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Date: 5th January 2022

Dear Councillor,

Finance and Management Committee

A Meeting of the **Finance and Management Committee** will be held at **Council Chamber (Special Budget)**, Civic Offices, Civic Way, Swadlincote, DE11 0AH on **Thursday, 13 January 2022 at 18:00**. You are requested to attend.

Yours faithfully,

Chief Executive

To:- **Labour Group**

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

Conservative Group

Councillors Ackroyd, Bridgen, Lemmon, Redfern and Watson.

Independent Group

Councillor Fitzpatrick.



AGENDA

Open to Public and Press

- 1** Apologies and to note any Substitutes appointed for the Meeting.
- 2** To note any declarations of interest arising from any items on the Agenda
- 3** To receive any questions by members of the public pursuant to Council Procedure Rule No.10.
- 4** To receive any questions by Members of the Council pursuant to Council procedure Rule No. 11.
- 5** Reports of Overview & Scrutiny Committee
- 6** SERVICE BASE BUDGETS 2022-23 **4 - 17**
- 7** COUNCIL TAX BASE AND SURPLUS 2022-23 **18 - 23**
- 8** CONSULTING ON REVISED LOCAL COUNCIL TAX REDUCTION SCHEME 2022 – 2023 PROGRESS UPDATE **24 - 37**
- 9** ANNUAL TRAINING REPORT 2020-2021 **38 - 46**
- 10** COMMITTEE WORK PROGRAMME **47 - 53**

Exclusion of the Public and Press:

- 11** 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.

- 12** To receive any Exempt questions by Members of the Council pursuant to Council procedure Rule No. 11.
- 13** FUTURE SERVICE DELIVERY AND EMPLOYMENT MODELS UPDATE

REPORT TO:	FINANCE and MANAGEMENT COMMITTEE (SPECIAL – BUDGET)	AGENDA ITEM: 6
DATE OF MEETING:	13th JANUARY 2022	CATEGORY: RECOMMENDED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	VICKI SUMMERFIELD victoria.summerfield@southderbyshire.gov.uk	DOC: s/finance/committee/202122/Jan/budget
SUBJECT:	SERVICE BASE BUDGETS 2022 / 2023	REF:
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 08

1.0 Recommendations

- 1.1 That the proposed revenue income and expenditure for 2022/23 as detailed in **Appendix 1** for the Committee's Services are considered and included in the consolidated proposals for the General Fund.
- 1.2 That the proposed fees and charges as detailed in **Appendix 2** for 2022/23 are considered and approved.
- 1.3 That consideration is given to the level of any increase in contributions to Parish Councils in 2022/23 for Concurrent Functions.

2.0 Purpose of Report

- 2.1 As part of the annual financial planning cycle, the report details the Committee's proposed base budget for 2022/23, with a comparison to the current year budget. This includes an overview of the Committee's main spending areas.
- 2.2 It is proposed that the estimated income and expenditure is included in the consolidated budget of the Council for 2022/23 subject to the Council's overall medium-term financial position. This will be subject to a separate report to the Committee on 10 February 2022.
- 2.3 The report also sets out proposals for the level of fees and charges under the responsibility of this Committee for the next financial year, 2022/23.

3.0 Detail

- 3.1 The Committee is responsible for large spending areas, in particular the main support service functions, together with the corporate, management and democratic costs of the Council.

- 3.2 It is also responsible for the strategic management of the Council's property portfolio, revenue collection, benefit payments and treasury management, etc. As such, the associated income and expenditure is a significant part of the Council's financial position.
- 3.3 In addition, several of these spending areas provide statutory, governance, legal and advisory support for the Council.
- 3.4 In accordance with local government accounting regulations, Central Support Services are no longer required to be recharged and allocated across other Policy Committees.

The Council's Overall Financial Position

- 3.5 The Council's Medium-Term Financial Plan (MTFP) was reviewed and updated in November 2021. The overall position on the General Fund has changed considerably over the last year due to numerous additional service pressures and the General Fund Reserve is now predicted to be well below the minimum balance of £1.5m by 2025/26.
- 3.6 The continuing issue is the projected increasing deficits each year over the life of the Plan. Although the current level of reserves can be utilised in the short-term to meet the projected deficits, this is not a sustainable solution. Delays to the Fair Funding Review leaves the Council with uncertainty regarding future funding past 2022/23.
- 3.7 Finance and Management Committee will consider the detail of the overall financial position on 10 February 2022.
- 3.8 Therefore, ahead of considering the wider Council position, it is important that the Committee scrutinises its own spending base closely to identify potential budget savings and carefully examines any areas where there are cost pressures, together with any proposals to increase spending.

Summary of Expenditure

- 3.9 The following table provides an overall summary at main service level, of the Committee's net revenue expenditure.

	Proposed Budget 2022/23 £	Approved Budget 2021/22 £	Movement £
Central Support Services	4,178,558	4,086,049	92,509
Corporate & Democratic Costs	544,070	534,770	9,300
Elections & Registration	222,703	228,425	-5,721
Parishes, Interest, S106 Receipts & Provisions	745,976	733,788	12,188
Estate Management	-248,364	-245,318	-3,046
Revenues & Benefits	680,891	676,265	4,626
	6,123,834	6,013,978	109,856

- 3.10 The above table shows that the Committee's net expenditure is estimated to increase overall between 2021/22 and 2022/23 by £109,856. An analysis of the changes within each service area is detailed in **Appendix 1**.

3.11 A summary of the changes is shown in the following table.

	Movement £'000
Computer Maintenance	38
Subscriptions and Professional Fees	37
Earmarked Reserves	20
Utilities	17
Members Allowances	14
Interest	11
Employee Costs	11
Bank Charges	10
Training	9
Business Rates	8
Telephone Costs	8
Insurance	4
Housing Benefit	3
Printing and Postage	-5
Books and Stationery	-8
Protective Clothing	-8
Concessionary Fares	-9
Canvas Reform	-12
HRA Recharges	-34
	113
Depreciation	-4
Budget Increase	110

3.12 Excluding the decrease in depreciation, which is an accounting adjustment and not a cost to the Council, the increase in actual expenditure based on the proposed budgets, is £113k.

3.13 The main reasons for the variances are detailed in the following sections.

Staff Costs

3.14 The budget has increased for incremental salary rises, regraded posts plus career graded trainee posts. The MTFP included provision for the incremental and career graded posts (£13k) but not for the regraded posts (£8k).

3.15 An increase to medical fees has also been proposed of £5k to support employees through Occupational Health and counselling services when required. An increase in actual costs has been seen during the pandemic.

3.16 In addition, a reduction in salaries has been budgeted due to the three-year protection on regraded posts expiring in 2022/23 saving £15k.

3.17 Training costs in year are expected to increase due to new posts and career graded posts all requiring external training support.

Subscriptions and Professional Fees

- 3.18 An increase of £11k is proposed for Legal Services professional fees to enable external support where required. £5k of this additional budget has been transferred from Planning Services and reported to Environmental and Development Services Committee.
- 3.19 Additional handsets for Officers and Members of Soloprotect units costing £11k are included within the budget in 2022/23 to ensure safety when lone working.
- 3.20 The Council utilises Thomas Tests when recruiting to provide candidate profiles prior to interview. It is expected that recruitment will increase during 2022/23 and therefore the costs of this testing method is proposed to increase in line by £3k.
- 3.21 Internal Audit costs increase by inflation each year which is included within the MTFP. The proposed increased budget is £6k.
- 3.22 Subscriptions increases are budgeted at an additional £6k for 2022/23. Of this £3k relates to an additional subscription for Finance for forum and technical updates from CIPFA. The inflationary increase for renewed subscriptions is included within the MTFP of £2k which is slightly less than the proposed budget.

Computer Maintenance

- 3.23 A charge for complying with payment card industry regulations of £17k has now been included within the budget after being reported to the Committee in January 2021. This was expected and included within the MTFP reported in November.
- 3.24 Additional software has been purchased to keep a centralised record of all drivers using Council vehicles at a cost of £2k. This enables checks to reduce the risk of unqualified or disqualified drivers using Council vehicles.
- 3.25 Microsoft licence costs are expected to increase by approximately £28k between 2021/22 and 2022/23. After review on the budgets already in place, contingencies previously included have now been removed meaning the overall additional cost will be approximately £9k.
- 3.26 As part of the move to working from home, scanners required by the Elections team were not compatible with the new laptops issued or Windows 365. An additional licence was required from Microsoft to enable the scanners to work at an annual cost of £5k. The cost has been incurred in 2021/22 and will now be included within future budgets
- 3.27 Smaller inflationary increases have been updated within the budget of approximately £5k and these were expected and included within the MTFP in November.

Investment Income

- 3.28 The reduction expected on investment income (£11k) is in line with the MTFP as reported in November and is due to interest rates falling and likely lower levels of cash.

Members Allowances

- 3.29 The remuneration review was reported to Full Council in July 2020 and included an increase on allowances that are to be phased over a three-year period. This additional cost was included in the MTFP in November.

Earmarked Reserves

- 3.30 There is a reduction in reserve funding proposed in 2022/23 due to a lower cost for processing forms for Housing Benefits and the Fraud partnership.

Utilities

- 3.31 The provider of gas used by the Council went into receivership recently and after review of the marketplace, the costs of this area are now significantly higher. The proposed budget is to increase by £11k.
- 3.32 Movements in electricity and water usage are also expected to increase by approximately £6k. An inflationary increase of £2k for water, gas and electric was included in the MTFP.

HRA Recharges

- 3.33 The total impact of the increase in HRA recharges is £34k and after a full review of all charges, the following table details the movement by service area.

	Movement £'000
Head of Corporate Property	4
Head of Customer Services	-1
Head of Organisational Development & Performance	-2
Strategic Director (Corporate Resources)	-3
Head of Legal & Democratic	-6
Head of Business Change & ICT	-8
Head of Finance	-17
	-34

- 3.34 The main increase is from Finance which is based on transactional volumes and cash responsibility.

Housing Benefit

- 3.35 Housing Benefit is being replaced with Universal Credit (UC) for all new claimants. As a result of this, the Council receives less subsidy and less expenditure. The value of subsidy has reduced significantly since 2018 when the introduction of UC began across South Derbyshire.
- 3.36 Although the impact on the budget appears to be low at £3k, there are a number of factors included within this which are split out in the following table.

	2022.23 £	2021.22 £	Variance £
Rent Allowances	37,005	53,047	-16,042
Rent Rebates	80,882	81,999	-1,118
Administration Grant	-180,469	-200,521	20,052
	-62,582	-65,475	2,892

- 3.37 The above table shows the net position of the individual types of Housing Benefit included within the subsidy. The Council budgets for a loss of subsidy 2% on Rent Rebates and 2.5% on Rent Allowances and any cost incurred is offset by the Administration grant received as part of the subsidy claim. The remaining balance supports the resource to manage Housing Benefit on a daily basis.
- 3.38 The MTFP makes provisions for the losses of the Administration grant and the value budgeted is the figure included within the MTFP. The Council will not receive detail of the allocated grant for 2022/23 until later in 2022.

Other Changes

- 3.32 Insurance cover is an overall increase to the Council of £48k between 2021/22 and 2022/23. The impact on this Committee is £4k across varying insurance lines. Public Liability is the main increase of £2k and is based on salary and headcount.
- 3.33 Bank charges are expected to increase based on the transactional volumes and overspend against the budget in the current year. The transaction levels currently going through the bank accounts are not expected to decrease in any great number over the next twelve months.
- 3.34 Protective clothing increases were included as part of the growth report that came to the Committee in October 2020 and are now to reduce after initial up front purchases for new staff have been made in 2021/22.
- 3.35 Business Rates charges are not increasing as the Government is not expected to increase the multiplier. There is an additional cost expected however for the new Innovation Centre purchased in 2021. Although the intention is to let to a small business, a cost has been included as it is unclear how quickly a tenant will be found.
- 3.36 Based on the call charges seen throughout the pandemic, it is proposed to increase the land line budget by £4k in line with current charges. Due to the number of additional mobile phone handsets provided that were not originally budgeted for, it is necessary to also increase the mobile budget by £4k.
- 3.37 Printing is proposed to increase by £4k between years due to the additional requirement of the Communications team. This team has never previously had a budget for printing but there is always a level of expenditure incurred each year. Postage is proposed to decrease by £9k in Customer Services after review of the costs incurred over the last two years. Additional postage for new properties receiving Council Tax bills has been considered in the budget but a reduction still appears likely.
- 3.38 Books are proposed to reduce by £4k mainly in Legal Services as publications are now online and updates are no longer paid for. Stationary costs have been reviewed

over the last three years and are not expected to return to pre-covid levels due to staff not being in the offices full time so a reduction of £4k is proposed.

- 3.39 The Council receives a grant each year from Derbyshire County Council for providing bus passes to elderly residents. The grant has never been included in the base budget previously but it has been confirmed that the grant will continue in the immediate future, so this is now included in the MTFP.
- 3.40 Due to the reform of canvassing requirements, the Council is no longer expected to send a registration form to every household annually if the residents are already registered for Elections purposes. This brings a saving on printing (£15k), postage (£10k) but also a grant income loss from the Cabinet Office (£10k).

4.0 Budget Basis

- 4.1 The Committee's budgets by service area are detailed in **Appendix 1**.

Basis of the Budget

- 4.2 Budgets are generally calculated on a "no increase basis," i.e. they are maintained at the same level as the previous year adjusted only for known changes, price increases, inflation and variations due to contractual conditions, etc.
- 4.3 In addition, budgets are also subject to a base line review which is used to justify proposed spending. This process places responsibility on budget holders to justify their spending budgets by specifying their needs in a more constructed manner. This is supported by the Financial Services Unit, who analyse recent trends across services compared to current budgets.

On-going Service Provision

- 4.4 The budgets are based substantively on a continuation of existing service provision (in respect of staffing levels, frequency, quality of service, etc.).
- 4.5 The full year effects of previous year's restructures and budget savings have been included, with any non-recurring items removed.

Changes in Pay

- 4.6 A pay award is not included within the Base Budget at this stage as no official notification has been submitted to the Council. The National Employers are currently in negotiation regarding a proposed pay award for 2021/22 after the Chancellor's original announcement in November 2020 to 'pause' public sector pay (excluding NHS workers).
- 4.7 The MTFP was updated in November 2021 to include a pay award for 2021/22 and also includes a provision for a potential pay award increase of 2.5% per year for all employees from 2022/23.

Inflation

- 4.8 The base budget for 2022/23 has been uplifted by 2% for inflation/indexation where this applies, for example contract obligations.

- 4.9 Some base costs will be subject to inflation during future years and in some cases, it will be unavoidable, for example employee costs, when national pay increases are approved.
- 4.10 Allowances for inflation based on various assumptions regarding price increases, etc. are calculated across the main spending heads at an average of 2%.

Increase in Payments for Concurrent Functions to Parish Councils

- 4.11 As part of the annual Budget Round, the Committee gives consideration to increasing the base contribution in payments to recognise inflationary pressures. Increases in recent years have been as follows:
- 2021/22 – 2.0%
 - 2020/21 – 2.0%
 - 2019/20 – 2.0%
 - 2018/19 – 2.0%
 - 2017/18 – 1.0%
 - 2016/17 – 2.0%
- 4.12 Latest inflation as at October 2021 shows CPI increasing by 3.8% year on year. The Office for National Statistics is assuming that inflation will average 2.4% by the end of 2021/22. The Council includes a 2% increase in the MTFP.
- 4.13 Every 1% increase in the base level equates to approximately £4k per annum in total.

Risks

- 4.14 All Committee budgets have been reviewed and known changes to income and expenditure have been reflected in the proposed base budget for 2022/23 as detailed in the report.

Housing Benefit

- 4.15 The main financial risk is considered to be the payment and recovery of Housing Benefit. The total amount administered and paid in respect of Rent Allowances and Rent Rebates is approximately £10m per year. A 1% variance equates to £102k and therefore it is important that the Council maximises the subsidy it reclaims from the DWP. The DWP Regulations set a threshold for errors which, if exceeded, would mean subsidy being withdrawn.
- 4.16 As previously reported, the rollout of Universal Credit (UC) is having an impact on both the amount of benefit paid and the administration grant received. The rollout of UC for new claims went live in South Derbyshire in November 2018 and existing claimants have started to transfer across. The impact will be kept under review.

Factory Premises, Hearthcote Road

- 4.17 The tenant of the above property has an option to break the lease on 24 March 2023, subject to six months' written notice. If the break is exercised, it is unlikely that the property could be let in the short-term. This is due to the overall size and configuration of the buildings at the property which could make it unattractive to a single occupier.

- 4.18 The current budget is £196k which is for 51 weeks. The MTFP includes a loss of income of £190k from 2022/23.

Proposed Fees and Charges 2022/23

- 4.19 **Appendix 2** provides a schedule of the proposed charges that will operate from 1 April 2022, together with a comparison to the existing charge. All charges are exclusive of VAT and where applicable, VAT is added at the appropriate rate in accordance with HMRC regulations.
- 4.20 The charges are mainly standard ones for the recovery of court costs, change notifications and payment fees.
- 4.21 A new charge is proposed of £50 which equates to time taken for Land Registry Conveyancing paperwork.
- 4.22 The only change proposed is within Legal Fees where a Deed Assignment has been increased by £100 to cover the costs and time taken to complete.

5.0 Financial Implications

- 5.1 As detailed in the report.

6.0 Corporate Implications

Employment Implications

- 6.1 None.

Legal Implications

- 6.2 None.

Corporate Plan Implications

- 6.3 The proposed budgets and spending under the responsibility of the Committee provides the financial resources to enable many of the on-going services and Council priorities to be delivered.

Risk Impact

- 6.4 The Financial Risk Register is detailed in the Medium-Term Financial Plan and financial risks specific to this Committee are detailed in Section 4.

7.0 Community Impact

Consultation

- 7.1 The Council is statutorily required to consult on its budget proposals, prior to setting the annual Council Tax rate, with the local business and community sector. The Council has an established process in place to meet this requirement. Consultation takes place for approximately four weeks following approval of the draft budget proposals by Finance and Management Committee in January each year. Any feedback is reported to the Council as part of the final approval process.

- 7.2 There is no statutory requirement to consult with residents or other stakeholders, although it is considered good practice to do so. Traditionally, the Council has disseminated proposals through Area/Community Forums and via a presentation at the South Derbyshire Partnership Board. Many authorities do consult formally regarding their budget proposals and medium-term financial plans prior to setting budgets, using panels, representative groups, etc. as a way of fully engaging local people.

Equality and Diversity Impact

- 7.3 None.

Social Value Impact

- 7.4 None.

Environmental Sustainability

- 7.5 None.

8.0 Conclusions

- 8.1 That the proposed base budgets are scrutinised and approved to provide the financial resources for continuation of service delivery.

9.0 Background Papers

- 9.1 None.

FINANCE & MANAGEMENT - BUDGET SETTING 2022/23

	Proposed Budget 2022/23 £	Approved Budget 2021/22 £	Movement £	Comments
Business Change	102,031	98,042	3,989	Increased staff costs £5k; increased HRA recharge £1k
Digital Services	168,106	153,559	14,548	Increased staff costs £5k, software £11k; increased HRA recharge £2k
Caretaking	138,799	135,993	2,806	Increased staff costs
Senior Management	450,941	445,826	5,115	Increased staff costs £6k; increased HRA recharge £1k
Financial Services	390,463	387,047	3,416	Increased staff costs £4k, training £3k, software £1k, subs £3k, reduced reserve drawdown £5k; Increased HRA recharge £13k
Internal Audit	113,373	109,307	4,066	Increased prof fees £6k; increased HRA recharge £2k
Merchant Banking Services	68,075	61,200	6,875	Increased bank charges £10k; HRA recharge £3k
ICT Support	752,323	734,355	17,968	Increased software costs £9k, depreciation £12k, telephones £8k; reduced staff costs £7k, increased HRA recharge £5k
Legal Services	266,382	264,534	1,848	Increased prof fees £11k; reduced staff costs £2k, legal fee income £2k, reduced books £5k
Performance & Policy	36,656	36,720	-64	
Personnel/HR	356,897	361,327	-4,430	Increased training £3k, prof fees £3k, reduced HRA recharge £1k, software £4k; reduced staff costs £15k
Communications	77,959	75,667	2,292	Increased printing £4k; reduced training £1k, staff costs £1k, increased HRA recharge £1k
Customer Services	496,677	492,197	4,480	Increased staff costs £1k, software £18k; reduced stationary £3k, postage £10k, increased HRA recharge £1k
Health & Safety	57,016	48,073	8,944	Increased prof fees £11k; increased HRA recharge £2k

Admin Offices & Depot	660,702	632,236	28,466	Increased staff costs £25k, utilities £17, insurance £3k; reduced depreciation £16k
Protective Clothing	29,809	37,819	-8,010	Reduced requirement
Procurement	12,349	12,149	200	
CENTRAL SUPPORT SERVICES	4,178,558	4,086,049	92,509	
Democratic Representation & Management	85,361	85,473	-112	
Corporate Management	65,951	64,458	1,493	Subscriptions £1k
Corporate Finance Management	37,969	37,437	531	Increased prof fees £1k
Elected Members	354,789	347,401	7,388	Increased allowances £13k; increased HRA recharge £4k, reduced training £2k
CORPORATE & DEMOCRATIC COSTS	544,070	534,770	9,300	
Registration of Electors	44,271	56,531	-12,261	Canvas reform
Conducting Elections	178,432	171,893	6,539	Increased staff costs £2k, software £5k
ELECTIONS & REGISTRATION	222,703	228,425	-5,721	
Funded Pension Schemes	280,298	280,072	226	
Increase/Decrease in Provision for Bad or Doubtful Debts	175,000	175,000	0	
Planning Agreements	0	0	0	
Parish Councils	426,407	425,801	606	Increased insurance
Interest & Investment Income (GF)	-136,229	-147,585	11,356	Reduced investment income
External Interest Payable (GF)	500	500	0	
PARISHES, INTEREST, S106 RECEIPTS & PROVISIONS	745,976	733,788	12,188	
Estate Management	-248,364	-245,318	-3,046	Increased training £6k, NNDR £8k, reduced HRA recharge £4k; reduced staff costs £22k
ESTATE MANAGEMENT	-248,364	-245,318	-3,046	
Council Tax Collection	118,286	116,327	1,958	Increase staff costs £1k, advertising £1k
Non-Domestic Rates Collection	-87,500	-84,500	-3,000	Prof fees (now in-house)
Revenues & Benefits Support & Management	343,977	136,633	207,344	Increased staff costs £5k, income budget trf to HB Admin £200k, reduced reserve drawdown £12k; reduced software costs £10k
Rent Allowances Paid	37,005	53,047	-16,042	Reduced benefit claims reduces costs
Net cost of Rent Rebates Paid	80,882	81,999	-1,118	Reduced benefit claims reduces costs
Corporate Fraud	48,150	45,444	2,676	Reduced reserve drawdown

Housing Benefits Administration	149,691	327,285	-177,593	Increased staff costs £1k, prof fees £2k, reduced income for admin subsidy £20k; income trf £200k
Concessionary Fares	-9,600	0	-9,600	Derbyshire County Council
REVENUES & BENEFITS	680,891	676,265	4,626	
	6,123,834	6,013,978	109,856	

PROPOSED FEES AND CHARGES 2022/23

APPENDIX 2

VAT WILL BE CHARGED WHERE APPLICABLE AT THE APPROPRIATE RATE

MISCELLANEOUS FEES AND CHARGES	Fee 2021/22 £:P	Proposed Fee 2022/23	Notes
Court Costs			
Court Costs Recovered	67.50	67.50	
National Bus Pass Scheme			
Replacement Card Scheme	5.00	5.00	
Benefit Fraud			
Fraud Investigation Court Costs recovered	At Cost	At Cost	
Sale of Radar Keys			
Sale of Radar Keys - disabled	2.55	2.55	
Penalty Charge			
Penalty charge for C Tax payers who fail to notify us of a change in circumstances relating to a discount or exemption. Second or subsequent failure to notify	250.00	250.00	
Penalty charge for Council Tax accounts who fail to notify us of a change in circumstances relating to a discount or exemption.	70.00	70.00	
Legal Fees			
Conveyancing Certificate required by the HM Land Registry		50.00	Time taken to complete paperwork - new charge
LPE 1 & Deed Assignment	50.00	150.00	Time taken to complete paperwork

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE (SPECIAL-BUDGET)	AGENDA ITEM: 7
DATE OF MEETING:	13th JANUARY 2022	CATEGORY:
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	VICKI SUMMERFIELD victoria.summerfield@southderbyshire.gov.uk	DOC: S/Finance/Committee/2021-22/Jan
SUBJECT:	COUNCIL TAX BASE AND SURPLUS 2022-23	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE:

1.0 Recommendations

- 1.1 That the Council Tax Base for 2022/23 of 36,702 (equivalent Band D) properties as detailed in **Appendix 1** is approved.
- 1.2 That a Council Tax Surplus of £2,000,000 for 2021/22 is declared on the Collection Fund and that the Council's proportion of £204,767 is transferred to the General Fund in 2022/23.

2.0 Purpose of the Report

- 2.1 To update on the Council Tax element of the Collection Fund Surplus and to provide detail of the Tax Base for Council Tax in 2022/23.

3.0 Detail

Council Tax Base

- 3.1 This is the number of chargeable properties for Council Tax after taking account of exemptions and discounts, including the Local Council Tax Support Scheme.
- 3.2 The calculation of the Tax Base for 2022/23, as detailed in **Appendix 1**, is based on the number of properties listed on the Council Tax register as at 30 September 2021.
- 3.3 A statutory return is reported on the same basis across the country and the Derbyshire Preceptors base their budgeted income for the following year for Council Tax on this return.
- 3.4 The "Band D equivalent" is calculated on the statutory return and the Tax Base for 2022/23 is 36,702, which is an increase of 1,484 (4.2%) of properties from 2021/22.

- 3.5 The expected growth forecasted in the Medium-Term Financial Plan was 744 properties and so this will increase the level of income retained by the Council in 2022/23. Growth has been significant in 2021/22 after being stifled in 2020/21 due to the pandemic.

Council Tax Surplus

- 3.6 In setting the level of Council Tax for 2022/23, the Council is also required to estimate the balance on the Collection Fund for the current financial year.
- 3.7 Due to growth of the District in previous years, a surplus has been generated on the Collection Fund for Council Tax.
- 3.8 The surplus on Council Tax as at the end of 2020/21 totalled £2.6m. A Council Tax Surplus of £1.2m was declared as part of the Budget round in January 2021 which will reduce this balance to £1.4m by the end of 2021/22.
- 3.9 **Appendix 2** shows a forecasted surplus on Council Tax for 2022/23 of approximately £930k due to growth of the Tax Base. The Bad Debt Provision for 2022/23 is expected to be approximately 2% of the income generated as collection rates have improved since enforcement action was reinstated towards the end of 2020.
- 3.10 By declaring a surplus of £2m for 2022/23, this will leave a remaining balance of £346k on the Fund for Council Tax for any unforeseen fluctuations in collection rates. The allocation of the proposed surplus to the Preceptors is listed in the following table.

	%	£
Derbyshire County Council	72.9%	1,457,172
Derbyshire Fire	4.2%	83,517
Derbyshire Police	12.7%	254,544
SDDC	10.2%	204,767
	100.0%	2,000,000

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 None directly.

Risk Impact

5.4 None.

6.0 Community Impact

Consultation

6.1 None required.

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.

APPENDIX 1

COUNCIL TAX BASE

PARISH	2019/20	2020/21	2021/22	2022/23	Change
ASH	23	23	23	23	0
ASTON ON TRENT	753	724	720	732	12
BARROW ON TRENT	247	241	239	243	4
BARTON BLOUNT	32	31	32	34	2
BEARWARDCOTE	13	13	13	13	0
BRETBY	403	407	414	414	0
BURNASTON	690	690	691	688	-3
CALKE	9	8	8	9	1
CASTLE GRESLEY	578	626	626	632	6
CATTON	22	22	22	22	0
CAULDWELL	46	44	43	48	5
CHURCH BROUGHTON	240	241	242	255	13
COTON IN THE ELMS	268	277	275	287	12
DALBURY LEES	130	125	132	136	4
DRAKELOW	183	206	254	318	64
EGGINGTON	258	257	256	255	-1
ELVASTON	986	1,062	1,131	1,197	66
ETWALL	1,090	1,131	1,179	1,190	11
FINDERN	956	1,168	1,366	1,504	138
FOREMARK	33	31	34	32	-2
FOSTON & SCROPTON	239	247	244	252	8
HARTSHORNE	1,081	1,079	1,091	1,162	71
HATTON	883	883	877	917	40
HILTON	2,685	2,735	2,792	2,891	99
HOON	21	21	22	23	1
INGLEBY	49	49	51	51	0
LINTON	722	748	752	779	27
LULLINGTON	62	59	58	61	3
MARSTON ON DOVE	17	17	15	18	3
MELBOURNE	1,941	1,996	1,994	2,020	26
NETHERSEAL	325	328	337	336	-1
NEWTON SOLNEY	298	336	361	386	25
OSLESTON & THURVASTON	124	122	122	123	1
OVERSEAL	853	864	884	940	56
RADBOURNE	79	230	347	527	180
REPTON	1,157	1,172	1,171	1,222	51
ROSLISTON	268	290	302	306	4
SHARDLOW & GREAT WILNE	413	424	424	427	3
SMISBY	125	127	124	123	-1
STANTON BY BRIDGE	119	120	122	125	3
115 STENSON	1,493	1,500	1,489	1,499	10
SUTTON ON THE HILL	68	67	69	68	-1
SWADLINCOTE	9,300	9,464	9,478	9,770	282
SWARKESTONE	189	297	376	498	122

TICKNALL	296	303	305	302	-3
TRUSLEY	42	43	40	42	2
TWYFORD & STENSON	69	69	70	71	1
WALTON ON TRENT	311	311	310	307	-3
WESTON ON TRENT	479	567	615	658	43
WILLINGTON	1,000	1,016	1,025	1,031	6
WOODVILLE	1,642	1,661	1,651	1,735	84
TOTAL	33,308	34,472	35,218	36,702	1,484

COUNCIL TAX FORECAST SURPLUS 2022/23

Opening Surplus Balance	2,616,503
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Estimated Council Tax Receivable 2021/22	69,308,004	
Hardship Fund Covid-19	88,391	
		<hr/> 69,396,395

Surplus Paid 2021/22:		
Derbyshire County Council	-880,948	
Derbyshire Fire	-50,757	
Derbyshire Police	-144,241	
SDDC	-124,054	
		<hr/> -1,200,000

Costs - SDDC	-226,008	
Estimated Bad Debt Provision 2021/22	-1,386,160	
		<hr/> -1,612,168

Precepts 2021/22:		
Derbyshire County Council	-48,708,959	
Derbyshire Fire	-2,791,731	
Derbyshire Police	-8,508,669	
SDDC	-5,915,215	
Parishes	-929,527	
		<hr/> -66,854,101

Estimated Surplus	2,346,629
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Surplus B/fwd 2020/21	2,616,503
Payment to Preceptors of Surplus	-1,200,000
Surplus Estimated for 2021/22	930,126
Surplus for Distribution	2,346,629

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE (SPECIAL BUDGET)	AGENDA ITEM:8
DATE OF MEETING:	13th JANUARY 2022	CATEGORY: RECOMMENDED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	ELIZABETH BARTON elizabeth.barton@southderbyshire.gov.uk	DOC:
SUBJECT:	CONSULTING ON REVISED LOCAL COUNCIL TAX REDUCTION SCHEME 2022 – 2023: PROGRESS UPDATE	REF:
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: FM12

1.0 Recommendations

- 1.1 The Committee notes the consultation activity carried out to date in relation to the proposed changes to South Derbyshire's Local Council Tax Reduction Scheme.
- 1.2 The Committee notes the views provided so far as part of the public consultation.
- 1.3 The Committee notes that a full report will be presented to Finance & Management Committee on 10 February 2022.

2.0 Purpose of Report

- 2.1 To provide members of the committee with a progress update on the consultation activity carried out to date in relation to proposed changes to South Derbyshire's Local Council Tax Reduction Scheme and an overview of the feedback received so far. This report does not seek to analyse the views in any depth but presents them as they have been provided. Further in-depth analysis will be provided in the report to Finance & Management Committee on 10 February 2022.

3.0 Executive Summary

- 3.1 South Derbyshire District Council is consulting on proposed changes to its Local Council Tax Reduction Scheme for working-age claimants. Pension age claimants are supported under a national scheme that is not affected by the proposals. The purpose of the proposed changes is to make the scheme:

Better for residents Fairer distribution of support to the most financially vulnerable residents, less paperwork and confusion, more financial stability, and greater customer satisfaction.

Better for the Council More streamlined administration, less debt recovery carried out with vulnerable residents, update of the scheme in line with changes introduced by welfare reform and Universal Credit (UC).

- 3.3 The proposed changes include: [Page 24 of 53](#)

- The removal or replacement of the baseline, so those on the lowest incomes would no longer need to pay 8.5% or 10% towards their Council Tax.
 - The removal of Second Adult Rebate.
 - The simplification of Non-Dependent Deductions.
 - The treating of Universal Credit Claims as a claim for Council Tax Support.
 - The introduction of a minimum award.
 - Changes to bring the scheme into line with recent changes to other welfare benefits.
 - The retention of the taper scheme or introduction of a banded scheme.
- 3.4 Before the Council can make any changes to its current scheme, it is important that it consults widely with residents and partners.
- 3.5 To gather as many views as possible, the Council is hosting a 12-week consultation period that ends on 15 January at 5pm. As part of the consultation, the following activities have taken place:
- Created an easy to read guide, so residents can find out about the proposed changes www.southderbyshire.gov.uk/cctrschanges (see Appendix 1).
 - Developed an online modelling tool so claimants can see how the changes could affect their claim.
 - Launched an online survey at www.southderbyshire.gov.uk/ctrschanges.
 - Written to all precepting authorities and parish councils.
 - Delivered an ongoing social media campaign to encourage people to give their views.
 - Written to all current claimants to ask them to give views.
 - Texted all housing tenants to ask them to give views.
 - Hosted two Elected Member workshops.
 - Emailed details to all Elected Members.
 - Offered face-to-face and telephone support sessions to customers.
 - Attended a partner workshop with the CVS.
 - Presented to the Equality & Diversity Steering Group.
 - Issued press releases.
- 3.6 The Council will also complete a further press and social media push towards the end of the consultation period.

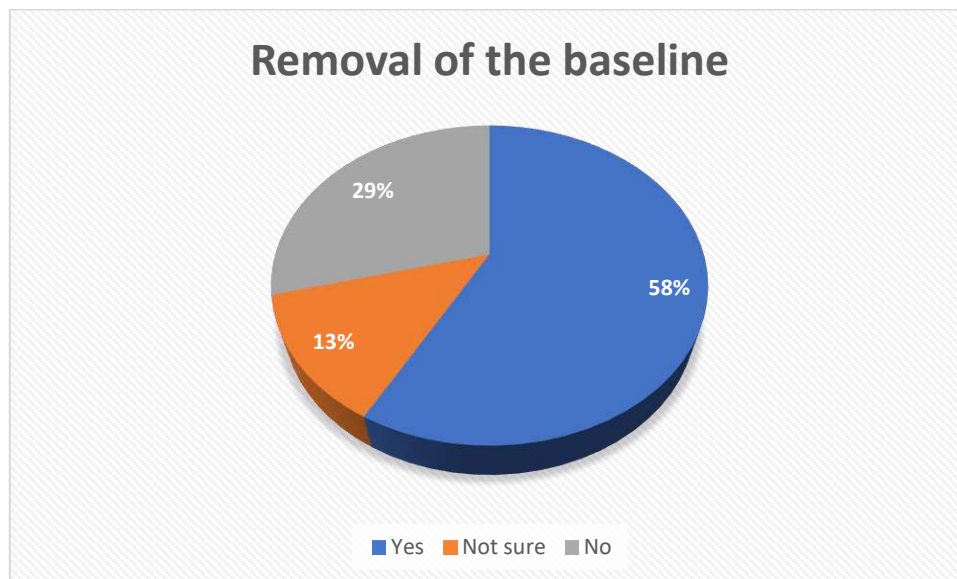
Feedback so far

- 3.7 The County Council has indicated it is supportive. No responses have been received from the Fire Service or Police to date.
- 3.8 The Council has not received any formal responses from parish councils, although a number have submitted queries which the Council is responding to in order to gather their views.
- 3.9 Two partnership workshops were offered through the CVS, but no one signed up to attend. In lieu of this, all partners have been sent details of the proposed changes to share with their members/communities.

3.10 Eight elected members attended a workshop on the proposed changes and all other Elected Members have been given the opportunity to give their views or meet with the team individually to understand the changes in more depth. Elected Members have also been supportive in sharing the proposed changes with their residents.

3.11 So far, thirty-one local residents (as at 13/12/2021) have given their views as part of the online survey. In the main, the majority of residents who completed the survey are supportive of the changes, and introducing a banded scheme is the most favoured option. The views received to date are as follows:

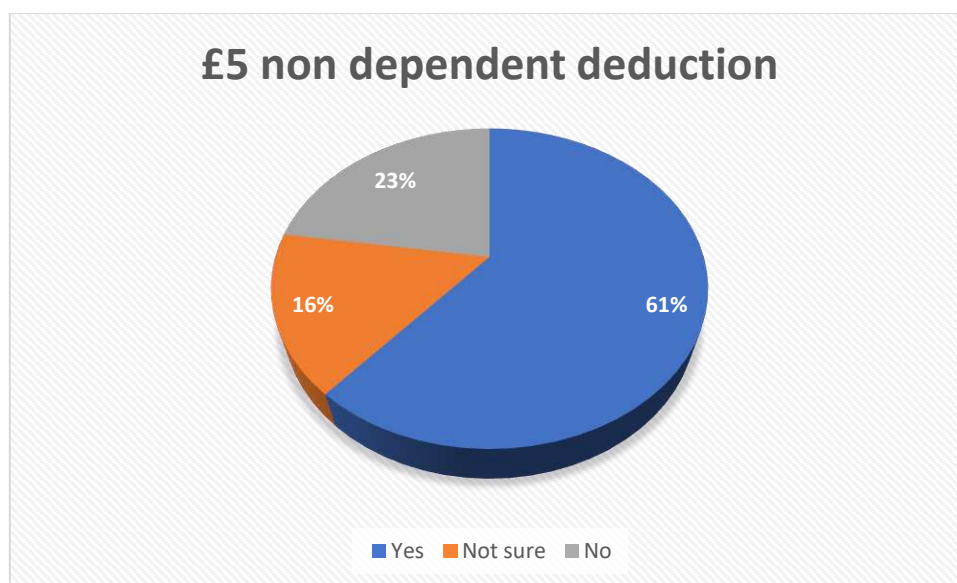
Question 1: **Should the Council remove/replace the baseline reduction?**



Positive comments	
This is a great help to residents on a low income.	
Finding even the baseline payment each month was extremely difficult. Surviving on our income is already impossible. No charges would be gratefully received.	
I currently can't pay my council tax due to low wages and it keeps being changed each month due to my UC going up and down.	
Neutral comments	
Both myself and my partner are both on benefits and yet don't get any reduction because we have a small amount of savings. Is it to be based on income alone?	
With gas and electric bills going up, it's more expensive and we are not getting any more benefits to help pay towards it.	
If this will work for everyone, I think it will be a good idea but if you're going to give it with one hand and take it away with another there is no point changing it, perhaps it would be better to make council tax more equal for everyone.	
While I fully support claimants getting 100% discount as this makes those in financial hardship not have to be concerned with potentially getting a priority debt if they are unable to pay it, I am concerned that the wording of this opens the door in which the Council could then abuse the system by implementing other percentage payments that aren't on what the Council may consider to not be on the "very lowest incomes". I am well aware of the differences to what the Council and/or government consider to be a basic cost of living and actual cost of living.	
Negative comments	

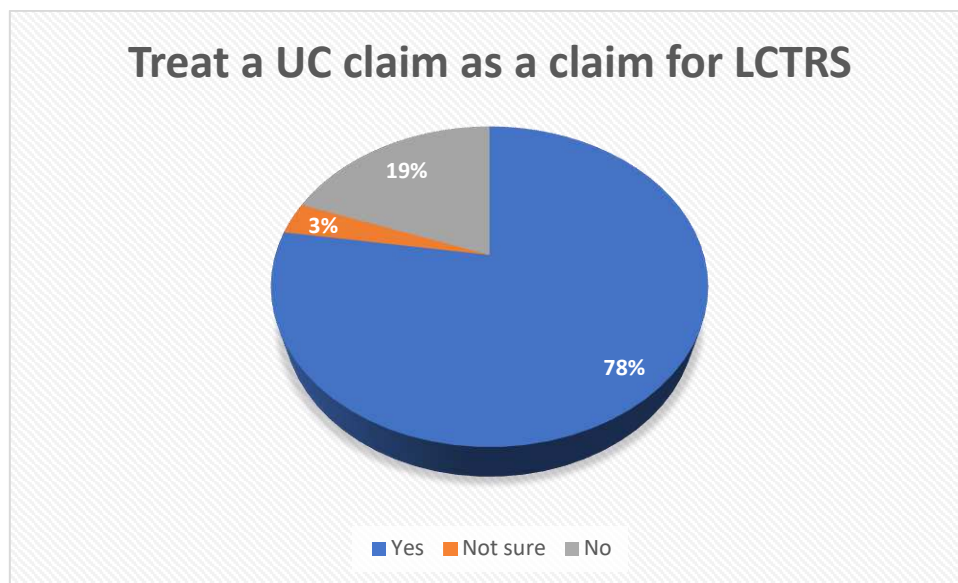
No incentive to work and save money.
We need as much money for services as possible. Those on low income are often compensated by benefits, whilst people on low incomes without benefits are forgotten and forced to foot the bill for benefit claimants.
As a single resident, I pay 75% of my council tax. If someone else lived here, we would quite rightly pay 100% or 50% each. Why, as a single resident do I only get a 25% reduction and not a 50% reduction? Effectively means I'm paying 150%. I'm being punished for living alone.

Question 2: **Should the Council introduce a standard £5 non-dependent deduction?**



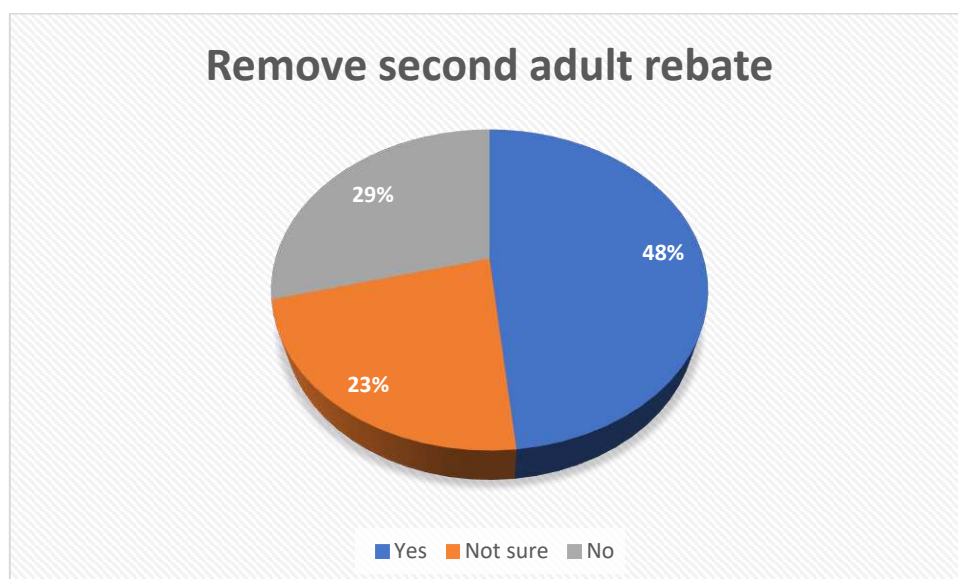
Positive comments
Seems fair and proportionate.
Good idea as gives incentive to work.
Neutral comments
Again, provided it's solely income based and doesn't take any savings into account.
Negative comments
I find the whole system of reductions and eligibility needs to be changed and this equalising by introducing a standard reduction is a plaster to the problem, not a solution.

Question 3: **Should the Council treat a claim for Universal Credit as a claim for council tax reduction?**



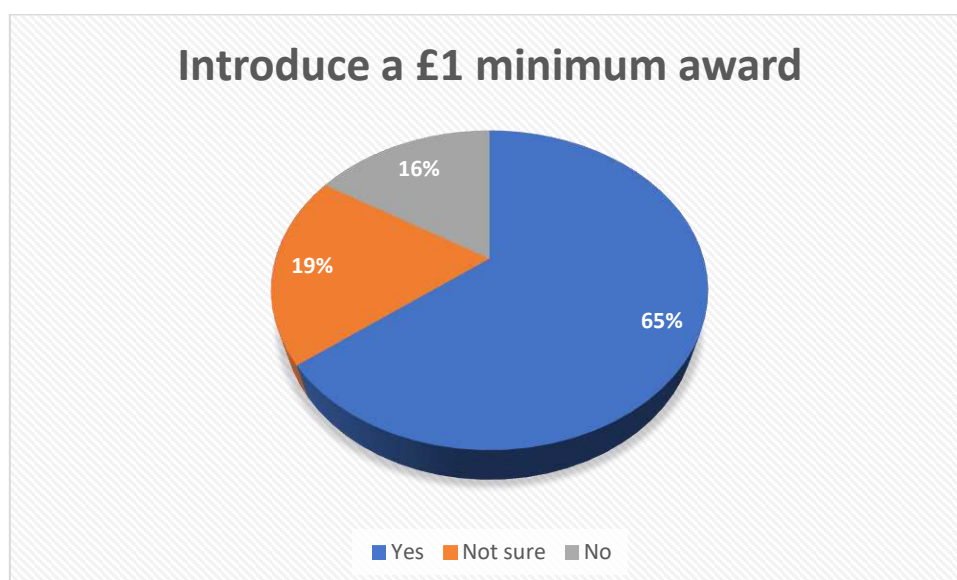
Positive comments
Very strongly agree. Far too many unnecessary forms at present, many of which duplicate information. More cohesion needed between departments.
Neutral comments
Honestly this is news to me in the first place, I thought Universal Credit included Council Tax Support (where applicable) already. This needs to be made more publicly aware as many of those who are on legacy benefits and currently claiming LCTR will eventually be transferred to Universal Credit, which involves cancelling the current claim of the legacy benefit and starting a new claim for UC, which will cause confusion as to whether they need to cancel, continue or reapply for LCTR and/or Housing Benefit from the council.
Negative comments
Making it easy gives no incentive to move on.

Question 4: **Should the Council remove second adult rebate?**



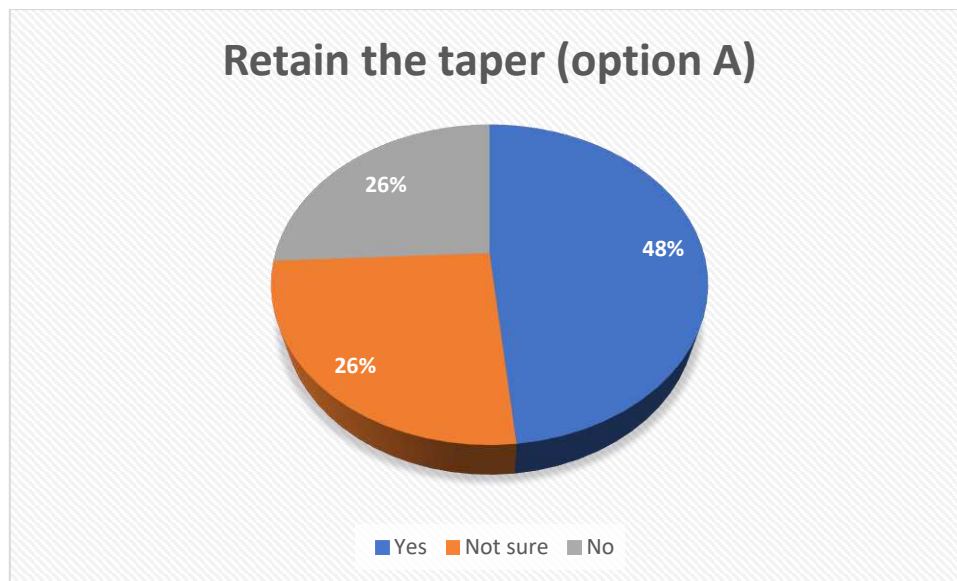
Neutral comments
There is still an argument that a single person in one household uses less services. However, believe, if workable, salary should be used to distinguish payment levels. But won't this introduce more work!
This doesn't affect my situation, so I'm not sure what's the right answer
Negative comments
If there is a second adult on a low income, then they are already having a higher council tax bill due to not having the 25% reduction for being a single occupant as there are two adults. Furthermore, this system and the attempt to remove it is indicative of a failure to investigate the income of the other adult and finding out if they are actually on a low income, a high income, or actually eligible for council tax reduction if they were paying it instead.
38 residents and you do a survey? Bureaucracy at its finest. What a complete waste of resources. This survey question has probably cost more than the money you'd gain. Pointless.

Question 5: **Should the Council introduce a £1 minimum award?**



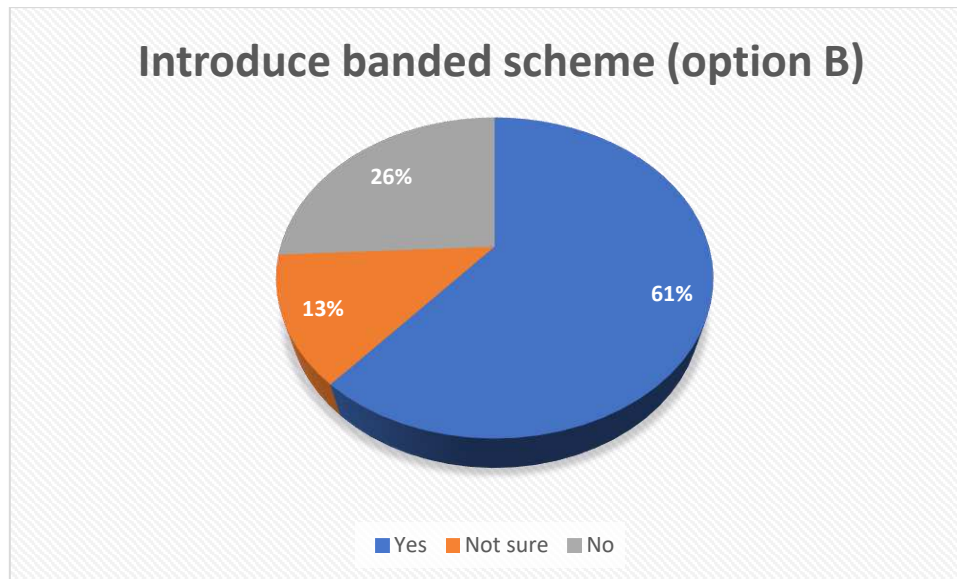
Positive comments
It should be higher, the time and cost to the Council for offering such low rewards will be significantly higher than this.
I received an award of 10p one month. This caused my council tax to be reassessed and my payments change not in time for my DD so fell another month behind.
Maybe make it £2.50 which virtually no one would miss, cautionary with children, and would raise some funds.
Neutral comments
Council tax benefit can be abused for the extra benefits people can receive from receiving it, for example added to PDSA vets. It's possible to claim council tax benefit at such a low rate just to get free/subsidised care etc, why should the Council pay out (even if it's a few pence here and there let household) just so claimants get cheaper get bills.
Negative comments
I have mixed feelings about this. Firstly, why would someone be claiming for a few pence per week, this seems ridiculous so in that regard I support it however, what is to stop you then increasing that to £2, £5, £10.... I mean if costly to administer in terms of staff time, then you could easily use that as a justification every time the minimum wage goes up.

Question 6: **Should the Council retain the existing taper?**



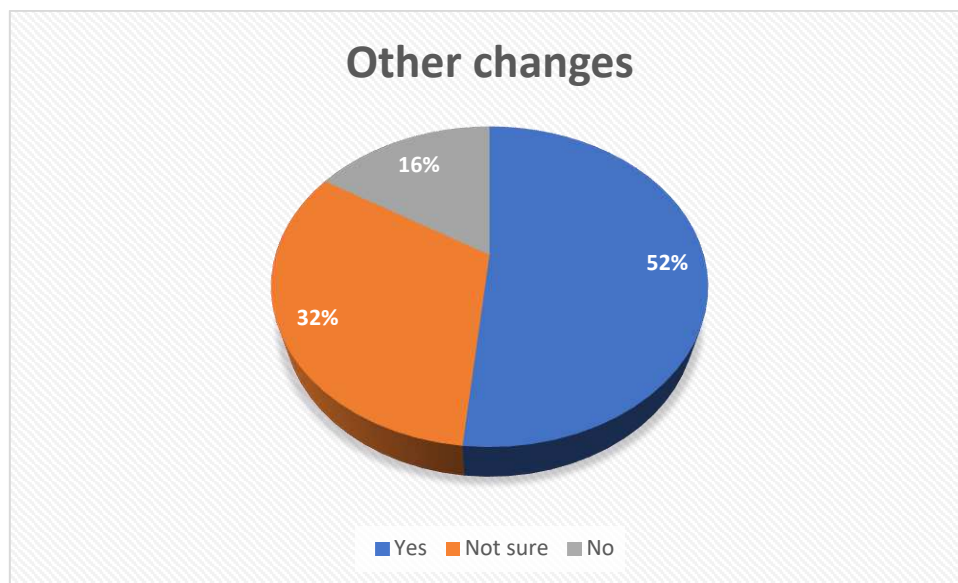
Positive comments
Sensible approach.
Negative comments
Why bother with these surveys when you'll just decide to do what you want anyway?
The banded option is no better. Ultimately the Council's problem here is with the way council tax is worked out. You operate on a weekly basis, whereas the government has decided that most people are paid monthly hence Universal Credit was designed around monthly payments and HMRC operates on a monthly/yearly basis. As a result, HMRC calculates benefits you are entitled to by an average of your income for a period, which depending on the job sector can be higher in one time and lower another, as a result they can in one calculation determine whether you are being overpaid or underpaid. The Council operating weekly creates more work for themselves by having to monitor how much someone is earning more regularly to calculate the council tax on a regular basis, despite working out the council tax (before any reductions/payments) for a year. Would it not be much easier to work for example on an average for a quarter and then calculate the reduction and whether there hasn't been enough or too much of one for the next quarter or the account for the next tax year.

Question 7: **Should the Council introduce a banded scheme?**



Positive comments
Good idea.
If someone's income increases by over £100 then surely, they can pay their council tax.
Again, seems a sensible approach.
I am currently 3 months behind with my council tax due to a job loss, my UC award changing each month which has an effect on my discount (this month they have included 2 months wages, so I got £0) with nothing to live on for December. Had to use the discretion fund twice recently.
Neutral comments
Yes, but not the 100%.
Negative comments
So, people who try and work a bit more to get out of a rut, get punished for it. That's a real clever idea. How about all the extra income SDDC receive from the countless new housing estates going up? Why isn't our council tax going down?
This doesn't resolve the problem only creates more work creating a system that effectively has the same problem where constant recalculations have to be made where pennies can alter what someone is paying. Realistically wages change based on hours worked and the tax paid on it, this is not something that changes in pennies for the majority of people.

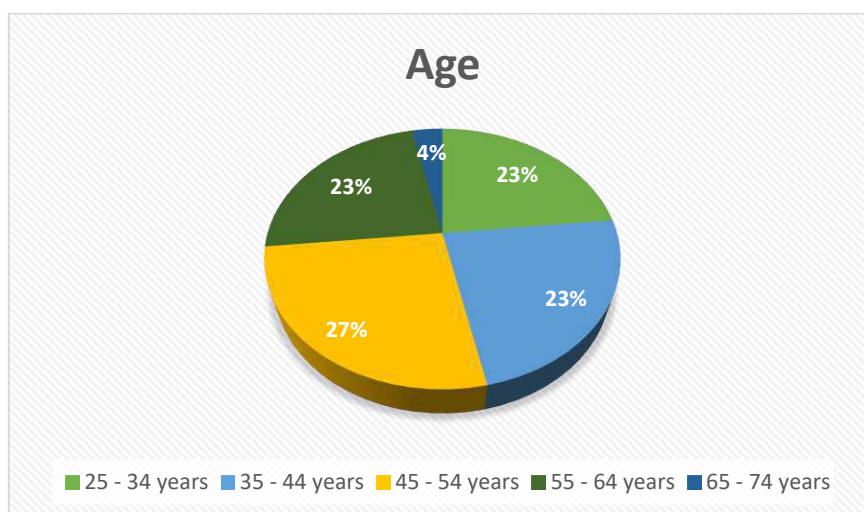
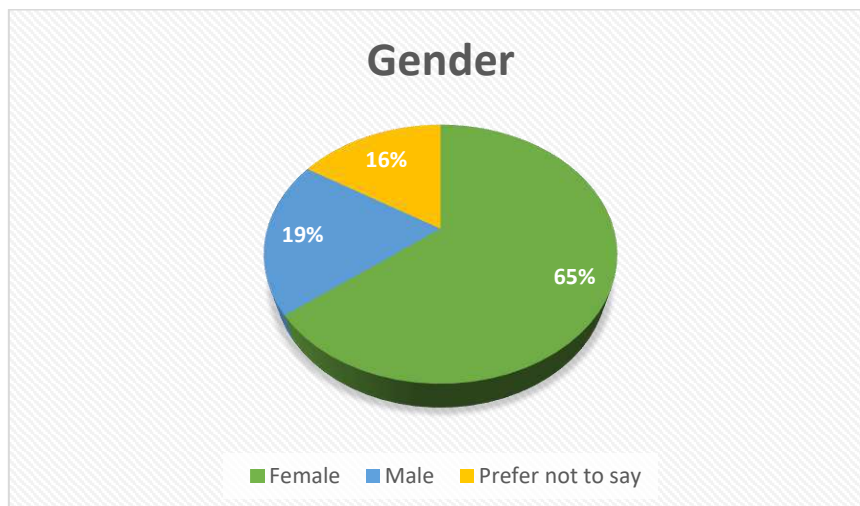
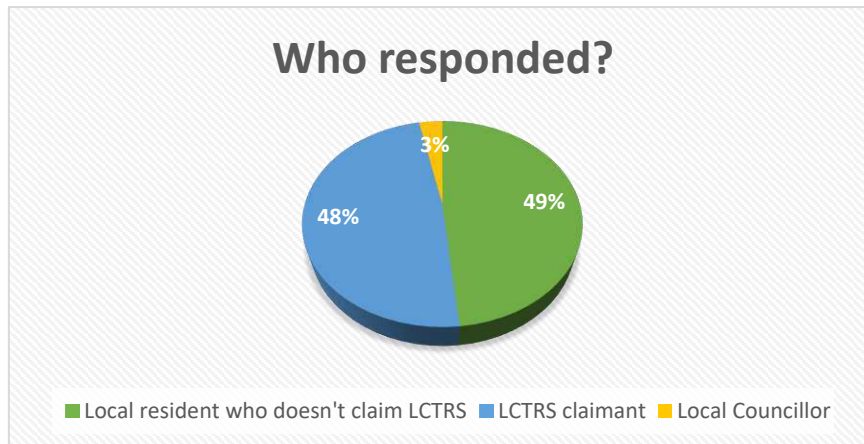
Question 8: **Should the Council bring the scheme into line with other welfare changes?**

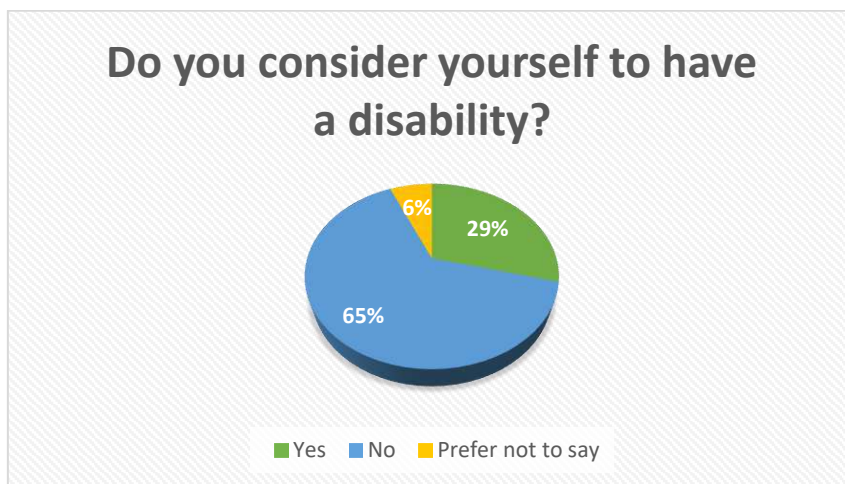


Positive comments
People's savings shouldn't be taken into account as usually they are saved to be able to live when times are hard. It's like making them pay for being conservative with their hard-earned money.
Appears fair and proportionate.
Two child limit - yes, having children is a choice, while nobody can control unexpected situations like being made redundant, there are people who keep having children to keep having benefits.
Neutral comments
I do not understand these planned changes.
The other things I am not really aware of or how they work.
Negative comments
Mixed Age Couples - NO, by this you are depriving what someone is entitled to by age for the sake of them being with someone younger, instead you should be calculating it as one of pension age (and the benefits there of) and one of earning age.

About the respondents

4.32 The below graphs give you a summary of the make-up of residents who responded. A more in-depth analysis of respondents will be included in the report to committee on 10 February 2022.





Timeline

4.31 The proposed timeline is as follows:

10 February 2022	Final proposed scheme presented to F&M Committee for consideration and recommendation to Full Council.
Underway	New Council Tax Reduction Scheme Regulations developed.
23 February 2022	Final scheme considered and draft regulations considered and adopted by Full Council and parameters set on Council Tax billing system
11 March 2022	New regulations published no later than 11 March 2022.
April 2022	New scheme launched and reflected in 2022 – 2023 billing.

5.0 Financial Implications

- 5.1 In August 2021, the Committee approved a maximum spend of £10,000 on support services to develop the proposed LCTRS, to be funded from the Welfare Reform Reserve, including developing the models and any consultation activities. This budget is still considered sufficient and there are no further direct financial implications from consulting on draft LCTRS schemes.
- 5.2 The consultation will allow the Council to test the two potential models. Feedback on these will then be used to create a final desired scheme, based on which the full financial implications will be explored.
- 5.3 Both of the models proposed are likely to increase the cost of the scheme by approximately £100,000 - £120,000 per annum as shown overleaf:

Change	Increase/ decrease in cost	Notes
Remove baseline	+£125,000	
Implementation of banding	+£5,000	
Standardised non-dependents	-£20,000	£35k from reductions and £14k from increases
Remove Second Adult Rebate	-£10,000	
Minimum award	-£500	
Sub total	£99,500	
Proposed hardship fund	£20,000	Set aside for any unforeseen /major impacts on claimants

- 5.4 With regards to Council Tax Reduction Schemes, the cost of the support provided is borne by all precepting authorities in accordance with their share of the council tax collected by the Council. This is because the schemes mean the Council has to collect less council tax from fewer residents, so the cost of the scheme manifests as income forgone. As such, the £3m cost of the current scheme and any increase in cost of the new scheme, would be borne by all precepting authorities as follows:
- South Derbyshire District Council (9%)
 - Derbyshire County Council (74%)
 - Police (13%)
 - Fire (4%)
 - Parish councils
- 5.5 Both of the models proposed represent approximately a 4% increase to the overall costs of the scheme, which would need to be borne across any growth or change in caseload.
- 5.6 However, it should be noted that the additional cost is not material in proportion to the overall amount of council tax currently collected, i.e. £55 million per year. In addition, due to growth, the Collection Fund carries an annual surplus each year which is distributed amongst the preceptors. In practice, the additional cost will only reduce the surplus that is transferred as a 'bonus' each year to the preceptors. It is considered that the amount involved is immaterial to each of the preceptors.
- 5.7 If the banded scheme (Model 1) is chosen as the preferred model, it is worth noting that there will be further financial implications to the Council. These include:
- The banded scheme software costs £10,000 and banded scheme online forms that can help to further reduce administration can cost in the region of £8,000.
 - Most councils increase their discretionary hardship fund to support the introduction of a banded scheme to provide financial additional assistance to anyone who faces undue hardship whilst the scheme is embedded. If the banded model is the preferred model, a recommended hardship fund amount will be included in the final report to committee. Any increase in cost to the hardship fund would be covered by the Council's Welfare Reform Fund.
- 5.8 Both schemes will deliver significant service efficiencies and help to generate time and resource savings in the long-term.

- 5.9 When the final model is presented to Finance & Management Committee for approval, it will clearly outline the direct and indirect financial impacts as well as model the scheme going forwards in order to test potential growth in caseloads.

6.0 Corporate Implications

Employment implications

- 6.1 There are no direct employment implications arising from the consultation on the proposals.
- 6.2 Any implications from any future proposals that arise from the consultation will be fully explored in the paper presented to Finance & Management Committee on 10 February 2022.

Legal implications

- 6.3 None directly arising from the proposals in this report. Any changes to statutory or legislative requirements that impact on customers will be considered as part of the proposals.

Corporate Plan Implications

- 6.4 The proposal will support the Council's Corporate Plan in the following ways:
- Encourage independent living and keep residents healthy and happy in their homes.
 - Ensure consistency in the way the Council deals with its service users.
 - Support unemployed residents back into work.
 - Provide modern ways of working that support the Council to deliver services to meet changing needs.

Risk Impact

- 6.5 Appropriate risk assessments will be completed on any proposed changes as part of the governance of the overall project.

7.0. Community Implications

Consultation

- 7.1 The community has been consulted on the proposals as detailed in this report.
- 7.2 There are no direct community impacts from consultation on the proposals of a proposed revised Local Council Tax Reduction Scheme (LCTRS).

Equality & Diversity and Social Value Impact

- 7.3 The purpose of the consultation is to give customers, residents, Elected Members and stakeholders an opportunity to give feedback on the proposed schemes.
- 7.4 The changes that would be introduced through either of the two models have been assessed against the protected characteristic groups, as set out the Equalities Act.

Protected characteristic	Comment
Age	The schemes only apply to working age claimants and not to pensioners or children. The proposed models do not affect or alter the applicable ages.
Sex	The scheme/proposed models do not discriminate against people of any particular sex.
Sexual orientation	The scheme/proposed models do not discriminate against people of any particular sexual orientation.
Gender reassignment	The scheme/proposed models do not discriminate against people who have undergone gender reassignment.
Race	The scheme/proposed models do not discriminate against people based on their race.
Gypsy and travellers	The scheme/proposed models do not discriminate against gypsies or travellers, however the scheme provides a reduction on Council Tax payable, so anyone who does not pay Council Tax does not benefit.
Religion or belief	The scheme/proposed models do not discriminate against people based on their religion or belief.
Marriage and civil partnership	The scheme/proposed models do not discriminate against people based on their marital or civil partnership status. Civil partner are recognised as dependents.
Disability	Both proposed models disregard incomes awarded for disabilities and vulnerabilities and consider a household's circumstances before determining the excess income amount (for example disabled claimants).

7.5 An Equality Impact Assessment on the proposed models has been presented to the Equality, Diversity & Inclusion (EDI) Steering Group and is available at www.southderbyshire.gov.uk/ctrchanges.

7.6 The Equality Impact Assessment will also be included in the final report to committee in relation to the chosen model.

8.0 Conclusions

8.1 The report details how the Council is consulting on the proposed changes and the responses it has received to date.

9.0 Background Papers

- Appendix 1 – Guide to proposed changes.

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE (SPECIAL BUDGET)	AGENDA ITEM: 9
DATE OF MEETING:	13th JANUARY 2022	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	NATALIE HODGSON, LEARNING AND DEVELOPMENT OFFICER Natalie.hodgson@southderbyshire.gov.uk	DOC:
SUBJECT:	ANNUAL TRAINING REPORT 2020-2021	
WARD(S) AFFECTED:	NONE	TERMS OF REFERENCE: FM05

1.0 Recommendations

- 1.1 To support the priority areas for training and development that have been undertaken during 2021/22, which are linked to the delivery of the key priorities of the Council's Corporate Plan.
- 1.2 That Members note the investment and outcomes made in learning and development activities during 2020/21.
- 1.3 That the Council continues to provide employment opportunities under the national Modern Apprenticeships Scheme and the Kickstart programme

2.0 Purpose of the Report

- 2.1 To provide an overview of corporate training and learning events and actions undertaken in the period April 2020 to March 2021.
- 2.2 To support the training activities that have been prioritised during 2021 - 2022 and provide an overview of the national initiatives that the Council is supporting as part of the national recovery plans for employment.

3.0 Executive Summary

- 3.1 COVID-19 changed the way people lived and worked from March 2020. The Council responded positively to these new requirements and throughout the year, have had different working arrangements in place for the majority of staff being asked to work from home.

- 3.2 Along with other services, this meant that a fundamental change had to be made to the way that training and development activities have been provided. During the first quarter of the year, this restricted the activities that have been provided, coupled with a new Learning and Development Officer not starting in post until the end of April 2020. However, whilst this presented challenges in the way learning activities could be provided going forward, it also accelerated the opportunity to progress different interventions that utilised technology and eLearning solutions.
- 3.3 From June 2020, a focus has been given to the provision of internal mandatory training activities alongside external personal development events (mainly delivered remotely) and investment in upskilling employees through the post entry training scheme that enables the attainment of formal qualifications.
- 3.4 The Council has also had to refresh its approach to the provision of Modern Apprenticeships placements and then early in 2021, to support a regional approach to the new Government Kickstart programme.
- 3.5 The Council is now considering future service delivery and employment models to continue to build on the lessons learned and changes that have been made in response to COVID-19. This will demand the provision of learning and development activities to support this change programme whilst continuing to ensure compliance with the internal training requirements of the current and future workforce.

4.0 Detail

Training provision

4.1 During April 2020 to April 2021:

- 194 separate training events were provided
- 177 events were internal and 17 were external courses
- 1288 attendances were recorded
- This totalled approximately 3.83 days of training per employee based on the average number of employees – this is the highest figure since the 2013-2014 report.

Overview of mandatory training provided



- 4.2 COVID-19 and the subsequent requirement for the majority of employees to work from home has required learning and development activities to be provided in a different way by utilising new technologies and solutions to ensure the continuation of support for employees. Learning and development activities have, as a consequence, been delivered flexibly to meet the different needs of the workforce and courses and their content have been adapted to better reflect the 'virtual' classroom that has had to be used as the primary tool for training.
- 4.3 The Learning and Development Officer has worked closely with colleagues across the Council, to not only ensure that training needs have been met but also to increase the level of resources that are available to the workforce.
- 4.4 A key investment made by the Council during the year was the procurement of an eLearning system to support a blended learning approach. This not only provided the Council with additional learning resources it has also presented the workforce with a range of course and activities that can be accessed at any time to support their personal and professional development as well as their health and wellbeing.
- 4.5 The procurement exercise was completed on 1 March 2021, and the Council contracted Progress International Ltd to provide a Learning Management System (LMS) for all employees. The system provides short impactful learning solutions to fit around the requirements of the working day and provide an immediate solution to learning needs as they arise. The system was launched on 6 April 2021 and, as such, reports on data usage are unavailable for this report but will be included in the 2021-2022 report.
- 4.6 As noted in the chart above (section 4.1), 12 different mandatory training courses have been provided ranging from health and safety awareness to attendance management. A priority has been given to stress awareness to support employees working differently or remotely and this has also been supplemented by additional sessions focused on improving an employee's mental health and wellbeing.

Evaluation of training

- 4.7 The Council requests feedback from delegates after each training activity. This provides vital information on how courses and their delivery can be improved and enhanced. This was of particular importance during 2020/21 as the majority of training completed was delivered virtually.
- 4.8 Feedback from training has been positive. Delegates are asked to rate different elements of any course provided ranging from the delivery of the training, content used and to assess the increase in their skills before and after they attend the course. All are showing a positive trend with repeated comments on the value and appropriateness of the learning being provided.

Post entry training

- 4.9 In addition to internal training, eight employees were undertaking post-entry training programmes throughout this period. This is an increase on the seven employees undertaking post-entry training in the previous year. This demonstrates the Council's investment in the development of the skills and knowledge of employees and supports effective workforce planning

Apprenticeships

- 4.10 COVID-19 directly impacted on the hiring of apprentices with 1.4% of the workforce in an apprenticeship role. Steps have been taken to increase this over the coming year and these are detailed in the quarterly performance reports to Committee. It includes changes to the Performance Development Review process to identify potential internal uses of apprenticeships and using leadership and management apprenticeships to upskill the existing workforce. In addition, recruitment procedures have been adapted to encourage the consideration of apprenticeships as part of the recruitment process.
- 4.11 These measures are already having a positive impact with an increased number of apprenticeships being employed in 2021/22 and is increasing the internal use of the apprenticeship levy to support employees to gain further qualifications.

Training for front line workers

- 4.12 Training has continued to be provided for front line workers in controlled and safe environments to make sure that they have access to learning and development opportunities.
- 4.13 The development of skills for the Council's front-line workers promotes continuous improvement in service delivery, as well as demonstrating the Council's commitment to the workforce and the valuable work they undertake.
- 4.14 Training is provided at different times to best meet the needs of the service and is focused on mandatory courses such as health and safety and stress awareness. This training is supplemented by health and safety toolbox talks for employees in topics such as manual handling and the safe use of equipment.
- 4.15 This has been particularly important during the past year to ensure that information was shared with front line workers about the measures being taken to protect the workforce, to support different working arrangements that had to be put in place and to ensure that resources were accessible and available to support their physical and mental health and wellbeing.

5.0 Learning and development priorities – 2021/22

- 5.1 To support the national and local response to COVID-19 and to enable the delivery of the Council's Corporate Plan the following overview provides details on the learning and development initiatives that have been and are being progressed from April 2021 – March 2022.

Apprenticeships

- 5.1 To provide a formal approach to apprenticeships at the Council, recruiting managers have been provided with clear guidance as to how to approach hiring new apprentices and upskilling current employees through the apprenticeship scheme. This is to support the Council in achieving the public sector target of 2.3% of the workforce being enrolled on an apprenticeship programme.
- 5.2 Up to the end of October 2021, six apprentices have been appointed. This shows a positive trend in the uptake of apprenticeships across the Council.

Kickstart

- 5.3 As part of the recovery plan following COVID-19, the Government announced that from September 2020 it would provide funding to create job placements for 16–24 year-olds on Universal Credit and deemed at risk of long-term unemployment. This funding included the national minimum wage for each participant for the duration of the six-month placement and a £1500 grant to cover associated costs including employability skills training for the participants.
- 5.4 The Council has joined a regional consortium co-ordinated by East Midlands Councils to provide placements and has been successful in securing two placements so far in 2021/22. One of these has been successful in securing further employment with the Council.

Leadership and Management Development Programme

- 5.5 To support the future service delivery and employment models work being progressed by the Council, a training programme focused on developing a range of skills and competency for managers has been developed. This will focus on the different skills that are required to manage and improve the performance of a mixed location workforce where the importance of clear, consistent and effective communication are paramount, not only for employees but all our customers and stakeholders.
- 5.6 An external partner to support the delivery of this programme is being progressed with a decision taken to enable the first cohort of managers to commence this training early in 2022.

Coaching

- 5.7 To support the delivery of the Leadership and Management Development programme, a coaching programme aimed at continued professional development within the Council and increasing self-sufficiency of employees within their roles will be implemented.
- 5.8 The Council has limited internal resources to support this programme and an external partnership with the established coaching resource offered by East Midlands Council or another partner will be progressed. This will not only provide additional coaches to support employees, but it will enable the Council's internal coaches to gain experience and knowledge through working with managers in other organisations.

Equality, Diversity and Inclusion

- 5.9 Following the adoption of the Council's Equality, Diversity and Inclusion (EDI) Strategy and Action Plan, two additional courses have been developed and will be rolled out to employees, managers and Elected Members.
- 5.10 This will focus on embedding EDI across all the Council's services. Training on undertaking Equality Impact Assessments for Officers who are responsible for drafting or reviewing Council policies and procedures and for Elected Members, will provide the Council with more insight on their potential impact on the community and other groups.

- 5.11 An early indication of the success and value of this training is evidence through the Council being asked to deliver similar training to a partner organisation.

Customer Care

- 5.12 Working with the Head of Customer Services, a Council-wide training programme will be developed and rolled out early in 2022. This will be supported with a range of eLearning and other training interventions to embed and help employees support the community, residents and stakeholders to access Council services as well as focusing on the levels of service that are to be provided.

Induction

- 5.13 Work has been progressed to develop the Council's approach to inducting employees as part of the recruitment process. The Council's eLearning system will be used to enable new employees to access and review key documents before they start and also enable them to book on mandatory training events. This will include the use of video materials to provide details on the Council and its services along with attending a meeting with the Council's Leadership Team

Mandatory Training

- 5.14 As noted in 4.1, the provision of the enhanced range of mandatory training has been sustained throughout the year. This has seen a positive trend in levels of completion across the Council with an average of 70% attendance across the majority of courses. These will be continued and be enhanced with additional courses provided around mental health, stress and the range of courses available on the Council's eLearning system, Skillsbites.
- 5.15 A recent intervention has enhanced the provision of trained Mental Health First Aiders across the Council and for the first time a number of colleagues in front line roles have completed the course.
- 5.16 Additional training for Elected Members and Officers will be provided on the use of social media and related platforms.

Front line workers

- 5.17 Throughout the pandemic, training interventions, under controlled measures have been provided and will continue for front line workers. This has included the mandatory training referenced in 5.14 above and complemented with toolbox talks on health and safety matters such as manual handling, safe use of equipment and lone working.

Funded learning opportunities

- 5.18 The Learning and Development Officer has been working with different partners to provide fully funded learning opportunities for Officers. This will include management and supervisory access courses at NVQ Levels 2 and 3 and shorter courses around mental and physical health and wellbeing.

6.0 Financial Implications

- 6.1 The corporate training budget, along with resources within Organisational Development and Performance will be allocated to support the priorities identified in the report.
- 6.2 The provision of Leadership and Management Development will be supported by reserves that have been accrued against the corporate training budget and will fully support the cost of engaging an external partner to provide this training.
- 6.3 It is proposed to allocate £6,000 per annum for the provision of coaching from the Corporate Training budget in the General Fund.
- 6.4 Estimated costs have been received for the Leadership and Management Development courses which total approximately £42,000. As the training can be allocated against managers across the whole Council, the General Fund proportion of approximately £35,000 is proposed to be funded from the Corporate Training Earmarked reserve with the balance to be funded by the HRA General reserve.
- 6.5 Post-entry training is funded by the Council with a learning agreement in place to recoup costs if an employee leaves within two years of their training being completed. This continues to be in place to protect Council assets and ensure both the Council and its wider community benefit from incentivising continual professional development.
- 6.6 The apprenticeship levy funds that the Council pay into are underutilised; the apprenticeship spend across the Council decreased from £9623.11 to £5154.25 from 2019-2020 to 2020-2021. COVID-19 played a significant role in this, as hiring and supporting an apprentice whilst working from home proved a barrier to most services and colleges were unable to open to support learners. Utilising National Apprenticeship Week, regular communications about apprenticeships and using the PDR process, it is anticipated, will help to elevate this spend and increase apprenticeship numbers in the period 2021-2022.

7.0 Corporate Implications

Employment Implications

- 7.1 The Council's most valuable resource is its people and training helps to nurture and develop that resource to improve efficiency and effectiveness in service provision. In providing clear development opportunities, employee retention will be positively impacted and the Council will maintain a reputation as a supportive employer which will assist the recruitment and retention of the current and future workforce.
- 7.2 With a formalized apprenticeship procedure it is planned that employment will be positively affected in both bringing in new starters and in upskilling existing members of staff.

Legal Implications

- 7.3 None directly arising from this report. Contracts for the provision of an eLearning system and a Leadership and Management Development programme will be subject to advice provided by Legal Services.

Corporate Plan Implications

- 7.4 Training relates to all aspects of the Corporate Values. Primarily, training supports Our People by ensuring colleagues have the right skills, knowledge and behaviours to support their Service areas in delivering services for internal and external customers. Through the mandatory training the topic of Our Environment is supported through ensuring colleagues' compliance with Environmental Awareness training. Our Future, therefore, follows in providing the skills necessary to support the Council and in developing its employees.

Risk Impact

- 7.5 The effective investment in the current and future workforce is critical as the Council moves to new models of service delivery and employment. The provision of learning and development interventions as detailed in this report will enable the Council to provide appropriate support for the workforce during this transition period and ongoing.

8.0 Community Impact

Consultation

- 8.1 None directly arising from this report.

Equality and Diversity Impact

- 8.2 All learning and development opportunities are made available to all Council employees and this has been extended through the provision of an eLearning system to promote personal and professional development.
- 8.3 As noted in the report, equality training is part of the mandatory training requirement for all employees and this has been extended by the provision of Equality Impact Assessment training that will provide additional insight in to the impact of the Council services on the community and other groups.

Social Value Impact

- 8.4 The provision and support of Government employment initiatives such as Apprenticeships and Kickstart will have a positive impact on the social mobility of the community, especially the younger and more vulnerable.

Environmental Sustainability

- 8.5 The Council's environmental commitments are being progressed with the provision of mandatory training for all employees.

9.0 Conclusions

- 9.1 Training provision has increased between April 2020 to April 2021 comparative to the previous years, which has seen staff compliance rise across all mandatory training areas. This has been sustained and will be continued throughout the current year.
- 9.2 The 2021-2022 report will include usage data on the new eLearning platform to demonstrate the merits of a blended learning approach, which is expected to benefit staff training by providing timely and relevant solutions that can readily adapt around day-to-day responsibilities. Reporting can also be expected on the provision of the Council's own eLearning modules and induction as part of using the system.
- 9.3 Consideration will need to be given over the coming year to strategies around increasing apprenticeships to increase levy spending, resulting in staff upskilling or new starters being trained and retained in the organisation. This has been a priority throughout the year as part of recovering from COVID-19.
- 9.4 Most important is to continue the investment in the workforce to build new skills, knowledge and competency to support the Council as it progresses its work to the provision of new service delivery and employment models.

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE (SPECIAL – BUDGET)	AGENDA ITEM: 10
DATE OF MEETING:	13th JANUARY 2022	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS’ CONTACT POINT:	KEVIN STACKHOUSE (EXT 5811) kevin.stackhouse@southderbyshire.gov.uk	DOC:
SUBJECT:	COMMITTEE WORK PROGRAMME	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: G

1.0 Recommendations

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

2.0 Purpose of Report

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

3.0 Detail

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

4.0 Financial Implications

4.1 None arising directly from this report.

5.0 Background Papers

5.1 Work Programme.

Finance and Management Committee – Next F&M Committee 13th January 2022
Work Programme for the Municipal Year 2021/22

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

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

Treasury Update 2021/22	26 th August.2021	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Proposed Local Council Tax Support Scheme 2022/23: Options Paper Timetable	26 th August 2021	Lizzie Barton (Head of Customer Services) Elizabeth.barton@southderbyshire.gov.uk (01283 595779)
Freedom of Information Policy & Publication Scheme	7 th October 2021	Kevin Stackhouse (Strategic Director – Corporate Resources) Kevin.stackhouse@southderbyshire.gov.uk
Proposed Local Council Tax Support Scheme 2022/23: Options Paper Update	21 st October 2021	Lizzie Barton (Head of Customer Services) Elizabeth.barton@southderbyshire.gov.uk (01283 595779)
Corporate Plan Performance Monitoring 2021/22: Quarter 2	25 th November 2021	Fiona Pittam (Head of Organisational Development & Performance) Fiona.pittam@southderbyshire.gov.uk (01283 595735)
General Fund Revenue Monitoring 2021/22	25 th November 2021	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
HRA Financial Monitoring 2021/22	25 th November 2021	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Collection Fund Position 2021/22	25 th November 2021	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)

Capital Financial Monitoring 2021/22	25 th November 2021	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Treasury Update 2021/22	25 th November 2021	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Compliments, Comments, Complaints and FOI Requests	25 th November 2021	Kevin Stackhouse (Strategic Director) Kevin.stackhouse@southderbyshire.gov.uk (01283 595811)
Service Base Budgets 2022/23	13 th January 2022	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Council Tax and Surplus 2022/23	13 th January 2022	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Annual Training Report	13 th January 2022	David Clamp (Human Resources Manager) David.clamp@southderbyshire.gov.uk 07841 533977
Proposed Local Council Tax Support Scheme 2022/23	13 th January 2022	Lizzie Barton (Head of Customer Services) Elizabeth.barton@southderbyshire.gov.uk (01283 595779)
Annual Statement of Accounts 2020/21	10 th February 2022	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)

General Fund Consolidated Budget 2022/23 and MTFP to 2027	10 th February 2022	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Housing Revenue Account Budget 2022/23 and Financial Plan to 2032	10 th February 2022	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Capital Budget to 2022 to 2027	10 th February 2022	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Annual Report of the Section 151 Officer	10 th February 2022	Kevin Stackhouse (Strategic Director) Kevin.stackhouse@southderbyshire.gov.uk (01283 595811)
Proposed Local Council Tax Support Scheme 2022/23	10 th February 2022	Lizzie Barton (Head of Customer Services) Elizabeth.barton@southderbyshire.gov.uk (01283 595779)
Corporate Plan Performance Monitoring 2021/22: Quarter 3	17 th March 2022	Fiona Pittam (Head of Organisational Development & Performance) Fiona.pittam@southderbyshire.gov.uk (01283 595735)
General Fund Financial Monitoring 2021/22	17 th March 2022	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
HRA Financial Monitoring 2021/22	17 th March 2022	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)

Collection Fund Position 2021/22	17th March 2022	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Capital Financial Monitoring 2021/22	17 th March 2022	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Treasury Update 2021/22	17 th March 2022	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)