were received by residents.

Total number of face to face visitors during the quarter were 8185 (this includes Reception and Enquiry Desk) - this is comparable to the same period in 2018 which was 8063 visitors.

Key actions underway:

All new members of staff have now received adequate training and performance is improving.

Opportunities/risks:

The Contact Centre is currently undergoing an office extension and once this has been completed, will be in a position to grow and answer more queries at first point of contact. A new CRM solution is also being investigated.



PE2.2 Average time for processing new Benefit claims

18.23 days

Target < 18 days

Theme: People

Target vs performance:

Q2 Target: <18 days
Q2 Performance: 18.23 days
Annual Performance: 20.51 days

Trend (compared to last quarter/year):

2018/2019 Q2 Performance 18.40 days
Annual Performance met: 17.5 days

Background:

The progressive rollout of Universal Credit (UC) is starting to impact on recent performance. This is because of the inherent delays in the UC processing cycle which will delay the point at which a claim may be calculated by the Council following an application made to it. Added to this, benefits processing has been under resourced by 1FTE.

Key actions underway:

Work is being carried out to identify and design a revised methodology and indicator that continues to give Members the accurate information and an assurance that claims are being processed promptly by assessors once all the information has been received from all sources (including the DWP).

Benefits Assessor vacancy was filled on 1st May 2019. Training prioritised on processing of new claims. This has successfully reduced the speed of processing new claims which stood at 22.9 days in quarter one.

Opportunities/risks:

Redesigning the methodology allows the ongoing opportunity to work more closely with the DWP to identify and resolve issues where delays occur as a result of the changes to procedures following the full migration of claims to UC. This will also help minimise rent arrears for Council Tenants



PL1.8 Capital
maintenance programme
for investment in public
buildings.

Not Achieved

Theme: Place

Target vs performance:

Q2 Target: Presentation of five year maintenance plan of approval
Q2 Performance: Measure not met – The detailed planned maintenance programme will be drafted once the condition survey has been undertaken.

Trend (compared to last quarter/year):

N/A – New measure

Background:

Action to be implemented following restructure

Key actions underway:

Restructure report presented on 10th October 2019 to Finance & Management Committee. Following approval, staff resource will be created and recruitment will take place to undertake condition surveys.

Opportunities/risks:

Completion of condition surveys will enable informed decision-making on maintenance priorities. Competing work priorities will impact on the delivery timescales.

CHIEF EXECUTIVE'S RISK REGISTER (AS AT Q2 2019/20)

Appendix E

Risk	Rating and Current Position	Risk Treatment	Mitigating Actions	Change since last Quarter
CE1. Failure of economic development partnerships leading to an adverse impact on businesses and local economy.	Likelihood is unlikely and impact is moderate.	Tolerate the current situation and keep under review.	<ul style="list-style-type: none"> Proactive engagement in partnerships and with individual partners. Commitment of officer time and resources to partnership activities. Monitoring of projects and performance. 	No change to rating or treatment.
CE2. Failure of the South Derbyshire Partnership, leading to non-delivery of the community's vision and priorities set out in the Community Strategy	Likelihood is unlikely and impact is moderate.	Treat the risk through continuous action and review.	<ul style="list-style-type: none"> Proactive support for partnership. Commitment of officer time and resources to partnership facilitation. Engagement of partners in policy making and project design and delivery. 	No change to rating or treatment.
CE3. Failure of Sharpe's Pottery Heritage & Arts Trust, leading to a loss of service to visitors and residents through the Tourist Information Centre.	Likelihood is medium and impact is moderate.	Treat the risk through continuous action and review.	<ul style="list-style-type: none"> Officer advice and support available to Trust. <ul style="list-style-type: none"> Member involvement in Trust Board. Monitoring of services and performance, including Service Level Agreement and Work Programme. 	No change to rating or treatment.
CE4. Poor quality performance data.	Likelihood is unlikely and impact is moderate.	Treat the risk through continuous action and review.	<ul style="list-style-type: none"> Reviewed quarterly as part of the performance reporting process. Methodology statements compiled and continually monitored and updated. <ul style="list-style-type: none"> Annual data quality audit undertaken. 	No change to rating or treatment.
CE5. Failure of joined up Council approach to effectively manage the election process and canvassing.	Likelihood is unlikely and impact is moderate	Treat the risk through continuous action and review.	<ul style="list-style-type: none"> Elections Project Team in place and meets as necessary with representatives from all services involved. Arrangements in place for an Election to be called at short notice. Arrangements in place for Referenda/By-Elections to be called. 	No change to rating or treatment.

CORPORATE RESOURCES RISK REGISTER (AS AT Q2 2019/20)

Appendix E

Risk	Rating and Current Position	Risk Treatment	Mitigating Actions	Change since last quarter
<p>1 Universal Credit (UC) – the implementation of UC could have an impact on resources in Benefits and Customer Services.</p> <p>Housing Benefit is administered by the Council on behalf of the DWP and is one of the six benefits being rolled up into UC.</p>	<p>UC is being rolled out on a phased basis for working age claimants and over the previous 12 months has started to have a much bigger impact. Claims for HB have reduced by 24% between April 2018 and September 2019. However, the overall volume of work has broadly stayed the same as changes in UC are impacting on the Council's Council Tax Reduction Scheme (CTRS).</p>	<p>Treat the risk through continuous action and review.</p>	<ul style="list-style-type: none"> Greater automation is currently being progressed to process change of circumstances. The Local Council Tax Reduction Scheme is being redesigned to make it easier to understand and administer. It is planned that proposals for a new scheme will be presented to the Finance and Management Committee on 30 April 2020. Where spare capacity arises, off-site support, which is used to deal with peaks in workload, will be transferred in-house to utilise spare capacity. When future vacancies arise, these will be reviewed in the light of the longer-term position. 	<p>This risk rating has been increased from Green to Amber due to the current impact of UC roll-out.</p>
<p>2 Fraudulent activities – the possibility of fraud being undetected.</p>	<p>National studies show fraud leads to a significant loss of resources within the Public Sector as a whole. The likelihood is considered high because fraud has been detected and prevented locally.</p>	<p>Treat the risk through continuous action and review.</p>	<p>Public agencies such as the DWP and HMRC increasingly share data with local authorities on a real time basis. This allows compliance checks to take place to spot and eliminate the potential for fraud and error in a timely manner.</p> <p>The Council works in partnership with another Derbyshire authority to share a software package that enables data matching in Council Tax and Business Rates.</p> <p>Single Person Discount checks on Council Tax are also regularly undertaken.</p> <p>Page 144 of 242</p> <p>In addition, the Council has a Shared Service</p>	<p>No change to rating or treatment.</p>

			<p>Arrangement with Derby City Council which delivers a dedicated Fraud Unit. This Unit is resourced to prevent and detect fraud across all services, including raising awareness amongst Council Officers.</p> <p>The Fraud Unit have an annual work programme which is considered and approved by the Audit Sub-Committee. Outcomes are also reported to the Audit Committee.</p>	
<p>3 The Directorate is responsible for providing a procurement service. Given the specialised and regulatory nature, there is a risk of not having resources to enable good quality advice and support for Services.</p>	<p>The Council does not have its own procurement department but currently has access to support and advice so the likelihood is considered low.</p>	<p>Treat the risk through continuous action and review</p>	<p>The Council is part of a Shared Service Arrangement with other Derbyshire Agencies. The Service commenced in January 2018 for an initial three year period and operates under a Service Level Agreement.</p>	<p>No change to rating or treatment.</p>
<p>4 Data Quality and Performance Management</p>	<p>Quality of Performance Data</p>	<p>Treat the risk through continuous action and review</p>	<p>This risk is linked to the Strategic Risk Register as part “<i>Technology and Data</i>” – keeping pace with developments together with the management and security of data.</p> <p>An annual data quality audit will be performed by officers and/or Internal Audit to check the robustness of the data collection process.</p>	<p>New for Q2 2019-20.</p>

STRATEGIC RISK REGISTER (UPDATED AS AT Q2 2019/20)

Appendix F

Risk	Rating and Current Position	Risk Treatment	Mitigating Actions	Change since last Quarter
1 Government Funding - a reduction in core spending power.	There have been on-going reductions in national resources but receipts are increasing locally through the New Homes Bonus and Council Tax. There is some uncertainty regarding the future allocation of the New Homes Bonus and the Retention of Business Rates. The Government has delayed any changes to funding until 2021/22.	Treat the risk through continuous action and review.	<p>The Medium Term Financial Plan (MTFP) was updated and approved by the Finance and Management Committee in October 2019. Overall, there continues to be a relatively healthy financial position into the medium-term.</p> <p>Longer-term budget savings may be required although General Reserves are currently adequate to finance projected deficits and known financial risks are being provided for in the MTFP.</p> <p>A further review and update of the MTFP is currently being undertaken as part of the 2020 Budget Round. This will be reported to the Finance and Management Committee January 2020.</p>	No change to rating or treatment.
2 The Economy - the impact of the national economic situation locally.	Currently, the local economy is relatively strong and growing. A rise in interest rates would have a low impact due to the Council's fixed interest rate debt structure and would increase returns on current investments. However, the impact of the UK leaving the EU on local development and business, together with the Council's Treasury Management operations, remains uncertain.	Tolerate the current situation and keep under review.	<p>It is considered that the Council is undertaking as much action as is reasonably possible at this stage to mitigate the risk, but the position is being kept under review.</p> <p>On-going budgets for income from planning fees, land charges, etc. together with the New Homes Bonus and Council Tax receipts are set at levels below current actuals and Local Plan targets leaving some room for the effect of any significant downturn in the local economy.</p> <p>The MTFP is not reliant on interest rates increasing from the current level to generate revenue. Any increase would be a direct benefit to the Budget.</p>	No change to rating or treatment.

			<p>A significant amount of Debt is at fixed interest rates and is affordable within the Housing Revenue Account's financial plan. The Council's investments are being kept under review pending the final Exit Deal from the EU.</p> <p>The Council's Property Strategy has focused on ensuring the Council's assets are being positioned to react to local investment opportunities, including land assembly and joint ventures. The redevelopment of Cadley Park is progressing as planned.</p> <p>There is on-going dialogue through the Derby and Derbyshire Economic Prosperity Board to access funding and with developers to look at alternative options for regeneration in Swadlincote. Funding through the One Public Estate has been secured.</p> <p>Additional resources have been generated from the 100% Business Rates Retention Pilot in 2018/19 and these have been set-aside to support future economic regeneration.</p>	
<p>3a Technology and Data - keeping pace with developments together with the management and security of data.</p>	<p>ICT Strategy in place with on-going development. The Council is PSN (Public Sector Network) and GDPR compliant. However, some technological opportunities are being missed and there is reputational damage and a possible fine should a data breach occur.</p>	<p>Treat the risk through continuous action and review</p> <p>Aspects of this risk are also transferred as they are insured perils with the Council's Insurers.</p>	<p>Investment continues to be made in upgrading the ICT infrastructure and network to ensure PSN compliance. An annual independent audit is undertaken each year to test the Council's compliance with PSN.</p> <p>Regular Internal Audit reviews test the robustness of systems and the infrastructure with recommendations to strengthen the ICT environment being monitored by the Audit Sub-Committee.</p> <p>Regular training and briefings given to Elected Members and Officers to raise awareness of data and security issues. An E-learning package has been rolled out for Council Officers.</p> <p>The Council's Data Protection Officer reports directly to the Leadership Team on matters concerning Information Governance.</p>	<p>No change to rating or treatment</p>

			<p>Following previous malware virus attacks, additional measures have been implemented to restrict Internet access to certain sites, together with implementing additional monitoring controls to detect and prevent virus attacks.</p> <p>Resources have been set-aside for Business Change with ICT a fundamental part of that change. Projects to migrate to a new Microsoft platform, greater use of digital technology, together with an upgrade of devices, are all projects currently in progress.</p>	
<p>3b Technology and Data - keeping pace with developments together with the management and security of data.</p>	Quality of performance data	Treat the risk through continuous action and review.	<p>Implementation of the recommendations made within the Data Quality & Performance Management audit undertaken in September 2019.</p> <p>Undertake an annual quality audit if deemed necessary, performed by officers or Internal Audit.</p>	New for Q2 2019-20
<p>4 Business Continuity - arising from the loss of the main Civic Offices, ICT capability, together with a major displacement of the workforce or a fuel shortage, etc.</p>	A live issue continues to be the potential impact of a "Brexit" on the Council's Services.	<p>Treat the risk through continuous action and review.</p> <p>Aspects of this risk are also transferred as they are insured perils with the Council's Insurers.</p>	<p>Business Continuity and Emergency Plans are in place and regularly reviewed in accordance with the Civil Contingencies Act. Regular meetings and training exercises take place with other agencies in Derbyshire.</p> <p>An ICT Disaster Recovery (DR) solution is in place off-site. Data is also backed-up and stored in a secure off-site facility outside of the immediate region.</p> <p>Provision for home-working and remote access is in place. Comprehensive insurance in place with insurers providing support to secure temporary accommodation if required.</p> <p>As regards "Brexit" Council Officers have attended multi-agency meetings in Derbyshire and the wider East Midlands to assess the potential impact and planned actions with other agencies. The Council has also convened meetings of its Business Continuity Group to review the immediate effect on the Council and planned actions.</p>	No change to rating or treatment

			The situation is now being kept under review ahead of the planned leaving date, which has now been delayed until 31 January 2020.	
<p>5 Capacity and Resilience - recruitment, retention and development of the workforce and dealing with additional demand for services due to Growth.</p>	<p>There are some issues in specific areas but this is not universal or in larger service areas. Resources set-aside and being invested to expand service provision and develop the workforce.</p>	<p>Treat the risk through continuous action and review.</p>	<p>During 2018/19, there were restructures in Revenues and Benefits, Financial Services, Planning Services, together with Legal/Democratic Services. These restructures have provided additional resources and capacity in these particular services.</p> <p>A restructure of the Council's Senior Management was implemented on 1 April 2019. The aim of the new structure is to create resilience in service provision with the creation of new Head of Service posts, including two new posts to focus on Organisational Development, together with Community and Cultural services.</p> <p>The restructure also combined resources to create centralised Business Change and Policy teams to support business transformation across the Council.</p> <p>The structure is now bedding in and the proposals aim to strengthen recruitment and retention of senior staff.</p> <p>Subsequently, reviews of ICT and Business Change, together with Property Services have also been undertaken and changes made to increase capacity and resilience.</p>	<p>No Change to rating or treatment</p>
<p>6 Voluntary and Community Sector - a reduction in resources for partners who deliver services with or on behalf of the Council.</p>	<p>Evidence that this is occurring with CVS and Citizens Advice having core funding reduced.</p>	<p>Tolerate the current situation and keep under review.</p>	<p>It is considered that the Council is undertaking as much action as is reasonably possible at this stage to mitigate the risk.</p> <p>The Council's current grant funding has been maintained and been increased in 2019/20 by 2% for all supported organisations.</p> <p>Spending can be refocused to meet external funding requirements and is project-based.</p> <p>Dedicated officer time in place to support the voluntary</p>	<p>No change to rating or treatment.</p>

			<p>sector and local organisations. Council Officers currently working with Sharpe's.</p> <p>CVS have undertaken research into the impact of the services it delivers across the district and this information will inform the targeted delivery of future service provision.</p>	
<p>7 Terrorism and potentially violent situations – as a public body there is a potential for the Council and its workforce to become a target.</p>	<p>From time to time, members of the workforce do face individual threats in the course of undertaking their duties.</p>	<p>Treat the risk through continuous action and review.</p> <p>Aspects of this risk are also transferred as they are insured against.</p>	<p>Lone working systems in place including a 'Solo-Protect' warning and call for assistance system.</p> <p>A Potentially Violent Persons Policy and Risk Register are in place.</p> <p>Alarms and warning system in place in the Civic Offices.</p>	<p>No Change to rating or treatment.</p>
<p>8 Statute and Regulation – the failure to meet requirements.</p>	<p>There is no recent evidence to suggest any significant issues; the impact would depend on the nature of the failure.</p>	<p>Treat the risk through continuous action and review.</p>	<p>This applies to many Council services. In general, the necessary skills and resources are in place to ensure that the Council meets its statutory duties. In addition, the Council's Constitution, policies and procedures aim to support strategic and regulatory delivery.</p>	<p>No change to rating or treatment.</p>
<p>9. Health and Safety – the potential to contravene regulations through bad practice.</p>	<p>Due to the continuing focus on Health and Safety, the likelihood of a major incident is low, but the impact could be significant.</p>	<p>Treat the risk through continuous action and review</p>	<p>The Council employs a corporate Health and Safety Officer.</p> <p>An on-going training programme is in place for all staff and in particular for parts of the workforce where there is a greater risk of an accident.</p> <p>Accidents and near misses are logged, reported and reviewed corporately and any major incidents are investigated to review procedures.</p> <p>Risk assessments are regularly undertaken and procedures updated when necessary.</p>	<p>No change to rating or treatment.</p>
<p>10. Managing the environmental impact of</p>	<p>There is no recent evidence to suggest any significant issues, the likelihood of any</p>	<p>Treat the risk through continuous</p>	<p>The Council has plans in place through Emergency Planning to manage the environmental impact of any incidents across the District. This includes flooding,</p>	<p>No change to rating or treatment.</p>

incidents across the District.	environmental impact is low but the impact could be significant.	action and review.	<p>air/water pollution, weather related incidents and contaminated land.</p> <p>In October 2018, the Council was accredited to the prestigious international ISO 14001 standard for the tenth year in a row.</p>	
--------------------------------	--	--------------------	--	--

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 9
DATE OF MEETING:	28TH NOVEMBER 2019	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/2019-20/Nov
SUBJECT:	REVENUE FINANCIAL MONITORING 2019/20	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM08

1.0 Recommendations

- 1.1 That the latest revenue financial position for 2019/20 as detailed in the report is considered and approved.

2.0 Purpose of the Report

- 2.1 To provide an update on performance against budget for 2019/20.
- 2.2 The report details performance up to 30th September 2019 unless otherwise stated and is the second quarter's update of income and expenditure for 2019/20.
- 2.3 The report covers both General Fund and HRA income and expenditure, an update to the Medium-Term Financial Plan (MTFP) plus a quarterly update to the Collection Fund.

3.0 Detail

GENERAL FUND

- 3.1 Apart from Council housing, day-to-day revenue income and expenditure for Council services is accounted for through the General Fund. The net expenditure is financed through the Council's Core Spending Power which includes:

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

- 3.2 The Base Budget for 2019/20 approved in February 2019 estimated a budget deficit of £622,044.

- 3.3 An update to the MTFP was reported in August with a full review reported in October. The changes to the MTFP reported previously reduced the projected deficit for 2019/20 to £262,652.
- 3.4 During the review of the quarterly outturn for September, two further amendments have been made to the MTFP. An additional post for a Community Safety Enforcement Officer approved in February and funded through growth plus the cost of a pilot scheme for pictorial wildflower planting approved in August. The amended projected deficit is now £273,185.
- 3.5 A summary of the revised budgeted deficit for 2019/20 is shown in the following table.

	£
Base Budget	12,814,080
Reverse out Depreciation	-842,289
Minimum / Voluntary Revenue Provisions	328,635
Contingent Sums	497,804
Total Estimated Spend	12,798,230
Financing	-12,525,045
Estimated Deficit	273,185

- 3.6 An update to the Council's financial position as a result of approved changes is listed within the MTFP in **Appendix 1**.

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

	£
Provision for "off-payroll" payments	10,000
Waste Collection and Recycling	100,000
Growth	460,000
Wildflower Planting	7,286
Approved Restructures	27,249
Childcare Voucher Administration	1,750
Investment Income	-100,000
Pension Earmarked Reserve Drawdown	-8,481
Total	497,804

- 3.8 The Approved Restructures noted above include the cost of the Community Enforcement Officer which has been offset by a reduction to the Growth provision (£40k), the saving on the Senior Management restructure reported in detail in August (-£23k) and the Finance and ICT restructures reported in August (£10k).

Position as at September 2019

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

COMMITTEE	ANNUAL			RESERVES	
	BUDGET	PROJECTED ACTUAL	PROJECTED VARIANCE	EARMARKED	NET EFFECT ON GF
	£	£	£	£	£
Environmental and Development	5,122,687	4,919,668	203,019	(55,475)	147,544
Housing & Community	2,336,844	2,008,829	328,015	(319,800)	8,215
Finance & Management	5,354,548	3,312,724	2,041,824	(1,990,202)	51,622
TOTAL	12,814,080	10,241,222	2,572,857	(2,365,477)	207,380

3.10 Although the above table shows that projected net expenditure is £2,572,857 lower than the base budget, approximately £2,365,477 is due to grant income, external contributions and receipts received under Section 106 agreements for on-going projects and capital schemes which stretch beyond the current financial year. This funding is transferred to specific reserves and drawn down to finance expenditure when it is incurred.

3.11 Excluding transfers to specific reserves, the above table shows that based on current spending, there is a projected decrease in overall net expenditure across General Fund services of approximately £207,380 compared to the base budget for the year.

3.12 An analysis by the main service areas is shown in the following table.

MAIN SERVICE AREA	BUDGET			RESERVES	
	BUDGET	PROJECTED ACTUAL	PROJECTED VARIANCE	EARMARKED	NET EFFECT ON GF
	£	£	£	£	£
Economic Development	304,716	303,835	881	0	881
Environmental Services	554,760	546,319	8,440	0	8,440
Highways	48,487	48,486	0	0	0
Licensing and Land Charges	27,388	7,870	19,518	0	19,518
Planning	555,589	360,828	194,761	(61,144)	133,617
Town Centre	97,339	97,339	0	0	0
Street Scene	954,021	907,991	46,030	0	46,030
Waste Collection & Transport	2,500,490	2,577,006	(76,516)	15,572	(60,944)
Environmental Education	79,897	69,995	9,903	(9,903)	(0)
Community Development and Support	653,671	633,596	20,075	(19,774)	301
Leisure and Recreational Activities	193,897	181,358	12,540	0	12,540
Leisure Centres and Community Facilities	612,138	376,503	235,635	(235,504)	131
Parks and Open Spaces	443,031	492,162	(49,131)	32,597	(16,534)
Private Sector Housing	434,108	325,211	108,897	(97,120)	11,777
Central and Departmental Accounts	3,530,085	3,481,820	48,265	(42,462)	5,803
Revenues and Benefits	597,661	578,551	19,110	(13,834)	5,276
Electoral Registration	333,112	336,158	(3,046)	0	(3,046)
Corporate and Democratic Costs	489,808	477,719	12,089	(6,665)	5,424
Payments to Parish Councils	368,883	368,883	(0)	0	(0)
Property and Estates	(250,058)	(268,514)	18,456	0	18,456
Pensions, Grants, Interest and Receipts	285,057	(1,661,893)	1,946,950	(1,927,241)	19,709
TOTAL	12,814,080	10,241,222	2,572,857	(2,365,477)	207,380

3.13 The main reasons for the projected variance is summarised in the following table and detailed in the commentary.

	£'000
Salary savings (vacancies, maternity etc.) - F&M	216
Salary savings (vacancies, maternity etc.) - E&D	140
Salary savings (vacancies, maternity etc.) - H&C	12
Increased Planning Fee Income	140
Lettings from Industrial and Commercial Units	41
Investment Income	21
Vehicle Hire	21
Increased Environmental Services Income	17
Vehicle Spare Parts	10
Increased Street Naming Income	9
Banking Transaction Costs	-5
Increased Fuel Costs	-15
Head of Service Recruitment	-23
Agency and Consultancy Costs	-373
Other Variances (net)	-4
TOTAL - OVERALL PROJECTED VARIANCE	207

3.14 Salary savings in year relate to vacancies and maternity but are more than offset by agency and consultancy to support services areas.

3.15 Investment income is expected to be greater than budget due to the large value of cash deposits held by the Council. Cash investments are not expected to fall dramatically in year as there is 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 MTFP was updated in October to include an additional £100k of investment income. It is expected that the receipt in year will exceed this by at least £21k.

3.16 Planning applications are significantly higher than forecast during the first six months. This is expected to reduce during the remainder of the year, but fee income is still anticipated to be greater than budget.

3.17 Street Naming income has seen a large volume of applications in line with the growth of the District and it is anticipated that this income stream will be higher than currently forecast.

3.18 Commercial lets are achieving greater levels of income than budgeted due to the void units being lower than anticipated. This is expected to continue for 2019/20.

3.19 A new fleet of vehicles were acquired in 2018/19 and therefore spare parts for vehicles and vehicle hire are now lower than budgeted in 2019/20.

3.20 Adverse variances include agency and consultancy support mentioned at 3.14 but these costs are also incurred to cover long-term sickness.

- 3.21 Other adverse variances include bank transaction charges and fuel costs.
- 3.22 Banking charges are expected to be higher than budgeted due to the cost per transaction increase after the Banking Services tender. This increase was not included within the budget for 2019/20 but will be incorporated in future years.
- 3.23 The increased cost of diesel accompanied by the additional miles travelled due to growth of the District is expected to result in higher fuel costs in year. This is to be reviewed as part of the growth project which will be reported later in the year.

Core Grants and Funding

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

Core Grants and Funding 2019/20	£
Council Tax	5,405,401
Retained Business Rates	3,584,572
Discretionary Business Rates Relief Scheme	20,000
New Homes Bonus	3,281,951
Collection Fund Surplus	110,000
Total Funding	<u>12,401,924</u>

- 3.25 The final amount retained for Business Rates will depend upon income and expenditure during the year, which includes provisions and any return from the Derbyshire Business Rates Pool.
- 3.26 It should be noted that NHS Trusts across the UK have raised a legal challenge regarding Business Rates charges administered over the last seven years. If successful and Trusts are ruled to have charitable status, this will mean that reimbursements of up to 80% of all Rates chargeable will be refunded. For the Council there will be minimal impact regarding the Business Rates billing but as part of the Pool, the Council will be required to contribute a share of any loss. It is estimated to be have an overall impact of £1.6bn across the Country.
- 3.27 Performance of the Pool is reported quarterly to all Derbyshire S151 Officers but at this stage the detail for the second quarter has not been confirmed and no further updates in relation to the NHS Trust Appeal is known but the case has been heard and a judgement is due within the next three months.

HOUSING REVENUE ACCOUNT (HRA)

- 3.28 The Council is required to account separately for income and expenditure in providing Council housing.
- 3.29 The Base Budget approved in February and updated in October for the HRA is set with an estimated surplus of £126k and the position of the HRA as at September 2019 is summarised in the following table.

Summary HRA 2019/20	BUDGET	PROJECTED ACTUAL	PROJECTED VARIANCE
	£000	£000	£000
Total Income	-12,414	-12,364	-50
Contribution to Capital & New Build	3,188	3,188	0
Responsive & Planned Maintenance	3,162	3,037	125
Interest on Debt	1,798	1,694	104
Supervision & Management	1,913	1,897	16
Supported Housing & Careline Services	829	841	-12
Provision for Bad Debts	100	100	0
Provision for Debt Repayment	1,424	1,424	0
Asset Replacement Contribution	45	45	0
Contingent Sums	-171	-171	0
Surplus	-126	-309	183

3.30 The above table shows that overall the HRA is expected to have an increased surplus of £309k which is £183k more than budgeted. The main reasons for the variances are detailed below.

	£'000
Salary savings (vacancies, maternity etc.)	249
Repairs & Maintenance	105
Over Budgeted Interest Charges	104
Materials Spend	20
Additional Careline Income	14
Increased Utilities	-12
Reduced Rent due to Right to Buy and Void Properties	-64
Agency and Consultancy Staff	-237
Other Variances (net)	4
TOTAL - OVERALL PROJECTED VARIANCE	183

3.31 Salary savings in year relate to vacancies and are mostly offset by agency and consultancy to support services.

3.32 Due to a slower start to the year on repairs, it is anticipated that the HRA will underspend on both repairs & maintenance and materials.

3.33 Interest on the HRA loans has generally resulted in a large saving in previous years due to the variable rate loan being charged at a lower rate of interest than forecast. The first payment of interest for the year has resulted in a saving of £104k.

3.34 Income received for the Careline service through private sector residents is higher than anticipated and is offsetting additional costs for increased utilities at the Careline service centre.

3.35 The revenue income lost through Right to Buy is a large risk to the HRA with sales as at the end of October totalling 11. In addition to losses through Right to Buy is the increased delay on relets of void properties. Contractual delays resulted in a slower turnaround of voids but this is expected to improve as the year continues.

- 3.36 The HRA's 10-year MTFP is shown in **Appendix 2** but at this stage is an update to reserve balances after the year-end as nothing significant has changed during the first quarter to the HRA forecast.

COLLECTION FUND

- 3.37 The Collection Fund is the statutory account that records the collection of Council Tax and Business Rates and shows how that income has been distributed to the Government and Preceptors.
- 3.38 Any surplus or deficit on the Fund is transferred to the General Funds of the Preceptors, in proportion to precepts levied each year. The projected position on the Fund for 2019/20, based on transactions up to 30th September 2019, is detailed in **Appendix 3**.
- 3.39 This shows that the projected surplus balance on Council Tax is approximately £1,556k and Business Rates is approximately £114k.
- 3.40 Growth in the tax base is expected to continue which will impact positively on both Business Rates and Council Tax by increasing potential surpluses. Business Rates however has the continual risk of Business Rate Appeals which have previously pushed the Business Rates element of the fund into a deficit.
- 3.41 The Council Tax budget was based on a Tax Base of 33,302 Band D equivalent properties with a total number of dwellings on the valuation list of 43,964. At the end of September 2019, the actual Tax Base was 34,474 (+1,172) with a total number of dwellings of 45,150 (+1,186).

4.0 Financial Implications

- 4.1 Detailed in the report.

5.0 Corporate Implications

Employment Implications

- 5.1 None.

Legal Implications

- 5.2 None.

Corporate Plan Implications

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

Risk Impact

5.4 None.

6.0 Community Impact

Consultation

6.1 None.

Equality and Diversity Impact

6.2 None.

Social Value Impact

6.3 None.

Environmental Sustainability

6.4 None.

7.0 Background Papers

7.1 None.

GENERAL FUND MEDIUM TERM FINANCIAL PLAN

BUDGET & PROJECTION as at NOVEMBER 2019

	Proposed Budget £ 2019.20	Projection £ 2020.21	Projection £ 2021.22	Projection £ 2022.23	Projection £ 2023.24	Projection £ 2024.25
BASE BUDGET						
Environmental & Development	4,502,355	4,664,681	4,802,478	4,943,938	5,089,570	5,238,987
Housing & Community	2,941,177	3,168,298	3,233,036	3,299,343	3,371,059	3,453,121
Finance & Management	5,370,548	5,547,643	5,726,979	5,908,942	6,093,905	6,282,230
Net Service Expenditure	12,814,080	13,380,622	13,762,493	14,152,223	14,554,533	14,974,338
Accounting Adjustments						
Reverse out Depreciation	-842,289	-842,289	-842,289	-842,289	-842,289	-842,289
Minimum Revenue Provision (MRP)	197,409	189,512	181,932	174,654	167,668	160,962
Voluntary Revenue Provision (VRP - Recycling Bins & Grove Active Zone)	131,226	131,226	75,891	20,556	20,556	1,639
	12,300,426	12,859,071	13,178,026	13,505,144	13,900,468	14,294,649
Add: Known Variations						
Proposed Senior Management Restructure - One-Off Costs Provision	0	21,090	21,618	9,216	0	0
Vehicle Maintenance Plan (Tyres and Spare Parts)	0	17,000	15,000	38,000	35,000	60,000
Restructures Approved in August	10,895	491	-21,391	-10,547	-8,183	-8,183
Local Plan Review	0	25,000	40,000	40,000	25,000	25,000
Incremental Salary Increases	0	48,035	20,610	8,843	8,843	8,843
Savings from the Senior Management Restructure	-23,646	0	0	0	0	0
Investment Income	-100,000	-100,000	-70,000	-49,000	-19,600	-1,960
Administration of Childcare Vouchers	1,750	1,750	1,750	1,750	1,750	1,750
Temporary Posts, Rosliston and Elections Updates	0	-307,492	-333,767	-334,109	-325,565	-314,477
Potential Cost of New Waste Disposal Site	0	27,089	47,400	49,770	52,259	54,871
Potential Loss of Industrial Unit Income	0	0	0	190,000	190,000	190,000
Pension Earmarked Reserve Drawdown	-8,481	-38,794	-41,122	-43,589	-6,783	0
Pictorial Wildflower Planting Approved August	7,286	3,109	3,162	3,234	3,297	0
Community Safety Enforcement Officer Approved February	40,000	41,000	42,025	43,076	44,153	45,256
District Election May 2023	0	0	0	0	125,000	0
TOTAL ESTIMATED SPENDING	12,228,230	12,597,349	12,903,311	13,451,787	14,025,638	14,355,750

GENERAL FUND MEDIUM TERM FINANCIAL PLAN
BUDGET & PROJECTION as at NOVEMBER 2019

Proposed

Budget £ 2019.20	Projection £ 2020.21	Projection £ 2021.22	Projection £ 2022.23	Projection £ 2023.24	Projection £ 2024.25
------------------------	----------------------------	----------------------------	----------------------------	----------------------------	----------------------------

Provisions

Provision for Employer's NIC on "off-payroll" payments	10,000	10,000	10,000	10,000	10,000	10,000
Contingent Sum - Growth	460,000	534,000	557,975	556,924	555,847	554,744
Waste and Recycling	100,000	100,000	100,000	100,000	100,000	100,000
TOTAL PROJECTED SPENDING	12,798,230	13,241,349	13,571,286	14,118,712	14,691,486	15,020,494

FINANCING

Business Rates Retention	-3,707,693	-3,678,425	-3,667,438	-3,687,623	-3,706,624	-3,724,368
Discretionary Business Rate Relief Scheme	-20,000	-3,000	0	0	0	0
New Homes Bonus	-3,281,951	-3,643,502	-3,791,597	-3,679,233	-3,342,528	-3,239,425
Council Tax Income	-5,405,401	-5,647,740	-5,897,476	-6,128,316	-6,365,917	-6,610,454
Core Spending Power	-12,415,045	-12,972,668	-13,356,511	-13,495,173	-13,415,069	-13,574,247

Add Estimated Collection Fund Surplus - Council Tax	-110,000	-55,000	-55,000	-55,000	-55,000	-55,000
---	----------	---------	---------	---------	---------	---------

TOTAL FINANCING

-12,525,045	-13,027,668	-13,411,511	-13,550,173	-13,470,069	-13,629,247
--------------------	--------------------	--------------------	--------------------	--------------------	--------------------

REVENUE DEFICIT

273,185	213,681	159,775	568,539	1,221,416	1,391,247
----------------	----------------	----------------	----------------	------------------	------------------

Capital Contributions

Melbourne Sports Park Drainage	433,799	0	0	0	0	0
IT and Digital Strategy	210,000	210,000	210,000	210,000	210,000	210,000
Purchase of Town Centre Land	44,335	0	0	0	0	0
Community Partnership Scheme (2017 contribution)	239,005	0	0	0	0	0
Community Partnership Scheme (2019 contribution)	275,000	0	0	0	0	0
Swadlincote Woodlands Nature Reserve	15,000	0	0	0	0	0
Rosliston Forestry Centre - Play Project	50,000	0	0	0	0	0
Asset Replacement and Renewal Fund	400,000	400,000	400,000	400,000	400,000	400,000

TOTAL CAPITAL CONTRIBUTION

1,667,136	610,000	610,000	610,000	610,000	610,000
------------------	----------------	----------------	----------------	----------------	----------------

TOTAL GENERAL FUND DEFICIT

1,940,324	823,681	769,775	1,178,539	1,831,416	2,001,247
------------------	----------------	----------------	------------------	------------------	------------------

GENERAL FUND MEDIUM TERM FINANCIAL PLAN
BUDGET & PROJECTION as at NOVEMBER 2019

Proposed Budget £ 2019.20	Projection £ 2020.21	Projection £ 2021.22	Projection £ 2022.23	Projection £ 2023.24	Projection £ 2024.25
------------------------------------	----------------------------	----------------------------	----------------------------	----------------------------	----------------------------

GENERAL FUND RESERVE BALANCE

Balance b/fwd	-10,426,414	-8,486,090	-7,662,408	-6,892,634	-5,714,095	-3,882,678
Revenue Surplus (-) / Deficit	273,185	213,681	159,775	568,539	1,221,416	1,391,247
Capital Contributions	1,667,139	610,000	610,000	610,000	610,000	610,000
Balance c/fwd	-8,486,090	-7,662,408	-6,892,634	-5,714,095	-3,882,678	-1,881,431

HOUSING REVENUE ACCOUNT FINANCIAL PROJECTION - NOVEMBER 2019

	2019.20	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30
	Approved Budget £'000	Forecast £'000	Forecast £'000	Forecast £'000	Forecast £'000	Forecast £'000	Forecast £'000	Forecast £'000	Forecast £'000	Forecast £'000	Forecast £'000
INCOME											
Rental Income	-11,955	-12,192	-12,414	-12,706	-13,010	-13,329	-13,655	-13,995	-14,352	-14,718	-15,098
Non-Dwelling Income	-124	-126	-129	-133	-136	-140	-144	-148	-152	-156	-161
Supporting People Grant	-164	-164	-164	-164	-164	-164	-164	-164	-164	-164	-164
Other Income	-171	-171	-171	-171	-171	-171	-171	-171	-171	-171	-171
Total Income	-12,414	-12,653	-12,878	-13,174	-13,481	-13,804	-14,134	-14,478	-14,839	-15,209	-15,594
EXPENDITURE											
General Management	1,817	1,858	1,901	1,945	1,989	2,035	2,082	2,129	2,178	2,228	2,280
Supporting People	829	851	873	897	921	947	973	1,000	1,029	1,059	1,090
Responsive	1,247	1,278	1,309	1,341	1,374	1,408	1,443	1,479	1,515	1,552	1,590
Planned Maintenance	1,915	1,961	2,009	2,059	2,109	2,160	2,213	2,267	2,322	2,379	2,437
Bad Debt Provision	100	121	124	127	130	133	136	139	143	147	151
Interest Payable & Receivable	1,808	1,808	1,808	1,508	1,508	1,238	1,238	1,238	937	938	938
Depreciation	4,312	4,477	4,453	4,430	4,411	4,392	4,373	4,359	4,344	4,330	4,319
Net Operating Income	-386	-299	-401	-867	-1,039	-1,491	-1,676	-1,867	-2,370	-2,576	-2,789
Known variations:											
Reversal of Depreciation	-4,312	-4,477	-4,453	-4,430	-4,411	-4,392	-4,373	-4,359	-4,344	-4,330	-4,319
Capital Expenditure	1,888	1,935	1,683	1,470	1,433	1,477	1,516	1,547	1,182	1,261	1,489
Disabled Adaptations	300	300	300	300	300	300	300	300	300	300	300
Asbestos and Health & Safety Surveys	100	100	100	100	100	100	100	100	100	100	100
Debt Repayment	1,424	1,542	1,770	1,960	2,329	1,915	1,857	1,895	2,196	2,106	1,830
Major Repairs Reserve	700	600	600	600	300	600	600	600	600	600	600
Asset Replacement Earmarked Reserve	45	45	45	45	45	45	45	45	45	45	45

HOUSING REVENUE ACCOUNT FINANCIAL PROJECTION - NOVEMBER 2019

	2019.20	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
ICT Upgrades	0	105	0	0	0	0	0	0	0	0	0
Investment Income	-85	-85	-60	-42	-17	0	0	0	0	0	0
Capital works non-traditional properties	200	100	100	100	0	0	0	0	0	0	0
Incremental Salary Increases	0	10	10	10	10	10	10	10	10	11	11
HRA Surplus (-) / Deficit	-126	-124	-306	-754	-950	-1,436	-1,620	-1,728	-2,281	-2,484	-2,733
HRA General Reserve											
HRA Reserve B/fwd	-6,919	-7,045	-7,169	-5,775	-4,329	-3,249	-3,335	-3,505	-3,700	-5,731	-7,715
(Surplus) / Deficit for year	-126	-124	-306	-754	-950	-1,436	-1,620	-1,728	-2,281	-2,484	-2,733
Transfer to Debt Repayment Reserve	0	0	1,700	2,200	2,029	1,350	1,450	1,533	250	500	500
HRA Reserve C/fwd	-7,045	-7,169	-5,775	-4,329	-3,249	-3,335	-3,505	-3,700	-5,731	-7,715	-9,948

COLLECTION FUND MONITORING 2019/20 (as at 30th September 2019)

	Actual 2018/19	Estimated 2019/20	2nd Qtr Projection 2019/20	Notes
COUNCIL TAX - INCOME & EXPENDITURE	£'000	£'000	£'000	
INCOME				
Council Tax Collectable	57,262	61,270	61,359	Est. Increase in Tax Base and Precepts at 7%
EXPENDITURE				
County Council Precept	41,302	44,054	44,054	As approved by Full Council 27th Feb 2019
Police and Crime Commissioner Precept	6,253	7,213	7,213	As above
Fire and Rescue Authority Precept	2,427	2,538	2,538	As above
SDDC Precept	5,169	5,405	5,405	As above
SDDC Parish Precepts	773	798	798	As above
Increase in Bad Debts Provision	440	613	614	Estimated at 1% of income
Total Expenditure	56,364	60,621	60,622	
Surplus for the Year	898	650	737	
COUNCIL TAX BALANCE				
Opening Balance 1st April	1421	1,819	1,819	Per Final Accounts 2018/19
Share of Previous Surplus to County Council	-367	-733	-733	As approved by Full Council 27th Feb 2019
Share of Previous Surplus to Police	-56	-112	-112	As above
Share of Previous Surplus to Fire Authority	-22	-45	-45	As above
Share of Previous Surplus to SDDC	-55	-110	-110	As above
Surplus for Year (as above)	898	650	737	
Closing Balance as at 31st March	1,819	1,469	1,556	
	Actual 2018/19	Estimated 2019/20	2nd Qtr Projection 2019/20	
BUSINESS RATES - INCOME & EXPENDITURE	£'000	£'000	£'000	
INCOME				
Business Rates Collectable	25,226	27,070	27,119	Estimate as per NNDR1
Transitional Protection Payments	771	705	600	
Total Income	25,997	27,775	27,719	
EXPENDITURE				
Central Government Precept	0	13,398	13,398	
SDDC Precept	13,338	10,718	10,718	Per NNDR1 Submission
Derbyshire County Council Precept	13,071	2,411	2,411	As above
Fire and Rescue Service Precept	267	268	268	As above
Cost of Collection	91	91	91	As above
Increase in Bad Debts Provision	250	242	271	Estimated at 1% of income
Provision for Appeals	-72	646	542	Estimated at 2% of income (forecast is NNDR1)
Total Expenditure	26,945	27,774	27,700	
Surplus / Deficit (-)	-948	1	19	
BUSINESS RATES BALANCE				
Opening Balance 1st April	-192	-377	-377	Per Final Accounts 2018/19
Transfer of Previous Year's Surplus (-) / Deficit	382	-286	-286	Per NNDR1 Submission
Transfer of Previous Year's Surplus (-) / Deficit	305	293	293	As above
Transfer of Previous Year's Surplus (-) / Deficit	69	460	460	As above
Transfer of Previous Year's Surplus (-) / Deficit	7	5	5	As above
Surplus / Deficit (-) for the Year as above	-948	1	19	
Closing Balance as at 31st March	-377	96	114	

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 10
DATE OF MEETING:	28th NOVEMBER 2019	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/2019-20/Nov
SUBJECT:	CAPITAL FINANCIAL MONITORING 2019/20	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM08

1.0 Recommendations

- 1.1 That the latest capital financial position for 2019/20 as detailed in the report is considered and approved.

2.0 Purpose of the Report

- 2.1 To provide an update on performance against the budget for 2019/20.
- 2.2 The report details performance of both the HRA and General Fund up to 30th September 2019 unless otherwise stated and is the second quarter's update of capital project progress for 2019/20.

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 the HRA general reserve plus grant income.
- 3.4 The capital budget for 2019/20 was approved in February 2019 and has been updated following the outturn for 2018/19 to reflect the carry forward of income and expenditure for incomplete projects. Additional budgets have also been included on the HRA for property acquisitions reported separately.

3.5 Progress during the second quarter of 2019/20 on capital projects and the total financing of all of the projects is summarised in the following tables.

Capital Spending 2019/20 (as at Sept 2019)	Approved Budget £	B/fwd 2018/19 £	Updated Budget 2019/20 £	Spend to-date £
Council House Capital Works	2,788,000	0	2,788,000	422,346
Council House Disabled Adaptations	300,000	0	300,000	140,185
New Build and Acquisition Schemes	1,410,000	237,367	1,647,367	406,241
Total HRA	4,498,000	237,367	4,735,367	968,772
Private Sector Housing Works	792,375	1,151,017	1,943,392	113,139
Environmental and Heritage Schemes	0	42,007	42,007	59,472
Swadlincote Woodlands Nature Reserve	0	37,000	37,000	0
Community Partnership Scheme	0	239,005	239,005	62,187
Eureka Park	0	0	0	12,797
Melbourne Sports Park	400,000	33,799	433,799	9,411
CCTV Rosliston	0	0	0	13,580
Flail Mower, Rosliston	0	0	0	10,750
Vehicle Replacements	517,000	0	517,000	354,029
Sale of Land	0	0	0	2,057
Community Centres / Pavilion	0	0	0	28,207
IT Strategy	210,000	461,842	671,842	187,252
Property Maintenance and Refurbishment	130,000	130,000	260,000	65,684
Total General Fund	2,049,375	2,094,670	4,144,045	918,565
Total Council Expenditure	6,547,375	2,332,037	8,879,412	1,887,337

Capital Financing 2019/20	Approved Budget £	B/fwd 2018/19 £	Updated Budget 2019/20 £
HRA Revenue Contribution	3,088,000	0	3,088,000
General Fund Revenue Contribution	740,000	272,804	1,012,804
Earmarked/Specific Reserves	1,274,000	606,279	1,880,279
Capital Receipts Reserve	653,000	192,367	845,367
Grant Funding	792,375	1,260,587	2,052,962
Total Funding	6,547,375	2,332,037	8,879,412

HRA Capital

3.6 Disabled adaptations of Council housing are set to be on budget during 2019/20.

3.7 Major refurbishment works to Council housing has now started but due to the delay in appointing a new contractor, it is anticipated that the expenditure will be under budget by the year-end. Any underspend will be carried forward.

3.8 The budget for new build and acquisition schemes consists of the construction of properties at Lullington Road, Overseal and acquisition of properties in Repton, Newhall and Aston.

- 3.9 A deposit has been paid to the developer for the houses in Aston and it is anticipated that the dwellings will be transferred to the Council by January 2020.
- 3.10 The properties in Repton and Newhall are due to be transferred to the Council during 2020/21 therefore the budget for 2019/20 only includes a deposit at this stage.
- 3.11 New build properties in Overseal are now complete and are fully let. The budget carried forward from 2018/19 is specific for these dwellings. Due to the delay with completion, additional costs have been incurred and the project has exceeded the carried forward budget by £89k. The additional cost can be covered by the capital receipts reserve and there are specific revenue budgets within the HRA for professional fees in relation to new build that can be utilised if necessary.

General Fund Capital

Private Sector Housing Works

- 3.12 There are a number of projects included within this area, one of which is Disabled Facility Grants (DFG). Expenditure on DFG is expected to be approximately £40k under the allocated budget of £440k by the year-end. Budget carry forwards are for approved projects that have not yet started but should be rolled out during 2019/20.
- 3.13 A report regarding the projects to be funded through the Better Care Fund is to be reported later on this agenda and will clarify progress plus proposed new projects to be undertaken. Derbyshire County Council are meeting with the Council's Strategic Housing Manager during November to confirm acceptance of the proposed projects.

Environmental and Heritage Schemes

- 3.14 This relates to the Swadlincote Town Centre Scheme following the award of funding in 2016/17.
- 3.15 A small budget was carried forward from 2018/19 and although this budget is currently overspent, the expenditure incurred can be claimed in full from the Heritage Lottery Fund.

Leisure and Community Schemes

- 3.16 The Community Partnership Scheme has all of the funding committed to specific projects, but the funding is still to be drawn down from the Council.
- 3.17 Match funding has been secured for the Swadlincote Woodlands Nature Reserve project and work is set to commence in 2019/20.
- 3.18 The capital element of the Eureka Park project is now complete with final funding to be claimed from the HLF.
- 3.19 Melbourne Sports Park drainage works are still in the early stages. A tender for works has been completed and an award to the appointed contractor is under review.
- 3.20 CCTV at Rosliston has been installed due to security concerns after a recent break in at the site. A flail mower has also been purchased for Rosliston. Both are to be financed through an earmarked reserve set up specifically for works at Rosliston.

Vehicle Replacements

- 3.21 The scheduled replacements in 2019/20 are for new road sweepers, additional vans for Grounds Maintenance, a refuse freighter and a bulky waste vehicle. The road sweepers and refuse freighter have now been purchased with the remaining vehicles scheduled for delivery later in the year.

Asset Disposals and Refurbishment

- 3.22 Costs associated with the sale of land at Oversetts Road will be funded by the capital receipt once received.
- 3.23 A General Fund contribution of £130k is set-aside each year to fund refurbishment and maintenance of Public Buildings. Due to a tender exercise no works were scheduled during 2018/19. A contractor has now been appointed and a works programme will run alongside scheduled capital works on HRA Council dwellings. To-date works on the car park at Rink Drive have been undertaken.

IT Strategy

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

Capital Reserves

- 3.27 The capital reserve balances for the General Fund and HRA as at the 30th September 2019 are listed below.

	£
New Build and Acquisition Reserve	2,816,688
Major Repairs Reserve	3,454,260
Debt Repayment Reserve	5,046,000
HRA Capital Reserves	11,316,948
Capital Receipts Reserve	1,906,457
General Fund Capital Reserves	1,906,457
Total Capital Reserves	<u>13,223,405</u>

HRA Capital Reserves

- 3.28 The New Build and Acquisition Reserve is topped up annually by all retained receipts of sales of Council houses under Right to Buy.
- 3.29 Right to Buy sales have totalled 10 as at 30th September 2019 and £356,353 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	4	206,640	-77,900	128,740	62%
Quarter 2	6	305,513	-77,900	227,613	75%
Total	10	512,153	-155,800	356,353	70%

3.30 An additional dwelling has been sold during October taking the total sales to 11 to-date in 2019/20.

3.31 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. It is not expected that a drawdown will be required during 2019/20 but this will be kept under review.

3.32 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 as a result of self-financing.

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

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

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

General Fund Capital Reserves

3.35 The Capital Receipts Reserve is made up of asset sales in recent years and there are a few remaining projects to be funded from the balance as listed below. Included within the total reserve is the overage payment received from Chestnut Avenue, Midway.

	£
General Capital Receipts B/fwd	334,736
Receipts in Year:	
Land Sale Bridge Street, Castle Gresley	12,960
Oversetts Road	820,162
Specific Projects:	
Strategic Housing Market Assessment	-50,000
Private Sector Stock Condition Survey	-60,000
Empty Property Grants	-42,000
Repairs to Village Halls and Community Facilities	-9,075
Public Buildings Planned Maintenance Programme	-58,032
Costs of Land Sales	-2,057
Stenson Fields Community Centre	-2,121
Oversetts Road Pavilion Project	-820,162
Remaining Balance	124,411
Overage Payment	738,599
Remaining Capital Receipts Reserve	863,010

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

3.37 Further receipts are expected for sales of land at Oversetts Road and the former Depot, but the values and due dates are still to be confirmed.

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.

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 11
DATE OF MEETING:	28TH NOVEMBER 2019	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/201920/Nov
SUBJECT:	TREASURY MANAGEMENT UPDATE 2019/20	REF
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: FM08

1.0 Recommendation

- 1.1 That the latest Treasury Management Update for quarter 2 2019/20 as detailed in **Appendix 1** is considered and approved.
- 1.2 That the updated Counterparty List for investments and bank deposits as detailed in **Appendix 2** is approved.

2.0 Purpose of the Report

- 2.1 To provide an update on the Council's treasury management activities for the second quarter of 2019/20.
- 2.2 To provide an update on external economic factors and how these may affect treasury management in the future.

3.0 Financial Implications

- 3.1 As detailed in the report

4.0 Corporate Implications

- 4.1 None directly

5.0 Community Implications

- 5.1 None directly

6.0 Background Papers

- 6.1 Treasury Management in the Public Services Code of Practice (CIPFA Publication - December 2017)



South Derbyshire District Council

Treasury Management Report Q2 2019/20

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 2019/20 was approved at a meeting of the Authority on 14th February 2019. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.

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

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

External Context

Economic background: UK Consumer Price Inflation (CPIH) fell to 1.7% year/year in August 2019 from 2.0% in July, weaker than the consensus forecast of 1.9% and below the Bank of England's target. The most recent labour market data for the three months to July 2019 showed the unemployment rate edged back down to 3.8% while the employment rate remained at 76.1%, the joint highest since records began in 1971. Nominal annual wage growth measured by the 3-month average excluding bonuses was 3.8% and 4.0% including bonuses. Adjusting for inflation, real wages were up 1.9% excluding bonuses and 2.1% including.

The Quarterly National Accounts for Q2 GDP confirmed the UK economy contracted by 0.2% following the 0.5% gain in Q1 which was distorted by stockpiling ahead of Brexit. Only the services sector registered an increase in growth, a very modest 0.1%, with both production and construction falling and the former registering its largest drop since Q4 2012. Business investment fell by 0.4% (revised from -0.5% in the first estimate) as Brexit uncertainties impacted on business planning and decision-making.

Politics, both home and abroad, continued to be a big driver of financial markets over the last quarter. Boris Johnson won the Conservative Party leadership contest and has committed to leaving the EU on 31st October regardless of whether a deal is reached with the EU. Mr Johnson prorogued Parliament which led some MPs to put forward a bill requiring him to seek a Brexit extension if no deal is in place by 19th October. The move was successful and, having been approved by the House of Lords, was passed into law. The Supreme Court subsequently ruled Mr Johnson's suspension of Parliament unlawful.

Tensions continued between the US and China with no trade agreement in sight and both countries imposing further tariffs on each other's goods. The US Federal Reserve cut its target Federal Funds rates by 0.25% in September to a range of 1.75% - 2%, a pre-emptive move

to maintain economic growth amid escalating concerns over the trade war and a weaker economic environment leading to more pronounced global slowdown. The euro area Purchasing Manager Indices (PMIs) pointed to a deepening slowdown in the Eurozone. These elevated concerns have caused key government yield curves to invert, something seen by many commentators as a predictor of a global recession. Market expectations are for further interest rate cuts from the Fed and in September the European Central Bank reduced its deposit rate to -0.5% and announced the recommencement of quantitative easing from 1st November.

The Bank of England maintained Bank Rate at 0.75% and in its August Inflation Report noted the deterioration in global activity and sentiment and confirmed that monetary policy decisions related to Brexit could be in either direction depending on whether or not a deal is ultimately reached by 31st October.

Financial markets

After rallying early in 2019, financial markets have been adopting a more risk-off approach in the following period as equities saw greater volatility and bonds rallied (prices up, yields down) in a flight to quality and anticipation of more monetary stimulus from central banks. The Dow Jones, FTSE 100 and FTSE 250 are broadly back at the same levels seen in March/April.

Gilt yields remained volatile over the period on the back of ongoing economic and political uncertainty. From a yield of 0.63% at the end of June, the 5-year benchmark gilt yield fell to 0.32% by the end of September. There were falls in the 10-year and 20-year gilts over the same period, with the former dropping from 0.83% to 0.55% and the latter falling from 1.35% to 0.88%. 1-month, 3-month and 12-month LIBID (London Interbank Bid) rates averaged 0.65%, 0.75% and 1.00% respectively over the period.

Recent activity in the bond markets and PWLB interest rates highlight that weaker economic growth remains a global risk. The US yield curve remains inverted with 10-year Treasury yields lower than US 3-month bills. History has shown that a recession hasn't been far behind a yield curve inversion. Following the sale of 10-year Bunds at -0.24% in June, yields on German government securities continue to remain negative in the secondary market with 2 and 5-year securities currently both trading around -0.77%.

Credit background: Credit Default Swap (CDS) spreads rose and then fell again during the quarter, continuing to remain low in historical terms. After rising to almost 120bps in May, the spread on non-ringfenced bank NatWest Markets plc fell back to around 80bps by the end of September, while for the ringfenced entity, National Westminster Bank plc, the spread remained around 40bps. The other main UK banks, as yet not separated into ringfenced and non-ringfenced from a CDS perspective, traded between 34 and 76bps at the end of the period.

There were minimal credit rating changes during the period. Moody's upgraded The Co-operative Bank's long-term rating to B3 and Fitch upgraded Clydesdale Bank and Virgin Money to A-.

Local Context

On 31st March 2019, the Authority had net borrowing of £19.45m arising from its revenue and capital income and expenditure. This fell to £6.6 by the end of the quarter. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in below.

Capital Financing Requirement (CFR)

	31.3.19 Actual £'000	30.06.19 Actual £'000	30.09.19 Actual £,000
<u>Housing Revenue Account</u>			
Debt Outstanding	57,423	57,423	57,423
Capital Financing Requirement (CFR)	61,584	61,584	61,584
Statutory Debt Cap	66,853	66,853	66,853
Borrowing Capacity (Cap less Debt Outstanding)	9,430	9,430	9,430
<u>General Fund</u>			
Debt Outstanding	0	0	0
Capital Financing Requirement (CFR)	5,653	5,653	5,653
Borrowing Capacity (Cap less Debt Outstanding)	5,653	5,653	5,653
Total Capital Financing Requirement (CFR)	67,237	67,237	67,237

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

The overall treasury management position at 30th September 2019 and the change during the year is shown below.

Treasury Management Summary

	31.3.19 Balance £m	Movement £m	30.9.19 Balance £m	Average Rate %
Long-term borrowing:				
Fixed	47,423	0	47,423	3.19%
Variable	10,000	0	10,000	0.86%
Short-term borrowing	28	0	28	0.00%
Total borrowing	57,451	0	57,451	
Long-term investments	2,000	0	2,000	3.19%
Short-term investments	33,500	11,350	44,850	0.90%
Cash and cash equivalents	2,500	1,503	4,003	0.41%

Total investments	38,000	12,853	50,853
Net borrowing	19,451	12,853	6,598

Borrowing Activity

At 30th September 2019 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 £28k 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

	Type	Value £'000	Rate %	Maturity
Loan Profile				
Public Works Loan Board	Variable	10,000	0.92	2021/22
Public Works Loan Board	Fixed	10,000	2.70	2023/24
Public Works Loan Board	Fixed	10,000	3.01	2026/27
Public Works Loan Board	Fixed	10,000	3.30	2031/32
Public Works Loan Board	Fixed	10,000	3.44	2036/37
Public Works Loan Board	Fixed	7,423	3.50	2041/42
Total Long-term borrowing		57,423		
Short-term Parish Council Loans		28	0.00	
Total borrowing		57,451		

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

Treasury Investment Activity

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the quarter, the Authority's investment balance ranged between £38m and £50m due to timing differences between income and expenditure. The investment position during the quarter is shown in the table below.

Treasury Investment Position

	31.03.19 Balance	Q2 2019 Movement	30.09.19 Balance	30.09.19
--	-----------------------------	-----------------------------	-----------------------------	-----------------

	£'000	£'000	£'000	Rate of Return %
Banks (unsecured)	2,500	1,503	4,003	0.41
Local Authorities	25,000	9,850	34,850	0.90
Money Market Funds	8,500	1,500	10,000	0.69
CCLA Property Fund	2,000	0	2,000	3.19
Total investments	38,000	12,853	50,853	

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.

In furtherance of these objectives, and given the increasing risk and falling returns from short-term unsecured bank investments, the Authority has undertaken greater detailed cash flow forecasting which has enabled it to enter into longer-term deposits with other Local Authorities, therefore securing a higher rate of return.

The Authority participates in the Arlingclose quarterly investment benchmarking exercises. This enables us to measure our investment portfolio against other similar Local Authorities. The progression of risk and return are shown in the extracts from Arlingclose's quarterly benchmarking in the table below at the end of quarter 2.

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

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %
30.09.2019	3.92	AA-	29%	152	0.95
Similar LAs	4.26	AA-	61%	80	1.58
All LAs	4.28	AA-	62%	28	1.22

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.
Rate of Return:	This is the average rate received on internally managed investments. At the quarter-end we had a few lower rate investments that were secured prior to the base rate rise in August 2018, which reduced the average rate of return compared to other authorities.

The Authority deposited £1m in the CCLA Property Fund on 28th September 2017, with the investment purchasing 317,985 units at an offer price of 314.48p per unit. Following member approval, the Authority subsequently deposited a further £1m in the fund on 28th August 2018, with this investment purchasing 308,261 units at an offer price of 324.40p per unit.

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.

The performance of the investment over the last quarter is shown in the table below. Although past performance is no guarantee of future returns, the movement in the bid (selling) price so far shows how the value of the investment is moving closer to the original purchase price. This reinforces the notion that the Fund should only be considered for long-term investments.

CCLA Property Fund Performance

	2018/19	2019/20
	Q4	Q2

Dividend Received	£	20,736	21,588
Annual Equivalent Interest Rate	%	4.26	4.53%
Bid (Selling) Price	pence/unit	301.95	299.13

Readiness for Brexit: The scheduled leave date for the UK to leave the EU is now 31st October 2019 and there remains little political clarity as to whether a deal will be agreed by this date and there is the possibility that the exit date is pushed back yet again. As 31st October approaches the Authority will ensure there are enough accounts open at UK-domiciled banks and Money Market Funds to hold sufficient liquidity required in the near term and that its account with the Debt Management Account Deposit Facility (DMADF) remains available for use in an emergency.

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 first three quarters is shown below.

	As at 31.03.19	As at 30.09.19
Average 7-Day Money Market Rate (Target)	0.65%	0.68%
Average Interest Rate Achieved on Short Term Deposits	0.66%	0.69%

Compliance

The Chief Finance Officer is pleased to report that all treasury management activities undertaken during quarter 2 complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy.

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

Investment Limits

	Maximum Investment during Q2 £m	Maximum Invested per Counterparty £m	Limit	Maximum Term	Complied
Debt Management Office	£8.5m	£8.5m	£20m in total	364 days	✓
Other Local Authorities	£34.8m	£5m	£5m per Authority	364 days	✓
Money Market funds	£10m	£2m	£10m total, £2m per fund	60 days	✓
CCLA Property Fund	£2m	£2m	£2m	Indefinite period	✓
Named Counterparties (HSBC/Lloyds/BOS/Close Bros/Santander)	£3.3m	£1.85m	£2m per Bank	6 months	✓
Named Counterparties (Barclays/Goldman Sachs/NatWest/RBS)	£3.4m	£2.m	£2m per Bank	100 days	✓
Named Counterparties (Nationwide/Coventry)	0	0	5% of total deposits	6 months	✓
Named Counterparties (Leeds Building Society)	0	0	5% of total deposits	100 days	✓
Foreign Counterparties	0	0	AAA rated - £1m per Bank	1 month	✓
Independent Building Societies	0	0	£1m per Society	100 days	✓

Outlook for the remainder of 2019/20

The global economy is entering a period of slower growth in response to political issues, primarily the trade policy stance of the US. The UK economy has displayed a marked slowdown in growth due to both Brexit uncertainty and the downturn in global activity. In response, global and UK interest rate expectations have eased dramatically.

There appears no near-term resolution to the trade dispute between China and the US, a dispute that the US appears comfortable exacerbating further. With the 2020 presidential election a year away, Donald Trump is unlikely to change his stance.

Parliament appears to have frustrated UK Prime Minister Boris Johnson's desire to exit the EU on 31st October. The probability of a no-deal EU exit in the immediate term has decreased, although a no-deal Brexit cannot be entirely ruled out for 2019 and the risk of this event remains for 2020. The risk of a general election in the near term has, however, increased.

Central bank actions and geopolitical risks will continue to produce significant volatility in financial markets, including bond markets.

Our treasury advisor Arlingclose expects Bank Rate to remain at 0.75% for the foreseeable future but there remain substantial risks to this forecast, dependant on Brexit outcomes and the evolution of the global economy. Arlingclose also expects gilt yields to remain at low levels for the foreseeable future and judge the risks to be weighted to the downside and that volatility will continue to offer longer-term borrowing opportunities

	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
Official Bank Rate													
Upside risk	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Arlingclose Central Cas	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Downside risk	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75

COUNTERPARTY LIST 2019/20
(As at 31st October 2019)

Institution	Limit	Maximum Term
<u>Specified Investments</u>		
<ul style="list-style-type: none"> UK Debt Management Office (DMO) 	£20m	364 Days
<ul style="list-style-type: none"> Local, Police, Fire and Parish Authorities 	£5m with any one Authority	364 Days
<u>Non Specified Investments</u>		
<i>Named Counterparties</i>		
<ul style="list-style-type: none"> CCLA LAMIT Property Fund 	£4m	Indefinite period, subject to quarterly review
<ul style="list-style-type: none"> Money Market Funds 	£10m in total and £2m with any one Fund	60 days
<ul style="list-style-type: none"> HSBC Lloyds Bank Plc Bank of Scotland Standard Chartered Bank Close Brothers Santander UK 	£2m with any one Bank	6 months
<ul style="list-style-type: none"> Barclays Bank NatWest Bank Royal Bank of Scotland Ulster Bank Ltd Goldman Sachs International 	£2m with any one Bank	100 days
<ul style="list-style-type: none"> Nationwide Building Society Coventry Building Society 	5% of total deposits	6 months
<ul style="list-style-type: none"> Leeds Building Society 	5% of total deposits	100 days
<i>Foreign Counterparties</i>		
<ul style="list-style-type: none"> AAA rated institutions (<i>subject to separate approval by the Section 151 Officer</i>) 	£1m with any one Bank	1 month
<i>Independent Building Societies</i>		
<ul style="list-style-type: none"> <i>subject to separate approval by the Section 151 Officer</i> 	£1m with any one society	100 days

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 12
DATE OF MEETING:	28TH NOVEMBER 2019	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (595811) kevin.stackhouse@southderbyshire.gov.uk	DOC: s:\cent_serv\complaints\committee reports\working papers for Dec 2019\Complaints and FOI report for Dec 2019
SUBJECT:	COMMENTS, COMPLIMENTS, COMPLAINTS & FREEDOM OF INFORMATION REQUESTS 01 APRIL 2019 TO 30 SEPTEMBER 2019	REF: KS/FR/SH
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM11

1.0 Recommendations

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

2.0 Purpose of Report

This report provides:

- 2.1 A summary of official comments, compliments, complaints and Freedom of Information (FOI) requests received by the Council for the period 1 April 2019 to 30 September 2019. Details of individual complaints and requests etc, can be found at: <https://www.south-derbys.gov.uk/about-us/open-data-and-transparency>. Figures for the corresponding period in 2018/19 are given for comparison purposes.

3.0 Executive Summary

Comments, Compliments and Complaints

- 3.1 The comments, compliments and complaints procedure is designed to encourage people to give informal feedback on our services.
- 3.2 3 comments, 175 compliments and 41 complaints have been received between 1 April 2019 to 30 September 2019. 131 of the compliments related to events.
- 3.3 The number of complaints received in the first half of this financial year has decreased compared to the corresponding period of 2018/19, and the number of compliments received has increased.

- 3.4 Members are informed via e-mail (enclosing a copy of the original complaint) when a complaint is received relating to their ward. This is for information purposes only. A copy of the response letter sent to the complainant has been provided to Ward members from 01.06.19.

Freedom of Information

- 3.5 South Derbyshire District Council is committed to making itself more open. A large amount of information is already available to the public, through our website or through our offices and at local libraries.

Publication Scheme

- 3.6 Under the Freedom of Information Act, South Derbyshire District Council has a duty to adopt and maintain a Publication Scheme describing:
- The classes of information it publishes
 - How and where such information is published (e.g. website, paper copy, etc.) and
 - Whether or not a charge is made for such information

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

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

http://www.south-derbys.gov.uk/council_and_democracy/data_protection_and_freedom_of_information/default.asp

- 3.7 A total of 345 Freedom of Information requests have been received from 1 April 2019 to 30 September 2019. This is a decrease of 50 over the corresponding period for 2018/19.

4.0 Background

- 4.1 The Comments, Compliments and Complaints customer leaflet and procedure is available for download from the Website or can be completed using an electronic form:

http://www.south-derbys.gov.uk/council_and_democracy/complaints/comment_compliment_or_complaint_form/default.asp

- 4.2 The aim of The Freedom of Information Act 2000, which came into force on 1st January 2005, is to extend the right to allow public access to information that the Council holds.

5.0 Detail

Comments

- 5.1 3 comments were received over the past six months. Any comments received are carefully considered and, if appropriate, are investigated under the complaints procedure.

Department	1 April 2018– 30 September 2018	1 April 2019 – 30 September 2019
Operational Services		1
Planning & Strategic Housing		1
Environmental Services	1	
Legal & Democratic Services		1
Various Departments	1	
Derbyshire County Council	1	
Total	3	3

Compliments

- 5.2 The table below compares the number of compliments received for the first half of 2018/2019 against the first half of 2019/2020. Compliments generally relate to the quality of the service provided and/or actions of individuals.

Department	1 April 2018 – 30 September 2018	1 April 2019 – 30 September 2019
Corporate Resources	1	0
Organisational Development & Performance	0	1
Customer Services	2*	1
Housing Services	39	0
Cultural & Community Services	12	139*
Operational Services	0	28*
Planning & Strategic Housing	1	1
Environmental Services	36*	3
Legal & Democratic Services	0	1
Partner Organisations (CVS)	0	1
Total	91	175

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

131 of the compliments related to events.

Complaints

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

	1 April 2018 – 30 September 2018	1 April 2019 – 30 September 2019
Resolved at Stage 1	47	33
Stage 1 still ongoing	0	1
Resolved at Stage 2	11	6
Stage 2 still ongoing	0	1
Withdrawn	0	0
Total received	58	41

5.4 The 41 complaints received can be broken down as follows:-

Department	1 April 2018 – 30 September 2018	1 April 2019 – 30 September 2019
Corporate Resources	1	1
Finance Services	0	1
Corporate Property	1	0
Customer Services	8*	4*
Housing Services	16	9*
Cultural & Community Services	5	3*
Operational Services	0	7*
Planning & Strategic Housing	6*	7*
Environmental Services	19	4*
Legal and Democratic Services	2	5*
Total	58	41

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

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

Department	2015/16	2016/17	2017/18	2018/19
Corporate Resources	3	1*	1	0
Organisational Development & Performance	0	0	0	1*
Finance & Property Services	1	0	1*	1
Customer Services	15	6*	6*	8*
Housing Services	21	17	10	16
Cultural & Community Services	2	1*	2	5
Planning Services	15	6	7	6*
Environmental Services	10	7	9	19*
Legal and Democratic Services	6	5	2	2
Derbyshire County Council	1	0	0	0
Total	74	43	38	58

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

- 5.6 Managers dealing with the complaint are asked to complete a questionnaire following each complaint. This provides details of actions taken and improvements made as a consequence of a complaint.
- 5.7 If a complaint cannot be resolved at Stage 2 of our procedure, it can be taken to the Local Government Ombudsman for independent consideration. These complaints are the subject of a separate annual report.

Freedom of Information Requests

- 5.8 Although the Freedom of Information Act 2000 creates a general right of access to information, it also sets out information that we do not have to make available for specific reasons. This is information, which, if published, might prejudice the health, safety or security of the Council, our staff, systems, services or property.
- 5.9 We make as much information available as possible without charging for it. We do however reserve the right to levy a reasonable charge where the information request is extensive and would require more than 2 days' staff time to satisfy the request.
- 5.10 The Council deals with hundreds of routine requests for information every day by phone and by letter. These are referred to as "business as usual requests". We will deal with these in the normal way. However, information that is not readily available and that has to be prepared or extracted is handled differently. We are entitled to make a charge for this kind of information.
- 5.11 Requests for information under Freedom of Information have to be processed within 20 working days. However, requests for details under the Freedom of Information Act can be turned down if they fall within certain exemption criteria.
- 5.12 The table below compares the Freedom of Information requests received for the first half 2018/2019 against the first half of 2019/2020.

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

	1 April 2018 to 30 September 2018	1 April 2019 to 30 September 2019
Total Number of Requests Received	415	345
Less passed to other organisations	71	53
Less those withdrawn	2	0
Less exemptions/partial exemptions	32	8
Total Requests Answered	310	284
Number replied to within 20 statutory days	294	273
Number replied to after 20 statutory days	17	11
Percentage replied to within 20 statutory days	95%	96%
Percentage replied to after 20 days	5%	4%

- 1 request (1920-345) Customer Services has not been replied to

5.13 The requests for information received can be broken down as follows:

Department	1 April 2018 – 30 September 2018	1 April 2019 – 30 September 2019
Corporate Resources	20*	13*
Finance	15*	9*
Organisational Development & Performance	10*	16*
Business Change & ICT	23*	23*
Corporate Property	8*	4
Customer Services	71*	71*
Environmental Services	81*	55*
Housing Services	37*	26*
Cultural & Community Services	19*	19*
Operational Services	0	5
Planning & Strategic Housing	26*	32*
Legal & Democratic Services	31*	20*
Economic Development & Growth	3	0
Passed to 3 rd Parties	71	53

* Same request has involved several Services.

6.0 Financial Implications

6.1 None directly stemming from this report.

7.0 Corporate Implications

7.1 Under the Complaints procedure the Council will write to the complainant within 5 working days, telling them who is dealing with their complaint and when they can expect to receive a reply. In most cases a full reply will be sent within 10 working days.

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

8.0 Community Implications

8.1 None.

9.0 Background Papers

None.

REPORT TO:	FINANCE & MANAGEMENT	AGENDA ITEM: 13
DATE OF MEETING:	28th NOVEMBER 2019	CATEGORY: DELEGATED
REPORT FROM:	CHIEF EXECUTIVE	
MEMBERS' CONTACT POINT:	FRANK MCARDLE	DOC:
SUBJECT:	FEASIBILITY STUDY FOR REOPENING THE LEICESTER TO BURTON RAILWAY LINE	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE:

1.0 Recommendations

- 1.1 That Members approve a contribution of £5,000 to the Campaign to Reopen the Ivanhoe Line (CRIL) towards a Feasibility Study into reopening the Leicester to Burton railway line to passengers.

2.0 Purpose of Report

- 2.1 To seek Members' views on a request from CRIL to fund and participate in a Feasibility Study to explore the reopening of the Leicester to Burton railway line to passengers.

3.0 Detail

Background

- 3.1 The railway line from Leicester to Burton was closed in 1964 as part of the Beeching cuts to reduce network routes and restructure the railways in Great Britain. The line is currently a freight-only line that passes through the towns of Coalville and Ashby-de-la-Zouch and passes close to Swadlincote.
- 3.2 At the time of closure the dominant industries along the line were coal, clay and quarrying. Today that picture has completely changed with many new businesses replacing the mines, many new housing developments being built and a growing population that mostly travels to work by car, or has limited access to public transport, due to infrastructure that is not adequate to meet the need.
- 3.3 Previous attempts to re-open the passenger line have failed. The most recent in 2016 when a DfT WebTAG assessment commissioned by Leicestershire County Council resulted in a poor Benefit to Cost Ratio (BCR) and that there was insufficient justification for the submission of a business case. LCC stated that no further action to re-open the passenger line will be pursued at that time.

- 3.4 In response to this and as a result of the impending arrival of HS2b and the anticipated infrastructure problems during the construction phase, continued pressure on the local road systems and the need to comply with Government environmental targets a group was formed in January 2019 to revisit and challenge the outcomes of the Aecom report, as it was felt these were not a true and fair reflection of the growth in the area, and no alternative solutions were sought for the line including the link to Leicester to improve the BCR.
- 3.5 To support and enhance the efforts of what the group has achieved to date Councillor Nick Rushton, Leader of Leicestershire County Council has contacted all local authority Leaders along the line to inform them of their involvement with CRIL, and suggested that they grant the group a sum of money to enable them to commission a fresh study into the feasibility of reopening the Leicester to Burton railway line to passengers. The amounts suggested were £10,000 from each upper tier Councils and £5,000 each from District / Borough Councils.

Feasibility Study

- 3.6 A Draft Brief for the Feasibility Study will be prepared by CRIL with input from the contributing local authorities through a Project Steering Group. The Brief will include the approach that CRIL intend to take for the study as the lead commissioning organisation. A timetable will be provided by CRIL for the work, including key decision points and milestones along with communication and liaison plans.
- 3.7 CRIL is currently in the process of formalising arrangements to enable the necessary financial pledges to be accounted for appropriately, and mitigate any liabilities for all contributors.
- 3.8 The objective of the Study would be to explore alternative solutions, and the potential scale for the reopening of the Leicester to Burton railway line to passengers to those in the original assessment commissioned by Leicestershire County Council. To test the differing service concepts for the route between Leicester and Burton serving a number of intermediate and small stations, and secondly a strategic service which would connect with London via Lichfield and/or Derby; and to guide future investment in the implementation to reopening the line to passengers.
- 3.9 Key outputs of the Study would include: Consideration of a terminus at King Power Stadium; Wider public transport links to connect Leicester Railway Station, towns and villages along the route; an analysis of business needs and costs for each of the intermediate and small stations put forward for consideration along the line including Drakelow, Church Gresley, Moira, Ashby de la Zouch, Coalville, Ellistown and Leicester; Phasing and investment options; Exemptions; and, revenue generation to sustain services in the future. The Study would also include reasons should the reopening of the railway line is not feasible for passengers.

4.0 Financial Implications

- 4.1 A Brief for the Feasibility Study would be issued and the work overseen by a Project Steering Group led by CRIL and supported by contributing local authorities. CRIL with Leicestershire County Council backing has requested that the District Council contribute £5,000 towards the cost of the Feasibility Study. As there is no specific budget for this contribution, it would need to be funded from the General Fund Reserve. It is anticipated that the total cost of the Study will be approximately £50,000, with contributions also being made by other local authorities along the line

including North West Leicestershire, East Staffordshire, Hinckley & Bosworth, Staffordshire County Council and Derbyshire County Council.

5.0 Corporate Implications

5.1 The reopening of the Leicester to Burton railway line to passengers could contribute to the Corporate Plan's vision to 'make South Derbyshire a great place to live, work, and invest' and in particular to the 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

5.2 The key aims include:

- Strive to make South Derbyshire District Council carbon neutral by 2030
- 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 future education
- Attract and retain skilled jobs in the District
- Influence the improvement of infrastructure to meet the demands of growth

6.0 Community Implications

6.1 The reopening of the Leicester to Burton railway line to passengers could contribute directly to the South Derbyshire Partnership's Sustainable Community Strategy vision of 'a dynamic and caring South Derbyshire, able to seize opportunities to develop and empower successful communities, whilst respecting and enhancing the varied character and environment of our fast growing and diverse District'.

6.2 Sustainable Development is highlighted as a key theme, with the aim of achieving 'A more prosperous, better connected, increasingly resilient and competitive economy' and 'A better place to live, work and visit at the heart of The National Forest', with measures including unemployment levels in the District and spend by visitors to The National Forest.

7.0 Conclusions

7.1 The NPPF indicates that local authorities through their planning policies should seek to reduce the need to travel and encourage modal shift away from the use of cars and heavy goods vehicles towards public transport, cycling, walking and rail freight. The objectives of the transport policy are to support economic growth and reductions in greenhouse gas emissions and congestion.

7.2 Goals of the Derbyshire Local Transport Plan Three are to support a resilient local economy, tackle climate change, contribute to better safety, security and health, promote equality of opportunity, improve quality of life and promote a healthy natural environment. The key transport priorities and investment priorities as set out in their plan are to improve local accessibility, and achieving healthier travel habits through public transport including community rail initiatives, and long term projects that support opportunities to move freight on to rail.

- 7.3 South Derbyshire Local Plan deals with proposals for the amount and location of future infrastructure in ways which enhance the quality of life for everyone. This means allowing people easy and convenient access to jobs, essential day-to-day services and other services by walking, cycling, public transport and reducing the need to use the car.
- 7.4 South Derbyshire Local Plan sets to support and protect sustainable transport through the following policies;
- Policy S6 Sustainable Access the Council will seek the provision of new or enhanced walking, cycling, public transport and rail freight services and infrastructure and, where needs cannot be met by the aforementioned means, highway and car/lorry parking infrastructure;
 - Policy INF2 Sustainable Transport Land is protected for against development that would prejudice the establishment of a new passenger railway stations at Castle Gresley, Drakelow and Stenson Fields. Development likely to impair the continuity of the Burton to Leicester railway line or otherwise compromise the potential establishment of a passenger rail service on this route will not be permitted.
- 7.5 The District's Economic Development Strategy 2016-2020 highlights that;
- Accommodating high levels of population will continue, with extensive areas of new housing planned. The challenge will be to facilitate the provision of many more jobs, and a range of employment opportunities that are accessible locally to a rapidly growing workforce. This will avoid worklessness or higher levels of commuting and associated congestion.
 - Maximising the potential of The National Forest is a key challenge for the District in order to realise the full benefit of this unique initiative.
- 7.6 The reopening of the Leicester to Burton railway line to passengers for South Derbyshire and the National Forest could support the economic development and growth of the District, and reduce the districts carbon footprint.

8.0 Background Papers

- 8.1 Summary of Feasibility Study process and timescales
- 8.2 Notes on the proposed Feasibility Study for the reopening of the Leicester to Burton railway line to passengers

Summary of Feasibility Study process and timescales

Ph #	Title	Description	Deliver by	Checkpoint complete
1	Preparation	<ul style="list-style-type: none"> • Formation of Steering Group • Appointment of CRIL Project manager and Project Team • CRIL complete CIO status • Preparation of CRIL data pack 	30 Nov 19	N/a
2	Pre tender	<ul style="list-style-type: none"> • Draft tender document • Completion of CRIL data pack • Terms of Reference • Potential contractors list • Output specification 	31/12/19	31/01/20
3	Appointment of contractor	<ul style="list-style-type: none"> • Issue tender document • Prepare draft contract • Evaluation of responses • Selection of preferred supplier • Award of contract 	31/3/20	31/05/20
4	Outline Report	<ul style="list-style-type: none"> • Contractor prepares Outline Report • CRIL and stakeholder review of Outline Report • Customer feedback and direction issued to Contractor 	15 Jul 20	31/08/20
5	Final draft	<ul style="list-style-type: none"> • Contractor prepares Final Draft • CRIL and stakeholder review of Final Report • Customer feedback and direction issued to Contractor 	30 Sept 20	15/10/20
6	Issue final report	<ul style="list-style-type: none"> • Contractor prepares Final Report • CRIL and stakeholder review final draught • Final Report issued 	15/10/20	15/11/20

See attached notes for supporting detail

Notes on the proposed Feasibility Study for the reopening of the Leicester to Burton railway line to passengers

Approach

Aim. To carry out an initial evaluation of the feasibility of a range of options for the restoration of passenger services on the Leicester to Burton railway line

Overview The study will focus on the financial viability and benefits delivered by each option by an analysis of the following factors:

- Socio economic landscape in the Leicester to Burton corridor over the next 10 years
- Potential demand for and revenues from passenger services in the Leicester to Burton corridor
- Potential demand for and revenues from demand on passenger to and from destinations outside the Leicester to Burton corridor (including London)
- Integration with other public transport services
- Rail technical solutions to enable operation of passenger trains on the line
- Environmental benefits of transferring road traffic to rail
- Integration of rail and bus services to serve the hinterland of each station
- The CBR for each option analysed.

Method. The contractor will be tasked to analyse the CRIL data pack provided to:

- Validate the CRIL data
- Research any additional data needed to complete the task
- Identify potential options
- Prepare report as specified in the tender documentation

Issues

- Stakeholder engagement
- Contracting and financial technical support for CRIL (NWLDC offered to provide)
- Affordability of the report from available funds
- Preparation of the CRIL data pack prior to tender issue

Governance

- CRIL will provide a Project Manager who will be the PoC with the Study Contractor.
- The Project Manager will report to a CRIL Project Group, which will include a representative from the Stakeholder Group.
- The Project Manager will maintain a Risks and Issues Log which will be regularly reviewed with the Project Group
- There will be a checkpoint between each phase.
- The output from each phase will be reviewed by CRIL the stakeholder group and before transition to the subsequent phase is authorised
- The stakeholder group will be comprised of nominated representatives of each of the funding local authorities

Campaign for the reopening of the Ivanhoe Line (CRIL)

Synopsis of Feasibility Study Report

1. Introduction. The Campaign for the Reopening of the Ivanhoe Line (CRIL) is commissioning an independent report on the feasibility of restoring passenger services over the existing freight only line from Burton to Leicester. This report, which is being funded by local authorities served by the line, will give an initial assessment of the financial and technical feasibility of this line carrying passenger services.

2. Aim of the report. This report will examine the proposals by CRIL for the restoration of passenger services on the line to give the commissioning local authorities assurance that the proposals are sufficiently robust for them to be taken forward to the Strategic Outline Business Case (SOBC) stage in due course.

3. Overview. The consultant selected to carry out this study will be an accredited practitioner within the rail industry. He/she will scrutinise a data pack supplied by CRIL, which has been used to underpin the campaign's proposals. Once an agreed set of data has been finalised it will be used to assess the costs of upgrading and operating the line and the resultant financial benefits that will be accrued from the reintroduction of passenger services. Utilising the agreed data the consultant will estimate the Benefits Cost Ratio (BCR) and Gross Value Added (GVA) across a range of different scenarios for the upgrading of the line and the services operated over it.

4. Outputs. The report will include the following outputs:

- A copy of the verified data pack upon which the study's conclusions have been drawn.
- A description of each scenario whose feasibility has been studied.
- A statement of the BCR and GVA of each of the scenarios whose feasibility has been studied.
- Lists of the assumptions that have been made when considering each scenario
- Statements of the main risks associated with the implementation of each scenario.
- An annex showing how the BCR and GVA for each scenario has been estimated.

These results will be used by CRIL to select the preferred options to be used to establish an SOBC

5. Range of scenarios being considered. The study will look at several different line configurations and how each one will affect the capacity, running times, and traffic potentials of the line. Within each scenario the study should determine the number and locations of stations to be opened and, whether any through services to destinations beyond Burton and Leicester are considered viable.

6. Local authority involvement. As principal stakeholders in the study the local authorities will be involved in the management of the study. A working group will be established comprised of CRIL members and representatives of the funding local authorities to draft the terms of reference, select the contractor through a tender process, and review progress at key points before authorising moving on to the next phase.

7. Process. The proposed process for managing the project is summarised in the attached paper.

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 14
DATE OF MEETING:	28th NOVEMBER 2019	CATEGORY: (See Notes) DELEGATED or RECOMMENDED
REPORT FROM:	STRATEGIC DIRECTOR SERVICE DELIVERY	OPEN
MEMBERS' CONTACT POINT:	PAUL WHITTINGHAM 01283595984 paul.whittingham@southderbys.gov.uk	DOC:
SUBJECT:	HOUSING ENVIRONMENTAL IMPACT PROJECT	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: (See Notes)

1.0 Recommendations

- 1.1 That the Committee sets-aside the Contract Procedure Rules (Tendering Procedures) and approves the direct appointment of Nottingham City Council to complete an assessment of the energy efficiency and environmental impact of the Council's Housing stock.

2.0 Purpose of the Report

- 2.1 To seek approval for the direct appointment of the Nottingham City Council Energy Projects Team to carry out an energy efficiency assessment of the Council's Housing Stock.

3.0 Executive Summary

- 3.1 The appointment of Nottingham City Council to carry out an energy efficiency assessment of the Council's stock was agreed by the Housing and Community Services Committee on 21st November 2019. The Council has carried out repair and maintenance work to Council-owned homes over many years. Much of this work has already helped to reduce the carbon footprint and improve the energy efficiency of homes. This has included:
 - Installation of air source heating
 - Improved roof insulation
 - The replacement of boilers with more efficient models.
- 3.2 In order to support the delivery of the Council's Climate Emergency commitment, further work is needed to assess the specific baseline position of the Council's

housing stock and to identify the most appropriate action and investment that is required. This work will assist the Council in set meaningful improvement targets in the Council's Climate Emergency Action Plan which will be reported to Environmental and Development Services Committee in January 2020.

- 3.3 The starting point for this work is obtaining a more robust assessment of the housing stock by obtaining up to date Energy Performance Certificates (EPC) for all types of Council-owned dwellings. The results of this work will be used to provide recommendations for appropriate interventions on particular property types and subsequently to create costed investment programmes. Savills carried out a Stock Condition Survey in 2018 on behalf of The Council. This included a physical survey of 10% of the Housing stock and the completion of an EPC for these properties. However, this survey was a general stock survey and did not include specific and detailed recommendations with regard to improving the energy efficiency of the housing stock.
- 3.4 As the Council is a member of the D2N2 strategic partnership, initial discussions have been held with the Energy Hub team at Nottingham City Council with regard to the delivery of this work. As well as being partners within D2N2, Nottingham City Council has experience in the assessment and identification of improvement works and also in delivering the installation of these works. The team is also equipped to advise the Council with regard to actual installation costs and also the future maintenance costs and obligations.

4.0 Detail

- 4.1 Whilst there has already been significant investment in Council housing stock to improve its energy efficiency and carbon footprint, the data obtained so far is not sufficient to provide an indication of what future investment is required to achieve carbon neutrality of the Council's Housing stock in line with the Council's Climate Emergency declaration.
- 4.2 Discussions with Nottingham City Council have led to the conclusion that the first step towards meeting the Council's carbon ambitions in the Housing Service would be to establish a more robust evidence base on which future investment proposals can be based.
- 4.3 The most appropriate way to address this is for a detailed EPC survey of a significant sample of the housing stock. Nottingham City Council (NCC) has provided its methodology and costs for carrying out this work which are attached at Appendix A. In summary the work would include:
- Site audit and production of Domestic Energy Performance Certificates (EPCs) of properties within the 3,000 portfolio as detailed by the Council of circa 300 houses, 140 bungalows and 160 flats (20% of overall portfolio).
 - Modelling to accurately provide bespoke recommendations suitable for the properties in question linking with the overarching aims of the Council. Recommendations will be based on the archetype and usage of the property to ensure that bespoke recommendations are provided utilising information provided by the Council. It will be made clear within the recommendations what potential EPC score is able to be achieved and what carbon reduction/energy generation will be achieved utilising the latest government carbon calculations enabling the Council to effectively demonstrate carbon

emission reductions across the 20% portfolio that is assessed helping to achieve wider carbon reduction targets.

- 4.4 NCC has identified the key factors that may need to be considered with regard to particular interventions that may be relevant to the Council's stock:

Solid Wall Insulation

- Number houses that could be treated and the cost per dwelling
- How the work would be funded
- Benefit in terms of cost per tonne of carbon saved (cost carbon benefit analysis)
- Will the intervention allow further carbon savings by facilitating renewable heating?

Solar PV

- Cost and size of system that could be fitted on most roofs
- How would the works be funded and generate a return; will the tenants be charge for the power generated or just have a service charges assigned for maintenance costs?
- How would the Council cover post installation Operation and Maintenance costs?
- Would battery storage be part of the package (benefits to tenant plus potential benefit to Council through commercial deals for the power stored)?

Housing – 30 Year Plan

There is also an opportunity to carry out a review of the Housing 30-year plan and identify energy saving measures that could be included in the programme of planned maintenance works. This approach may mean higher initial costs for work, but result in cost savings over the 30-year plan. For example, where full central heating systems are being replaced, but not the boiler, the pipework and radiators could be specified to be heat pump ready and be plumbed to allow the heating system to work off a boiler and heat pump simultaneously (Hybrid approach) or simply be plumbed for the transition, but continue to run off a gas boiler for the immediate future. This would still improve operational efficiencies and carbon savings, while decreasing running costs.

- 4.5 NCC led on the D2N2 Local Enterprise Partnership (LEP) Energy Strategy 2019-2030 for the Derbyshire and Nottinghamshire region. This means it has demonstrated its ability to deliver strategic work at a regional level. NCC has a proven track record working on projects that provide benefits to other local authorities: It provides Local Authorities with advice to support them to standardise their greenhouse gas reporting. It is the accountable body for the Midlands Energy Hub, which is working with LEPs and local authorities to identify and deliver energy projects in support of the LEP Energy Strategies and identify routes to finance these projects. It has delivered extensive high profile energy projects across its own estate, significantly reducing its energy demand and carbon footprint. This includes the installation of solar PV across an excess of 4,000 domestic properties, and the ongoing delivery of energiesprong projects (which retro-fits homes to achieve the highest possible energy efficiency standards) across Nottingham City Homes housing stock.

5.0 Financial Implications

- 5.1 The cost of undertaking the baseline EPC survey and producing a report for the Council outlining recommended actions is estimated to be £63,000. This can be met from underspends within the Repair and Maintenance budgets in the Housing Revenue Account.
- 5.2 Any further financial implications arising from this initial work will be the subject of a future report to Committee following the completion of the initial survey.

6.0 Corporate Implications

Employment Implications

- 6.1 There are no direct employment implications contained within this report.

Legal Implications

- 6.2 Given that the value of the work is in excess of £25,000, the Council should undertake a tendering exercise in accordance with its Contract Procedure Rules. However, there is provision for the Council to waive the need for a tendering exercise in specific circumstances, if it is satisfied that by doing so, it would provide better value for money. This should take into account cost and quality, together with any limitations in the current market for such work.

The Finance and Management Committee has delegated authority to approve a waiver/exemption.

Corporate Plan Implications

- 6.3 This report has a direct impact on these actions within the current Corporate Plan.
O3.1 Demonstrate high environmental standards.
PE1 Improve the quality and make best use of existing Council housing stock to meet current and future needs.

Risk Impact

- 6.4 This report has a direct impact on mitigating the risk identified in the Service Delivery Risk Register. SD6 – Affordable housing delivery Facilitate and deliver a range of integrated and sustainable housing and community infrastructure

7.0 Community Impact

Consultation

- 7.1 Measures to improve energy efficiency and the carbon footprint of homes will be discussed with Council tenants later this year.

Equality and Diversity Impact

- 7.2 There are no direct Equality and Diversity implications within this report.

Social Value Impact

- 7.3 This report directly contributes to the Sustainable Development Theme within the Councils Sustainable Communities Strategy.

Environmental Sustainability

- 7.4 This project will contribute directly to supporting the delivery of the Council's Climate Emergency declaration.

8.0 Conclusions

- 8.1 That a more robust data set regarding the energy efficiency and carbon footprint of Council dwellings is essential.
- 8.2 NCC's role within regional strategic and energy partnerships supports its suitability and credentials to undertake this work.
- 8.3 It is likely that the conclusion of this initial study will lead to the identification of a range of options for investment for future Committee consideration.

9.0 Background Papers

Appendix A; Nottingham City Council Briefing note (and quotation.)

Notes:

- * Category – Please see the Committee Terms Of Reference in [Responsibility for Functions - Committees](#). This shows which committee is responsible for each function and whether it has delegated authority to make a decision, or needs to refer it elsewhere with a recommendation.
- ** Open/Exempt - All reports should be considered in the open section of the meeting, unless it is likely that exempt information would be disclosed. Please see the [Access to Information Procedure Rules](#) for more guidance.
- *** Committee Terms Of Reference in [Responsibility for Functions - Committees](#).

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 15
DATE OF MEETING:	28th NOVEMBER 2019	CATEGORY: (See Notes) DELEGATED AND RECOMMENDED
REPORT FROM:	ALLISON THOMAS - STRATEGIC DIRECTOR – SERVICE DELIVERY	OPEN
MEMBERS' CONTACT POINT:	EILEEN JACKSON, 01283 595763 Eileen.Jackson@southderbyshire.gov.uk	DOC:
SUBJECT:	THE BETTER CARE FUND – PLANNED SPEND	
WARD(S) AFFECTED:	ALL WARDS	TERMS OF REFERENCE:

1.0 Recommendations

- 1.1 That following approval of the Housing and Community Services Committee on 21.11.19, the Finance and Management Committee approves the establishment of the new funding streams within the Better Care Fund (BCF) allocation as detailed in this report.
- 1.2 That the Committee ratifies the revised 'Private Sector Housing Assistance Policy 2019-22' (see Appendix 1) to enable alignment between the newly created schemes and the Council's adopted policy.
- 1.3 That the Committee approves the creation of four new temporary two-year posts (as listed below) onto the establishment that will enable the co-ordination of BCF scheme delivery and enhance front-line services in both the Private Sector Enforcement and Housing Services Teams.

New temporary posts

- Health and Housing Co-ordinator – expected grade PO1
- Public Health (Housing) Officer – expected grade PO1
- Occupational Therapist – expected grade P02
- SAIL (Staying Active and Independent for Longer) Co-ordinator (TBC)

- 1.4 The grades for the posts to be subject to job evaluation in line with the Council's procedure

2.0 Purpose of the Report

- 2.1 To enable the creation of new funding streams (see 4.4 that will sit within the wider BCF allocation with the purpose of improving health outcomes and housing conditions across the District.
- 2.2 To set out how the existing underspend and current years' BCF budget is being spent and predicted spend during 2019/20.
- 2.3 To inform the Committee about the new services that are available to residents across the District and those would be established subject to approval of the recommendations in this report.
- 2.4 To formally adopt the revised Private Sector Housing Assistance Policy 2019-22 (*to replace the existing Private Sector Housing Renewal Policy 2016*) in accordance with the requirements of the Housing Grants, Construction and Regeneration Act 1996 and subsequent Regulatory Reform Order 2002.

3.0 Executive Summary

- 3.1 The links between health and housing are widely recognised and it is acknowledged that housing conditions have a significant impact on the health outcomes of occupants.
- 3.2 At the October 2019 meeting of this Committee a report outlined the BCF funding that had been allocated to the Council and detailed proposals for future schemes that would be brought to this Committee. The BCF includes provision for the administration of mandatory Disabled Facility Grants (DFGs) in accordance with the Housing Grants, Construction and Regeneration Act 1996 and this is the primary function of the funding allocation. However, only around half of the annual allocation is used for this purpose and the remainder is available for the Council to spend on other projects that align with the principles of the BCF (i.e. promoting independence, keeping people living in their homes for longer and reducing admissions into hospital and Delayed Transfers of Care).
- 3.3 The balance of funding to be spent during 2019/20 stands at £1,943,392.
- 3.4 Derbyshire County Council (DCC) has confirmed that the BCF Allocation will continue to be paid directly to the Council (at a similar rate) in its current format until 2024.

4.0 Detail

- 4.1 South Derbyshire has an aging population who are choosing to remain independently living in their own homes for longer.
- 4.2 Subject to the Committee's approval of the proposed amendments to the 'Private Sector Housing Assistance Policy 2019-22', the Council will be able to administer the BCF funds to support a range of new projects across the District. In addition to the projects previously approved by this Committee, this will include an increased staffing provision and the establishment of schemes that will both promote independence and reduce hospital admissions, enabling people to live in their own homes for longer.
- 4.3 The current policy document relating to the Council's administration of mandatory DFG's (Private Sector Housing [Renewal Policy](#) 2016) does not allow the Council to

spend outside the remit of mandatory grants, relocation and empty homes assistance. In accordance with the Regulatory Reform Order 2002 (RRO), the Council is required to publish how the grant allocation is to be spent if utilising for purposes outside the administration of grants. The revised policy (see Appendix 1) would enable the Council to use its BCF allocation for new projects that align with the purpose of the grant. Adoption of the revised policy will therefore have a significant impact on the scope that funding can be used for.

4.4 The table below outlines the existing funding streams, new provision that has been approved and proposed new services and projects that could be delivered via the BCF allocation going forward. The Return on Investment (ROI) from a health perspective is outlined in the final column.

Approved funding stream within BCF allocation	Amount required per year to 2022	Capital or Revenue	How it aligns with the principles of the BCF	ROI
Mandatory Disabled Facility Grants	£400k per year	Capital	Primary function of the BCF allocation – to keep people living independently within their own homes	Reduction in admissions to hospital and GP visits (reduction in cost of primary care).
Healthy Homes Assistance Fund	£100k per year	Capital	To reduce the likelihood of hospital admission cause by a category 1 and serious category 2 hazards (i.e. – excess cold, falling, electrocution etc.) and tackle empty homes.	Improvement in long-term health conditions and reduction in GP visits.
Discretionary top up grant (up to £10k per case)	£50k per year	Capital	For exceptional cases that require property extensions or significant adaptation.	Speeds up the process of delivering the DFG works.
Relocation grant – when DFG is not appropriate or feasible	£50k per year	Capital	This grant already exists but would be expanded to include removals and legal costs	Avoids costly adaptations and results in long-term solution to housing needs.
Dementia friendly homes grant	£15K per year	Capital	To provide assistive technology and small-scale adaptations in the private sector outside the DFG process to enable independence and better quality of life for people with dementia	Enables people to live independently for longer
Domestic Violence crisis prevention – in conjunction with specialist DV service providers	£50k per year	Revenue	This would enable the Council to provide specialist support to victims of domestic abuse who approach the Council for assistance.	Saves lives and costly crisis intervention, avoids use of temporary accommodation and aims to break cycle of abuse.
Home from Home Scheme	£100k per year	Capital & Revenue	When implemented, this approved scheme will provide respite units to	Bed days saved,

			enable hospital discharge when the patients home is not suitable	Delayed Transfers of Care reduced and non-elective admissions avoided.
Hospital Discharge Grant	£20k per year	Capital	To provide discretionary assistance to enable quicker discharge from hospital or prevent an admission (urgent repairs / clearances / deep cleans etc)	Reduced number of Delayed Transfers of Care and prevention of non-elective admissions
Mental Health Service – (continuation)	£40k per year	Revenue	This service is fully utilised and has prevented many homeless cases and avoided the need for crisis care at the Radbourne unit	Cost of bed days at mental health unit in addition to multiple agency intervention. during crisis
Healthy Homes Programme – (continuation)	£80k per year	Capital	DCC has been delivering this enhanced service for over a year and it has assisted many vulnerable households by providing boilers, temporary heating and other measures that increase thermal comfort in the home.	Quarterly monitoring data relating to improved physical and mental health conditions.
DFG Technical Officer post (continuation)	£40k per year	Revenue	This post has increased the capacity of the DFG team since appointment in February 2018.	Reduced waiting times associated with DFG process.
Extension of the Private Sector Stock Condition research to include Health Impact Assessment	£5,600 one off payment	Capital	This piece of research will provide valuable insight into the condition of the District's housing stock and health of its occupants to enable better targeting of resources	Enables housing in worst conditions to be targeted to avoid significant danger to health.
Additional pilot schemes to be funded during 2019-2022 (not requiring temporary posts to be added to the establishment).	£200k (finite pot for use up to 2022)	Revenue	These pilot projects will be approved by the BCF internal group and administered in accordance with contract procedure rules. They will provide services that promote independence and reduce pressure on primary care.	Reduction in intervention by health as patients can use these services to stay independent
Additional capital funds for one-off projects that will enable greater independence to disabled / elderly / people living with a long-term condition.	£150k (finite pot for use up to 2022)	Capital	This funding stream will be utilised to fund one-off capital works (i.e. ramps / disabled access facilities etc. within Council sites) across the District that will either enable access (to promote independence) to services, or reduce the dependence on front line NHS services.	Reduction in GP visits, Adult Care intervention and revolving hospital admissions
Stay Active and Independent for Longer Project (SAIL)	£60k per year	Revenue	This pilot project will include the appointment of a SAIL Coordinator to the establishment, funded initially up	Reduction in GP visits, Adult Care

			to the end of March 2021. The scheme will help elderly residents at risk of isolation and promote independent living by a scheme of physical activities	intervention and revolving hospital admissions
Creation of a temporary Health & Housing Co-ordinator post (operational) within Housing Services	£45k per year	Revenue	This post will work across all service areas within the Council and with external partners to deliver the new schemes. In addition they will promote availability of DFGs and associated schemes whilst providing tailored advice to individual households	BCF allocation used effectively where it is needed most
Creation of a temporary Public Health (Housing) Officer post with Environmental Services	£45K per year	Revenue	This officer will have a primary function of tackling rogue landlords to improve housing conditions and enforcing standards through the courts where necessary to improve the quality of life for vulnerable households	Mitigation of hazards and associated costs to NHS England and wider society (British Research Establishment costing savings of mitigating various hazards in the home).
Creation of a dedicated Occupational Therapist role to sit within the DFG team.	£55k per year	Revenue	Will enable increased efficiency and consistency within the DFG team and speed up the process of adapting homes	Reduced likelihood of accidents in the home / falls if adaptations are installed quickly

= New Schemes

5.0 Financial Implications

- 5.1 The BCF balance is listed in the following table and outlines expenditure incurred against all approved projects as at 31st March 2019. Additional funding through BCF has been received during 2019/20 totalling £792,375 and it is assumed that further funding for Disabled Facility Grants is likely to be received later in the year from MCHLG.

Funding	2016.17 £	2017.18 £	2018.19 £	2019.20 To-date £
B/fwd Balance	85,112	468,957	792,552	1,151,017
BCF Grant	615,337	674,829	734,320	792,375
DCLG Funding	0	71,885	88,434	0
Second Homes Funding	124,000	0	0	0
	824,449	1,215,671	1,615,306	1,943,392

Projects				
Disabled Facility Grants and other Works	-355,492	-423,119	-416,446	-50,466
Discretionary Top-up Grants for under 18's	0	0	0	0
Healthy Homes Project	0	0	0	-30,128
DFG Associated Preventative Works	0	0	0	0
Establishing a Hospital to Home Scheme	0	0	0	0
Dedicated Mental Health Worker	0	0	-13,407	-13,407
Additional Technical Officer	0	0	-31,936	-17,138
Integrated Adaptations of New Build Social Housing	0	0	0	0
Countrywide Stock Modelling Report	0	0	-2,500	0
	-355,492	-423,119	-464,289	-111,139

C/fwd Balance	468,957	792,552	1,151,017	1,832,253
----------------------	----------------	----------------	------------------	------------------

5.2 The balance of funding to be spent during 2019/20 stands at £1,943,392. As at 31st October, £111,139 has been spent and it is likely that the projects that are underway will spend further in year, it is extremely unlikely that the full balance will be utilised and therefore a significant carry forward will be required.

Projected Spend until 2021/22

Committed	2019/20	2020/21	2021/22
Mandatory Average DFG Spend	£400,000	£400,000	£400,000
Mandatory DFG Reserve Pot	£100,000	£100,000	£100,000
DFG Technical Officer	£40,000	£40,000	£40,000
Mental Health Worker	£40,000	£40,000	£40,000
Stock Condition Survey	£5,600	£0	£0
Home from Home Scheme	£100,000	£100,000	£100,000
Healthy Homes Project	£80,000	£80,000	£80,000
TOTAL	£765,600	£760,000	£760,000

New Schemes - Pipeline	2019/20	2020/21	2021/22
Environmental Health Worker	n/a	£45,000	£45,000
Occupational Therapist	n/a	£55,000	£55,000
Healthy Homes Officer	n/a	£45,000	£45,000
Healthy Homes Scheme	£80,000	£80,000	£80,000
Empty Homes Scheme	£20,000	£20,000	£20,000
Hospital Discharge Grant	£10,000	£20,000	£20,000
Dementia Grant	£5,000	£15,000	£15,000
Domestic Abuse (specialist services)	n/a	£50,000	£50,000
Revenue Funding Pot	n/a	£100,000	n/a

Capital Funding Pot	n/a	£150,000	n/a
SAIL Project	£60,000	£60,000	£0
TOTAL	£175,000.00	£640,000.00	£330,000.00

Mandatory	
Capital	
Revenue	

6.0 Corporate Implications

Employment Implications

Four new temporary posts on two-year fixed term contracts will be added to the establishment should the recommendations in the report be approved. These posts will be subject to job evaluation in line with the local procedure and an estimate of the grade for each has been included in the financial considerations

At the end of any fixed-term contract any employee having two years continuous service will be entitled to a redundancy payment should the contract not be renewed and if they are current members of the Local Government Pension Scheme and are aged 55 or over, they are entitled to immediate access to their pension. If they can access their pension, then the Council will have to pay an additional cost for the impact on the pension fund.

The Fixed-Term (Prevention of Less Favourable Treatment) Regulations 2002 ensure that fixed-term employees are not treated less favourably than comparable permanent employees. The terms and conditions to be provided are in line with the NJC for Local Government Services and therefore the same as comparable permanent employees.

These Regulations also provide that the continued renewal of fixed-term contracts that result in four years continuous service for an employee should be on a permanent contract unless it can be objectively justified to remain on a fixed term basis. This should be considered if any continuation of the proposed arrangements for the temporary posts are subsequently made.

Other posts affected

The Public Health (Housing) Officer fixed-term post is to be placed in Environmental Health and report to the Head of Environmental Health. It is considered that this would not constitute a material change and it is not proposed to re-evaluate this post.

The Occupational Therapist fixed-term post is to be based in the existing DFG team and report to the Repairs and Improvement Team Leader. It is considered that this would not constitute a material change and it is not proposed to re-evaluate this post.

The SAIL Co-ordinator post will be based in Active Communities and Health and will report to the Active Communities Manager. It is considered that this would not constitute a material change and it is not proposed to re-evaluate this post.

The Health and Housing Co-ordinator will be based in Housing Services and report to the Housing Services Team Leader. It is considered that this would not constitute a material change and it is not proposed to re-evaluate this post.

Consultation will be completed with these postholders to ensure that the considerations made above are fair and to identify if there are any other matters that could impact on their roles. If any further action is then required in relation to their roles or grade, this will be progressed by the Strategic Director (Service Delivery) with support from HR.

Legal Implications

Legal services will be consulted and will advise, as appropriate on any legal implications associated with the establishment of new services. The Council's procurement team will be consulted for all matters that involve the appointment of external contractors to ensure value for money and transparency are achieved.

Corporate Plan Implications

6.4 The proposals contained within this report will have a direct positive links to the following actions contained in the Corporate Plan;

- Place – to facilitate and deliver a range of integrated housing and community infrastructure
- People – to enable people to live independently

Risk Impact

- 6.5 The Council is required to provide assurances to DCC though the approval of quarterly assurance plans at BCF Board. There is a risk that the significant amount of accrued underspend may be revoked and redistributed under s75 of the NHS Act 2006 if the Council failed to spend the allocation or provided the required assurances that the funding will be spent.
- 6.6 In mitigation the Council meets regularly with DCC to update it on progress on the delivery of projects and programmes funded by the BCF and there has been no indication given, to date, to officers that DCC intends to request a return of this fund given the outcomes that the Council is delivering.
- 6.7 DCC is currently in the process of reviewing Adult Care Services and this could have an impact on existing services by creating gaps in provision that the BCF may be expected to mitigate.
- 6.8 There is a risk that future demand for mandatory DFGs will increase and revenue funded pilot schemes may need to cease to ensure the Council can maintain its statutory obligations for the administration of DFGs

7.0 Community Impact

Social Value Impact

- 7.1 The approval of the above recommendations and associated schemes established from this report will have a direct impact on the Council's priority for Healthier Communities within the Sustainable Community Strategy 2009 – 2029. Any schemes developed alongside the mandatory DFGs will be shaped to ensure they reduce health inequalities for people living in poor condition homes in the private sector and improve health outcomes for tenants and owner occupiers across the District.

8.0 Conclusions

- 8.1 There are widely recognised links between poor housing and ill health. The new posts and schemes outlined in 4.4 will bring positive health impacts and prevent the need for costly crisis intervention and acute care.
- 8.2 The Council is committed to improving health and tackling health inequality across the District. Through housing intervention, the Council can offer practical solutions and support that in turn, will have a positive impact on the health of vulnerable occupants living in South Derbyshire.
- 8.3 There must be an integrated approach to delivery of these services to avoid gaps and overlaps in service provision. The internal BCF group and proposed Health and Housing Co-ordinator role has been set up specifically for this purpose and will ensure a holistic approach to delivering the health and housing agenda.

9.0 Background Papers

- 9.1 South Derbyshire BCF Assurance Plan (approved on 29.04.2019)

Private Sector Housing Assistance Policy 2019 - 2022

Team: Strategic Housing

Date: December 2019

Contents

Version Control	3
Approvals	3
Associated Documentation	3
1. Introduction	4
2. Policy Statement.....	4
3. Policy Aims	4
4. Legal and Policy Framework	5
4.1 Home Adaptations	5
4.2 Housing Assistance.....	5
5. Local Strategic Framework.....	6
6. Local Context	7
7. Funding	10
8. Adaptations.....	11
8.1 Disabled Facilities Grant.....	11
8.2 Discretionary Top Ups for DFG	13
8.3 Relocation Grants	14
8.4 Additional Officer Posts	15
9. Home Repair Assistance	15
9.1 Healthy Homes Programme	15
9.2 Healthy Homes Assistance Fund	16
9.3 Empty Homes Grant.....	18
9.4 Public Health Officer - Healthy Homes.....	19
10. Hospital Discharge	19
10.1 Hospital Discharge Assistance	19
10.2 Home from Home Scheme	20
10.3 Early Intervention Officer – Housing and Health.....	20
11. Dementia Friendly Homes	21
12. Domestic Abuse and Victims of Crime.....	22
12.1 Safer Homes – South Derbyshire.....	22
12.2 Domestic Abuse Services	22
13. Early Intervention Officer – Mental Health	22
14. Supporting Independence	22
14.1 Stay Active and Independent for Longer (SAIL)	22
14.2 Capital and Revenue Funding Opportunities	23
15. Measuring Performance	23
16. Data Protection	23

17.	Complaints	23
18.	Review	24
19.	Useful Contacts.....	24

Version Control

Version	Description of version	Effective Date
1	Housing Assistance Policy 2019/22	1 st December 2019

Approvals

Approved by	Date

Associated Documentation

Description of Documentation	
Private Sector Housing Renewal Policy 2016	Redundant

1. Introduction

- 1.1 South Derbyshire District Council (the Council) recognises the importance that good quality, accessible, safe and warm housing has in contributing to people's quality of life.
- 1.2 The primary responsibility for maintaining and repairing private sector homes rests with the owner, however the Council is committed to improving the quality of housing within the District and has statutory responsibilities to assist certain people where they cannot reasonably do this for themselves.
- 1.3 Disabled Facilities Grants (DFGs) and discretionary housing grants can make a significant contribution in meeting the needs of older, vulnerable and disabled people by providing assistance to facilitate adaptations or essential repairs in the home to promote health and wellbeing and maximise the opportunities for continued independence.
- 1.4 This policy updates the Council's Private Sector Renewal Policy, which was last updated in 2016. It is steered by objectives contained within the Council's Corporate Plan, the emerging Housing and Health Strategy and Derbyshire County Council's (the County Council) Better Care Fund (BCF) Narrative Plan.

2. Policy Statement

- 2.1 This policy sets out how the Council will exercise its statutory obligations for the provision of mandatory DFGs under the provisions of the Housing Grants, Construction and Regeneration Act 1996 and use the discretion afforded under Article 3 of the Regulatory Reform Order (Housing Assistance) (England & Wales) Order 2002 (the RRO) to provide flexible assistance to help improve the living conditions of people living within the District.
- 2.2 In accordance with the RRO, this policy has been adopted by the Council and details the:
 - Scope of adaptations available under the DFG.
 - Other types of assistance the Council may make available based on an assessment of local need.
 - Eligibility conditions for the assistance.
 - Amount of assistance available.
 - Conditions that will apply to the provision of the assistance.
 - Circumstances when repayment is required.

3. Policy Aims

- 3.1 The focus of this policy is one of early intervention and proactive prevention; to avoid crisis, to enable people to live healthily and well at home and remain living as independently as possible.
- 3.2 The assistance contained within the policy aims to meet the identified priorities set out in the Council's Corporate Plan, the emerging Housing and Health Strategy, and County Council's BCF Plan by:
 - Increasing the number of people who are able to live independently and safely at home.

- Contributing to the principal aims of the BCF to reduce delayed transfers of care, minimise avoidable hospital admissions and facilitate early discharge from hospital where possible (reducing bed-based care).
- Improving the health, wellbeing and quality of life of people living within the District.
- Removing or reducing housing related defects that are detrimental to a person's health.
- Reducing the number of households living in fuel poverty by improving the energy efficiency of the District's private sector housing stock.
- Increasing the number of empty properties brought back into use, particularly where this accommodation can be used to relieve homelessness.
- Supporting the coordination and integration of services to deliver person centred outcomes.

4. Legal and Policy Framework

4.1 Home Adaptations

- 4.1.1 The provision of a DFG is regulated by the Housing Grants, Construction and Regeneration Act 1996. The Act places a statutory duty on the Council to provide assistance to qualifying disabled people to undertake a range of adaptations to their homes that are considered "necessary and appropriate" to meet their needs and are "reasonable and practical" having a regard to the age and condition of the property, any work must also be determined as "eligible" as defined by the Act and subsequent regulations. The grant is subject to a "test of resources" in accordance with the legislation, except in the case of children aged under 19, and gives the Council powers to require the grant funding to be repaid upon disposal of the property in certain circumstances.
- 4.1.2 The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 gives the Council greater freedoms to provide financial assistance for adaptations, essential home repairs or improvements to improve housing conditions to benefit an individual's health, wellbeing or quality of life. Article 3 of the Act introduces a wide range of discretionary powers to allow the Council to develop different forms of assistance to meet local needs, based on the local housing conditions and the resources available to the local authority.
- 4.1.3 In 2015/16, the Government made changes to the funding mechanism for DFGs by including the allocation for DFGs as part of the Better Care Fund (BCF). The fundamental principle of the BCF pooled budget is to enable health, social care and housing services to work more closely together to assist people to manage their health and wellbeing and to live independently in their communities for as long as possible. The statutory duty for the Council to deliver the DFG remains, and within Derbyshire the full DFG allocation is passported through to the Council each year to enable the delivery of DFGs and other local housing related priorities.

4.2 Housing Assistance

- 4.2.1 The Governments view is that the primary responsibility for maintaining privately owned properties rests with the homeowner, however in certain circumstances it may become necessary for the Council to assist in carrying out essential repairs or improvements in the form of advice, financial assistance or enforcement action.
- 4.2.2 The Home Energy Conservation Act (HECA) 1995 outlines that Local Authorities are uniquely placed to assess the needs of their areas and sets out the specific role the Council has to play in improving the

energy efficiency of residential accommodation. Since 2013 the Act requires the Council to produce biennial reports setting out the measures it is taking to improve energy efficiency within the residential accommodation of the District.

- 4.2.3 The Housing Act 2004 places a statutory duty on the Council to enforce housing standards in their locality and introduced the Housing, Health and Safety Rating System (HHSRS) risk assessment for residential properties. The HHSRS assess 29 potential hazards within a home and classifies these as either Category 1 or 2 hazards, with Category 1 hazards placing the occupants at risk of immediate harm. This requires the Council to take appropriate action and enforce housing standards when these are not met. The Act also set out the requirement for the Council to keep the housing conditions under review and develop strategies and approaches to address areas of concern.
- 4.2.4 The Energy Act 2011 places an obligation on energy companies to help the poorest and most vulnerable households with saving energy. The Energy Company Obligation (ECO) is a government energy efficiency scheme to help reduce carbon emissions and tackle fuel poverty. Under the scheme, the larger energy suppliers have to set targets to:
- Promote measures to reduce carbon emissions, such as roof and wall insulation and connections to heating systems; and
 - Promote measures which improve the ability of low income and vulnerable households to reduce the amount of money required to heat their homes, such as the replacement or repair of a boiler.
- 4.2.5 The Housing and Planning Act 2016 includes a package of measures to tackle rogue landlords within the private rented sector. Since April 2018, landlords of domestic properties may not grant a new tenancy or renew an existing tenancy for a property rated with an Energy Performance Certificate (EPC) of F or G unless an exemption applies. The landlord must improve the rating to minimum of E or register an exemption before letting. The Council have committed to monitoring this and will take enforcement action where necessary to ensure the Districts private rented stock meets the minimum standards.
- 4.2.6 From April 2020, the minimum level of energy efficiency will apply to all domestic private rented properties covered by the Regulations, even if there has been no change in tenancy. If an exemption applies, landlords must register this on the Private Rented Sector Exemptions Register. Full details of exemptions are set out in the updated Domestic Landlord Guidance.

5. Local Strategic Framework

- 5.2 The Council's Corporate Plan outlines the Council's vision of the District being a great place to live, visit and invest, and outlines the values it holds to ensure the services it delivers reflect the local needs of residents. The Strategy includes a number of priorities which will support the aims of this Policy:
- Enabling independent and affordable living.
 - Supporting and safeguarding our most vulnerable residents by keeping them healthy and happy in their homes.
 - Promoting health and wellbeing.
 - Improving the condition of residential housing within the District.
 - Working towards achieving carbon neutrality by 2030.

5.3 The Council's emerging Housing and Health Strategy 2019 - 2021 will identify housing and health related issues within the District. The strategy will prioritise these issues and propose ways in which the Council, within their role as enabler, will tackle them. The emerging priorities currently identified that relate to the delivery of this policy are:

- Improving health outcomes through housing interventions.
- Meeting the needs of our ageing population.
- Tackling disrepair in the private sector.
- Joining up services to prevent crisis.

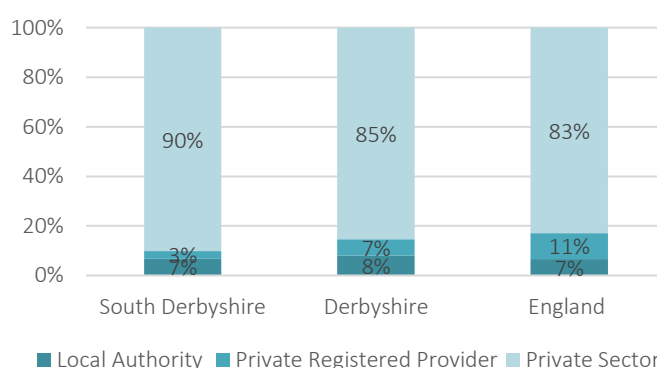
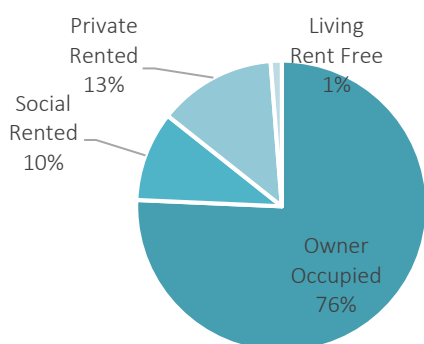
5.4 The County Council's BCF Narrative Plan outlines the way in which the Derbyshire BCF will operate to ensure that the health and social care system can deliver services to meet the needs of the local population. The priorities of this plan that support the delivery aims of this policy are:

- Prevention and early intervention to prevent crisis.
- Reducing delayed transfers of care (bed-blocking) or facilitate early discharge from hospital.
- Minimising avoidable admissions to hospital or residential care.
- Enabling people to remain living safely and independently at home.
- Maximising the health and wellbeing of the population.
- Ensuring seamless service provision is delivered across organisations by partnership working.

6. Local Context

6.1. South Derbyshire is a largely rural District at the heart of the National Forest. It is one of the fastest growing areas in England with a current population of over 105,000. This is set to grow by nearly 15% between 2019 and 2028 to increase this total to over 120,000 people.

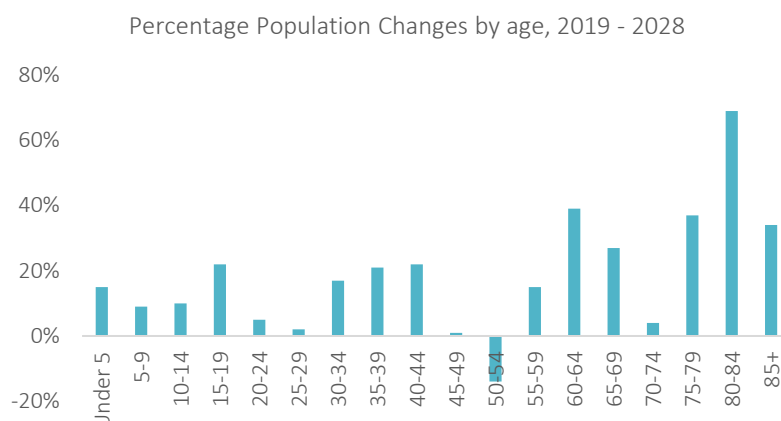
6.2 The majority of people within the District live in the private sector (90%); with 76% owning their own home, either outright or with a mortgage and 13% living within the private rented sector. Only 10% of households live in socially rented housing.



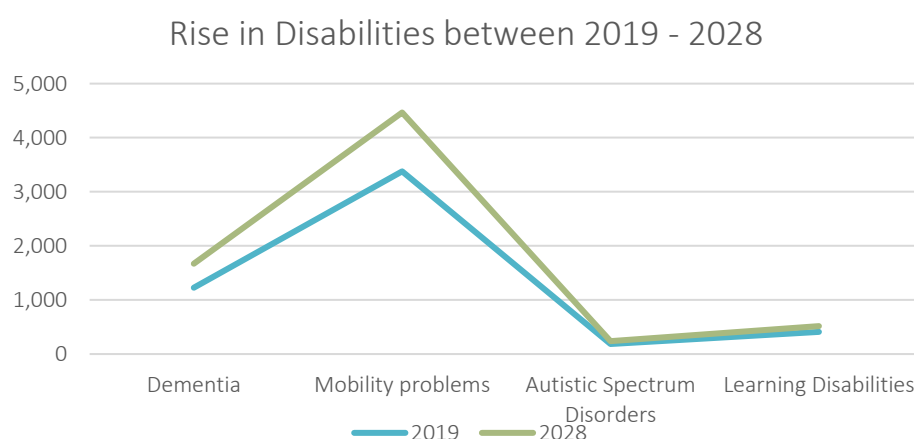
The tenure figures should be used as an estimate of the tenure split rather than absolute figures.

6.3 The District will see an increase in the population of people aged 65 and over, in particular there will be significant growth in the 80+ age group which will place increasing pressures on health, social care and acute services.

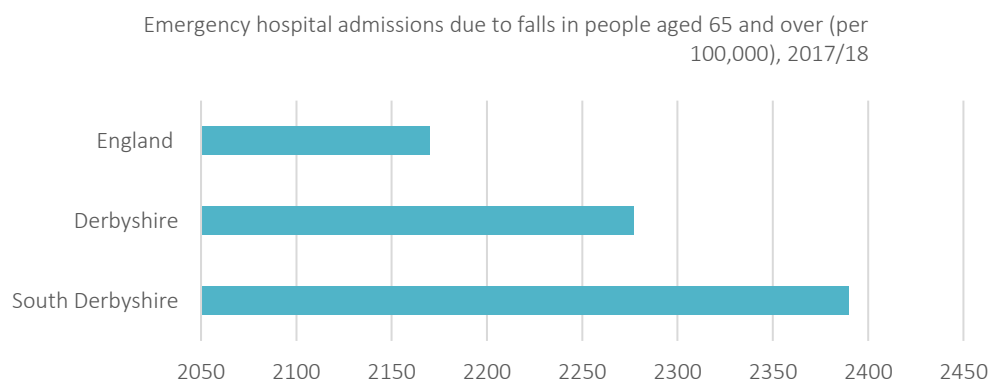
The table below shows the percentage changes in age groups between 2019 and 2028.



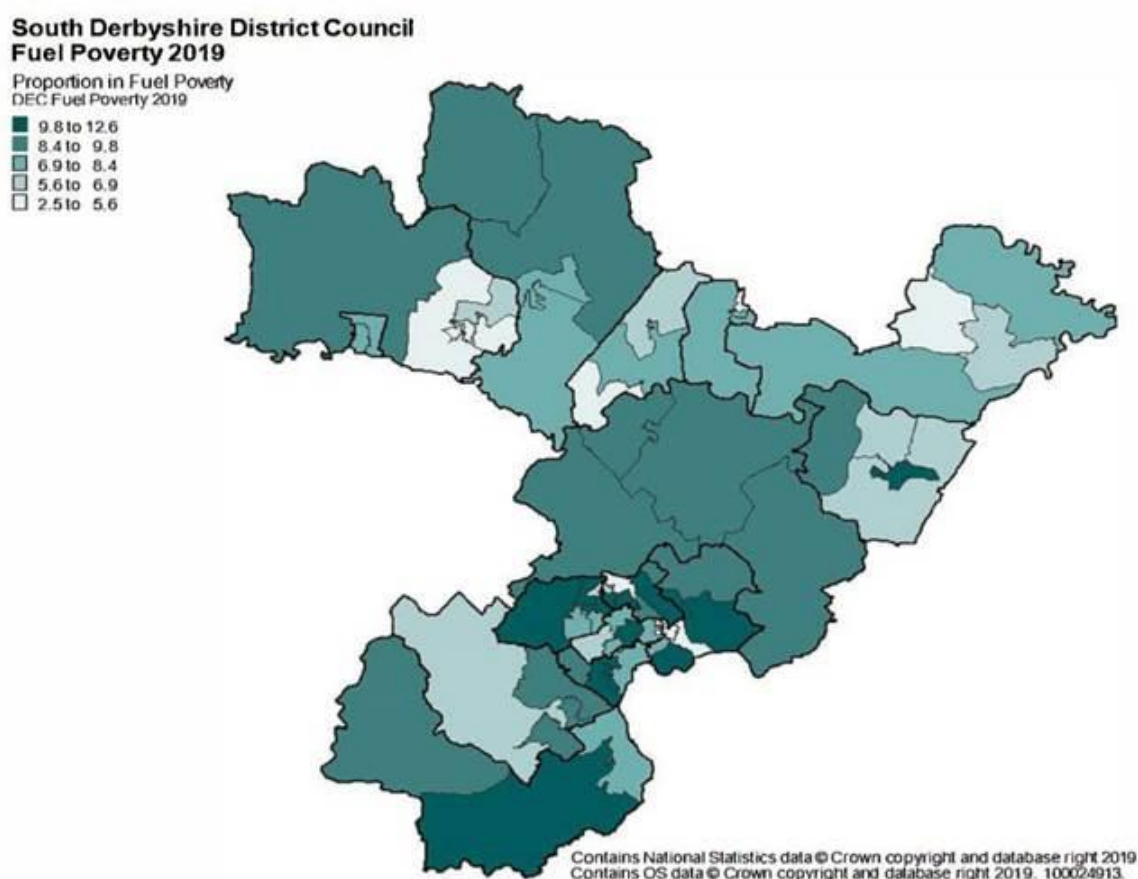
- 6.4 The number of people living within the District with long term health conditions or a disability is set to increase by 32% between 2019 and 2028, in particular the number of people living with Dementia is set to rise by 36% and those living with a physical disability is set to rise by 32% over the same timeframe. The chart below shows the growth in some long-term health problems/disabilities:



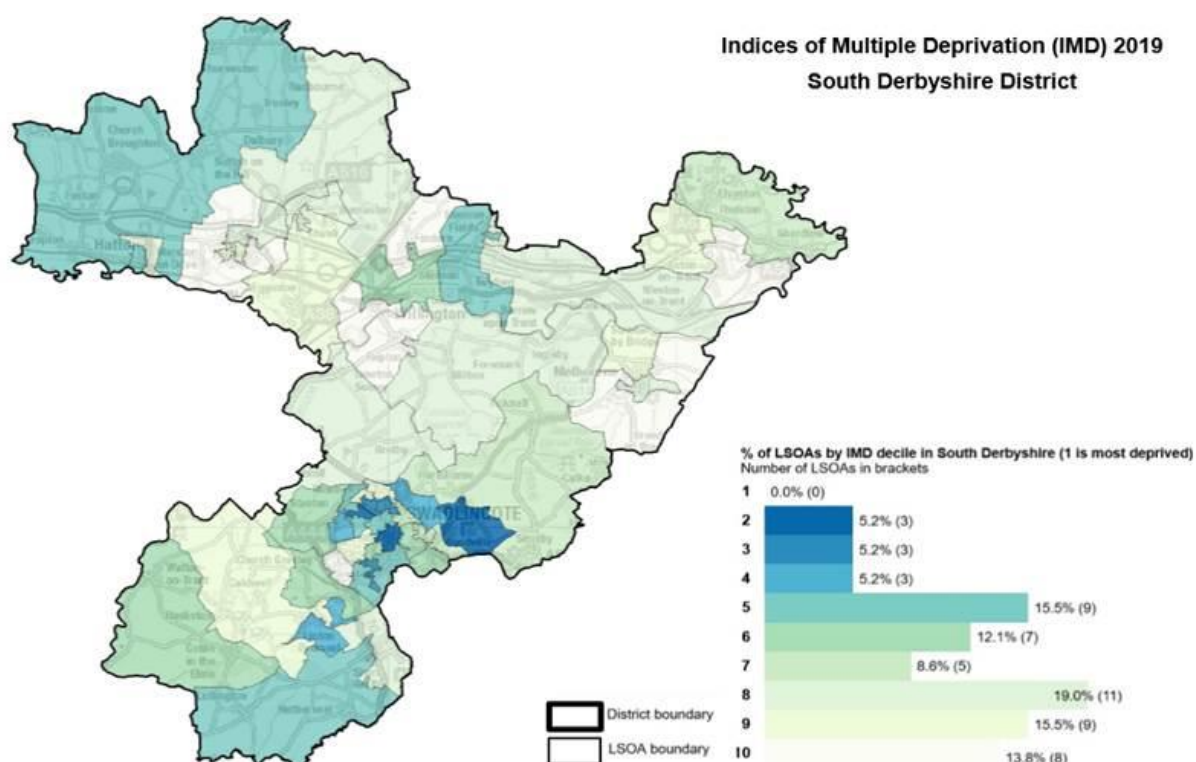
- 6.5 It is also anticipated that the number of frail older people will increase; frailty increases the risk of adverse health outcomes including falls, reduced mobility and disability, reduced independence and hospitalisation. Older people are more vulnerable to accidents in the home, with those aged 65+ having the highest risk of falling. South Derbyshire has a greater rate of hospital admissions for falls in the home than in Derbyshire or England:



- 6.6 A household is considered to be in fuel poverty if they need to spend more than 10% of their income to maintain a satisfactory heating regime. South Derbyshire has a lower proportion of households living in fuel poverty than the national average; with 7.9% of households considered to be living in fuel poverty compared to the national average of 10.9%.
- 6.7 The heat map below shows the areas of the District considered to be in the highest levels of fuel poverty. These are areas the Council will proactively target with its preventative work to ensure the financial resources reach those most in need.



- 6.8 The rising cost of living including food, fuel and housing costs mean that some communities experience higher than average levels of deprivation and poverty. The Index of Multiple Deprivation (IMD) is the most commonly used measure of deprivation, with the lower numbers showing the areas of highest levels of deprivation.
- 6.9 The map overleaf shows that there are no areas within South Derbyshire that fall within the most 10% deprived areas across England, however there are stark contrasts between areas of deprivation, mainly around the urban core and towards the south and north-west of the District, and areas of greater affluence throughout the District.



7. Funding

- 7.1 The Council has seen an increase in DFG funding since 2014/15 as a result of the allocation being paid via the County Council's BCF funding. The take up of mandatory DFGs within the District has not kept pace with the amount of funding received and therefore the Council has taken the opportunity to revise this policy to offer discretionary assistance and pilot new schemes to meet identified local need.
- 7.2 Mandatory DFGs will always need to have priority on the use of DFG monies, all other assistance which may be provided under this policy is at the sole discretion of the Council and will be subject to the availability of financial resources. At times of high demand, waiting lists for discretionary schemes may be instigated or schemes may be amended, suspended or removed entirely to ensure the Council can meet its statutory responsibilities.
- 7.3 In addition to the DFG funding, the Council will exploit all possible opportunities for internal and external funding and work with other providers to improve housing conditions and the health and wellbeing of our residents.
- 7.4 Where assistance has been given on the condition of a land charge being applied to the property, all monies received from the disposal of the property will be returned into the DFG budget and be ringfenced for future mandatory and discretionary schemes delivered under this policy.

8. Adaptations

8.1 Disabled Facilities Grant

This grant will provide disabled people adaptations to their homes to promote independent living.

Purpose	<p>This is a mandatory grant available to provide essential adaptations to the homes of disabled people to facilitate independent living, ensuring they have adequate access to and around their homes and to essential facilities within it, subject to the provisions contained within the Housing Grants, Construction and Regeneration Act 1996.</p> <p>This summary document should be read in conjunction with the full Act.</p>
Maximum Grant Amount	£30,000 however the grant will only cover the cost of works deemed to be eligible.
Applicant Eligibility	<p>A person must be considered as disabled under the Act.</p> <p>The grant is available to adapt the home to meet the needs of any disabled person living within the property to enable them to continue to live there however the application should be in the name of the homeowner or tenant of a private landlord or registered provider (applications from Council tenants are covered under separate funding arrangements).</p> <p>The grant is subject to a test of resources (see financial assessment).</p>
Eligible Works	<p>The works must be deemed as 'necessary and appropriate' to meet the needs of the disabled person, and 'reasonable and practicable' having regard to the age and condition of the property to:</p> <ul style="list-style-type: none"> • Make the home safe. • Facilitate access to and from the home. • Facilitate access to or provide a bedroom. • Facilitate access to the principal family room. • Provide a room containing a bath or shower or facilitate the use of such a facility. • Provide of a room containing a toilet and wash hand basin or facilitate the use of such a facility. • Facilitate the preparation and cooking of food (only if used by the disabled person). • Provide or improve a heating system. • Facilitate the use of power, light or heat by altering the same or provide additional means of control. • Facilitate access and movement around the home to enable a disabled person provide care for another person. • Facilitate access to a garden. <p>The Council will support the use of 'preferred schemes' where it can be evidenced, to the satisfaction of the Council that the preferred work is 'necessary and appropriate' and will still meet the disabled persons needs. Funding for preferred schemes will only be awarded up to the maximum amount of the assessed 'eligible work'. For example, if the Council recommends a stairlift to facilitate access to a bedroom, however the applicant would prefer a ground floor bedroom, the Council will only provide a grant for the cost of the stairlift (the original 'eligible works') and it will be for the applicant to fund the additional costs.</p>

	Remedial works identified that support the provision of eligible work that require action will be considered as part of the grant costs. e.g. upgrade or replacement electrics to facilitate the safe installation of a stairlift.
Financial Assessment	The grant is subject to a formal 'test of resources' or a means test in accordance with the Act to determine an applicant's contribution. Eligible works for a child (under 16, or under 19 if in receipt of child benefit) will not be subject to such requirement. Funding will only be provided towards works deemed eligible.
Application	Applications should be made using the relevant forms and supported by an assessment by Derbyshire County Council's Adult Social Care or a private Occupational Therapist Assessment. The Council are responsible for assessing that the person is a qualifying disabled person and the work is necessary, appropriate, reasonable and practicable. The grant is subject to a test of resources; proof of qualifying means tested benefits, or the results of this test will be considered as part of the application process. Certification will be required to prove ownership or landlords consent, along with a signed disclaimer stating the applicant's intention to remain in the property for the next five years.
Payment	Any associated fees such as technical surveys, obtaining proof of title etc will be included in the grant total. Payment will be made directly to the contractor(s) upon satisfactory completion of eligible works as inspected by the Council. In certain circumstances stage payments may be made towards the cost of large works. If the applicant has a contribution to pay, they must ensure they have the money to cover their share of the costs before work commences. Unforeseen and additional costs will only be paid for where they are necessary to complete the adaptation and must be agreed by the Council before they are undertaken. Any increase in grant amount may have an impact on the charge placed against the property.
Conditions	The disabled person must intend to occupy the property as their only or main residence for a period of five years after the works are complete (or such shorter period as the person's health or other relevant circumstances permit). Work must not commence until formal approval of the grant has been issued to the applicant and works must be completed within 12 months from the date of this formal approval. The Council is not responsible for the ongoing maintenance or repairs of the work, and it is the applicant's responsibility to ensure they adhere to the recommended servicing of any equipment e.g. stairlifts, through floor lifts, closomats etc. Where the applicant is an owner occupier and the grant amount is above £5,000, the Council will recover the costs of the grant up to £10,000 if the property is disposed of within 10 years from the date of the completion of works. This will be placed as a legal charge against property, however the Council may waive this requirement in exceptional circumstances in accordance with the grant rules.

	The first £5,000 will be disregarded. A maximum charge of £10,000 will be applied in accordance with the example below:	
	Grant	Repayment Required
	£5,000	£0
	£10,000	£5,000
	£20,000	£10,000
	£30,000	£10,000
Strategic Aims	<ul style="list-style-type: none"> • Increase the number of people living independently and safely at home. • Reduce the number of serious hazards in people's homes. • Improve the health, wellbeing and quality of life of people living within the District. 	

8.2 Discretionary Top Ups for DFG

In exceptional circumstances, the Council will consider applications to top-up the funding of a mandatory DFG application where this exceeds the maximum grant limit of £30,000. The maximum funding available for this is £10,000.

Purpose	To provide discretionary financial assistance to a disabled person who qualifies for a mandatory DFG where the cost of the eligible works exceeds the mandatory grant maximum of £30,000.
Maximum Grant Amount	£10,000
Applicant Eligibility	<p>The applicant must have been assessed as eligible for a mandatory DFG; and</p> <p>The applicant or household must be in receipt of an income related benefit. For clarity, this includes one or more of the following:</p> <ul style="list-style-type: none"> • Income Support • Guaranteed Pension Credit • Income based Employment and Support Allowance • Income based Job Seekers Allowance • Working Tax Credit • Universal Credit • Housing or Council Tax Support (not including single person or disabled person discount). <p>Discretion will be given to applicants considered to be in exceptional financial hardship which will be determined on a case by case basis by the Head of Housing.</p> <p>Applications made towards the cost of an applicant's assessed contribution will not be considered unless exceptional circumstances exist. These will be determined on a case by case basis by the Head of Housing.</p>
Eligible Works	Works funded by this grant must be eligible works which have been deemed necessary and appropriate to meet the disabled persons need, as defined by the Housing Grants, Construction and Regeneration Act 1996.
Financial Assessment	There will be no additional means test required for the top-up, however the applicant or the household will need to be in receipt of a qualifying means tested benefit or considered to be in financial hardship as outlined above.
Application	A formal application for this assistance will not be required in addition to the DFG application.

Payment	Payment will be made directly to the contractor(s) upon satisfactory completion of eligible works as inspected by the Council. In certain circumstances stage payments may be made towards the cost of large works.
Conditions	The conditions for this grant will be the same as outlined within the DFG (Mandatory Works), except for: Where the applicant is an owner occupier the Council will recover the full costs of the top-up grant if the property is disposed of within 10 years from the date of the completion of works. For clarity, the charge added will be in addition to any mandatory grant applied. This will be placed as a legal charge against property, however the Council may waive this requirement in exceptional circumstances in accordance with the grant rules.
Strategic Aims	<ul style="list-style-type: none"> • Increase the number of people living independently and safely at home. • Reduce the number of serious hazards in people's homes. • Improve the health, wellbeing and quality of life of people living within the District.

8.3 Relocation Grants

In certain circumstances, it may not be possible to suitably adapt the home of a disabled person or the cost of doing so becomes prohibitive. In order to effectively meet the person's needs, the Council will consider applications for a relocation grant to assist the household with the cost of moving to a more appropriate home.

Purpose	This fund will offer discretionary assistance to pay for the associated costs of moving home where it is not reasonable or practical under the mandatory DFG assistance to suitably adapt the home of the disabled person, or the cost of doing exceeds the maximum grant limit of £30,000 or moving home would provide a better long-term solution.
Maximum Grant Amount	£30,000
Applicant Eligibility	The applicant will have been assessed as eligible for a mandatory DFG and there is no possibility of adapting their current home or moving would provide a better long-term solution; and The cost of the relocation grant will be lower or equivalent to the original grant, including the estimated cost of any adaptations required in the new home and less than the maximum grant limit of £30,000.
Eligible Works	<ul style="list-style-type: none"> • Legal and estate agent fees • Survey fees • Stamp duty • Removal costs • Eligible works deemed necessary and appropriate to adapt the new home
Financial Assessment	The DFG is subject to a formal means test, a further means test for this grant will not be required.
Application	A formal application for this assistance will not be required in addition to the DFG application.
Payment	Payment will be made directly to the applicant's solicitor upon exchange of contracts for all legal and estate agent fees.

	Payment will be made directly to the contractor(s) upon satisfactory completion of eligible works as inspected by the Council.										
Conditions	<p>Where the applicant is an owner occupier and the grant amount is above £5,000 the Council will recover the costs of the grant up to £10,000 if the property is disposed of within 10 years from the date of the completion of works or exchange of contracts. This will be placed as a legal charge against property, however the Council may waive this requirement in exceptional circumstances in accordance with the grant rules.</p> <p>The first £5,000 will be disregarded. A maximum charge of £10,000 will be applied in accordance with the example below:</p> <table border="1"> <thead> <tr> <th>Grant</th><th>Repayment Required</th></tr> </thead> <tbody> <tr> <td>£5,000</td><td>£0</td></tr> <tr> <td>£10,000</td><td>£5,000</td></tr> <tr> <td>£20,000</td><td>£10,000</td></tr> <tr> <td>£30,000</td><td>£10,000</td></tr> </tbody> </table>	Grant	Repayment Required	£5,000	£0	£10,000	£5,000	£20,000	£10,000	£30,000	£10,000
Grant	Repayment Required										
£5,000	£0										
£10,000	£5,000										
£20,000	£10,000										
£30,000	£10,000										
Strategic Aims	<ul style="list-style-type: none"> • Increase the number of people living independently and safely at home. • Reduce the number of serious hazards in people's homes. • Improve the health, wellbeing and quality of life of people living within the District. 										

8.4 Additional Officer Posts

- 8.4.1 To support the effective and efficient delivery of Mandatory DFGs, the Council will invest in the provision of a dedicated Occupational Therapist and Technical Officer. This will enable qualifying disabled people to receive eligible works to adapt their homes more quickly and support the policy aims of reducing hazards within the home, enabling people to live independently and safely, and improving the health, wellbeing and quality of life in addition to preventing avoidable bed-based care.

9. Home Repair Assistance

9.1. Healthy Homes Programme

Purpose	Discretionary assistance available to help vulnerable residents who are affected by poor housing to stay warm and well at home by providing heating repairs or upgrades and insulation.
Applicant Eligibility	<p>The applicant must be an owner occupier or living in private rented accommodation that they are struggling to afford to keep warm and classed as vulnerable due to age, or existing health conditions such as:</p> <ul style="list-style-type: none"> • cardiovascular, respiratory, mental health, physical disability, addictions, terminal illness, suppressed immune system. life changing or life limiting conditions). These applications must be supported by a recommendation from an OT, social worker, GP or other healthcare professional.
Eligible Works	<p>Works will be assessed on an individual basis, however could include:</p> <ul style="list-style-type: none"> • Loft or cavity wall insulation • Improving home energy efficiency • Repairing or replacing heating systems • A new gas connection to the property

	<ul style="list-style-type: none"> • Clearance, cleaning and hoarding • Minor electrical works
Financial Assessment	<p>Applicants will be assessed based on their household income with a decision being made to the income threshold based on household composition or be in receipt of one or more income related benefits at the point of approval.</p> <ul style="list-style-type: none"> • Income Support • Guaranteed Pension Credit • Income based Employment and Support Allowance • Income based Job Seekers Allowance • Working Tax Credit • Universal Credit • Housing or Council Tax Support (not including single person or disabled person discount).
Application	Referrals can be made directly to the scheme by contacting 01629 536919 or 01629 536091.
Strategic Aims	<ul style="list-style-type: none"> • Reduce the number of serious hazards in people's homes. • Improve the energy efficiency of the Districts private sector housing. • Reduce the number of households living in fuel poverty. • Contribute to the number of people living independently at home. • Improve the health, wellbeing and quality of life of people living within the District.

9.2. Healthy Homes Assistance Fund

The purpose of this assistance is to remove significant hazards in people's homes or to provide security and/or energy efficiency measures to reduce fuel poverty in cases not covered by the Healthy Homes Programme. Assistance will be available in the form of a grant, up to a maximum of £10,000 per property.

Purpose	Discretionary assistance intended to ensure vulnerable or disabled households can live in homes that are safe and free from serious defects or hazards, are warm and secure.
Maximum Grant Amount	£10,000
Applicant Eligibility	<p>The applicant must be an owner occupier or at the Council's discretion living in private rented accommodation.</p> <p>The property must be the applicant's sole and only residence and:</p> <ul style="list-style-type: none"> • Contain a household member who is 60 years of age or over; or • Contain a child under 5 or a pregnant woman; or • Contain a household member who is in receipt of a disability related benefit; for clarity this includes any rate or component of Personal Independence Payments, Disability Living Allowance or Attendance Allowance; or • Contain a household member with a diagnosed health condition which is made worse by their living conditions. (The following conditions will be considered as part of the assessment - cardiovascular, respiratory, mental health, physical disability, addictions, terminal illness, suppressed immune system. life changing or life limiting conditions). These applications must be supported by a recommendation from an OT, GP or other healthcare professional.

	<ul style="list-style-type: none"> Other exceptional criteria will be determined on a case by case basis by the Head of Environmental Services.
Eligible Works	<p>Works eligible for assistance will be at the discretion of the Council and in general relate to the removal or help to remedy defects or deficiencies within the home that impact on health, for example:</p> <ul style="list-style-type: none"> Essential repairs determined by the HHSRS to address Category 1 or serious Category 2 hazards in order to make the property safe, warm, weatherproof or healthy. Installation or replacement central heating systems or improve the energy performance of the home. Work to prevent falls around the home. Additional security measures. <p>All works must be deemed as reasonable and practicable having regard to the age and condition of the property.</p>
Financial Assessment	<p>Applicants must be in receipt of one or more income related benefits at the point of approval.</p> <ul style="list-style-type: none"> Income Support Guaranteed Pension Credit Income based Employment and Support Allowance Income based Job Seekers Allowance Working Tax Credit Universal Credit Housing or Council Tax Support (not including single person or disabled person discount). Other exceptional criteria will be determined on a case by case basis by the Head of Environmental Services.
Application	<p>Referrals will be received through multiple channels.</p> <p>The applicant will be required to complete an application form following an inspection from the Council to ensure works meet the requirements of the assistance.</p> <p>Proof of qualifying eligibility criteria will be required in order to process the application.</p>
Payment	<p>Works will be inspected by the Council on completion. If deemed satisfactory, payment will be made directly to the contractor(s) on behalf of the applicant. In certain circumstances, stage payments may be made towards the cost of large works.</p> <p>Unforeseen works may be included within the assistance if work has already commenced, up to a maximum of £1000. This is subject to the pre-approval from the Head of Environmental Services.</p> <p>Reasonable associated fees e.g. technical surveys, proof of ownership etc will be included within the assistance.</p>
Conditions	<p>The Council will not pay for works already underway or completed.</p> <p>Written consent from the owner must be obtained before works can commence.</p> <p>Works must be completed within 3 months from the date of approval, unless an extension has been granted by the Head of Environmental Services.</p> <p>The Council will not accept more than two applications for assistance within a five-year period.</p> <p>A local land charge will be placed against the property for the full cost of work (including associated fees). Repayment of the grant will be made in full</p>

	<p>on the sale, transfer or assignment of the property. In the exceptional circumstances where the Council will assist works to a property that is rented, a condition will be applied to the assistance that the landlord will only charge rent set at the local housing allowance rate for the type of property for a three year period, and will accept nominations from the Council should the property become vacant during the same timeframe.</p> <p>An applicant can repay the grant in full or in stages at any time throughout the duration of the assistance.</p> <p>All returned monies will be recycled back into the scheme to ensure it is sustainable in the long term.</p>
Strategic Aims	<ul style="list-style-type: none"> • Reduce the number of serious hazards in people's homes. • Improve the energy efficiency of the Districts private sector housing. • Reduce the number of households living in fuel poverty. • Contribute to the number of people living independently at home. • Improve the health, wellbeing and quality of life of people living within the District.

9.3. Empty Homes Grant

The purpose of this assistance is to support empty home owners who wish to bring their empty homes back into use for either their own occupation or to contribute to the private rented stock. The grant will provide a maximum amount of £9,000 and can be used to cover the cost of required renovation works with conditions applied that the property must be let to families on the housing register for a period of 5 years following completion of the work.

Purpose	Discretionary assistance intended to bring long term empty properties back into occupation in order to optimise the occupancy of the districts housing stock, to support the supply of affordable housing and to minimise the anti-social behaviour and blight associated with empty properties.
Maximum Grant Amount	£9,000 per residential unit
Applicant Eligibility	<p>The applicant must be the owner of the property which is the subject of the grant application.</p> <p>The property must;</p> <ul style="list-style-type: none"> • Have been empty for at least 1 year; • Fail to meet the Decent Homes Standard; • Other exceptional criteria will be determined on a case by case basis by the Head of Environmental Services.
Eligible Works	<p>Works eligible for assistance will be at the discretion of the Council and in general relate to works necessary to enable the property to meet the Decent Homes Standard.</p> <p>All works must be deemed as reasonable and practicable having regard to the age and condition of the property.</p>
Financial Assessment	No financial assessment criteria apply.
Application	The applicant will be required to complete an application form and provide proof of ownership following an inspection and relevant enquiries from the Council to ensure the property meets the requirements of the assistance.
Payment	Works will be inspected by the Council on completion. If deemed satisfactory, payment will be made directly to the contractor(s) on behalf of the applicant.

	<p>In certain circumstances, stage payments may be made towards the cost of large works.</p> <p>Unforeseen works may be included within the assistance if work has already commenced, up to a maximum of £1000. This is subject to the pre-approval from the Head of Environmental Services.</p> <p>Reasonable associated fees e.g. technical surveys, proof of ownership etc will be included within the assistance.</p>
Conditions	<p>The Council will not pay for works already underway or completed.</p> <p>Works must be completed within 12 months from the date of approval, unless an extension has been granted by the Head of Environmental Services.</p> <p>If, on completion of the grant the property is to be rented, the landlord must let at an affordable rent level (the local housing allowance rate) to households on the Councils housing waiting list for a minimum 5-year period.</p>
Strategic Aims	<ul style="list-style-type: none"> • Increasing the number of empty properties brought back into use, • Reduce the number of serious hazards in people's homes. • Improve the health, wellbeing and quality of life of people living within the District. • Improve the energy efficiency and reduce fuel poverty.

9.4. Public Health Officer - Healthy Homes

To support the early identification of hazards and essential repairs, the Council will invest in a dedicated Officer to identify and proactively react to issues of disrepair that are having a serious detrimental impact on a person's health, wellbeing and quality of life. This will support the policy aims of increasing the number of people able to live independently and safely at home and reduce the number of serious hazards within the home.

10. Hospital Discharge

10.1. Hospital Discharge Assistance

To support the aim of reducing the need for bed-based care, this fund will give prompt assistance to people who are fit to be discharged from hospital however there is a housing related reason that is preventing discharge back to their home.

Purpose	This discretionary assistance is for people in hospital or a health or social care funded placement whose discharge is delayed due to the conditions of their home; or the assistance will prevent emergency admission into hospital, or a health or social care funded placement.
Maximum Grant Amount	£2,500
Applicant Eligibility	<p>The applicant must be an owner occupier or at the Council's discretion living within the private rented sector or a tenant of a registered provider. Applicants must be in hospital or a health or social care funded placement or is likely to need emergency admission due to the housing or living conditions.</p> <p>In all cases an applicant must be deemed capable of living independently by the relevant healthcare professional making the referral.</p>

	The property subject to the application must normally be the applicant's permanent residence.
Eligible Works	<p>Works will be determined on a case by case basis which will facilitate the purpose of this fund. Eligible works can include those listed below however this is not exhaustive and any works that reduce the need for bed-based care will be considered.</p> <ul style="list-style-type: none"> • Urgent adaptations that allow access in or around the person's home • Urgent repairs to remove serious hazards • Heating repairs or improvements • Property clearance and one off deep cleans of hoarded goods. <p>Work excludes packages of care funded by social care or health.</p>
Financial Assessment	This assistance is not subject to a means test or any qualifying criteria.
Application	<p>A referral is required by a relevant health or social care professional supporting the application.</p> <p>In all cases applications for assistance will be administered as soon as reasonably practicable.</p>
Payment	<p>Payment will be made directly to the contractor(s) upon satisfactory completion of eligible works as inspected by the Council.</p> <p>Works will be provided at no cost to the individual.</p>
Conditions	<p>Written consent from the owner(s) of the property will need to be obtained prior to works commencing, unless the works are for cleaning or clearing the property.</p> <p>If the cost of the works exceeds the maximum financial assistance available, the Council will liaise with the relevant professional to determine the priority works.</p> <p>The Council will not pay for works carried out without prior approval.</p>
Strategic Aims	<ul style="list-style-type: none"> • Increase the number of people living independently and safely at home. • Reduce the number of serious hazards in people's homes. • Assist with hospital discharge and delayed transfers of care, including reducing the use of bed-based care. • Improve the health, wellbeing and quality of life of people living within the District. • Improve the energy efficiency and reduce fuel poverty.

10.2. Home from Home Scheme

The Home from Home scheme will adapt existing Council homes to high standards; turning them into respite facilities to support a reduction in the need for bed-based care where there is a housing related issue delaying discharge or triggering admission. This scheme will principally support the aim of meeting the BCF priorities by reducing the need for bed-based care, but also allow people to live independently and safely at home and improve the health, wellbeing and quality of life.

10.3. Early Intervention Officer – Housing and Health

The creation of this Officer post will support the overall aims and priorities of this policy. They will be responsible for providing customers with a holistic assessment of their needs in relation to their housing issues, and proactively work with them to resolve these issues to enable them to live as

independently as possible. They will be the primary point of contact for hospital discharge to prevent the use of bed-based care and be responsible for coordinating the Home from Home Scheme, the Hospital Discharge Grant and the Dementia Friendly Homes Grant, as well as monitoring the services contained within this policy are delivering against their strategic aims.

11. Dementia Friendly Homes

This grant will support people with a diagnosis of dementia or memory loss to live as independently as possible in their existing home.

Assistance and Outcomes	To provide aids, adaptations or assistive technology to enable people with memory loss or a diagnosis of dementia to live as independently as possible within their home and reduce feelings of confusion.
Maximum Grant Amount	£1,500
Eligibility	The applicant must be an owner occupier, live within the private rented sector or a tenant of a registered provider. The applicant or a member of their household must have a diagnosis of dementia or is suffering from a recognised memory loss affecting day to day living, is able to continue to live independently at home.
Financial Assessment	This assistance is not subject to a means test or any qualifying criteria.
Eligible Works	The provision of aids or adaptations. These must be related to the memory loss or dementia and support with the promotion of independence or the self-confidence of the applicant, for example: <ul style="list-style-type: none"> • Assistive technology such as dementia clocks, medication dispensers, memo minders etc. • Automatic lighting, exit sensors • Easy to use telephones • Activity monitors • Installation of keysafes, coloured grab rails, thermostatic taps • Provision and installation of equipment to reduce the risk of fire. (this list is not exhaustive and will be based on an assessment of individual need)
Application Process	A referral is required by a relevant health or social care professional supporting the application. An assessment will be undertaken by a trained officer of the Council.
Payment and Fees	The Council will appoint a contractor or work with a third party to undertake eligible works. Payment will be made directly to the contractor on satisfactory completion of works. Works and equipment will be provided at no cost to the individual.
Conditions	Ongoing monitoring costs and maintenance of equipment will not be provided.
Strategic Aims	<ul style="list-style-type: none"> • Increase the number of people living independently and safely at home. • Assist with hospital discharge and delayed transfers of care, including reducing the use of bed-based care (where appropriate). • Improve the health, wellbeing and quality of life of people living within the District.

12. Domestic Abuse and Victims of Crime

12.1. Safer Homes – South Derbyshire

This grant will enable victims of crime and older people to live safely in their homes. The safer homes grant is provided through the Community Voluntary Service (CVS) and paid for by the Council's Community Safety Partnership.

Purpose	Assistance to improve the security of homes of older people (60+), victims of crime and vulnerable people who live within the District.
Eligible Works	The assistance involves a full security assessment of the home. Items installed will be on provided as a result of this assessment but could include the installation of: <ul style="list-style-type: none"> • Additional door or window locks • Security lighting • Door viewers and door chains • Window Alarms • Referrals for Fireproof letter boxes
Financial Assessment	The security measures will be provided at no cost to the individual.
Strategic Aims	<ul style="list-style-type: none"> • Increase the number of people living independently at home. • Improve the health, wellbeing and quality of life of people living within the District.

12.2. Domestic Abuse Services

This service will enable the Council to provide victims of abuse specialist support to assist with their immediate needs and support them in their long-term recovery. It will support the policy aims of increasing the number of people who are able to live independently and safely, improving the health, wellbeing and quality of life of people living within the District and support partnership working to achieve better person-centred outcomes.

13. Early Intervention Officer – Mental Health

To support people living within the private sector or registered provider properties who suffer with mental ill health, the Council will invest in the provision of a dedicated Support Worker to prevent homelessness and avoid the need for costly hospital admissions. This service will support the policy aims of increasing the number of people able to live independently and safely at home, contribute to reducing the need for bed-based care, improve the health, wellbeing and quality of life of the individual and support the coordination of services to deliver person centred outcomes.

14. Supporting Independence

14.1 Stay Active and Independent for Longer (SAIL)

This project will help older people who are at risk of isolation to engage in a variety of physical activities provided by the Council throughout the District. This scheme will support the strategic aims

of the policy by increasing the number of people who are able to live independently and safely at home, improve the health, wellbeing and quality of life of people living within the District and support the coordination of services to deliver person centred outcomes.

14.2 Capital and Revenue Funding Opportunities

The Council will support the delivery of one-off pilot projects or seed funding to launch services within the District that support the aims of this policy. The Council intends to advertise these opportunities to internal and external providers and will score applications based on how they will support the delivery of this policy and its strategic priorities.

15. Measuring Performance

- 15.1 The schemes contained within this policy will be subject to a consistent monitoring and evaluation procedure to ascertain that value for money is being achieved by the individual schemes along with measuring the social return on investment the scheme makes.

16. Data Protection

- 16.1 All data will be held securely in accordance with the General Data Protection Regulations (EU) 2016 (GDPR).
- 16.2 In order to progress an application it may be necessary to share the information an applicant provides with relevant other Council departments and externally with Adult Social Care and other relevant health care professionals. Applicants will be informed of this data sharing at the time of applying in the form of a privacy notice.
- 16.3 The Council is under a duty to protect public funds and may use the information provided for the prevention and detection of fraud.

17. Complaints

- 16.1 Appeals against refusals of any applications for discretionary assistance should be submitted as a Stage 1 complaint to the Strategic Director of Service Delivery. Details of the process are available on the Council's website: [Comments, compliments and complaints | South Derbyshire District Council](#) or alternatively you can make your complaint in writing to:

Strategic Director – Service Delivery
South Derbyshire District Council
Civic Offices
Civic Way
Swadlincote
Derbyshire
DE11 0AH

18. Review

- 17.1 This policy will be reviewed every three years to ensure it is still reflective of locally assessed needs; unless there are substantial changes in the legislation governing the policy or the availability of funding to support the policy aims.
- 17.2 The policy grants discretion to extend or amend the eligibility criteria, the level of grant or assistance available and the scope of works where the situation is exceptional, and would, in the opinion of the Strategic Director of Service Delivery, help the Council to meet its strategic housing aims.

19. Useful Contacts

Derbyshire County Council	Telephone: 01629 533190 Email: contactcentre@derbyshire.gov.uk
South Derbyshire District Council	Telephone: 01283 221000 Email: customer.services@southderbyshire.gov.uk
Derbyshire Healthy Homes programme	Telephone: 01629 536919 Email: healthyhome@derbyshire.gov.uk
South Derbyshire Community Voluntary Service (CVS)	Telephone: 01283 219761 Email: projectsupport@sdcv.org.uk

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 16
DATE OF MEETING:	28th NOVEMBER 2019	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 – 28th November 2019
Work Programme for the Municipal Year 2019/20

Work Programme Area	Date of Committee Meeting	Contact Officer (Contact details)
Corporate Plan 2016 to 2021: Performance for the 2018/19	13 June 2019	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)
Equalities and Safeguarding Annual Report 2018/19	13 June 2019	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)
Health and Safety Annual Report 2018/19	13 June 2019	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)
Compliments, Complaints and Freedom Information Requests October 2018 to March 2019	13 June 2019	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)
The Fair Funding Review	13 June 2019	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)

Budget Out-turn and Final Accounts 2018/19	25 July 2019	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Treasury Management Annual Report 2018/19	25 July 2019	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Annual Report on Sickness Absence	25 July 2019	David Clamp David.Clamp@southderbyshire.gov.uk (01283 595729)
Payment Facilities in the Civic Offices	25 July 2019	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)
Corporate Plan 2016 to 2021: Performance Report for Quarter 1 2019/20	29 August 2019	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)
Budget and Financial Monitoring 2019/20	29 August 2019	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Treasury Management Performance 2019/20	29 August 2019	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Debt Management Policy: Council Tax, Business Rates and Housing Benefit Overpayments	29 August 2019	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)

Update on the Council's Medium Term Financial Plan	10 October 2019	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
The Local Authorities' Property Fund	10 October 2019	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Annual Accounts and Financial Statements 2018/19	28 November 2019	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Corporate Plan 2016 to 2021: Performance Report for Quarter 2 2019/20	28 November 2019	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)
Revenue Financial Monitoring 2019/20	28 November 2019	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Capital Financial Monitoring 2019/20	28 November 2019	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Treasury Management Update 2019/20	28 November 2019	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Compliments, Complaints and Freedom Information Requests April to September 2019	28 November 2019	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)

A Review of Grants for Concurrent Functions	28 November 2019	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)
Feasibility Study for re-opening the Burton to Leicester Railway Line	28 November 2019	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)
Acquisition of 2 Right to Buy Properties	28 November 2019	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)
Utilisation of the Better Care Fund	28 November 2019	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)
Housing Allocations Policy and Homeless Service	28 November 2019	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)
Restructure of Cultural and Community Services	28 November 2019	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)
Restructure of Organisational Development and Performance	28 November 2019	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)

Service Base Budget Proposals 2020/21	9 January 2020	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Budget Report 2020/21, including Consolidated Budget Proposals and Medium Term Financial Plan to 2025	9 January 2020	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Council Tax Premium on Long Term Empty Properties	9 January 2020	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)
Church Gresley Cemetery Path Extension	9 th January 2020	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)
Final Budget Proposals 2020/21 and Financial Plan to 2025	13 February 2020	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Treasury Management Strategy 2020/21 and Prudential Indicators	13 February 2020	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Proposed Local Council Tax Reduction Scheme 2020/21	13 February 2020	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)

Discretionary Business Rates Relief Scheme	13 February 2020	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)
Corporate Plan Performance Update 2019/20	19 March 2020	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)
Revenue Financial Monitoring 2019/20	19 March 2020	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Capital Financial Monitoring 2019/20	19 March 2020	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Treasury Management Update 2019/20	19 March 2020	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Service Plans 2020/21	30 April 2020	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)
Local Council Tax Reduction Scheme: Proposals for Change 2021/22	30 April 2020	Kevin Stackhouse Strategic Director (Corporate Resources) Kevin.stackhouse@southderbshire.gov.uk (01283 595811)