

21<sup>st</sup> November 2018

Dear Councillor,

**Finance and Management Committee**

A Meeting of the **Finance and Management Committee** will be held in the **Council Chamber**, on **Thursday, 29 November 2018 at 18:00**. You are requested to attend.

Yours faithfully,



Chief Executive

To:- **Conservative Group**

Councillor Harrison (Chairman), Councillor Watson (Vice-Chairman) and Councillors Billings, Mrs Coe, Dr Coyle, Ford, Hewlett, MacPherson and Smith

**Labour Group**

Councillors 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 Meeting:  
  
Finance and Management Committee 11th October 2018 Open Minutes **4 - 8**
- 3** To note any declarations of interest arising from any items on the Agenda
- 4** To receive any questions by members of the public pursuant to Council Procedure Rule No.10.
- 5** To receive any questions by Members of the Council pursuant to Council procedure Rule No. 11.
- 6** Reports of Overview and Scrutiny Committee
- 7** CORPORATE PLAN 2016-21 - PERFORMANCE REPORT (1 JULY - 30 SEPT 2018) **9 - 33**
- 8** BUDGET and FINANCIAL MONITORING 201819 **34 - 50**
- 10** TREASURY MANAGEMENT UPDATE 2018-19 **51 - 63**
- 9** COMMENTS, COMPLIMENTS, COMPLAINTS & FREEDOM OF INFORMATION REQUESTS **64 - 69**
- 11** SUNDRY DEBT MANAGEMENT POLICY **70 - 91**
- 12** LOCAL COUNCIL TAX REDUCTION SCHEME REGULATIONS **92 - 94**
- 13** EQUALITIES POLICY STATEMENT AND CORPORATE EQUALITIES AND SAFEGUARDING GROUP TERMS OF REFERENCE **95 - 103**

**Exclusion of the Public and Press:**

- 15 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.
- 16 To receive the Exempt Minutes of the following Meeting:  
Finance and Management Committee 11th October 2018 Exempt Minutes
- 17 To receive any Exempt questions by Members of the Council pursuant to Council procedure Rule No. 11.
- 18 DIRECT ACQUISITION OF COUNCIL HOUSING AT CADLEY PARK
- 19 THE FUTURE OF BUILDING CONTROL - UPDATE
- 20 EXTENSION OF CONTRACT – PARKLIFE OFFICER (DS97)
- 21 REVIEW OF UNIT AND NEW POST OF STREET NAMING & LLPG OFFICER
- 22 DEBTS SUBMITTED FOR WRITE OFF
- 23 SHARPE’S POTTERY MUSEUM
- 24 A REVIEW OF THE COUNCIL'S MANAGEMENT STRUCTURE (To be circulated separately)

FINANCE AND MANAGEMENT COMMITTEE

11<sup>th</sup> October 2018

**PRESENT:-**

**Conservative Group**

Councillor Harrison (Chairman) and Councillors Ford, Billings, Mrs Coe, Dr Coyle, Hewlett, Murray, Watson and MacPherson

**Labour Group**

Councillors Rhind, Richards, Southerd and Taylor

FM/69 **APOLOGIES**

Apologies were received from Councillor Smith (Conservative Group) substituted by Councillor MacPherson

FM/70 **MINUTES**

The Open Minutes of the Meetings held on 26<sup>th</sup> July 2018 and 30<sup>th</sup> August 2018 were taken as read, approved as a true record and signed by the Chairman.

FM/71 **DECLARATIONS OF INTEREST**

The Committee was informed that no Declarations of Interest had been received.

FM/72 **QUESTIONS FROM MEMBERS OF THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE NO 10**

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

FM/73 **QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO 11**

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

FM/74 **REPORTS OF OVERVIEW AND SCRUTINY COMMITTEE**

The Committee was informed that no reports had been received.

**MATTERS DELEGATED TO COMMITTEE**

**FM/75 MODERN SLAVERY STATEMENT AND MODERN SLAVERY REFERRAL PROCEDURE**

The Communities Manager presented the report to Committee, highlighting that in accordance with Section 54 of the Modern Slavery Act 2018 the Council is required to have a Modern Slavery Statement. The Communities Manager confirmed that all Council employees will be provided with the guidance.

**RESOLVED:**

***The Committee approved the new Modern Day Slavery Statement and Referral Procedure - Guidance for Employees Document.***

**FM/76 UPDATE TO THE FINANCIAL STRATEGY 2018/19**

The Strategic Director (Corporate Resources) presented the report to Committee, highlighting that there had been little change since the last review other than terminology and a change to the funding streams. A review had been undertaken to ensure that the Strategy remains in line with the Corporate Plan.

**RESOLVED:**

***1.1 The Committee approved the Financial Strategy in Appendix 1 to the report for 2018/19.***

***1.2 The Committee approved that an annual review of the Strategy is undertaken and any significant changes are reported to this Committee.***

**FM/77 REVIEW and PROPOSED USE OF EARMARKED RESERVES**

The Strategic Director (Corporate Resources) presented the report to Committee. Members raised questions regarding the Earmarked Reserves, which were clarified by the Strategic Director.

**RESOLVED:**

***1.1 The Committee approved the Planning Services Reserve be earmarked for capital investment to develop a corporate mapping and geographical information system.***

***1.2 The Committee approved that the Corporate Services Innovation Fund be transferred to the ICT Reserve.***

***1.3 The Committee approved the residual amount on the Play Equipment Reserve be transferred to the Leisure Maintenance Reserve.***

***1.4 The Committee approved that amounts set-aside for matters arising from the Localism Act 2011 be transferred to the General Fund Reserve as detailed in the Report.***

**FM/78 UPDATE TO THE MEDIUM TERM FINANCIAL POSITION**

The Strategic Director (Corporate Resources) presented the report, outlining the changes to affect the Council's medium-term financial position, highlighting the Growth provision, the increase in the New Homes Bonus, the retention of Business Rates, income from Industrial Units, Funding for Disability Grants and provisions for Waste and Recycling due to potential increases in recycling costs.

**RESOLVED:**

*The Committee approved the following:*

- 1.1 The updated Medium-term Financial Plan to 2024 on the General Fund and to 2029 on the Housing Revenue Account as detailed in the report and summarised in Appendix 1 and Appendix 2 to the report.*
- 1.2 That the risks and assumptions detailed in the report for the General Fund and Housing Revenue Account be noted and that the Council continues its cautious approach to maintain financial stability ahead of the Government's Spending Review in 2019/20.*
- 1.3 That this strategy be reviewed half-yearly to ensure that potential budget deficits are addressed at the earliest opportunity.*
- 1.4 That efficiencies and budget savings continue to be pursued where opportunities arise to sustain the current financial position.*
- 1.5 That the financial projections provide the basis for planning and for setting the Base Budget for the General Fund and HRA for 2019/20.*
- 1.6 That the Council supports an application to the Government as part of the Derbyshire Pool to pilot 75% Business Rates Retention for 2019/20.*
- 1.7 That an update on progress of the Pilot be provided at the next Committee meeting on 29th November 2018.*
- 1.8 That any additional New Homes Bonus received above the level forecast is earmarked for future growth and transferred to the Growth Provision.*
- 1.9 That the Government's Technical Consultation regarding Social Housing Rents from 2020/21 as detailed in the report be noted.*

**FM/79 ANNUAL TRAINING REPORT 2017/18 AND PRIORITIES FOR 2018/19**

The Strategic Director (Corporate Resources) presented the report, highlighting that there was an increase in attendance at Mandatory Courses

however due to employee absence it was not 100%. Further mandatory training would be provided in areas such as Safeguarding, Data Security and Equality and Diversity.

**RESOLVED:**

***1.1 The Committee approved the priority areas for training and development during 2018/19, which are linked to the delivery of the key priorities of the Council's Corporate Plan.***

***1.2 The Committee noted the range of training activities and actions provided during 2017/18.***

FM/80 **POTENTIALLY VIOLENT PERSONS POLICY**

The Strategic Director (Corporate Resources) presented the report to the Committee, highlighting the responsibility to protect employees at work under the Health and Safety at Work Act 1974, and providing additional protection in terms of having a Corporate Register of persons and/or properties where incidents of violence or threatening behaviour has been encountered.

Members raised queries relating to protection being provided to them and accessing the Corporate register, which were clarified by the Chief Executive and the Strategic Director.

**RESOLVED:**

***The Committee approved the Potentially Violent Persons Policy (Appendix 1 to the report) as part of the Council's Health and Safety Management framework.***

FM/81 **UPDATED HOUSING STRATEGY ACTION PLAN 2018/19**

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

**RESOLVED:**

***1.1 Following approval by Housing and Community Services Committee, the Committee approved the 12 month interim Housing Strategy Action Plan and proposed timescales for delivery attached as Appendix 1 to the report.***

***1.2 The Committee noted that a new three-year Health and Housing Strategy is to be compiled and brought back to Members for approval in Autumn 2019.***

FM/82 **COMMITTEE WORK PROGRAMME**

**RESOLVED:**

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

FM/83 **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.*

**MINUTES**

*The Exempt Minutes of the Meeting held on 26th July 2018 and 30th August 2018 were received.*

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

*The Committee was informed that no questions had been received.*

**FORMER TENANT ARREARS/ TEMPORARY ACCOMMODATION DEBT WRITE-OFF (Paragraph 3)**

*The Committee approved the recommendations in the report.*

**STAFFING – CUSTOMER SERVICES (Paragraph 1)**

*The Committee approved the recommendations in the report.*

**STAFFING: REVENUES, BENEFITS AND CUSTOMER SERVICES FEEDBACK FROM CONSULTATION WITH STAFF AND TRADE UNIONS (Paragraph 1)**

*The Committee approved the recommendations in the report.*

The meeting terminated at 6.55pm.

COUNCILLOR J HARRISON

CHAIRMAN



<b>REPORT TO:</b>	<b>FINANCE AND MANAGEMENT</b>	<b>AGENDA ITEM: 7</b>
<b>DATE OF MEETING:</b>	<b>NOVEMBER 29, 2018</b>	<b>CATEGORY: DELEGATED</b>
<b>REPORT FROM:</b>	<b>SENIOR LEADERSHIP TEAM</b>	<b>OPEN DOC:</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>KEVIN STACKHOUSE (EXT. 5811) FRANK MCARDLE (EXT. 5700)</b>	
<b>SUBJECT:</b>	<b>CORPORATE PLAN 2016-21: PERFORMANCE REPORT (1 JULY – 30 SEPT 2018)</b>	
<b>WARD (S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: G</b>

## **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**

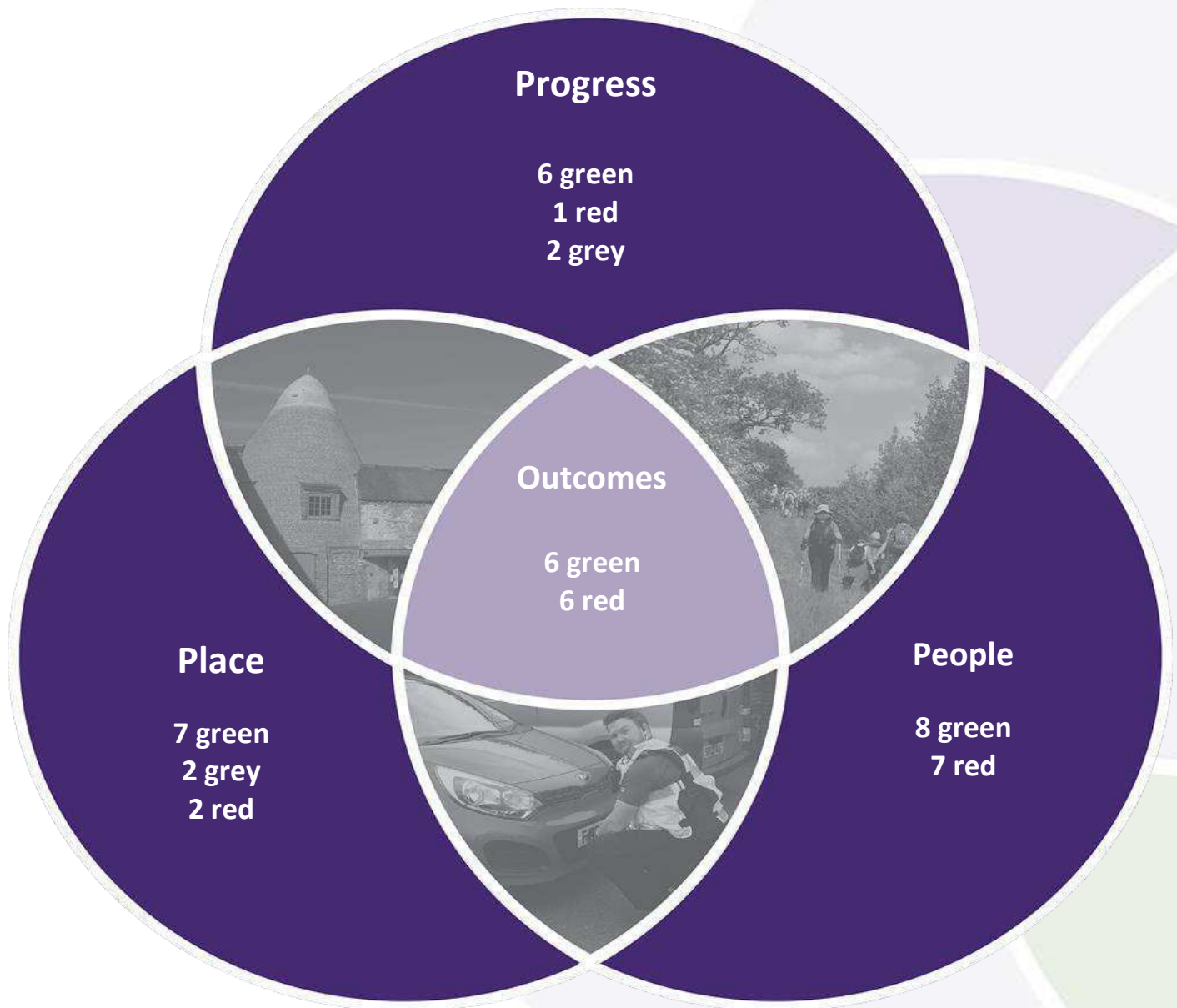
- 2.1 To report progress against the Corporate Plan for the period 1 July to 30 September 2018 under the themes of People, Place, Progress and Outcomes.

## **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 – setting out the vision and values for South Derbyshire and defining priorities for delivering high-quality services.
- 3.2 This Committee is largely responsible for overseeing the delivery of successful Outcomes. These are as follows:
  - Maintain financial health
  - Achieve proper Corporate Governance
  - Maintain customer focus
  - Be aware of and plan for financial, legal and environmental risks
  - Promote and enable active democracy
  - Enhance environmental standards
  - Maintain a skilled workforce
  - Promote inclusion
- 3.3 Of the 14 measures and projects under the jurisdiction of the Finance and Management Committee, six are showing green and eight are red.
- 3.4 More information can be found in the Performance Board in **Appendix A**. A detailed breakdown of performance for Finance and Management is available in the Success Areas and Performance Action Plan documents (**Appendices B and C respectively**).

- 3.5 The Risk Registers for the Committee’s services are detailed in **Appendices D, E and F**. These have been amended for quarter two reporting and beyond to make it easier to understand and to enable a consistent format for assessing and reporting risk across Policy Committees.
- 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. The Action Plan describes each risk, as well as mitigation measures in place and planned actions to minimise the likelihood of the risk occurring and/or its impact. The Action Plan also indicates whether the rating of a risk has changed since the previous quarter. The Committee is asked to review and challenge the risks identified.

**4.0 Overall Council performance – Quarter two (July 1 to September 30, 2018)**



There are 27 green, four grey and 16 red projects and measures for the Council in quarter two.

**5.0 Financial and Corporate Implications**

5.1 None directly.

**6.0 Community Implications**

6.1 The Council aspires to be an “excellent” Council in order to deliver the service expectations to local communities. This report demonstrates how priorities under the People, Place and Progress and Outcomes themes contribute to that aspiration.

## 7.0 **Appendices**

- Appendix A – Performance Board
- Appendix B – Finance and Management: Success Areas
- Appendix C – Finance and Management: Action Plan
- Appendix D – Chief Executive’s Risk Register
- Appendix E – Corporate Resources Risk Register
- Appendix F – Strategic Risk Register

Theme	Ref	Aim	Project	Q1 progress	Q2 target	Q2 performance	Q2 detail
Outcomes	O1	Maintain financial health	Identify £1m of budget savings and additional income by March 31, 2023	The budget outturn reported to Committee showed additional income and underspending on the General Fund for 2017/18.	<b>O1.1</b> Review Medium Term Financial Plan (MTFP) following budget out-turn for 2017/18 and updated reserves position. <b>F&amp;M</b>	Achieved	Completed and reported to Finance and Management on October 11, 2018. The Council's financial position continues to show resilience and is considered sustainable in the medium-term. Budget deficits could still be seen in future years and this will be kept under review. In the meantime, the strategy is to remain cautious within the confines of the Financial Plan and to continue to generate budget savings wherever possible.
Outcomes	O1	Maintain financial health	Maximise rental income	1.84%. Target <2.5%	<b>O1.2</b> Rent arrears as a % of the rent due. Target <2.5%. <b>F&amp;M H&amp;CS</b>	1.99%. Target <2.5%	The Council has benchmarked the out-turn figure for quarter one (1.84%) with Housemark. This confirms the Council achieved upper quartile performance within the local authority and national peer groups. Current tenant arrears outstanding in quarter two amount to £240,046.71. The out-turn for quarter two will be benchmarked with Housemark in November and reported in quarter three.
Outcomes	O2	Maintain proper corporate governance	Compile and publish an Annual Governance Statement in accordance with statutory requirements.	The auditor concluded that, in all material aspects, the Council's arrangements were satisfactory, except for contract management and procurement issues in Housing and Environmental Services.	<b>O2.1</b> An unqualified opinion in the Annual Audit Letter. Annual target. <b>F&amp;M</b>	See Action Plan.	See Action Plan.
Outcomes	O3	Enhance environmental standards.	Demonstrate high environmental standards.	Options appraisal produced of environmental management systems.	<b>O3.1</b> Internal consultation on environmental management options. <b>E&amp;DS</b>	Achieved	Internal consultation complete. Approval has been granted by the Environmental and Development Services Committee to seek full reaccreditation to ISO14001. A Corporate Environmental Sustainability Group has been initiated.
Outcomes	O4	Maintain a skilled workforce.	Strengthen measures and support employees to reduce absence due to sickness/ill health.	2.55 days. Target - 2 days.	<b>O4.1</b> The average working days lost per employee is less than two days per quarter. <b>F&amp;M</b>	3.05 days. 578 days long term (64%) 322 days short term (36%). Target - 2 days.	See Action Plan.
Outcomes	O4	Maintain a skilled workforce.	Further improve frontline services and develop a Council which is fit for the future by using the decision-making methodology identified by the Local Government Association review.	Report on proposed changes not approved by Council.	<b>O4.2</b> Full consultation completed with staff and trade unions. <b>F&amp;M</b>	See Action Plan.	See Action Plan.
Outcomes	O5	Maintain customer focus.	Ensure services remain accessible to residents and visitors.	80.8%. Target - 80%.	<b>O5.1</b> 80% of telephone calls answered within 20 seconds. <b>F&amp;M</b>	71.6%	See Action Plan.
Outcomes	O5	Maintain customer focus.	Ensure services remain accessible to residents and visitors.	3.7%. Target <8%.	<b>O5.2</b> Call abandonment rate of less than 8% (Number of visitors to Civic Offices to be recorded). <b>F&amp;M</b>	10.30%	See Action Plan.
Outcomes	O5	Maintain customer focus.	Improve the way in which Housing Services gathers, reports and acts on customer satisfaction data.	A review was undertaken of all satisfaction surveys distributed by Housing Services during 2017-2018.	<b>O5.3</b> Investigate alternative methods of collecting satisfaction across Housing Services. Carry out the STAR survey. <b>H&amp;CS</b>	Achieved.	The STAR Survey was carried out during quarters one and two. Results have been analysed and will be shared with the Housing and Community Services Committee on November 22. Meetings have been scheduled with tenants and senior managers to review results and develop an action plan to improve areas of dissatisfaction.
Outcomes	O5	Maintain customer focus.	Delivering a first class Repairs Service (strategic review of repairs and improvements) to provide value for money and high levels of customer satisfaction.	The Housing Quality Network completed a data review, as well as staff and tenant consultation.	<b>O5.4</b> Report findings of strategic review to committee. <b>H&amp;CS</b>	See Action Plan.	See Action Plan.
Outcomes	O6	Minimise business risks and realise the benefits of technological opportunities.	Build IT infrastructure resilience to support change and minimise business risks.	Back up disaster recovery (DR) software solution agreed.	<b>O6.1</b> Q1-3: New back up and disaster recovery process. Q1-2: Refocus ICT structure and operational management. <b>F&amp;M</b>	Achieved.	Public Services Network (PSN) compliance achieved. A new ICT Infrastructure and Security manager started with the Council on October 1. Backup and disaster recovery project on track with all hardware and software purchased and commissioning taking place October/November.
Outcomes	O6	Minimise business risks and realise the benefits of technological opportunities.	Establish a corporate approach and responsibility for business change and improvement, standardising evaluation and delivery of projects across the Council.	A new process for Business Improvement and Change Management was designed and delivered.	<b>O6.2</b> Q2-4: Delivery of digital transformation, business improvement, service reviews and corporate transformation projects. <b>F&amp;M</b>	Achieved.	Continued delivery of identified projects in addition to new reviews to improve business processes.
People	PE1	Enable people to live independently	Residents satisfied with the quality of their new home	90%. Target - 90%	<b>PE1.1</b> >90% of residents satisfied with the quality of their new home. <b>H&amp;CS</b>	88%. Target - 90%	See Action Plan.
People	PE1	Enable people to live independently	Average time taken to re-let Council homes (excluding major voids)	26. Target <21 days.	<b>PE1.2</b> Average time taken to re-let Council homes (excluding major voids) is <21 days. <b>H&amp;CS</b>	35.7. Target <21 days	See Action Plan.
People	PE1	Enable people to live independently	Average length of time for current voids	41. Target <21 days.	<b>PE1.3</b> Average length of time for current voids is <21 days. <b>H&amp;CS</b>	59. Target <21 days	See Action Plan.
People	PE2	Protect and help support the most vulnerable, including those affected by financial challenges.	Total number of tenancy audits completed.	275. Target - 250.	<b>PE2.1</b> 250 or more tenancy audits completes. <b>H&amp;CS</b>	522. Target - 500	Quarter two target has been exceeded by 22 tenancy audit visits. This performance indicator is on track for completing 1,000 tenancy audit visits over the year.
People	PE2	Protect and help support the most vulnerable, including those affected by financial challenges.	Number of successful introductory tenancies	96%. Target - 97%.	<b>PE2.2</b> Number of successful introductory tenancies. Target - 97%. <b>H&amp;CS</b>	96%. Target 97%	See Action Plan.
People	PE2	Protect and help support the most vulnerable, including those affected by financial challenges.	Average time for processing new Benefit claims.	17.6 days. Target <18 days.	<b>PE2.3</b> Average time for processing new Benefit claims is <18 days. <b>F&amp;M</b>	18.7 days	See Action Plan.
People	PE2	Protect and help support the most vulnerable, including those affected by financial challenges.	Average time for processing notifications of changes in circumstances.	7.2 days. Target <8 days.	<b>PE2.4</b> Average time for processing notifications of changes in circumstances is <8 days. <b>F&amp;M</b>	8.7 days	See Action Plan.
People	PE2	Protect and help support the most vulnerable, including those affected by financial challenges.	Successful roll out of Universal Credit in South Derbyshire.	Infrastructure put in place for roll out of Universal Credit.	<b>PE2.5</b> Commence shared postcode roll out in July. Monitor progress and impact. <b>H&amp;CS F&amp;M</b>	Achieved.	Processes and procedures in place. Gateway to Housing Benefit closed in postcode areas shared with Derby City. Limited impact as roll-out only currently affects new claims.
People	PE2	Protect and help support the most vulnerable, including those affected by financial challenges.	Deliver the Pilot Hospital Avoidance Scheme across South Derbyshire, saving the NHS bed days and cost (£).	Better Care Funding Board of £100k agreed for 2018/19 to set up a Hospital Avoidance Scheme in the District.	<b>PE2.6</b> Compile and agree service level agreement joint protocol with Adult Social Care and NHS to deliver project. Furnish units in preparation for handover. <b>H&amp;CS F&amp;M</b>	Achieved.	A joint meeting has been held with Adult Social Care and a budget is now in place. A ground floor flat is on hold and the scheme is due to be launched on January 2, 2019.

People	PE3	Use existing tools and powers to take appropriate enforcement action.	Reduce the impact of empty homes on our communities by carrying out intervention plans.	0. Target - 0.	PE3.1 ≥2 empty home intervention plans for dwellings known to be empty for more than two years. <b>H&amp;CS</b>	7. Target ≥ 2	Seven priority long-term empty properties are now confirmed as occupied and a further two properties are up for sale following the Council's intervention.
People	PE4	Increase levels of participation in sport, health, environmental and physical activities.	Delivery of sport, health, physical activity and play scheme participations. Throughput at leisure centres and Rosliston Forestry Centre.	Leisure centres - 271,333 (target 172,108). Rosliston - N/A	PE4.1 Throughput at Etwell Leisure Centre, Green Bank Leisure Centre and Rosliston Forestry Centre. Target for Rosliston = 60,000. Target for leisure centres - 172,108. <b>H&amp;CS</b>	Rosliston 62,225 visitors Leisure centres 275,727	Good summer weather helped numbers at Rosliston Forestry Centre. Ongoing strong performance at both leisure centres.
People	PE4	Increase levels of participation in sport, health, environmental and physical activities. <b>H&amp;CS</b>	Delivery of the Physical Activity, Sport and Recreation Strategy.	1,505 participants in National Forest Walking Festival, an increase on the previous year.	PE4.2 Increased participation in the summer activity programme. <b>H&amp;CS</b>	16,093	Numbers at urban park sessions proved very popular across the holidays. Overall participation for quarter two (including Environmental Education, Sport and Health and Parklife Project) was 10,934. This is in addition to play provision numbers of 5,159.
People	PE5	Reduce the amount of waste sent to landfill.	Minimise household waste collected.	114kgs. Target <130kgs.	PE5.1 Household waste collected per head of population (kg) is <110kgs. <b>E&amp;DS</b>	104	Due to the warm weather conditions resulting in residents not needing to mow their lawn, garden waste composting was approximately 1,000 tonnes below average for quarter two.
People	PE5	Reduce the amount of waste sent to landfill.	Maximise recycling output in South Derbyshire.	52% (estimate). Target >55%.	PE5.2 >53% of collected waste recycled and composted. <b>E&amp;DS</b>	47% (estimate)	See Action Plan
People	PE6	Develop the workforce of South Derbyshire to support growth.	Deliver the RISE project to help young people to flourish and achieve their potential.	RISE Awards held, with ambassadors in attendance.	PE6.1 Establish internal project board to shape direction and activity for RISE. <b>H&amp;CS</b>	Achieved	A group has now been established, with representation from across the Council, aimed at co-ordinating and driving future projects. These will be aimed at raising aspiration and efforts to increase levels of social mobility in South Derbyshire.
Place	PL1	Facilitate and deliver a range of integrated and sustainable housing and community infrastructure.	Increase the supply and range of affordable housing provision.	69	PL1.1 Total number of affordable dwellings delivered. Target of >150 for the year. <b>H&amp;CS</b>	52	During quarter two a further 52 affordable homes were delivered (taking the total for 2018/19 to 121). Of these, 30 were delivered by Trent and Dove, four by Derwent Living and 18 by Nottingham Community Housing Association.
Place	PL1	Facilitate and deliver a range of integrated and sustainable housing and community infrastructure.	Increase the supply and range of new homes added to the HRA.	0 (Proxy)	PL1.2 Number of new homes added to the HRA (this indicator incorporates new builds and also acquired properties into the HRA). Proxy. <b>H&amp;CS</b>	0 (Proxy)	No additional homes were added to the Housing Revenue Account during quarter two. However, the Council is now on site at Lullington Road, Overseal, building six affordable rented homes that will be completed by the end of 2018/19. The Council is currently considering direct acquisitions on three sites across the District (Cadley Park - 45 units, Moor Lane - 11 units and Milton Road - four units).
Place	PL1	Facilitate and deliver a range of integrated and sustainable housing and community infrastructure.	Deliver key supplementary documents to adopted South Derbyshire Local Plan, parts 1 and 2.	The Local Green Spaces Sustainability Appraisal scoping consultation was approved.	PL1.3 Draft Local Green Spaces Document approved for consultation. Adoption of Statement of Community Involvement. <b>E&amp;DS</b>	Achieved	The Statement of Community Involvement was approved for adoption on September 27. The Local Green Spaces Development Plan was approved for consultation at the same time. The consultation started on October 8 and will run for a period of six weeks.
Place	PL1	Facilitate and deliver a range of integrated and sustainable housing and community infrastructure.	Speed of determining planning applications.	93%. Target - 90%.	PL1.4 Number of decisions made in time over number of decisions made. Target - 90% <b>E&amp;DS</b>	91%, Target 90%	Standard maintained - despite two vacancies currently being advertised in Planning. Applications need to be determined in the statutory period of eight, 13 or 16 weeks or as otherwise agreed with applicants. The Council's performance reflects well against other authorities across the country.
Place	PL1	Facilitate and deliver a range of integrated and sustainable housing and community infrastructure.	Proactive monitoring and support of housing delivery. Maximise delivery of housing units.	Monitoring undertaken on housing sites. All inputting and survey work complete	PL1.5 Review of progress on all 'major' housing sites. Commence proactive intervention. <b>E&amp;DS</b>	Achieved	The Government encourages councils to demonstrate that sites are performing as well as they can. If the Council does not monitor major housing sites, its five year supply of land may start to falter - leaving communities vulnerable to speculative applications. Interventions have now commenced for a number of sites. Progress will be reported in future quarters.
Place	PL1	Facilitate and deliver a range of integrated and sustainable housing and community infrastructure.	Further improve the design quality of development in South Derbyshire (defined using Build for Life criteria).	86%. Target - 90%	PL1.6 Proportion of good quality housing development schemes (defined using Build for Life criteria) approved. Target - 90%. <b>E&amp;DS</b>	Annual target	Annual target.
Place	PL3	Help maintain low crime and anti-social behaviour (ASB) levels	Deliver a programme of proactive interventions to reduce fly-tipping incidents.	186. Target <172.	PL3.1 Downward trend in fly-tipping incidents. Target <172 <b>E&amp;DS</b>	340. Target <344	Four prosecutions have been taken and four fixed penalty notices issued in the last six months. These have been publicised. All forms of fixed penalty notice are now published through social media. Groups of people that the Council believes to be repeat offenders have been identified and legal action has been initiated.
Place	PL3	Help maintain low crime and anti-social behaviour (ASB) levels	Reduce anti-social behaviour (ASB) incidents in Swadincote Centre (Civic Way) Local Super Output Area.	391 (annual rolling figure). Target <400.	PL3.2 Number of ASB incidents in Swadincote Centre (reported as a rolling figure) is <400. <b>H&amp;CS</b>	424 (annual rolling figure)	See Action Plan.
Place	PL4	Connect with our communities, helping them feel safe and secure.	Review and deliver the Safer South Derbyshire Community Safety Partnership Plan.	Secondary schools consulted about priority input for 2018/19.	PL4.1 Support delivery of summer activities in urban core hot spot areas for young people to participate in. <b>H&amp;CS</b>	Achieved	22 sessions were delivered across the urban core during summer holidays. To combat anti-social behaviour issues, Monday night youth sessions have been provided every week at Midway Community Centre. People Express has been providing art sessions and a further youth group is being set up which will be run by volunteers. The Friday Night Project has moved to the Green Bank Leisure Centre in Swadincote as building work has commenced at Granville Academy.
Place	PL5	Support provision of cultural facilities and activities.	Promote participation in cultural activities and provide quality facilities to support communities.	150 people attended eUREka event. Target - 300.	PL5.1 Install at least 20 plaques and three lecterns as part of Swadincote Heritage Trail. <b>H&amp;CS</b>	See Action Plan	See Action Plan.
Place	PL6	Deliver services that keep the District clean and healthy.	Invest additional resources in street scene services and maintain and improve standards as the District grows.	Additional resources and service standards for street scene approved.	PL6.1 Propose and agree enhanced standards and performance measures. <b>E&amp;DS</b>	Achieved	Standards have been developed on key services to ensure residents know what they can expect from the Council. These are available to view on the website. New measures will be reported to Environmental and Development Services in the new year.
Progress	PR1	Work to attract further inward investment.	Showcase developments and investor opportunities in South Derbyshire.	N/A	PR1.1 Net additional commercial/employment floor space created (proxy). <b>E&amp;DS</b>	N/A	To be reported in quarter three.
Progress	PR2	Unlock development potential and ensure the continuing growth of vibrant town centres.	Drive forward Swadincote Town Centre Vision and Strategy.	Review of actions/achievements undertaken by Town Centre Vision Group.	PR2.1 Consult with stakeholders. <b>E&amp;DS</b>	Achieved	Consultations undertaken with public, private and voluntary/community sector partners via the South Derbyshire Partnership Sustainable Development Group, Swadincote Town Team and an online survey.
Progress	PR2	Unlock development potential and ensure the continuing growth of vibrant town centres.	Ensure the continuing growth of vibrant communities and town centres.	N/A	PR2.2 Vacant premises in Swadincote, Hilton and Melbourne (proxy). <b>E&amp;DS</b>	Hilton - 1.2% Melbourne - 2.8% Swadincote - 2.7%	Figures represent the percentage of floor space that is vacant in non-residential properties in Hilton, Melbourne and Swadincote. These remain low and comparable to previous reporting quarters.
Progress	PR2	Unlock development potential and ensure the continuing growth of vibrant town centres.	Pursue the development of transport solutions for a West Link (Swadincote, Newhall, Ashby, Melbourne, East Midlands Airport) in collaboration with East Midlands Enterprise Gateway	N/A	PR2.3 Seek approval for involvement and potential investment from Elected Members and consider project milestones accordingly. <b>E&amp;DS</b>	Achieved	Approval granted at Finance and Management on August 30, 2018 for a potential funding bid to help further link South Derbyshire with employment opportunities. Future milestones currently under consideration.

Progress	PR3	Work to maximise the employment, training and leisure uses of The National Forest by residents and increase the visitor spend by tourists.	Promote entrepreneurial opportunities to improve employability skills and raise awareness of self-employment.	Increased participation in Love Your Local Market Enterprise Fortnight (161).	PR3.1 Develop a Heritage Trail App with college students. E&DS	Achieved	Burton and South Derbyshire College students have undertaken a project to design an mobile app to showcase the Swadincote Heritage Trail. This has included the use of geopositioning to highlight points of interest, as well as accompanying photos and background information.
Progress	PR5	Provide support to businesses and the not for profit sector and promote innovation and access to finance, including in rural areas	Maximise the prosperity of businesses by maximising Food Hygiene Rating scores of five.	82.9%. Target ->83%	PR5.1 Food businesses which have a Food Hygiene Rating score of five. Target ->83%. E&DS	83.3%. Target > 83%	A trainee Environmental Health Officer, who is fluent in Mandarin and Cantonese, helped food inspectors build improved relationships with local Asian food business owners for whom English is not a first language.
Progress	PR5	Provide support to businesses and the not for profit sector and promote innovation and access to finance, including in rural areas	Maximise the prosperity of businesses in South Derbyshire through registered food businesses active.	839. Target ≥810.	PR5.2 Registered food businesses active in the District is ≥810. E&DS	844. Target >810	The Council continues to offer a free food safety/health and safety advice service for local businesses, especially start-ups, as well as a Business Advice Service providing direct support to the food and drink sector.
Progress	PR5	Provide support to businesses and the not for profit sector and promote innovation and access to finance, including in rural areas	Offer support and guidance through the South Derbyshire Business Advice Service.	58 (target - 40)	PR5.3 Guidance offered to businesses or people thinking of starting a business (through the South Derbyshire Business Advice Service). Target - 30. E&DS	59	59 advisory sessions took place. A Market Trader Start-up workshop was held to advise potential new traders, while initiatives were undertaken to promote export to Japan and China. Self employment was promoted at a Universal Credit event for claimants and partner organisations.
Progress	PR5	Provide support to businesses and the not for profit sector and promote innovation and access to finance, including in rural areas	Deliver the Community Partnership Scheme and award capital funding totalling £250k to meet local need.	Scheme officially launched.	PR5.4 Hold first grants panel and further workshop. Successful applications to be reported to committee. H&CS F&M	See Action Plan	See Action Plan.

# Finance and Management Committee Strategic and Service Success Areas Quarter 2 - 2018/19



## Appendix B



### 1.84%

Target <2.5%

The Council has achieved upper quartile performance for rent collection.



### Roll-out

Universal Credit

Roll out of Universal Credit in Derby postcodes has commenced.



### IT

Safe and secure

Public Services Network (PSN) compliance achieved, demonstrating the security of our IT network.



### Hardware

All systems go

Back up and disaster recovery project on track with hardware and software purchased.



### Award

RoSPA

The Council scooped a Royal Society for the Prevention of Accidents gold medal for its health and safety work.

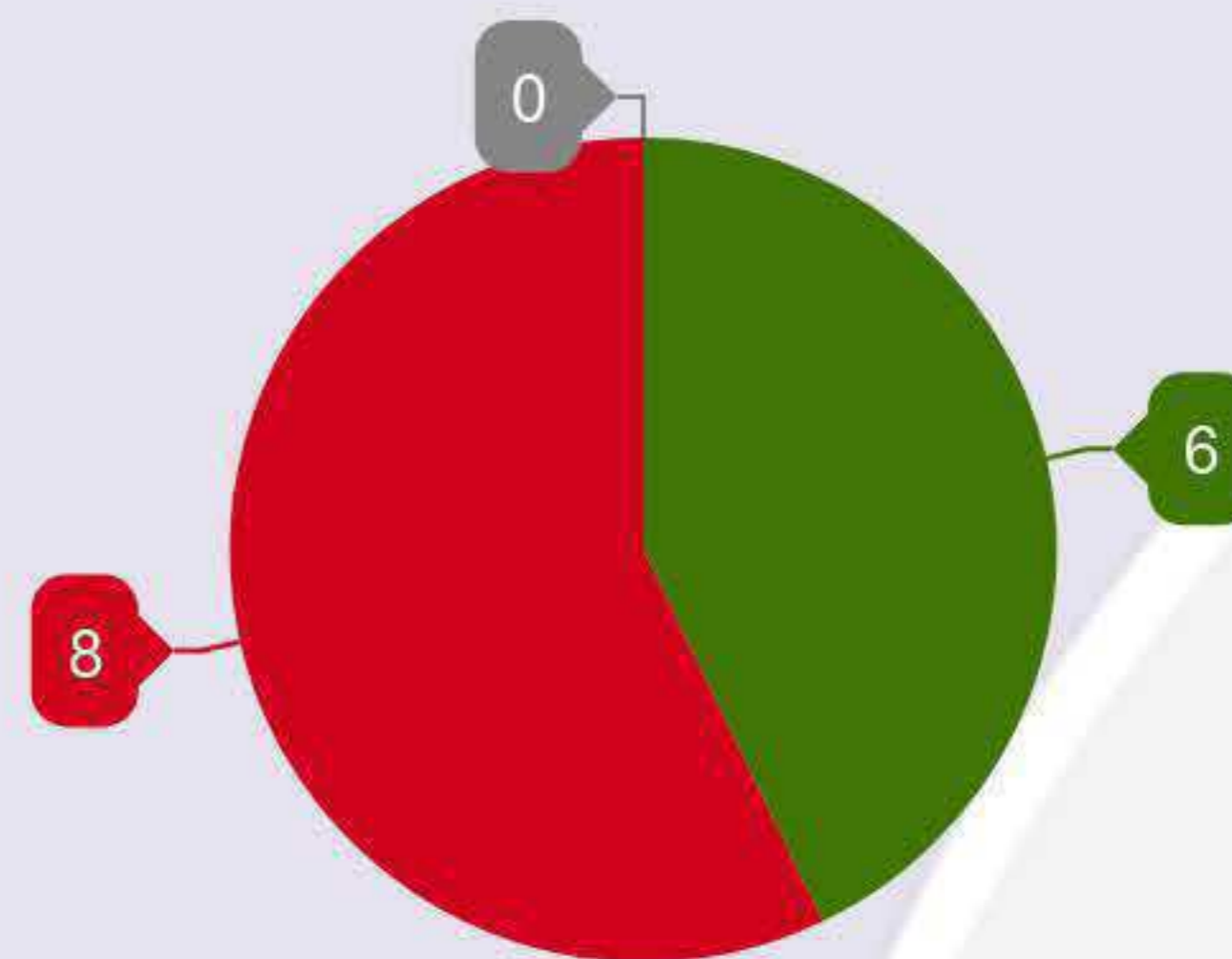


### Homes

New builds

Six new Council homes are being built in Lullington Road, Overseal. These are due to be completed by the end of 2018/19.

## F+M Performance Overview



Green (42.86%) Red (57.14%) Grey (0%)



### Charter

Dying to Work

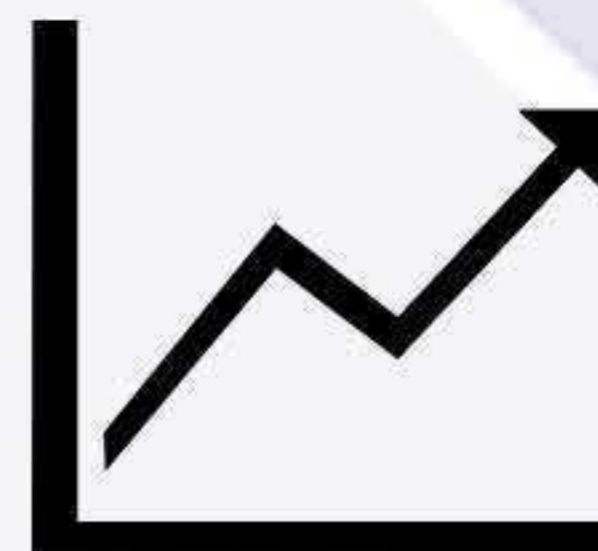
The Council has signed the Dying to Work charter to support terminally ill employees.



### First aiders

Mental health

Staff trained as first aiders to provide support for employees with mental health issues.



### Finance

Strong position

Our financial position continues to show resilience over the medium term.



### Pilot

New scheme

Pilot Hospital Avoidance Scheme ready to be launched in January 2019.

## Appendix C



0

An unqualified opinion in the Annual Audit Letter

Target - 1

**Theme** – Outcomes

**Action** – O2.1 An unqualified opinion in the Annual Audit Letter.

**Performance** – As reported to Full Council on September 20, the Auditor gave a qualified, 'except for' conclusion on the Council's Value for Money arrangements for 2017/18.

**Background** – To assist public accountability, local authorities are required to make arrangements to publish their Annual Audit Letter and make it readily available to residents of the District and other interested parties.

The Auditor acknowledged that the Council had made significant progress in implementing the recommendations from the Audit Report in 2016/17, noting some of the corresponding actions were still being embedded in processes as at March 31, 2018.

**Key actions underway** – All recommendations have now been fully implemented and the Council is focused on ensuring an Unqualified Opinion for 2018/19.

**Opportunities/risks** - The Annual Audit Letter is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health.

The Council works to ensure the proper arrangements are in place to secure economy, efficiency and effectiveness in its use of resources. Key risks identified as part of this approach are outlined in the Annual Audit Letter.



3.07 days

The average working days lost per employee

Target - 2

**Theme** – Outcomes

**Action** – O4.2 The average working days lost per employee.

**Target:** Less than two days per quarter.

**Performance** – 3.07 days (578 days long term, 322 days short term)

**Trend** – The number of working days lost to sickness absence for the year 2017/18 was 3,408 days or, on average, 11.63 days per person. This is an increase from 2,613 days (or 30%) and 9.91 days (or 17%) from the previous year.

**Key actions underway** – An internal working group of employer and employee representatives, led by the Strategic Director (Service Delivery), is meeting to consider a range of measures to address the current levels of absence.

The focus for the group has been stated as 'improving attendance' (through different initiatives such as reviewing employment policies) rather than managing absence to ensure that a rounded view of actions is taken.

An action plan has been developed and contact made with different partners to identify potential initiatives to be progressed. This includes training staff as Mental Health First Aiders and the provision of additional support for employees with mental health issues.

**Opportunities/risks** - Sickness absence can lead to a potential loss of productivity. Whilst employees are still paid during a period of absence (although this can reduce in periods of longer absence) an extra cost 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 better working methods and early, preventative action to improve levels of performance and attendance at work.





0

Full consultation completed with staff and trade unions.

Target - 1

**Theme** – Outcomes

**Action** – O4.2 Use the decision making methodology identified by the Local Government Association review.

**Target** – Full consultation completed with staff and trade unions.

**Performance** – Report not approved by Council.

**Background** – The Local Government Association (LGA) has been employed to conduct an independent review of the Council's existing management structure and arrangements.

Representatives from the LGA completed interviews and submitted initial proposals to the Chief Executive in quarter one. These are under consideration and it is now planned that a report will be considered by Council by the end of quarter three.

**Key actions underway** – The Chief Executive has discussed the proposals from the LGA with the Council's Strategic Directors. After feedback, the Chief Executive is finalising a report for consideration by the Council.

A number of supporting documents that will be used during the formal consultation process are being developed to clarify job roles and accountabilities.

**Opportunities/risks** – The Decision Making Accountability process is designed to further improve the services we deliver to our residents and communities and to develop a Council which is fit for the future.

The aim is to ensure the Council continues to have organisational structures which are effective and provide clear roles that are efficient in their use of management resources. This includes strengthening management accountabilities, processes and ways of working so the Council is best placed up to meet future challenges.



71.6%

% of telephone calls answered within 20 seconds

Target - 80%

**Theme** – Outcomes

**Action** – O5.1 % of telephone calls answered within 20 seconds

**Target** – 80%

**Performance** – 71.6%

**Trend** - Performance stood at 80.8% in quarter one

**Background** – High call volumes, coupled with summer holidays and one member of staff being away on long term sick, meant that we did not meet this target.

**Key actions underway** – The member of staff who was on long term sick has now rejoined the team on a phased return.

The Council also continues to consider new, innovative ways for members of the public to transact and interact with us.

Our aim is to offer greater options to residents and businesses as well as a more personalised experience.

**Opportunities/risks** – The Council's aim is to provide high quality customer care for residents to access services in the most convenient way.

Ensuring there is a clear and consistent focus across the Council will deliver an inclusive and outstanding customer experience.



**10.30%**

Council call abandonment rate

**Target - <8%**

**Theme** – Outcomes

**Action** – O5.2 Call abandonment rate

**Target** – Less than 8%

**Performance** – 10.30%

**Trend** - Performance stood at 3.7% in quarter one

**Background** – High call volumes, coupled with summer holidays and one member of staff being away on long term sick, meant that we did not meet this target for the first time since the Corporate Plan began three years ago.

**Key actions underway** – The member of staff who was on long term sick has now rejoined the team on a phased return.

The Council also continues to consider new, innovative ways for members of the public to transact and interact with us.

Our aim is to offer greater options to residents and businesses as well as a more personalised experience.

**Opportunities/risks** – The Council's aim is to provide high quality customer care for residents to access services in the most convenient way.

Ensuring there is a clear and consistent focus across the Council will deliver an inclusive and outstanding customer experience.



**18.7 & 8.7**

Average time for processing new Benefit claims and changes in circumstances

**Target - <8 & <18**

**Theme** – People

**Action** – PE2.3 and PE2.4 Average time for processing new Benefit claims and notifications of changes in circumstances

**Target** – New Benefit claims - <18 days. Changes in circumstances - <8 days.

**Performance** – New Benefit claims - 18.7 days. Changes in circumstances - 8.7 days.

**Trend** - New Benefit claims were processed in an average of 17.6 days in quarter one, with changes of circumstances processed in an average of 7.2 days.

**Background** – The Council is currently working on an initiative with the Department of Work and Pensions to help further prevent fraud and error in Benefit claims. This has required extra resource which has taken time away from processing work.

It should be noted that the Council has only narrowly missed the two targets and remains in the upper quartile for Benefits performance. The national benchmark is 22 days for new claims and nine days for changes in circumstances.

**Key actions underway** – Additional resource has been brought in to help manage the increase in workload and we would anticipate this indicator being back on track in future quarters.

**Opportunities/risks** – An opportunity exists to further cement our position as one of the best performing Benefit processing authorities in the country.

The risk of delayed processing is that residents entitled to Benefits (especially new claimants) are not receiving payments in a timely manner.



0

Hold  
Community  
Partnership  
Scheme  
Grants Panel.

**Target - 1**

**Theme – Progress**

**Action –** Deliver the Community Partnership Scheme and award capital funding totalling £250k to meet local need.

**Target:** Hold first grants panel and further workshop. Successful applications to be reported to committee.

**Performance:** Grants panel has not been held due to an issue with membership.

**Background –** A member of the grants panel has changed committees. The panel is recognised as a sub group of the Housing and Community Services Committee, meaning only its members are eligible.

**Key actions underway –** A replacement Councillor needs to be appointed onto the panel at Full Council in November.

**Opportunities -** The applicants have been spoken to and have been offered the chance to amend their applications if applicable.

**Risks –** All applicants have been contacted to ensure the delay will not have a detrimental impact on their projects.

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**There are eight actions for the Finance and Management Committee**

## CHIEF EXECUTIVE'S RISK REGISTER (AS AT SEPTEMBER 30, 2018)

Risk	Rating and Current Position	Risk Treatment	Mitigating Actions	Change since last Quarter
<p>CE1 Failure to meet statutory deadlines in relation to the licensing function, unable to process licences, leading to individuals unable to trade, legal issues, complaints.</p>		<p>Treat the risk through continuous action and review.</p>	<p>Processes and procedures are in place to ensure all matters are processed within statutory time-frame.</p> <p>Staff are trained and aware of authority's duties.</p>	<p>No change to rating or treatment.</p> <p><b>Note: This risk is now included in the Strategic Risk Register as part of the statute and regulation risks. It will be removed from this risk register from Q3.</b></p>
<p>CE2 Failure to meet statutory deadlines and/or statutory functions during litigation, contractual matters, land sales/purchases, enforcement matters.</p>		<p>Tolerate the current situation and keep under review.</p>	<ul style="list-style-type: none"> <li>• Qualified officers with professional training and experience</li> <li>• Processes and procedures are in place to ensure compliance                             <ul style="list-style-type: none"> <li>• Case management reviews</li> </ul> </li> </ul>	<p>No change to rating or treatment.</p> <p><b>Note: This risk is now included in the Strategic Risk Register as part of the statute and regulation risks which can potentially affect all services.</b></p>
<p>CE3 Non-performance of local government statutory duties at Committee and Council meetings.</p>		<p>Treat the risk through continuous action and review.</p>	<ul style="list-style-type: none"> <li>• Compliance with Council's Constitution</li> <li>• Processes and procedures in place                             <ul style="list-style-type: none"> <li>• Strict adherence to timetable</li> </ul> </li> </ul>	<p>No change to rating or treatment.</p> <p><b>Note: This risk is now included in the Strategic Risk Register as part of the statute and regulation risks. It will be removed from this risk register from Q3.</b></p>

<p>CE4 Failure to meet statutory deadlines for the canvass and in compiling and publishing the Register.</p>		<p>Treat the risk through continuous action and review.</p>	<ul style="list-style-type: none"> <li>Processes and procedures in place</li> <li>Experienced officers carry out process <ul style="list-style-type: none"> <li>Close monitoring</li> </ul> </li> </ul>	<p>No change to rating or treatment</p> <p><b>Note: This risk is now included in the Strategic Risk Register as part of the statute and regulation risks. It will be removed from this risk register from Q3.</b></p>
<p>CE5 Failure to meet statutory responsibilities, denying right of franchise at Election/Referendum time.</p>		<p>Treat the risk through continuous action and review.</p>	<ul style="list-style-type: none"> <li>Processes and procedures in place</li> <li>Strict adherence to statutory timetable</li> <li>Assistance from Electoral Commission available, when needed <ul style="list-style-type: none"> <li>Support staff employed to assist</li> <li>Close monitoring</li> </ul> </li> </ul>	<p>No change to rating or treatment.</p> <p><b>Note: This risk is now included in the Strategic Risk Register as part of the statute and regulation risks. It will be removed from this risk register from Q3.</b></p>
<p>CE6 Failure of tourism partnerships leading to an adverse impact on businesses in visitor economy.</p>	<p>Likelihood is unlikely and impact is moderate.</p>	<p>Tolerate the current situation and keep under review.</p>	<ul style="list-style-type: none"> <li>Proactive engagement in partnerships and with individual partners</li> <li>Commitment of officer time and resources to partnership activities</li> <li>Monitoring of projects and performance</li> </ul>	<p>No change to rating or treatment.</p>
<p>CE7 Failure of the South Derbyshire Partnership, leading to non-delivery of the community's vision and priorities set out in the Community Strategy</p>	<p>Likelihood is unlikely and impact is moderate.</p>	<p>Treat the risk through continuous action and review.</p>	<ul style="list-style-type: none"> <li>Proactive support for partnership</li> <li>Commitment of officer time and resources to partnership facilitation</li> <li>Engagement of partners in policy making and project design and delivery</li> </ul>	<p>No change to rating or treatment.</p>

<p>CE8 Downturn in the local economy leading to a loss of jobs, business failures, and a reduction in income to the Council (e.g. Business Rate income; Take-up of commercial properties, etc).</p>		<p>Treat the risk through continuous action and review.</p>	<ul style="list-style-type: none"> <li>• Monitoring of economic trends</li> <li>• Economic Development Strategy designed to increase robustness of local economy</li> <li>• Delivery of economic development activities, including provision of South Derbyshire Business Advice Service</li> </ul>	<p>No change to rating or treatment.</p> <p><b>Note: This risk is now included in the Strategic Risk Register as part of economic risks. It will be removed from this risk register from Q3.</b></p>
<p>CE9 Failure of Sharpe's Pottery Heritage &amp; Arts Trust, leading to a loss of service to visitors and residents through the Tourist Information Centre.</p>	<p>Likelihood is medium and impact is moderate.</p>	<p>Treat the risk through continuous action and review.</p>	<ul style="list-style-type: none"> <li>• Officer advice and support available to Trust <ul style="list-style-type: none"> <li>• Member involvement in Trust Board</li> </ul> </li> <li>• Monitoring of services and performance, including Service Level Agreement and Work Programme</li> </ul>	<p>No change to rating or treatment.</p>
<p>CE10 Failure to meet statutory deadlines for Gender Pay reporting, resulting in financial penalties and reputational damage.</p>		<p>Treat the risk through continuous action and review.</p>	<ul style="list-style-type: none"> <li>• Procedures in place to ensure that data is published to deadlines.</li> <li>• Development of Resourcelink to produce Gender Pay report</li> </ul>	<p>No change to rating or treatment</p> <p><b>Note: This risk is now included in the Strategic Risk Register as part of the statute and regulation risks which can potentially affect all services. It will be removed from this risk register from Q3.</b></p>

<p>CE11 Employees are not developed and trained to effectively undertake their roles.</p>		<p>Treat the risk through continuous action and review.</p>	<ul style="list-style-type: none"> <li>• Mandatory training programme delivered.</li> <li>• Annual report outlining training completed and priorities for coming year</li> <li>• Provision of adequate and appropriate training interventions</li> </ul>	<p>No change to rating or treatment.</p> <p><b>Note: This risk is now included in the Strategic Risk Register as part of capacity and resilience risks. It will be removed from this risk register from Q3.</b></p>
<p>CE12 Failure to maintain adequate health and safety management arrangements that could result in financial penalties, employee injury or reputational damage.</p>		<p>Treat the risk through continuous action and review.</p>	<ul style="list-style-type: none"> <li>• Health and Safety Action Plan delivered</li> <li>• Professional Health and Safety advice provided to support managers and employees</li> <li>• Adequate training provided to employees and managers</li> </ul>	<p>No change to rating or treatment.</p> <p><b>Note: This risk is now included in the Strategic Risk Register as part of Health and Safety risks. It will be removed from this risk register from Q3.</b></p>
<p>CE13 Reputational risk to Council due to lack of knowledge and understanding of Corporate Plan.</p>		<p>Treat the risk through continuous action and review.</p>	<ul style="list-style-type: none"> <li>• Inductions for all new staff to highlight the importance of the Plan</li> <li>• Ensure all internal and external comms tie in with our collective vision</li> <li>• Ensure staff are actively involved in service and strategic planning</li> <li>• Strong and consistent branding on publications</li> </ul>	<p>No change to rating or treatment.</p> <p><b>Note: This risk is now included in the Strategic Risk Register as part of capacity and resilience risks. It will be removed from this risk register from Q3.</b></p>

CE14. Poor quality performance data.	Likelihood is low and impact is moderate.	Treat the risk through continuous action and review.	<ul style="list-style-type: none"> <li>• Reviewed quarterly as part of the performance reporting process.</li> <li>• Methodology statements compiled and continually monitored and updated</li> <li>• Annual data quality audit undertaken.</li> </ul>	No change to rating or treatment.
CE15. Failure to deliver expected efficiencies and savings through channel shift and digital methods of communication.		Treat the risk through continuous action and review.	<ul style="list-style-type: none"> <li>• Enhance transactional capability as part of phase II of the website project</li> <li>• Ongoing analysis of patterns/trends to consider impact of channel shift</li> <li>• Further functionality to be developed to increase self-serve options</li> </ul>	<p>No change to rating or treatment.</p> <p><b>Note: This risk is now included in the Strategic Risk Register as part of technology risks. It'll be removed from this risk register from Q3.</b></p>



**CHIEF EXECUTIVE’S RISK MATRIX (as at Sept 2018)**

Likelihood		Impact			
		1 Minor	2 Moderate	3 Significant	4 Catastrophic
4 High					
3 Medium		<b>CE9 Failure of Sharpe’s Pottery Heritage and Arts Trust</b>			
2 Low					
1 Unlikely		<b>CE6 Failure of tourism partnerships</b> <b>CE7 Failure of the South Derbyshire Partnership</b> <b>CE14. Poor quality performance data</b>			

Please note that risk ratings have not been applied to those risks being absorbed by the Strategic Risk Register.

The likelihood and impact of these can be found within the Strategic Risk Register.

**CORPORATE RESOURCES RISK REGISTER (AS AT SEPTEMBER 30, 2018)**

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>Currently being rolled out but impact on local resources currently limited.</p> <p>The potential impact could be greater from the next stages of implementation.</p>	<p>Treat the risk through continuous action and review.</p>	<p>The impact of welfare reform to date has been incremental and has not had any significant impact directly on staffing resources.</p> <p>UC is still planned to be rolled out to all new claimants in South Derbyshire from November 2018, with further roll-outs for all claimants expected from July 2019. Full implementation is expected by 2022/23 for all working age claimants, although the Government is currently reviewing this timetable.</p> <p>Eventually, this is likely to reduce the amount of housing Benefit claims being processed. It is anticipated that spare capacity will be utilised to support claimants as they switch to UC. Staff levels will be kept under review.</p>	<p>No change to rating or treatment.</p>
<p>2 Fraudulent activity – the possibility of fraud being undetected in Revenues, Benefits and Housing, etc.</p>	<p>Fraud is being prevented and detected. However, national studies show fraud is leading to a significant loss of resources.</p>	<p>Treat the risk through continuous action and review.</p>	<p>The Council works in partnership with other Derbyshire authorities who share a software package that enables data matching in Council Tax and Business Rates.</p> <p>Single Person Discount checks undertaken regularly.</p> <p>In addition, a Partnership arrangement with Derby City Council was implemented in January 2017, following the appointment of a new and dedicated Fraud Unit at the City.</p> <p>The Council buys in the equivalent of one post to help detect fraud in other areas across the Council, allowing knowledge and skills to be shared. The performance of the Partnership is measured and reported to the Committee on a quarterly basis.</p>	<p>No change to rating or treatment.</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 a three year term. As per the Service Level Agreement, performance is monitored on an ongoing basis.</p>	<p>Potential risk added to the Service Register.</p>
<p>4 Small sized units – services such as Finance, Property and Land Charges contain small teams.</p>	<p>Current vacancies in Property Services and Land Charges proving difficult to fill; a long-term absence is affecting service delivery.</p>	<p>Treat the risk through continuous action and review</p>	<p>Training and sharing knowledge within teams is essential to mitigate the risk and this is currently in place. There are trainee posts and a Modern Apprentice (MA) in place with the post holders undergoing formal training programmes, both academically and practically.</p> <p>Training and development is available and utilised by all staff.</p> <p>Current absences and vacancies in Property Services and Land Charges are being covered by temporary staff. The MA is receiving specific training in the processing of Land Searches to enhance resilience in the future.</p>	<p>No change to rating or treatment.</p> <p><b>Note: This risk is now included in the Strategic Risk Register as part of the corporate capacity and resilience issue which can potentially affect all services.</b></p>

### CORPORATE RESOURCES OPERATIONAL RISK MATRIX

Likelihood					
4 High		Fraudulent activity (2)			
		Small sized units (4)			
3 Medium			Universal Credit (1)		
2 Low			Procurement (3)		
1 Unlikely					
		1 Minor	2 Moderate	3 Significant	4 Catastrophic
		<b>Impact</b>			

**STRATEGIC RISK REGISTER (UPDATED AS AT 30<sup>th</sup> SEPTEMBER 2018)**

Risk	Rating and Current Position	Risk Treatment	Mitigating Actions	Change since last Quarter
<p>1 Funding - a reduction in core spending power.</p>	<p>On-going reduction in national resources but resources locally increasing; current financial position healthy with time to plan. The main uncertainty is the on-going reduction in New Homes Bonus due to changes in the baseline below which no bonus is paid.</p>	<p>Treat the risk through continuous action and review.</p>	<p>The updated Medium Term Financial Plan (MTFP), which was approved by the Committee in October 2018, shows a stable and relatively healthy position into the medium-term. Longer-term budget savings may be required although General Reserves are adequate and known financial risks are being provided for in the MTFP.</p>	<p>No change to rating or treatment.</p>
<p>2 The economy - the impact of the national economic situation locally.</p>	<p>Currently, the local economy is strong and growing; a significant rise in interest rates would have a low impact. The impact of Brexit on local development and business prospects remains uncertain.</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 any risk.</p> <p>On-going budgets for income from planning fees, land charges, etc. together with New Homes Bonus and Council Tax receipts are set at levels below current actuals, 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. Debt is at fixed interest rates and is affordable within the Housing Revenue Account's financial plan.</p> <p>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 William Nadin Way is now substantially complete.</p>	<p>The rating has been increased from green to amber due to the on-going negotiations regarding Brexit as the deadline to secure a deal approaches. This is creating some uncertainty which will remain until a deal is finalised.</p>

			<p>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 also being pursued.</p> <p>Additional resources currently being generated from the 100% Business Rates Retention Pilot.</p>	
<p>3 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 opportunities 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>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>An annual internal audit review tests 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 recently been rolled out.</p> <p>In addition, the Council used external resources to strengthen information governance and compliance, ahead of the implementation of the Data Protection Act 2018. A Data Protection Officer has been appointed by the Council.</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>Page 30 of 110</p>	<p>No change to rating or treatment</p>

<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>	<p>There is a low likelihood but the impact could be significant.</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>Business continuity and Emergency Plans 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 backed-up and stored in a secure off-site facility outside of the immediate region. However, an improved solution is currently the main project in IT and this is expected to be implemented shortly to strengthen DR arrangements.</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>No change to rating or treatment.</p>
<p>5 Capacity and resilience - recruitment, retention and development of the workforce and dealing with additional demand for services.</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>A training and development programme for senior and aspiring managers has recently been completed.</p> <p>Recent senior management restructure and creation of a new Leadership Team.</p> <p>Review undertaken by the Local Government Association to strengthen organisational structures to ensure that they are efficient. Proposals being reported to Committee on November 29, 2018.</p> <p>Additional resources for Waste Collection and Grounds Maintenance approved in the 2018 Budget and have been implemented.</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 increased in 2018/19 for all supported organisations.</p>	<p>No change to rating or treatment.</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 sector and local organisations. Council Officers currently working with the CVS and Citizens Advice.</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. Aspects of this risk are also transferred as they are insured against.</p>	<p>Lone working systems in place. These are being enhanced by the implementation of ‘Solo-Protect.’</p> <p>Potentially Violent Persons Policy and Risk Register approved by the Committee in October.</p> <p>Alarms and warning system in place in Civic Offices.</p>	<p>Although this risk has always existed for individual services, it has now been classified as a strategic risk to be dealt with corporately.</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 of its services.</p>	<p>Although this risk has always existed for individual services, it has now been classified as a strategic risk to be monitored corporately.</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 incident.</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>Although this risk has always existed for individual services, it has now been classified as a strategic risk to be monitored corporately.</p>



<p>10. Managing the environmental impact of incidents across the District.</p>	<p>There is no recent evidence to suggest any significant issues, the likelihood of any environmental impact is low but the impact could be significant.</p>	<p>Treat the risk through continuous action and review.</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, air/water pollution, weather related incidents and contaminated land.</p>	<p>Although this risk has always existed for individual services, it has now been classified as a strategic risk to be monitored corporately to ensure that the correct actions are in place to address any incidents.</p>
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**STRATEGIC RISK MATRIX (as at Sept 2018)**

<b>Likelihood</b>					
4 High		<p><b>Technology and data (3). Funding for the voluntary sector (6).</b></p>			
3 Medium		<p><b>Core funding (1)</b></p>			
2 Low		<p><b>Capacity and resilience (5) Statute and regulation (8)</b></p>	<p><b>The economy (2) Business continuity (4) Health and Safety (9)</b></p>		
1 Unlikely			<p><b>Environmental impact (10)</b></p>	<p><b>Terrorism (7)</b></p>	
		1 Minor	2 Moderate	3 Significant	4 Catastrophic

<b>REPORT TO:</b>	<b>FINANCE AND MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM: 8</b>
<b>DATE OF MEETING:</b>	<b>29th NOVEMBER 2018</b>	<b>CATEGORY: DELEGATED</b>
<b>REPORT FROM:</b>	<b>STRATEGIC DIRECTOR (CORPORATE RESOURCES)</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>KEVIN STACKHOUSE (01283 595811)</b> <a href="mailto:kevin.stackhouse@south-derbys.gov.uk">kevin.stackhouse@south-derbys.gov.uk</a>	<b>DOC:</b> s/finance/committee/2018-19/Nov 18
<b>SUBJECT:</b>	<b>BUDGET and FINANCIAL MONITORING 2018/19</b>	<b>REF</b>
<b>WARD (S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: FM 08</b>

## **1.0 Recommendation**

- 1.1 That the latest budget and financial position for 2018/19 as detailed in the report is considered and approved.

## **2.0 Purpose of the Report**

- 2.1 To provide progress on performance against budgets for the financial year 2018/19.
- 2.2 Where applicable, the effects upon the Medium-Term Financial Plan (MTFP) are also noted.
- 2.3 The report details performance up to 30th September 2018 (unless stated otherwise) and is effectively the 2<sup>nd</sup> quarter's update of income and expenditure for 2018/19.
- 2.4 The report covers:
- General Fund Income and Expenditure
  - Collection Fund
  - Housing Revenue Account
  - Capital Expenditure and Financing
  - Financial Performance Indicators

## **3.0 Detail**

### **GENERAL FUND REVENUE ACCOUNT**

- 3.1 Apart from Council Housing, day-to-day revenue income and expenditure on Council services is accounted for through the General Fund. The Net Expenditure is financed from the Council's Core Spending Power which contains:
- General Government Grant
  - Retained Business Rates
  - New Homes Bonus
  - Council Tax

- 3.2 The Base Budget for 2018/19, which was approved by the Council in February 2018, estimated a budget deficit of £161,270 for 2018/19. This was then updated in October 2018 in the Medium Term Financial Plan to a surplus of £778,399. The movement related to approved changes by this Committee plus an increase to the expected Business Rates retained in year and is summarised in the following table.

	£
Base Budget	12,066,591
Reverse out Depreciation	-871,666
Minimum / Voluntary Revenue Provisions	336,861
Contingent Sums	650,177
<b>Total Estimated Spend</b>	<b>12,181,963</b>
Financing	-12,960,362
<b>Estimated Surplus</b>	<b>-778,399</b>

### Position as at September 2018

- 3.3 A summary of the position to date and the projected position for the year compared to the Base Budget for each Policy Committee is shown in the following table.

Budget Monitoring - September					
Summary by Policy Committee					
COMMITTEE	ANNUAL			RESERVES	
	BUDGET	PROJECTED ACTUAL	PROJECTED VARIANCE	EARMARKED	NET EFFECT ON GF
	£	£	£	£	£
Environmental and Development	4,367,019	4,390,722	23,702	(3,847)	27,549
Housing & Community	2,644,404	2,402,282	(242,122)	(249,260)	7,138
Finance & Management	5,055,168	4,557,889	(497,279)	(458,375)	(38,904)
<b>TOTAL</b>	<b>12,066,591</b>	<b>11,350,892</b>	<b>(715,698)</b>	<b>(711,482)</b>	<b>(4,216)</b>

- 3.4 Although the above table shows that projected net expenditure is £715,698 lower than the base budget, approximately £711k is due to grant income, external contributions and receipts received from developers under Section 106 agreements, for on-going projects and capital schemes which stretch beyond the current year 2018/19. This funding is transferred to specific reserves and drawn-down to finance expenditure when it is incurred.
- 3.5 Excluding transfers to earmarked 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 £4k compared to the base budget for the year.
- 3.6 An analysis by main service area is shown in the following table.

## Budget Monitoring - September

### Summary by Main Service Area

MAIN SERVICE AREA	BUDGET			RESERVES	
	BUDGET	PROJECTED ACTUAL	PROJECTED VARIANCE	EARMARKED	NET EFFECT ON GF
	£	£	£	£	£
Economic Development	251,238	250,833	(406)	0	(406)
Environmental Services	516,373	488,813	(27,561)	0	(27,561)
Highways	44,548	45,190	641	0	641
Licensing and Land Charges	(638)	(9,048)	(8,409)	0	(8,409)
Planning	604,687	545,608	(59,079)	3,064	(62,143)
Town Centre	95,137	96,166	1,029	0	1,029
Waste Collection & Street Cleansing	2,157,599	2,331,827	174,228	34,000	140,228
Environmental Education	79,052	38,141	(40,911)	(40,911)	0
Central & Departmental Accounts	619,022	603,192	(15,831)	0	(15,831)
Community Development and Support	571,808	555,895	(15,913)	(32,294)	16,381
Leisure and Recreational Activities	188,722	180,373	(8,349)	0	(8,349)
Leisure Centres and Community Facilities	565,115	367,304	(197,810)	(201,514)	3,704
Parks and Open Spaces	894,731	946,687	51,957	47,732	4,225
Private Sector Housing	424,029	352,023	(72,006)	(63,183)	(8,823)
Central and Departmental Accounts	3,265,361	3,179,631	(85,730)	(25,790)	(59,940)
Revenues and Benefits	497,162	550,778	53,616	(9,991)	63,607
Electoral Registration	207,232	207,232	(0)	0	(0)
Corporate and Democratic Costs	571,610	577,575	5,966	0	5,966
Payments to Parish Councils	359,832	359,832	0	0	0
Concessionary Travel	0	(415)	(415)	0	(415)
Property and Estates	(166,027)	(176,410)	(10,383)	0	(10,383)
Pensions, Grants, Interest and Receipts	319,998	(140,335)	(460,333)	(422,594)	(37,739)
<b>TOTAL</b>	<b>12,066,591</b>	<b>11,350,892</b>	<b>(715,698)</b>	<b>(711,482)</b>	<b>(4,216)</b>

### Overview of Spending to date

3.7 The main reasons for the projected variance at this stage, is shown in the following table.

	£'000
Salary savings (vacancies, maternity etc.) - E&D	-198
Salary savings (vacancies, maternity etc.) - F&M	-178
Salary savings (vacancies, maternity etc.) - H&C	-41
Investment Income	-38
Increased Environmental Health Income	-20
Lettings from Industrial and Commercial Units	-20
Vehicle Spare Parts	-16
Increased Personal Searches Fee Income	-13
Increased Street Naming Income	-5
Staff Advertising	5
External Legal Support	8
Tools - Bodycams and Calibrators for Environmental Health	9

Tree & Sewer Works Unbudgeted	10
Markets Additional Costs	12
Traveller's Site Transfer to County	15
Revenues and Benefits System Upgrades and Support	19
Building Control Income	20
DMA Review Costs	25
Reduced Income Household Waste	37
NNDR Rateable Value Finder Fee	76
Vehicle Hire	80
Agency and Consultancy Costs	205
Other Variances (net)	4
<b>TOTAL - OVERALL PROJECTED VARIANCE</b>	<b>-4</b>

3.8 Budget savings are currently being made from vacant posts although these savings are partially offset by agency and consultancy costs to support service areas. Salary savings total £417k with support costs totaling £205k.

3.9 Building Control income is lower than anticipated. This has expected to be adverse and is due to lower market share. The transfer of this service to the Shared Service Arrangement hosted by Lichfield District Council in April 2019 is underway after approval by this Committee earlier in 2018.

3.10 Household Waste is expected to be adverse on income by year-end due to a lower than expected final income receipt for 2017/18 from County Council.

3.11 Costs incurred using external resource to review the Council's management structure under the Decision Making Accountability (DMA) principle has been reported previously and can be absorbed within contingent sums set-aside within the MTFP.

3.12 The cost of employing an external company to source rateable value on businesses not currently on the Council's revenues system has been included in contingent sums. Additional Business Rates revenue will be generated in 2018/19 and should offset the additional costs.

3.13 The other main variance is the cost of vehicle hire which is due to growth of the District plus an aging vehicle fleet. Growth expenditure can be absorbed within contingent sums.

3.14 Vans have been ordered to replace aging vehicles and are being delivered in phases, the final delivery being expected by the end of November. There is a requirement to order two sweepers and these are to be part of a procurement exercise for delivery in 2019/20.

### **Other Variances**

3.15 The future management of the Town Centre Market is being reviewed. In the meantime additional costs are being incurred.

- 3.16 Increases on Industrial Unit income is due to a reduction in void properties and is expected to be a favourable variance by year-end.
- 3.17 Tree works on cemeteries and sewer works to help with the prevention of flooding were unbudgeted at the level incurred to date but were necessary to complete.
- 3.18 The Traveller's site at Lullington was transferred back to Derbyshire County Council during February 2018. The date of transfer was unknown at the point of budgeting for 2018/19. Previously, the County had contributed towards the central establishment costs whilst the site was under the Council's management. These costs will now not be recovered in year.

### Contingent Sums

- 3.19 The following sums have been provided in the base budget but not allocated to specific budgets.

	£
Pay and Grading review	10,000
Waste Collection and Recycling	100,000
Growth	316,800
Leadership Restructure Saving	92,000
Costs of Rateable Value Finder	100,000
Apprenticeship Levy	31,377
<b>Total</b>	<b><u>650,177</u></b>

### Provisions

- 3.20 The following provisions were made in the Council's accounts in 2017/18 for liabilities due in 2018/19.

	£
Planning appeals	108,000
Redundancy	63,811
<b>Total Provisions</b>	<b><u>171,811</u></b>

- 3.21 The provision for the redundancy has been settled and paid during the first quarter of 2018/19. Final costs for the provision for planning appeals are still to be determined.

### Core Grants and Funding

- 3.22 The Council's central funding, besides Retained Business Rates, is fixed for the year as shown in the following table.

<b>Core Grants and Funding 2018/19</b>	<b>£</b>
Council Tax	5,169,071
Retained Business Rates	4,985,318
Discretionary Business Rates Relief Scheme	49,000
New Homes Bonus	2,701,973
Collection Fund Surplus	55,000
<b>Total Funding</b>	<b><u>12,960,362</u></b>

- 3.23 The final amount for Business Rates will depend upon income and expenditure during the year, including any return from the Derbyshire 100% Business Rates Pilot.
- 3.24 The latest projection regarding Business Rates has been updated and is shown in the table below. This shows that additional business rates retained are projected to be £350,000 (£5,335k - £4,985k) greater than estimated. The projection of £5.3m includes the additional £1m retained from the Business Rates Pilot in 2018/19 which has previously been set-aside for economic regeneration projects.

	Estimate £'000	Projection £'000
Approved Precept	13,338	13,338
Tariff paid to Derby City Council	-8,242	-8,242
S31 Grants - Business Rates Relief	1,020	1,020
Transitional Protection Payments	0	350
Payment to Derbyshire Pool	-825	-825
Business Rates surplus / deficit (-) 2018/19	0	-537
<b>Net amount received in retention system</b>	<b>5,291</b>	<b>5,104</b>
Declared deficit 2017/18	-306	-306
Reversal of deficit 2018/19	0	537
<b>Total Business Rates Retained</b>	<b>4,985</b>	<b>5,335</b>

## THE COLLECTION FUND

- 3.25 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 on the Fund, including this Council.
- 3.26 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 2018/19, based on transactions up to 30th September 2018, is detailed in **Appendix 1**.
- 3.27 This shows that the projected surplus balance on Council Tax is approximately £1,917k, with a projected deficit balance of approximately £501k on Business Rates.

## Council Tax

- 3.28 The projected balance at the year-end is approximately £1,917k compared to the budget estimate of £1,453k. This is due to the continuing increase in the tax base (number of properties).
- 3.29 The budget was based on a Tax Base of 32,467 Band D equivalent properties (after exemptions and discounts) with the total number of dwellings on the valuation list numbering 42,994. At the end of September 2018, the actual Tax Base amounted to 33,302 (+ 835) with the overall number of properties at 43,964 (+ 970).
- 3.30 During the Budget Round for 2018/19, the Council declared a surplus on the Collection Fund of £500,000 and this is being paid to Preceptors in the current financial year as shown in Appendix 1. It is anticipated that income will continue to increase with further residential development.
- 3.31 The Precepts are fixed payments for the year. The only other variable is the provision for bad debts which is calculated at the year-end. Even allowing for any further increase in the estimated amount, there will be a continuing surplus on

Council Tax. The Council's share is approximately 11% and the amount available will be considered during the 2019/20 Budget Round.

### Business Rates

- 3.32 The majority of appeals lodged by local businesses with the Valuation Office from the 2010 Valuation have now been settled. Large provisions are still required in the accounts for the remaining outstanding 2010 appeals plus any new appeals lodged after the 2017 Valuation.
- 3.33 The deficit on the Fund is being charged back to the General Funds of the Preceptors in 2018/19, 50% of this is met by the Council. The deficit is likely to be lower than forecast in 2018/19, although this will depend on the outcome of appeals and any additional appeals that may be lodged arising from the latest Valuation.
- 3.34 As Appendix 1 shows, receipts are currently lower than forecast but this is anticipated to rise during the second half of 2018/19 due to a growth in the Tax Base, together with increases arising from the 2017 Rating Valuation.
- 3.35 The Council's share of the projected Fund deficit in 2018/19 (at 50%) is approximately £537k (£1,073k \* 50%) as shown in the table in 3.24

### INSURANCE PREMIUM

- 3.36 The Council's insurance premium has been renewed with Zurich Municipal Insurance and has increased by £23k, 6.5% higher than 2017/18. The additional cost against budget has resulted in a £12k adverse variance but has only impacted the HRA.
- 3.37 Motor vehicle claims have risen during 2018 which has led to an increased premium of £10k. Training is to be provided by Zurich to vehicle users as part of the Risk Management Fund that is paid within the Council's premium.
- 3.38 Increases on Public Liability (£6k) and Employers Liability (£2k) are based on the salaries paid by the Council which has increased by 3% in year due to incremental rises and the nationally agreed pay award.
- 3.39 Other larger increases have been seen on Terrorism (£1k), Housing Properties (£2k) and All Risks (£2k) which have been inflated at a standard 3%.

### GENERAL FUND SUMMARY

- 3.40 A summary of the actual spend versus the current Base Budget is listed below and takes into account the projected increase in Business Rates plus the costs incurred that can be covered by contingent sums.

	£
Projected Variance to Budget	-4,216
Projected Additional Business Rates Retained (paragraph 3.24)	-350,000
Expenditure Absorbed in Contingent Sums:	
Rateable Value finder	-76,000
DMA Review Costs	-25,000
<b>Projected Variance</b>	<b>-455,216</b>



## HOUSING REVENUE ACCOUNT (HRA)

- 3.41 The Council is required to account separately for income and expenditure in providing Council Housing.
- 3.42 The approved HRA Budget for 2018/19 was set with an estimated surplus of £1,098k. This was amended to a surplus of £293k as reported in the MTFP in October 2018.
- 3.43 Reductions to the surplus were due to increases in the valuation of dwellings which has resulted in a higher depreciation charge. The capital expenditure inclusive of debt repayment must equal the depreciation charged in year under legislation regarding HRA self-financing.
- 3.44 The position on the HRA as at September 2018 is summarised in the following table.

Summary HRA 2018/19	BUDGET	PROJECTED	PROJECTED
	ACTUAL	VARIANCE	
	£000	£000	£000
Total Income	-12,626	-12,613	13
Contribution to Capital & New Build	2,543	2,543	0
Responsive & Planned Maintenance	3,143	2,882	-261
Interest on Debt	1,798	1,688	-110
Supervision & Management	1,907	1,888	-19
Supported Housing & Careline Services	795	795	0
Provision for Bad Debts	100	100	0
Provision for Debt Repayment	1,992	1,992	0
Asset Replacement Contribution	45	45	0
Contingent Sums	11	11	0
<b>Surplus</b>	<b>-293</b>	<b>-670</b>	<b>-377</b>

- 3.45 The above table shows that overall the HRA is projected to show an increased surplus of £670k which is £377k more than the revised budget. The main variances are shown in the following table.

	£'000
Repairs & Maintenance	-130
Salary savings (vacancies, maternity etc.)	-129
Over Budgeted Interest Charges	-110
Materials Spend	-50
Insurance Claim Settlement	-26
Additional Careline Income	-15
Vehicle Hire	6
Insurance Premium	12
Reduced Rent due to Right to Buy	16
Agency and Consultancy Staff	58
Other Variances (net)	-9
<b>TOTAL - OVERALL PROJECTED VARIANCE</b>	<b>-377</b>

- 3.46 The main variances are due to vacant posts partially offset by agency and consultants to support services, reduced materials and repairs spend due to contract expiry.
- 3.47 Variable rate interest charged is lower than budgeted and is expected to continue at a lower rate for the remainder of the year. The budget is based on an interest rate of 3.0% but the actual charged on the variable element is 0.79%.
- 3.48 An insurance claim for a Council house fire in Melbourne during 2017/18 has now been settled. The costs of the fire were incurred in last financial year.
- 3.49 As noted within the MTFP reported in October, the reduced rental income due to Right to Buy is having an impact as the reduction is at a greater rate than budgeted. This has been offset by the increased contribution towards Careline during the year but is still a big risk to the HRA.
- 3.50 The increased insurance premium charge has been explained in more detail at 3.38 but will be adverse for the HRA due to a lower than anticipated increase to the base budget in the 2018/19 budget cycle.

### **CAPITAL EXPENDITURE and FINANCING 2018/19**

- 3.51 The Capital Programme for 2018/19 was approved by the Committee in February 2018. This has been updated following the budget out-turn in 2017/18 to reflect expenditure and funding carried forward from that year.
- 3.52 Progress in 2018/19 across the main projects and schemes in the updated programme is shown in the following table.

<b>Capital Spending 2018/19 (as at September 2018)</b>	<b>Approved Budget £</b>	<b>B/fwd 2017/18 £</b>	<b>Updated Budget 2018/19 £</b>	<b>Spend to-date £</b>
Council House Capital Works	2,118,000	0	2,118,000	582,916
New Build Schemes	751,513	0	751,513	495
Private Sector Housing Works	946,000	792,553	1,738,553	64,354
Environmental and Heritage Schemes	268,948	-8,843	260,105	145,169
Swadlincote Woodlands Nature Reserve	37,000	0	37,000	0
Rosliston Forestry Centre - Play Project	130,000	0	130,000	0
Community Partnership Scheme	250,000	25,988	275,988	10,000
Eureka Park	0	0	0	22,585
Town Hall Windows	0	0	0	15,076
Vehicle Replacements	633,040	614,866	1,247,906	751,348
Depot Relocation	0	0	0	47,264
Sale of Land	0	0	0	11,946
Dellner Factory Premises	0	0	0	2,080
Property Maintenance, Development and Refurbishment	130,000	89,732	219,732	0
<b>Total</b>	<b>5,264,501</b>	<b>1,514,296</b>	<b>6,778,797</b>	<b>1,653,233</b>

## **Council House Capital Works and New Build Schemes**

- 3.53 Major improvement works are currently under review and new tenders are required. Updates to the programme of works are to be reported later in the year. There is likely to be an underspend in this area in 2018/19 to carry forward into 2019/20.
- 3.54 The final New Build project at Lullington Road is still in the early stages and has a funding agreement in place with the Housing and Communities Agency. This project is to be picked up by the Strategic Housing Manager over the coming months with starts on site forecast in quarter 3.

## **Private Sector Housing Works**

- 3.55 Income received from the Better Care Fund (BCF) in previous years has been carried forward awaiting approval of future schemes. The BCF Board have now approved projects and these have been reported to Housing & Community Services Committee in June 2018.
- 3.56 Expenditure on Disabled Facilities Grants are included within the BCF allocation.

## **Environmental and Heritage Schemes**

- 3.57 This relates to the Swadlincote Town Centre Scheme following the award of funding in 2016/17.
- 3.58 The scheme is progressing well with a number of the grant projects being undertaken over the summer months. This is the final year of the scheme and the full budget will be utilised during the year.

## **Leisure and Community Schemes**

- 3.59 Match funding of £18k from Veolia Environmental Trust has been secured for the Swadlincote Woodlands Nature Reserve project and work is set to commence later in 2018/19.
- 3.60 The Rosliston Play Project is on hold until a full review of services at Rosliston Forestry Centre has been undertaken after the transfer back to the Council in April 2018. Any underspend will need to be carried forward into 2019/20.
- 3.61 The capital element of the Eureka Park project is now complete with final funding to be claimed from the HLF.
- 3.62 New windows for the Town Hall have been funded through revenue contributions and earmarked reserves alongside funding from the Swadlincote Heritage Town Centre Scheme.

## **Vehicle Replacements**

- 3.63 Replacement of 8 refuse freighters has now been complete and 12 vans have been delivered during quarter 2 with the remaining 17 due by the end of November.

## **Relocation of the Council Depot**

- 3.64 The project was complete during 2017/18 with a final cost for network support being received in 2018/19. This cost is contained within the contingency for provisional items and no further costs are expected to be incurred.

## Other Capital Items

- 3.65 The sale of land costs incurred to-date are for two sites approved for sale by this Committee. These costs will be offset by the capital receipts expected in year.
- 3.66 Final costs for works at the Dellner Factory site are to be funded by an earmark reserve set-aside a number of years ago. The works were completed in 2017/18 with final charges being received during 2018/19.

## Housing Capital Receipts

- 3.67 There have been 17 council house sales up to 30th September 2018 as shown in the following table. The net amount retained of £944,021 has been transferred to the New Build Reserve.

	Sales	Gross Receipts	Less Pooled	Retained	
	£	£	£	£	%
Quarter 1	11	757,300	-77,900	679,400	90%
Quarter 2	6	342,520	-77,900	264,620	77%
<b>Total</b>	<b>17</b>	<b>1,099,820</b>	<b>-155,799</b>	<b>944,021</b>	<b>86%</b>

- 3.68 There has been 1 further sale since September making a total of 18 to-date in 2018/19.
- 3.69 Repayment of a right to buy discount of £17.6k for a sale in a previous year has also been received by the Council. This has been transferred to the New Build Reserve.
- 3.70 A sum of £45k has been received during September 2018 for a deed of release for land at Nettlefold Crescent, Melbourne. This receipt will also be transferred to the HRA New Build Reserve.

## General Capital Receipts

- 3.71 There has been one capital receipt in July 2018 of £290k for land at William Nadin Way and further sales of land at Staley Close and the old Depot site on Darklands Road are expected to generate receipts in 2018/19.

## FINANCIAL and OTHER PERFORMANCE

- 3.72 In addition to the Corporate Plan, the Corporate Resources Directorate also maintain a set of key performance indicators to monitor the progress of its services. These indicators, although more operational, also relate back to the main aims in the Corporate Plan and are contained in the Directorate's Service Plan.
- 3.73 The indicators are maintained to ensure that each service area meets its intended outcomes and is a measure of its success. Several of the indicators are governed by statute. The targets are based on current benchmarks and are designed to improve on previous year's performance.
- 3.74 The indicators for 2018/19, together with progress to September 2018, are detailed in **Appendix 2**. Four indicators are currently behind target, Council Tax collection rate, ICT down time, prompt payment of 97% of supplier invoices and FOI responses but they should be rectified over the remainder of the financial year.

## Payments to Suppliers

- 3.75 Under the Public Contracts Regulations 2015, the Council is required to publish its speed in processing payments to suppliers. Under the Regulations, the Council should pay all undisputed invoices within 30-days of receipt.
- 3.76 Although there is no specific penalty if this regulation is not complied with, individual suppliers have the right, under Late Payments Legislation, to claim interest on late payments. The rate of interest is 8% above the prevailing Bank of England Base Rate (currently 0.75%).
- 3.77 Overall performance against this indicator is shown in Appendix 3. The Council's detailed performance in 2017/18, together with that to-date in 2018/19, is shown in the following tables.

	<u>No. of Invoices</u>	<u>No. Paid in 30 Days</u>	<u>% Paid in 30 days</u>	<u>No. Paid in 10 Days</u>	<u>% Paid in 10 days</u>
Apr-17	326	317	97.24%	223	68.40%
May-17	448	429	95.76%	313	69.87%
Jun-17	409	380	92.91%	289	70.66%
Jul-17	524	504	96.18%	320	61.07%
Aug-17	549	535	97.45%	381	69.40%
Sep-17	525	457	87.05%	351	66.86%
Oct-17	420	401	95.48%	266	63.33%
Nov-17	627	603	96.17%	464	74.00%
Dec-17	353	339	96.03%	199	56.37%
Jan-18	573	543	94.76%	373	65.10%
Feb-18	458	433	94.54%	324	70.74%
Mar-18	419	411	98.09%	318	75.89%
	<b>5631</b>	<b>5352</b>	<b>95.05%</b>	<b>3821</b>	<b>67.86%</b>

	<u>No. of Invoices</u>	<u>No. Paid in 30 Days</u>	<u>% Paid in 30 days</u>	<u>No. Paid in 10 Days</u>	<u>% Paid in 10 days</u>
Apr-18	383	373	97.39%	258	67.36%
May-18	513	496	96.69%	331	64.52%
Jun-18	468	459	98.08%	363	77.56%
Jul-18	446	437	97.98%	276	61.88%
Aug-18	516	473	91.67%	319	61.82%
Sep-18	450	432	96.00%	315	70.00%
	<b>2776</b>	<b>2670</b>	<b>96.18%</b>	<b>1862</b>	<b>67.07%</b>

- 3.78 Standard benchmarks are 97.5% for all invoices to be paid within 30 days and 65% for 10-day payments.
- 3.79 The reduced level of payments within 30 days in August was due to a rise in the number of invoices received accompanied by resource issues over the holiday period. This resulted in finance staff and operational managers not being available within the usual tight time frames to approve and pay invoices. This target is set to be achieved by the year-end.

3.80 The Council did not receive any claims or make any payments for late interest in 2017/18 or to-date in 2018/19.

**4.0 Financial Implications**

4.1 As detailed in the report

**5.0 Corporate Implications**

5.1 None directly

**6.0 Community Implications**

6.1 None directly

**7.0 Background Papers**

7.1 None

**APPENDIX 1**

**COLLECTION FUND MONITORING 2018/19 (as at 30th September 2018)**

	<b>Actual 2017/18</b>	<b>Estimated 2018/19</b>	<b>2nd Qtr Projection 2018/19</b>	<b>Notes</b>
<b>COUNCIL TAX - INCOME &amp; EXPENDITURE</b>	£'000	£'000	£'000	
<b>INCOME</b>				
Council Tax Collectable	53,295	57,026	57,494	Estimated Increase in Tax Base and Precepts at 7%
<b>EXPENDITURE</b>				
County Council Precept	38,345	41,302	41,302	As approved by Full Council 26th Feb 2018
Police and Crime Commissioner Precept	5,715	6,253	6,253	As above
Fire and Rescue Authority Precept	2,297	2,426	2,426	As above
SDDC Precept	4,942	5,169	5,169	As above
SDDC Parish Precepts	756	773	773	As above
Increase in Bad Debts Provision	-68	570	575	Estimated at 1% of income
<b>Total Expenditure</b>	<b>51,987</b>	<b>56,493</b>	<b>56,498</b>	
<b>Surplus for the Year</b>	<b>1,308</b>	<b>532</b>	<b>996</b>	
<b>COUNCIL TAX BALANCE</b>				
Opening Balance 1st April	613	1,421	1,421	Per Final Accounts 2017/18
Share of Previous Surplus to County Council	-367	-367	-367	As approved by Full Council 26th Feb 2018
Share of Previous Surplus to Police	-56	-56	-56	As above
Share of Previous Surplus to Fire Authority	-22	-22	-22	As above
Share of Previous Surplus to SDDC	-55	-55	-55	As above
Surplus for Year (as above)	1,308	532	996	
<b>Closing Balance as at 31st March</b>	<b>1,421</b>	<b>1,453</b>	<b>1,917</b>	

**Actual**    **Estimated**    **2nd Qtr**  
**2017/18**    **2018/19**    **Projection**  
**£'000**        **£'000**        **2018/19**  
**£'000**

**BUSINESS RATES - INCOME & EXPENDITURE**

**INCOME**

Business Rates Collectable	24,457	26,635	25,405
Transitional Protection Payments	590	873	873
<b>Total Income</b>	<b>25,047</b>	<b>27,508</b>	<b>26,278</b>

Estimate as per NNDR1

**EXPENDITURE**

Central Government Precept	12,402	0	0
SDDC Precept	9,922	13,338	13,338
Derbyshire County Council Precept	2,232	13,071	13,071
Fire and Rescue Service Precept	248	267	267
Cost of Collection	91	91	91
Increase in Bad Debts Provision	145	266	254
Provision for Appeals	-428	473	330
<b>Total Expenditure</b>	<b>24,612</b>	<b>27,506</b>	<b>27,351</b>

Per NNDR1 Submission

As above

As above

As above

Estimated at 1% of income

Estimated at 1.3% of income (forecast is NNDR1)

**Surplus / Deficit (-)**

**435                    2                    -1,073**

**BUSINESS RATES BALANCE**

Opening Balance 1st April	-1,339	-192	-192
Transfer of Previous Year's Surplus (-) / Deficit	356	382	382
Transfer of Previous Year's Surplus (-) / Deficit	285	306	306
Transfer of Previous Year's Surplus (-) / Deficit	64	69	69
Transfer of Previous Year's Surplus (-) / Deficit	7	7	7
Surplus / Deficit (-) for the Year as above	435	2	-1,073
<b>Closing Balance as at 31st March</b>	<b>-192</b>	<b>574</b>	<b>-501</b>

Per Final Accounts 2017/18

Per NNDR1 Submission

As above

As above

As above



Corporate Plan Aim	Measure	Annual target 2018/19	Performance as at September 2018
Maintain financial health	Deliver a balanced budget in accordance with the statutory timetable	Balanced budget agreed by the Council on 27 <sup>th</sup> February 2019	Not due until 2019
Maintain financial health	Produce regular budget monitoring information	Performance against budget reported to the Council on a quarterly basis	Completed
Maintain financial health	Through better procurement, generate budget savings directly or through supporting other services	Total cashable savings cover the costs of administration and management, estimated at £30,000 for 2018/19	Procurement exercises to-date have related to Capital replacements and one-off projects. Retendering of certain supplies and services will be undertaken in the second half of the year. Currently, no major services or contracts subject to procurement.
Maintain financial health	Collection of Council Tax	In-year Collection Rate of at least 98%	0.5% under target at Q2 but expected to be on target by year-end
Maintain financial health	Collection of Business Rates	In-year Collection Rate of at least 98%	0.33% over target due to changes to the focus on collection
Maintain financial health	Housing Benefit Subsidy Local Authority Error Rate is below target threshold set by the DWP	Less than 0.48%	Not due until 2019
Maintain financial health	Arrears for Council Tax, Business Rates and Housing Benefit Overpayments	Reduction in the annual Provision for Bad Debts	Not due until 2019
Maintain financial health	Identification of Fraud	Value of fraud identified meets service costs of £35,000	Target met £88k achieved to-date (compared to £88k in 2017/18)

Maintain financial health	Lettings of Industrial and Commercial Properties	Achieve 90% occupancy of all units and less than 10% of properties with rent arrears greater than 3 months	98.67% of units let and 4% arrears greater than 3 months
Maintain financial health	Income from Land Searches	Service breaks-even	Due to additional income, a surplus of £8k is currently being achieved
Good Governance	Produce a draft set of Accounts and Financial Statements for Annual Audit and Inspection	31st May 2018	Completed
Good Governance	Completion of Approved Internal Audit Plan and outcomes reported to the Audit Sub-Committee	At least 90% completed ( <i>this is monitored by the Audit Sub-Committee</i> )	On track. Audit Plan agreed and jobs allocated as reported to the Audit Sub-Committee on 19 <sup>th</sup> September 2018.
Customer Focus	Minimise downtime of IT	Downtime is less than 1% over the year	0.75% downtime in Q1, 2.1% downtime Q2 with YTD at 1.4%. Each month remains around 0.7% however the August figure of 4% has had an effect on the overall total. Issue: website filter appliance stopped working limiting the internet connection within the Council. There was a supplier issue and steps have been taken to mitigate against further outages.
Customer Focus	Prompt payment of invoices for goods and services	97% of undisputed invoices paid within 30 days	2,670 invoices from a total of 2,776 (96%) were paid within 30 days due to a large influx of invoices during the holiday period in August. This will be on target by year-end.
Customer Focus	Prompt payment of invoices for goods and services	65% paid within 10 days for local suppliers	67% (1,862 invoices) were paid within 10 days
Customer Focus	Freedom of Information requests answered within the statutory time limit	98% of requests satisfactorily answered with 20 days	As reported to the Committee in November 2018, 92% and 95% were answered in the six months to September 2017 and September 2018 respectively

<b>REPORT TO:</b>	<b>FINANCE AND MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM: 9</b>
<b>DATE OF MEETING:</b>	<b>29th NOVEMBER 2018</b>	<b>CATEGORY: DELEGATED</b>
<b>REPORT FROM:</b>	<b>STRATEGIC DIRECTOR (CORPORATE RESOURCES)</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>KEVIN STACKHOUSE (01283 595811)</b> <a href="mailto:kevin.stackhouse@south-derbys.gov.uk">kevin.stackhouse@south-derbys.gov.uk</a>	<b>DOC:</b> s/finance/committee/2018-19/Nov 18
<b>SUBJECT:</b>	<b>TREASURY MANAGEMENT UPDATE 2018/19</b>	<b>REF</b>
<b>WARD (S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: FM08</b>

## **1.0 Recommendation**

- 1.1 That the latest Treasury Management Update for quarter 2 2018/19 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 2018/19.
- 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 2018/19**

## **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 2018/19 was approved at a meeting of the Authority on 15<sup>th</sup> February 2018. 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.

Following consultation in 2017, CIPFA published new versions of the Prudential Code for Capital Finance in Local Authorities (Prudential Code) and the Treasury Management Code of Practice. Additionally, in England MHCLG published its revised Investment Guidance which came into effect from April 2018.

The updated Prudential Code includes a new requirement for local authorities to provide a Capital Strategy, which is to be a summary document approved by full council covering capital expenditure and financing, treasury management and non-treasury investments. The Authority has produced its Capital Strategy which will be approved by full Council in 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**

Oil prices rose by 23% over the six months to around \$82/barrel. UK Consumer Price Inflation (CPI) for August rose to 2.7% year/year, above the consensus forecast and that of the Bank of England's in its August *Inflation Report*, as the effects of sterling's large depreciation in 2016 began to fade. The most recent labour market data for July 2018 showed the unemployment rate at 4%, its lowest since 1975. The 3-month average annual growth rate for regular pay, i.e. excluding bonuses, was 2.9% providing some evidence that a shortage of workers is providing support to wages. However real wages, (i.e. adjusted for inflation), grew only by 0.2%, a marginal increase unlikely to have had much effect on households.

The rebound in quarterly GDP growth in Q2 to 0.4% appeared to overturn the weakness in Q1 which was largely due to weather-related factors. However, the detail showed much of Q2 GDP growth was attributed to an increase in inventories. Year/year GDP growth at 1.2% also remains below trend. The Bank of England made no change to monetary policy

at its meetings in May and June, however hawkish minutes and a 6-3 vote to maintain rates was followed by a unanimous decision for a rate rise of 0.25% in August, taking Bank Rate to 0.75%.

Having raised rates in March, the US Federal Reserve again increased its target range of official interest rates in each of June and September by 0.25% to the current 2%-2.25%. Markets now expect one further rise in 2018.

The escalating trade war between the US and China as tariffs announced by the Trump administration appeared to become an entrenched dispute, damaging not just to China but also other Asian economies in the supply chain. The fallout, combined with tighter monetary policy, risks contributing to a slowdown in global economic activity and growth in 2019.

The EU Withdrawal Bill, which repeals the European Communities Act 1972 that took the UK into the EU and enables EU law to be transferred into UK law, narrowly made it through Parliament. With just months to go when Article 50 expires on 29<sup>th</sup> March 2019, neither the Withdrawal Agreement between the UK and the EU which will be legally binding on separation issues and the financial settlement, nor its annex which will outline the shape of their future relationship, have been finalised, extending the period of economic uncertainty.

One possible outcome of a disorderly Brexit is a UK recession as economic growth contracts. In this scenario the Bank of England would be expected to cut interest rates. However, November's Monetary Policy Committee minutes indicated that interest rates could rise in the event that supply falls faster than demand, leading to domestically generated inflation. Similar uncertainty applies to the interest rate outlook following the agreement of an early and "good" transitional deal, since the likely rise in the exchange rate will import deflation to the UK.

## **Financial markets**

Gilt yields displayed marked volatility during the period, particularly following Italy's political crisis in late May when government bond yields saw sharp moves akin to those at the height of the European financial crisis with falls in yield in safe-haven UK, German and US government bonds. Over the period, despite the volatility, the net change in gilt yields was small. The 5-year benchmark gilt only rose marginally from 1.13% to 1.16%. There was a larger increase in 10-year gilt yields from 1.37% to 1.57% and in the 20-year gilt yield from 1.74% to 1.89%. The increase in Bank Rate resulted in higher money market rates. 1-month, 3-month and 12-month LIBID rates averaged 0.56%, 0.70% and 0.95% respectively over the period.

It is understood that the UK is close to agreeing a deal for UK and European financial service firms to continue "passporting" their regulatory permissions post-Brexit, however this has not been signed yet. Therefore, even though Arlingclose remain comfortable that banks and money market funds domiciled outside the UK will repay client investments, there remains a possibility that regulatory issues will interfere with the timely transfer of cash. They therefore recommend that clients ensure that they do not hold the entirety of their liquid funds outside the UK over the Brexit period. There are only two money market funds

domiciled in the UK - the CCLA Public Sector Deposit Fund and the Federated Short-Term Sterling Prime Fund. The Authority currently holds £2m in the Federated Fund.

## **Credit background**

Reflecting its perceived higher risk, the Credit Default Swap (CDS) spread for non-ringfenced bank NatWest Markets plc rose relatively sharply over the period to around 96bps. The CDS for the ringfenced entity, National Westminster Bank plc, has held steady below 40bps. Although the CDS of other UK banks rose marginally over the period, they continue to remain low compared to historic averages.

The ringfencing of the big four UK banks - Barclays, Bank of Scotland/Lloyds, HSBC and RBS/Natwest Bank plc – is complete, the transfer of their business lines into retail (ringfenced) and investment banking (non-ringfenced) is progressing and will need to be completed by the end of 2018.

There were a few credit rating changes during the period. Moody's downgraded Barclays Bank plc's long-term rating to A2 from A1 and NatWest Markets plc to Baa2 from A3 on its view of the credit metrics of the entities post ringfencing. Upgrades to long-term ratings included those for Royal Bank of Scotland plc, NatWest Bank and Ulster Bank to A2 from A3 by Moody's and to A- from BBB+ by both Fitch and Standard & Poor's (S&P). Lloyds Bank plc and Bank of Scotland plc were upgraded to A+ from A by S&P and to Aa3 from A1 by Moody's.

Arlingclose will henceforth provide ratings which are specific to wholesale deposits including certificates of deposit, rather than provide general issuer credit ratings. Non-preferred senior unsecured debt and senior bonds are at higher risk of bail-in than deposit products, either through contractual terms, national law, or resolution authorities' flexibility during bail-in. Arlingclose's creditworthiness advice will continue to include unsecured bank deposits and CDs but not senior unsecured bonds issued by commercial banks.

Arlingclose considers that the strongest UK banks and building societies hold sufficient levels of capital to weather a no-deal Brexit for a rolling period of at least three or six months as indicated by the advice they provide upon which we base our Counterparty List. Weak banks unprepared for a systemic event, and strong banks suffering an idiosyncratic event may be at an increased risk of bail-in. However, Arlingclose are confident the Bank of England, and if necessary HM Treasury, will take action to prevent widespread bank defaults caused by a systemic event such as Brexit.

## **Local Context**

On 31st March 2018, the Authority had net borrowing of £29.86m arising from its revenue and capital income and expenditure. This fell to £20.41m by the end of quarter 2. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). Debt outstanding is split between the HRA and General Fund and this represents the 'two pool' approach adopted for debt management.

## Capital Financing Requirement (CFR)

	<b>31.3.18 Actual £'000</b>	<b>30.06.18 Actual £'000</b>	<b>30.09.18 Actual £'000</b>
<b><u>Housing Revenue Account</u></b>			
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
<b>Borrowing Capacity (Cap less Debt Outstanding)</b>	<b>9,430</b>	<b>9,430</b>	<b>9,430</b>
<b><u>General Fund</u></b>			
Debt Outstanding	0	0	0
Capital Financing Requirement (CFR)	5,653	5,653	5,653
<b>Borrowing Capacity (Cap less Debt Outstanding)</b>	<b>5,653</b>	<b>5,653</b>	<b>5,653</b>
<b>Total Capital Financing Requirement (CFR)</b>	<b>67,237</b>	<b>67,237</b>	<b>67,237</b>

In his Autumn 2018 Budget Statement, the Chancellor confirmed the abolition of the HRA Debt Cap with effect from 29<sup>th</sup> October 2018. The quarter 3 treasury report will be updated to reflect this change.

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 2018 and the change in the quarter is show in the table below.

## Treasury Management Summary

	<b>31.03.18 Balance £'000</b>	<b>30.06.18 Balance £'000</b>	<b>Q2 2018 Movement £'000</b>	<b>30.09.18 Balance £'000</b>
Long-term borrowing	57,423	57,423	0	57,423
Short-term borrowing	28	28	0	28
<b>Total borrowing</b>	<b>57,451</b>	<b>57,451</b>	<b>0</b>	<b>57,451</b>
Long-term investments	1,000	1,000	1,000	2,000
Short-term investments	23,500	25,000	5,500	30,500
Cash and cash equivalents	3,092	4,084	462	4,546
<b>Total investments</b>	<b>27,592</b>	<b>30,084</b>	<b>6,962</b>	<b>37,046</b>
<b>Net borrowing</b>	<b>29,859</b>	<b>27,367</b>		<b>20,405</b>



## **Borrowing Activity**

At 30th September 2018 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**

<b>Loan Profile</b>	<b>Type</b>	<b>Value £'000</b>	<b>Rate %</b>	<b>Maturity</b>
Public Works Loan Board	Variable	10,000	0.79	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
<b>Total Long-term borrowing</b>		<b>57,423</b>		
Short-term Parish Council Loans		<b>28</b>	0.00	
<b>Total borrowing</b>		<b>57,451</b>		

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

## Treasury Investment Activity

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 £34m and £43m due to timing differences between income and expenditure. The investment position during the quarter is shown in the table below.

### Treasury Investment Position

	<b>31.03.18 Balance £'000</b>	<b>30.06.18 Balance £'000</b>	<b>Q1 Rate of Return %</b>	<b>30.09.18 Balance £'000</b>	<b>Q2 Rate of Return %</b>
Banks (unsecured)	3,092	4,084	0.23	4,546	0.35
Local Authorities	18,000	20,000	0.62	21,000	0.71
Debt Management Office	1,500	1,000	0.27	3,500	0.50
Money Market Funds	4,000	4,000	0.48	6,000	0.62
CCLA Property Fund	1,000	1,000	4.16	2,000	4.21
<b>Total investments</b>	<b>27,592</b>	<b>30,084</b>		<b>37,046</b>	

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

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 is now participating in the Arlingclose quarterly investment benchmarking exercises. This will enable us to measure our investment portfolio against other similar Local Authorities. The table below is an extract from Arlingclose's benchmarking, and shows the risk and return metrics as at the end of quarter 2.

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

	<b>Credit Score</b>	<b>Credit Rating</b>	<b>Bail-in Exposure</b>	<b>Weighted Average Maturity (days)</b>	<b>Rate of Return %</b>
<b>30.09.2018</b>	3.98	AA-	30%	107	0.63
<b>Similar LAs</b>	4.28	AA-	56%	88	0.78
<b>All LAs</b>	4.38	AA-	60%	37	0.76

**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 rises in November 2017 and/or August 2018, which reduced the average rate of return compared to other authorities.

The Authority deposited £1m in the CCLA Property Fund on 28<sup>th</sup> 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 28<sup>th</sup> 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 since purchase 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

		2017/18	2017/18	2018/19	2018/19
		Q3	Q4	Q1	Q2
Dividend Received	£	10,738	10,215	10,432	13,871
Annual Equivalent Interest Rate	%	4.30%	4.09%	4.16%	4.21%
Bid (Selling) Price	pence/unit	294.60	297.33	298.90	298.97

#### 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 two quarters is shown below.

	As at 30.06.18	As at 30.09.18
Average 7-Day Money Market Rate (Target)	0.49%	0.57%
Average Interest Rate Achieved on Short Term Deposits	0.55%	0.63%

## 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

	<b>Maximum Investment during Q2 £m</b>	<b>Maximum Invested per Counterparty £m</b>	<b>Limit</b>	<b>Maximum Term</b>	<b>Complied</b>
Debt Management Office	£11m	£11m	£15m in total	364 days	✓
Other Local Authorities	£24m	£5m	£5m per Authority	364 days	✓
Money Market funds	£6m	£2m	£10m total, £2m per fund	60 days	✓
CCLA Property Fund	£2m	£2m	£2m	Indefinite period	✓
Named Counterparties (HSBC/Lloyds/BOS/Close Bros/Santander)	£1.95m	£1.95m	£2m per Bank	6 months	✓
Named Counterparties (Barclays/Goldman Sachs/NatWest/RBS)	£1.93m	£1.93m	£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 2018/19**

Having raised policy rates in August 2018 to 0.75%, the Bank of England's Monetary Policy Committee (MPC) has maintained expectations of a slow rise in interest rates over the forecast horizon.

The MPC has a definite bias towards tighter monetary policy but is reluctant to push interest rate expectations too strongly. While policymakers are wary of domestic inflationary pressures over the next two years, it is believed that the MPC members consider both that (a) ultra-low interest rates result in other economic problems, and that (b) higher Bank Rate will be a more effective weapon should downside Brexit risks crystallise and cuts are required.

Arlingclose's central case is for Bank Rate to rise twice in 2019. The risks are weighted to the downside. The UK economic environment is relatively soft, despite seemingly strong labour market data. GDP growth recovered somewhat in Q2 2018, but the annual growth rate of 1.2% remains well below the long term average

The view is that the UK economy still faces a challenging outlook as the minority government continues to negotiate the country's exit from the European Union. Central bank actions and geopolitical risks, such as prospective trade wars, have and will continue to produce significant volatility in financial markets, including bond markets.

**COUNTERPARTY LIST 2018/19**  
*(As at November 2018)*

<b>Institution</b>	<b>Limit</b>	<b>Maximum Term</b>
<b><u>Specified Investments</u></b>		
<ul style="list-style-type: none"> <li>UK Debt Management Office (DMO)</li> </ul>	<b>£15m</b>	364 Days
<ul style="list-style-type: none"> <li>Local, Police, Fire and Parish Authorities</li> </ul>	<b>£5m</b> with any one Authority	364 Days
<b><u>Non Specified Investments</u></b>		
<b><i>Named Counterparties</i></b>		
<ul style="list-style-type: none"> <li>CCLA LAMIT Property Fund</li> </ul>	<b>£2m</b>	Indefinite period, subject to quarterly review
<ul style="list-style-type: none"> <li>Money Market Funds</li> </ul>	<b>£10m in total and £2m with any one Fund</b>	60 days
<ul style="list-style-type: none"> <li>HSBC</li> <li>Lloyds Bank</li> <li>Bank of Scotland</li> <li>Standard Chartered Bank</li> <li>Close Brothers</li> <li>Santander UK</li> <li>Abbey National Treasury Services</li> </ul>	<b>£2m</b> with any one Bank	6 months
<ul style="list-style-type: none"> <li>Barclays Bank</li> <li>NatWest Bank</li> <li>Royal Bank of Scotland</li> <li>Ulster Bank Ltd</li> <li>Goldman Sachs International</li> </ul>	<b>£2m</b> with any one Bank	100 days
<ul style="list-style-type: none"> <li>Nationwide Building Society</li> <li>Coventry Building Society</li> </ul>	<b>5% of total deposits</b>	6 months
<ul style="list-style-type: none"> <li>Leeds Building Society</li> </ul>	<b>5% of total deposits</b>	100 days
<b><i>Foreign Counterparties</i></b>		
<ul style="list-style-type: none"> <li>AAA rated institutions (<i>subject to separate approval by the Section 151 Officer</i>)</li> </ul>	<b>£1m</b> with any one Bank	1 month
<b><i>Independent Building Societies</i></b>		
<ul style="list-style-type: none"> <li><i>subject to separate approval by the Section 151 Officer</i></li> </ul>	<b>£1m</b> with any one society	100 days

<b>REPORT TO:</b>	<b>FINANCE AND MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM: 10</b>
<b>DATE OF MEETING:</b>	<b>29 NOVEMBER 2018</b>	<b>CATEGORY: DELEGATED</b>
<b>REPORT FROM:</b>	<b>STRATEGIC DIRECTOR (CORPORATE RESOURCES)</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>KEVIN STACKHOUSE (595811)</b> <a href="mailto:kevin.stackhouse@south-derbys.gov.uk">kevin.stackhouse@south-derbys.gov.uk</a>	<b>DOC:</b> s:\cent_serv\complaints\committee reports\working papers for Dec 2018\Complaints and FOI report for Dec 2018 .
<b>SUBJECT:</b>	<b>COMMENTS, COMPLIMENTS, COMPLAINTS &amp; FREEDOM OF INFORMATION REQUESTS</b> <b>01 APRIL 2018 TO</b> <b>30 SEPTEMBER 2018</b>	<b>REF: KS/SH/CS</b>
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: FM11</b>

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## **1.0 Recommendations**

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

## **2.0 Purpose of Report**

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 2018 to 30 September 2018 can be found at:  
<https://www.south-derbys.gov.uk/about-us/open-data-and-transparency>. Figures for the corresponding period in 2017/18 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, 91 compliments and 58 complaints have been received between 1 April 2018 to 30 September 2018.



- 3.3 The number of complaints received in the first half of this financial year has increased compared to the corresponding period of 2017/18, and the number of compliments received has also 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.

### **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](http://www.south-derbys.gov.uk/council_and_democracy/data_protection_and_freedom_of_information/default.asp)

- 3.7 A total of 415 Freedom of Information requests have been received from 1 April 2018 to 30 September 2018. This is an increase of 102 over the corresponding period for 2017/18.

## **4.0 Background**

- 4.1 The Comments, Compliments and Complaints customer leaflet and procedure is available for download from the Website at 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](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 1<sup>st</sup> 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 2017– 30 September 2017	1 April 2018 – 30 September 2018
Planning Services	1	
Environmental Services		1
Various Departments		1
Derbyshire County Council		1
<b>Total</b>	<b>1</b>	<b>3</b>

### Compliments

5.2 The table below compares the number of compliments received for the first half of 2017/2018 against the first half of 2018/2019. Compliments generally relate to the quality of the service provided and/or actions of individuals.

Department	1 April 2017 – 30 September 2017	1 April 2018 – 30 September 2018
Customer Services	1*	2*
Environmental Services	10*	36*
Planning Services	1	1
Housing Services	25	39
Community Services	7*	1
Corporate Resources	0	1
Policy and Communications	3	0
Cultural Services	0	11
<b>Total</b>	<b>47</b>	<b>91</b>

### Complaints

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

	1 April 2017 – 30 September 2017	1 April 2018 – 30 September 2018
Resolved at Stage 1	29	47
Stage 1 still ongoing	0	0
Resolved at Stage 2	9	11
Stage 2 still ongoing	0	0
Withdrawn	0	0
<b>Total received</b>	<b>38</b>	<b>58</b>

5.4 The 58 complaints received can be broken down as follows:-

<b>Department</b>	<b>1 April 2017 – 30 September 2017</b>	<b>1 April 2018 – 30 September 2018</b>
Planning Services	7	6*
Housing Services	10	16
Customer Services (including Revenue)	6*	8*
Environmental Services	9	19
Community Services	2	0
Legal and Democratic Services	2	2
Corporate Services	1	1
Property Services	0	1
Finance Services	1*	0
Cultural Services	0	5
<b>Total</b>	<b>38</b>	<b>58</b>

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

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

<b>Department</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
Planning Services	15	6	7	6*
Housing Services	21	17	10	16
Customer Services (including Revenue)	15	4*	6*	8*
Environmental Services	10	7	9	19*
Community Services	2	1*	2	0
Legal and Democratic Services	6	4	2	2
Finance & Property Services	1	0	1*	1
Corporate Services	3	1*	1	0
Derbyshire County Council	1	0	0	0
Licensing	0	1	0	0
Client Services	0	2	0	0
Communications	0	0	0	1*
Cultural Services	0	0	0	5
<b>Total</b>	<b>74</b>	<b>43</b>	<b>38</b>	<b>58</b>

\* 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 2017/2018 against the first half of 2018/2019.

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

	1 April 2017 to 30 September 2017	1 April 2018 to 30 September 2018
Total Number of Requests Received	313	415
Less passed to other organisations	45	71
Less those withdrawn	5	2
Less exemptions/partial exemptions	11	32
<b>Total Requests Answered</b>	<b>252</b>	<b>310</b>
Number replied to within 20 statutory days	232	294
Number replied to after 20 statutory days	20	17
Percentage replied to within 20 statutory days	92%	95%
Percentage replied to after 20 days	8%	5%

- 1 request (1819-250) no clarification received from requester, so request closed.
- 1 request (1819-412) Housing Services has not been replied to.

5.13 The requests for information received can be broken down as follows:

<b>Department</b>	<b>1 April 2017 – 30 September 2017</b>	<b>1 April 2018 – 30 September 2018</b>
Environmental Services	57*	81*
Planning Services	19*	26*
Legal & Democratic Services	20*	31*
Financial Services	12*	15*
IT Services	14*	23*
Customer Services	62*	71*
Housing Services	40*	37*
Organisational Dev.	10*	10*
Community Services	13*	6*
Passed to 3 <sup>rd</sup> Parties	45	71
Corporate Resources	8*	20*
Property Services	9*	8*
Procurement	4*	0
Communications	0	0
Cultural Services	0	13
Economic Development	0	3

\* 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.

<b>REPORT TO:</b>	<b>FINANCE &amp; MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM: 11</b>
<b>DATE OF MEETING:</b>	<b>29th NOVEMBER 2018</b>	<b>CATEGORY: RECOMMENDED</b>
<b>REPORT FROM:</b>	<b>STRATEGIC DIRECTOR (CORPORATE RESOURCES)</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>KEVIN STACKHOUSE (01283 595811) kevin.stackhouse@south-derbys.gov.uk</b>	<b>DOC: s/Finance/Committee/2018-19/Nov 18</b>
<b>SUBJECT:</b>	<b>SUNDRY DEBT MANAGEMENT POLICY</b>	
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: FM08</b>

## **1.0 Recommendations**

- 1.1 That the Sundry Debt Management, Recovery and Write-off Policy in **Appendix 1** is approved and implemented from 1<sup>st</sup> December 2018.
- 1.2 That an annual review of the Policy is undertaken and any significant changes are reported to this Committee.

## **2.0 Purpose of the Report**

- 2.1 To create a new Sundry Debt Management Policy due to the transfer of sundry debt recovery from Revenues & Customer Services into Financial Services with inclusion of changes in legislation to the former recovery process.

## **3.0 Detail**

- 3.1 The transfer of sundry debt recovery into the Financial Services Unit was undertaken on 1<sup>st</sup> November 2018 after approval at this Committee in August 2018.
- 3.2 The Sundry Debt Policy was streamlined in April 2016 and was incorporated into the Debt Management and Credit Control Policy. This revised policy did not set out strict time frames for sundry debt as it was managed alongside Council Tax, Business Rates and Benefits that have specific guidance within statute regarding collection of outstanding sums.
- 3.3 Further to review of the current process, it has been determined that a new policy for sundry debt needs to be implemented to ensure consistency in approach and to lay out set guidance for the Finance Officers when dealing with outstanding debt.

## **4.0 Financial Implications**

- 4.1 None directly

**5.0 Corporate Implications**

5.1 None directly

**6.0 Background Papers**

6.1 None



**South  
Derbyshire**  
District Council

# **Corporate Sundry Debt Management, Recovery and Write-off Policy**



**SOUTH DERBYSHIRE DISTRICT COUNCIL  
CORPORATE SUNDRY DEBT MANAGEMENT, RECOVERY AND  
WRITE-OFF POLICY**

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# **SOUTH DERBYSHIRE DISTRICT COUNCIL CORPORATE SUNDRY DEBT MANAGEMENT, RECOVERY AND WRITE-OFF POLICY**

## **1. Introduction**

The Council has a duty to recover outstanding debts and in doing so ensures that its processes are fair to everyone, particularly in the current economic climate.

It is essential that all monies due are collected effectively by the Council, and that debt owed to the Council is kept to a minimum. This is because the Council has both a legal duty and a responsibility to its residents to ensure that income due is paid promptly. Effective income management is critical to the delivery of overall Council Service objectives.

With this in mind, the introduction of a Corporate Sundry Debt Management Policy will ensure we minimise debt and maximise rates of collection, are consistent in our approach and ensures that we assist customers who experience financial difficulty.

This policy applies to all sums raised by invoice using the Council's Financial Management System.

The main service areas where debt is raised on the Financial Management System are:

- Building Control
- Community Alarms
- Licencing
- Commercial Rent (Asset Management)
- Waste management

Debts will remain the responsibility of the Service in which they were raised, and recovery action will be taken by the Finance Officers within the Financial Services Unit. It is the responsibility of the Services to assist the Finance Officers in collecting debts.

## **2. Aims of the Policy**

The key aims of this policy are as follows:

- To maximise the level of income collected by the Council by;
  - implementation of a transparent charging policy
  - accurate and timely invoicing
  - reducing the level of debt arising
  - effective and timely recovery processes
  - utilising the appropriate recovery method by debt type
- To recognise that causes of debt vary and recovery methods should be focused accordingly.
- To circumscribe the income cycle from charging policy through to collection and enforcement.
- To ensure that debts are managed in line with legislative provisions and best practice.
- To foster good financial management and control across the Council.
- To ensure income relating to all types of debt is to be handled in accordance with the Council's Constitution, the Financial Regulations and this policy.
- To ensure performance in relation to debt recovery is reported through the relevant management structures of the Council.

# **SOUTH DERBYSHIRE DISTRICT COUNCIL**

## **CORPORATE SUNDRY DEBT MANAGEMENT, RECOVERY AND WRITE-OFF POLICY**

### **3. Responsibilities**

Budget Managers must ensure that:

The Corporate Sundry Debt Management Policy is adhered to:

- Key principles of fees and charges are adhered to.
- The parts of this policy that apply to their Service areas are correctly followed.
- Specific attention is paid to prohibit the poor practise of raising large value invoices at the financial year end.
- They proactively support the achievement of corporate targets for debt collection.
- Budget Managers are fully aware of their responsibilities.
- Relevant systems and procedures are in place.
- Officers involved in the debt collection process are appropriately trained and are aware of their responsibility.

The Service responsible for raising the invoice must ensure that the evidence of the service provided is fully validated and that the invoice is accurate and contains sufficient detail for both billing and recovery purposes.

It is the responsibility of the originating Service to ensure that the correct billing details are collected.

Internal Audit will provide assurance that this Policy is adhered to and is effective.

### **4. Good Practice**

There are a variety of reasons why debt is created. Putting effective processes in place; charging and invoicing accurately and speedily, ensures that debts raised are correct and do not discourage timely payment.

Customers fail to make payments for a variety of reasons. Where people genuinely have difficulty maintaining their payments; the Council will make every effort to help. Others may deliberately set out to delay or not make payments at all. In these situations, the Council will take action to secure and recover payments.

The Council will follow the principles of good practice set out below:

- Fair charging policies that are reviewed regularly.
- Payment in advance where possible.
- Promotion of Direct Debit as the default method of payment where appropriate, with a range of other payment options.
- Prompt and accurate invoicing.
- Provide information on where customers can find advice on ways to reduce bills and maximise income.
- Consider payment arrangements for those customers experiencing financial difficulties.
- Keep customers informed.
- Take appropriate recovery action.
- Multiple debt management - where the Council is aware of more than one debt owing.
- Review and write-off debt where appropriate.

# **SOUTH DERBYSHIRE DISTRICT COUNCIL CORPORATE SUNDRY DEBT MANAGEMENT, RECOVERY AND WRITE-OFF POLICY**

## **5. Charging Policies**

The Council will charge for all services where allowable.

The Council will design charging policies which are coherent and cost effective. Policies will be designed to be fair and easy to understand and administer. Charges should cover the full cost of the service unless there is an explicitly agreed subsidy or an alternative means of funding.

Individual services and departments will regularly review charging policies and fee levels to check that charges are adequate and are applied to all chargeable services.

Reporting methodologies are to be reviewed and improved to ensure that there is a corporate view of the effectiveness of charging and collection policy and delivery.

## **6. Payment Options**

Where payment can be taken before a service is provided these cases are to be identified and payment taken in advance, ensuring that no debt is raised in these cases. The Council should continue to review service provision where payments are not currently taken in advance to explore ways of moving them to taking payment advance where possible/ appropriate. When it is not possible to take payment in advance, the easier it is for the customer to pay a debt the more likely it is that payment will be made.

Where appropriate, Direct Debit should be promoted to spread the cost of repayments for customers. Where a customer is unable to pay by Direct Debit or it's not appropriate (e.g. for a 'one off' invoice), the Council will encourage a range of payment options which should be convenient for the customer and cost effective for the Council, with an emphasis on payment by automated channels to reduce administration.

## **7. Prompt and Accurate Invoicing**

The Council will:

- Produce accurate and clear invoices promptly.
- Respond quickly to customer queries regarding their invoices.
- Produce clear invoices in plain English and show:
  - what the invoice is for,
  - the amount due and, if applicable, instalment amounts and payment due dates
- How to make a payment.
- Contact details for enquiries - including e-mail and website details of the Council's fair usage and data protection policy.

All invoices must be raised to a correctly named legal entity. In the event of non-payment, legal action cannot be taken against a non-legal entity. Legal entities are:

- Individuals
- Sole Traders
- Partnerships
- Limited companies
- Charities limited by guarantee
- Clubs run by a committee
- Trustees

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- Executors or Personal Representatives

Where services are used over a period of time, the Council will consider periodic invoicing.

### **8. Raising an Invoice**

A more commercial attitude should be adopted whereby fees and charges are obtained in advance or at the time of service provision. Where goods or services provided need to be paid for after this, then the Council offers credit facilities wherever it is considered prudent to do so.

By raising an invoice, the originating department agrees that approval to take appropriate recovery action, including court action when necessary, is granted at the time that the debt is raised.

However, the following points should be considered before raising an invoice:

- Fees and charges are payable in advance or at the time of using a facility or service, etc.
- It should not be used as a mechanism for negotiating sums due to the Council.
- They should not be raised for amounts less than £15.

*The exception to this is licences, rents and leases connected with occupying Council land and property.*

The content (narrative) on the sales order should be concise and of sufficient clarity to ensure that the customer fully understands the charge. This must include the nature of service, date, periods of time, location, full contact details and a purchase order number (if applicable). Sales order requests will be rejected in the Financial Management System (Agresso) if any of the specified details are omitted.

### **9. CREDIT ASSESSMENTS**

Due to the type of services and facilities the Council provides and the duties it is obliged to undertake, it is not possible or feasible to assess all the customers of the Council.

However, there are certain areas of the Council's business where a credit check should be undertaken of potential customers before the service or facility is provided.

This is in relation to potential leaseholders of commercial and industrial property where a satisfactory bank and trade reference or other suitable credit check, should be obtained prior to a letting.

This is undertaken by the Property Services Unit in conjunction with the Council's lettings agent and may comprise of the following checks being made:

- The customer being asked to provide two trade references and their bank details so that references can be obtained. This will give some indication as to their trading experience and payment history **together with** suppliers.

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- A bank reference will give an indication as to the customer's ability to pay the amount of the contract/service to the agreed terms stated in the contract. The clearing Banks currently charge an Administration Fee which is payable by the enquirer.
- Access through an Information Database which means that a search can be undertaken on every address registered in the United Kingdom for any detrimental information which is held against the persons registered as living at the property address provided. If the potential customer is a registered Public Limited Company (PLC) or Private Limited Company (Ltd) then where possible a more detailed credit assessment may be undertaken.

Credit/Service provision must not be given to customers who previously have been consistently late payers or have not paid at all. Only the Strategic Director (Corporate Resources) can approve credit facilities where a customer has previous history of non/ late payment.

Preferential credit limits must not be agreed for any customer.

### **10. Opening new accounts**

Due to the variety of services and facilities that the Council provides, it is the responsibility of each Department to ensure that all of the required details to raise an account are obtained from the customer. The required details are listed below:

- The identity of the customer, i.e. a PLC or Limited Company, sole trader, partnership, public body, voluntary organisation, club or society.
- In the case of a limited company, the Registered Office address of the company and the address of the Company Secretary where invoices should be sent.
- In the case of a partnership or sole trader, their full names and their trading name, together with their home and trading addresses.
- In the case of members of the public or voluntary organisations, club or society, their full name, home address and status of the person in the organisation and written confirmation that they take personal responsibility for any invoice raised against the organisation, club or society.
- In general, the invoice address if different, together with the contact details of where the invoice is to be sent.

These details should be obtained by the relevant department prior to the provision of the service or use of a facility, etc. Where possible, the department should obtain written confirmation from the customer stating they understand they will be responsible for full payment of the service or use of a facility prior to it being provided by the Council.

All details should be passed promptly to Finance who should ensure that there is no duplication or conflict with similar customers already set up.

At this time, departments should make new customers aware of the Council's standard payment terms and refer any possible request to deviate from this to the Finance Officers.

If the service or facility being provided is on a contractual basis then each Department must ensure that the customer:

- Reads and understands all the terms of the contract.
- Is informed both verbally and in writing of the Council's Payment terms.

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- Informed that if payment is not received then the person who signed the contract personally liable for the debt.
- Is age 18 years or over.
- Must sign and date the contract and a copy is given to them for their records.
- Is informed that an invoice will be sent for the charge of the service/facility.
- Is aware of the VAT implications relating to that particular contract.

**11. Payment Terms**

The Council will collect monies owing to it fully and promptly.

Payment terms will only be granted where the customer is not able to settle the debt in full in one payment.

On receipt of an invoice a customer can make arrangements to clear the amount outstanding by way of instalments. Payment should be made by direct debit wherever possible.

All requests from customers to enter into arrangements for payment must be referred to the Finance Officers regardless of the amount. The Finance Officers will set up and monitor all payment arrangements.

The Finance Officers will withdraw payment terms if a debtor fails to honour the agreement entered into.

Where invoices are raised payment becomes due after 30 days (or less where agreed).

**12. Accounting Arrangements**

Services will receive the credit when an invoice is raised.

Any third-party fees or charges associated with recovering a debt will be charged to the Service.

Where debts cannot be recovered, the original credit will be debited from the Service budget by way of a write-off; all write-offs to be signed off in accordance with the Financial Regulations.

Refunds of any overpayments will be processed by the Finance Officers only where there are no other debts outstanding for that customer.

Should a customer have an outstanding debt then any overpayment will be off set after the customer has been informed.

Credits less than £5.00 will not be refunded.

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**13. Methods of Payment**

The Council's preferred method of payment is in electronic form and this is encouraged as much as possible.

These payment methods are as follows:

- Automated Telephone Payments
- The Internet –Council's website/Customer's internet banking accounts
- Direct Debit

Other forms of payment accepted by the Council are as follows:

- Kiosk - Credit and Debit cards (in person)
- Credit and Debit cards over the telephone to Customer Services
- At a Post Office and other Payment Points
- Cash and Cheques

However, the Council recognises that the nature of its customers means that in some cases payment by cash will remain the preferred option.

**14. Account Control**

The Council aims to be more proactive in the collection of sums due from its major non-consumer debtors. This involves liaison with these debtors on a regular basis.

Adopting a pro-active approach to the collection of sums due to the Council and ensuring follow up contact after the issuing of the invoice ensures the payment of larger sums within the terms of this Policy.

The Finance Officers will assess accounts on individual merit and circumstance.

The Council will work alongside welfare and advice agencies in dealing with debts due to the Council (either singly or as part of a multiple debt scenario that may include other organisations) and actively signpost, with the debtor's approval, such cases as are considered appropriate to those organisations.

In the case of multiple debts due to the Authority the Finance Officers will coordinate recovery activity and balance repayment profiles across all debts due to the Council.



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## **15. Recovery Process**

Where an account is not settled by the due date, based on best practice guidance, the following process shall apply:

The Council's approach to recovering debt raised via its Financial Management System will be consistent, transparent, firm, fair and courteous.

Consistency means taking a similar approach in similar circumstances to achieve similar ends. The Council aims to achieve consistency in the advice it gives, the use of powers, and the recovery procedures used.

The Council recognises that consistency does not mean simple uniformity and will take account of many variables such as the individual's needs, circumstances, and ability to pay and the need to secure the debt on behalf of the Council.

Transparency is important in maintaining public confidence; helping people to understand what is expected of them and what they should expect from the Council and clearly explaining the reasons for taking recovery and enforcement action.

Recovery action will be taken in a timely manner and wherever possible technology will be utilised to automate and expedite processes.

*A written explanation of any rights of appeal against formal enforcement action will be given before or at the time the action is taken.*

## **16. Recovery methods**

The Council will differentiate wherever possible between those who can't pay, those who won't pay and those who have gone away. The purpose of this differentiation is to target the most effective recovery methods to recover the debt.

A range of recovery options will be used where arrangements to pay have broken down. The choice of recovery method will depend on a number of factors including the method available for a particular type of debt, but options can include:

- Adding interest and/or costs to the balance outstanding.
- Referral to a Civil Collection Agent to pursue the debt.
- County Court Judgement, which could allow any of the following:
  - Warrant of Execution (County/High Court Enforcement Agents)
  - Charging Orders
  - Attachment of Wages
  - Freeze assets or money in an account
  - Bankruptcy/ Liquidation
  - If applicable, the forfeiture or the lease/tenancy

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The Council will always take recovery action where a customer does not pay and does not say they are having difficulty paying. If the customer tells us soon enough that they are having problems and we agree a payment arrangement, we will not take any further recovery action. However, if we have started recovery action (e.g. we have sent the case to a collection agency) the customer will need to make an arrangement with the agency.

*The Council will provide customers with information on where to find debt and money advice.*

## **17. Stages of Recovery Action**

- 1<sup>st</sup> Reminder sent after 30 days of the invoice date.
- 2<sup>nd</sup> Reminder sent 14 days later – a notice the debt has been transferred to debt recovery for action.
- The Customer has 7 days in which to make payment or to inform the Council as to the reason for non-payment.
- If no payment after 7 days a Claim Letter (Letter before Action) is issued.
- The Customer has 30 days to respond to the claim and if no payment or response to the letter, a course of action is decided i.e. legal proceedings commence or refer to collections agency.

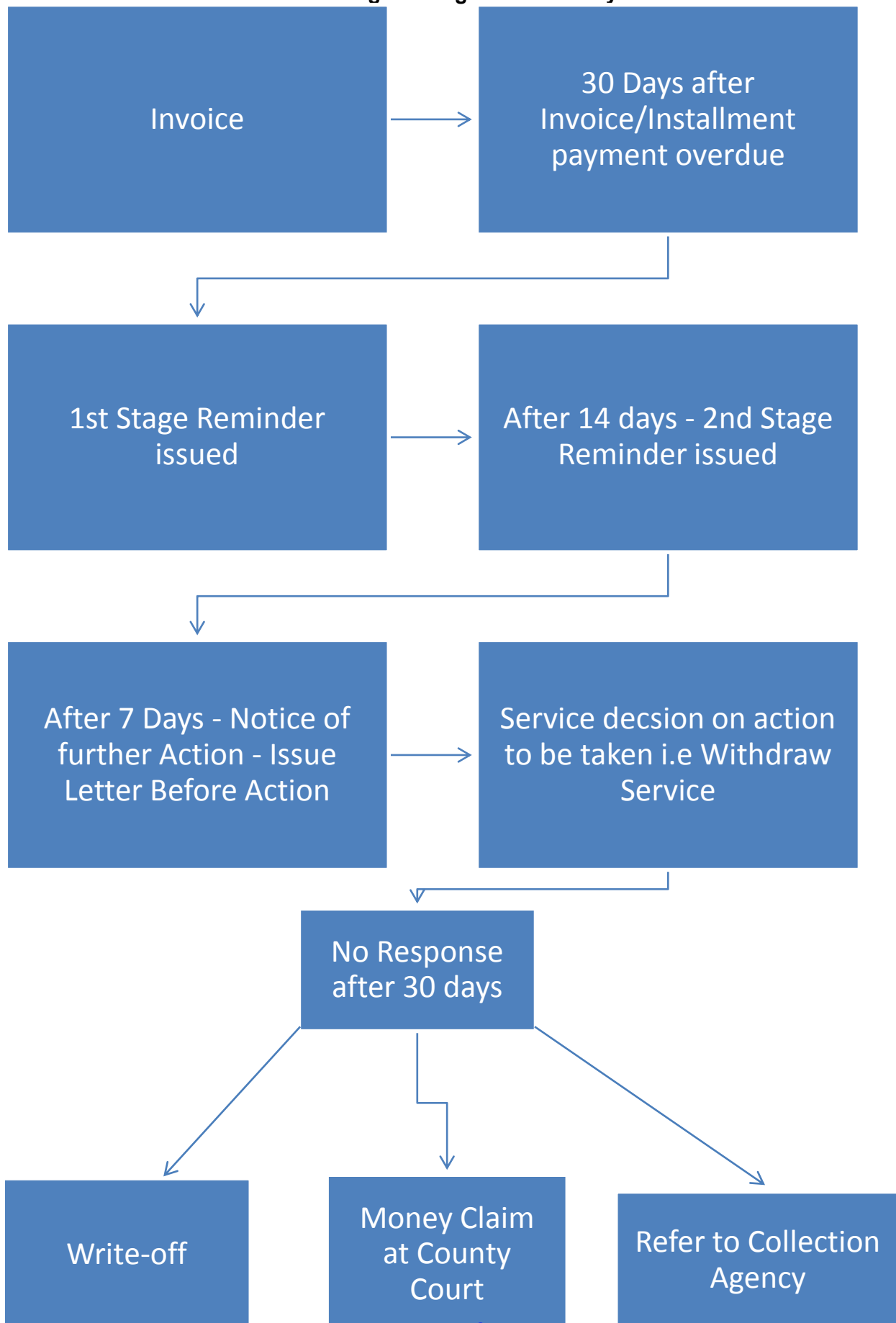
*In addition to the above, every effort will be made to contact to customer via telephone/ email prior to each recovery stage to increase the likelihood of the invoice/ instalment being paid, including prior to the invoice/ instalment becoming overdue where the customer is not paying by direct debit.*

Prior to statutory methods of enforcement being taken, the Finance Officers may use, where cost effective to do so, external collection agents, and telephone debt chasing as alternative means of recovering debts.

*This process is co-ordinated by the Finance Officers and supported by the Council's Legal Services, where necessary for undefended matters. In relation to defended matters only, these matters are referred to Legal Services when it becomes evident that the matter is to be defended by the debtor.*

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**Flow Chart showing the stages of Recovery Action**



# **SOUTH DERBYSHIRE DISTRICT COUNCIL CORPORATE SUNDRY DEBT MANAGEMENT, RECOVERY AND WRITE-OFF POLICY**

## **18. DISPUTED INVOICES**

Where a customer disputes an invoice, the Finance Officers shall refer the matter to the department that originated the request for an invoice. It is the responsibility of that department to resolve the issue of the dispute and to ensure that they have all the required information to substantiate any sundry debtor account which is issued by their department. The contact name and direct line telephone number appear on invoices.

At all times, the department that originated the request for an invoice must keep the Finance Officers informed of the status of the dispute and whether the collection of debt should be suspended or re-commenced by the Finance Officers. This will ensure that the collection cycle is managed appropriately.

To help customer service and efficient debt collection, all disputes should be resolved within 28 days in accordance with best practice guidance.

Where an incorrect charge to a customer has been made by the department that originated the request for an invoice, or the address provided for the invoice was incorrect, the department must inform the Finance Officers within 3 days of discovering the error and provide instructions as to how the matter is to be resolved.

Where the dispute relates to a charge of sub-standard work, goods not received or service not provided, then these may normally take longer to resolve.

However, they should never be left unresolved and it is the responsibility of departmental managers providing the service to review on a regular basis any disputes under their responsibility and bring to a conclusion as soon as possible.

In any event, after 30 days, it is expected that the account is either paid or recovery action recommended. If no action to resolve the dispute is taken within the 30 days a credit note will be raised and this is charged back to the relevant departmental cost centre.

A dispute is not resolved unless it meets one of the following conditions:

- Customer is correct and gets full credit.
- Customer is partly correct, gets partial credit and accepts revised charge.
- Customer is incorrect and accepts the charge.
- Customer is not correct but does not accept the situation and the Council is prepared to commence legal proceedings.

## **19. CREDIT NOTES**

Some invoices raised may ultimately be incorrect and require cancelling or the charge reduced. This could arise from a customer dispute or be identified internally.

Where a corresponding credit note is required, the relevant service area should authorise Finance to deal with this by completing a Credit Note/Invoice Cancellation Request Form, setting out a brief explanation of why the change is required and the invoice it relates to.

# **SOUTH DERBYSHIRE DISTRICT COUNCIL CORPORATE SUNDRY DEBT MANAGEMENT, RECOVERY AND WRITE-OFF POLICY**

The Finance Officers may initiate a credit note for invoices raised that contravene the Credit Policy at any stage of the recovery process.

The above does not preclude the debt from being reinstated if circumstances change.

## **20. Recovery Considerations**

If a customer is vulnerable (e.g. elderly, seriously ill, mental health issues) and this makes it difficult for them to pay, we will try to avoid recovery action and provide the assistance they need to make payment. We can only do this if we know the customer's circumstances.

Where it has been identified that a customer is suffering from financial difficulties or other extenuating circumstances, the Council is committed to providing advice and support as well as a variety of payment options including:

- Holding enforcement action once a customer makes contact to inform of a difficulty in making payment.
- Voluntary payment solutions considered in preference to statutory or civil remedies.
- Past history of payments should be considered when making a decision to proceed with enforcement action.

Where a payment solution is agreed this should be confirmed in writing by the Council including any action that will be taken should the agreed payments not be made.

Payment solutions should be made with an agreed up-front payment from the debtor whenever possible.

Where a payment solution cannot be agreed, the debtor will be advised of the reasons why and that the recovery process will continue.

The Council will always ensure that the recovery method is appropriate for the amount of debt. Collection Agents will not be engaged for any debt less than £150. All unpaid debts over £150 are subject to potential recovery through the courts.

Departments are responsible for ensuring that necessary supporting evidence is available to ensure that amounts owed are recoverable through the courts.

Where the debt is for an ongoing service provided by the Council which the Council does not have to provide (for example Trade Waste) we will stop providing the service until the debt is paid or an acceptable special payment arrangement is made.

## **21. Principles of Enforcement**

We will follow the principles of enforcement outlined below:

- Our approach will be consistent – with the aim of achieving consistency in the advice we give, the use of our powers and in the recovery methods we use.
- Our actions will be transparent – to help customers to understand what is expected of them and to explain the reasons for taking any recovery action.
- Our actions will be proportional – we will only use the most severe sanctions for the most difficult/ high value cases.

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**22. Complaints and errors**

If an error or mistake is made in the process of recovering debt the account will reviewed and appropriate action taken.

If a customer is unhappy with the service provided or disagrees with the decisions made they are able to complain through the Councils standard complaints procedure.

During the process of enforcing payment of outstanding debts it is possible that evidence or facts emerge after enforcement proceedings have been taken or have been completed. In these cases the Council will take appropriate action to remedy the situation as far as possible.

**23. Write-offs**

Where a debt is deemed to be non-recoverable (or a credit non-refundable), it needs to be identified and dealt with promptly in accordance with the Financial Regulations.

Writing off irrecoverable items represents good financial management. It allows staff to concentrate on recoverable debts and ensures that the level of debtors/arrears within the accounts is accurate and represents a true and fair reflection of the Council's financial position.

**24. Reasons for Write-Off**

Every effort will be made to recover a debt owing to the Council before it is considered for write-off. This includes sending reminder letters, contacting customers/businesses by phone and email, performing tracing activities, cross-referencing other internal databases (e.g. housing, Council Tax, register of electors, etc.).

Debt may be passed to a collection agency where all attempts to recovery the outstanding debt within the authority have been unsuccessful, or a county court judgement sought.

Only where all recovery action has failed, is a debt regarded as irrecoverable.

<b>Reason</b>	<b>Description</b>
Insolvency	Debtor is the subject of bankruptcy, individual voluntary arrangement, liquidation, company voluntary arrangement & administration order or administrative receivership proceedings or has ceased to trade or is subject to a Debt Relief Order.
Unenforceable	Debtor is overseas or the debt is over 6 years old.
Absconded	Tracing action has failed to find the debtor
Uneconomical to Collect	Balance is too small for further action
Uncollectable	Custodial sentences / remitted debts / vulnerable people / hardship / local authority error.
Deceased	No funds in an estate

# **SOUTH DERBYSHIRE DISTRICT COUNCIL CORPORATE SUNDRY DEBT MANAGEMENT, RECOVERY AND WRITE-OFF POLICY**

Should a debtor be subsequently traced, a debt will be re-instated if considered economically viable to recover and it is within the statute of limitations.

In cases where the debtor is jointly and severally liable for the debt with another party, recovery action will continue against all liable individuals and only if this action fails, will monies be recommended for write-off.

There will be instances where the council will need to write-off a credit that remains on a closed account. Not knowing the whereabouts of the creditor (or not having sufficient information to determine how or when a credit is to be refunded) will be the reasons for writing off a credit.

## **Procedures to be undertaken prior to obtaining write-off approval**

The procedures to be followed prior to writing off a debt/credit are analysed below. Once the actions have been undertaken, only then will a debt/credit be included on a list of cases submitted for write-off.

### **Insolvency**

#### ***Bankruptcy***

Upon notification of a bankruptcy, a proof of debt will be completed for the outstanding debt that is due at the date of the bankruptcy order and submitted as a claim to the trustee in bankruptcy. In the event of payment being received in full or part from the bankrupt's estate, this money will be credited back to the relevant account.

#### ***Individual voluntary arrangement***

A voluntary arrangement is an alternative route available to an individual wishing to avoid the restrictions placed upon them by a bankruptcy order. It involves the debtor making an offer to all creditors, which is less than the full amount of the debt outstanding, and agreeing that it be repaid over a period of time in full and final settlement. If 75% (in value) of creditors agree to the offer as an alternative to proceedings for bankruptcy, an insolvency practitioner will be appointed to administer the voluntary arrangement. In the event of payment being received in full or part, this money will be credited back to the relevant account.

#### ***Liquidation***

Liquidation may either be compulsory (sometimes referred to as a creditors' liquidation) or voluntary (sometimes referred to as a shareholders' liquidation, although some voluntary liquidations are controlled by the creditors). Upon notification of liquidation, a proof of debt will be completed for the outstanding debt that is due at the date of the winding-up order and submitted as a claim to the liquidator. In the event of payment being received in full or part, this money will be credited back to the relevant account.

#### ***Company voluntary arrangement / administration order***

A company voluntary arrangement is an alternative route available to a company wishing to avoid the making of a winding up order. It involves the directors making an offer to all creditors, which is less than the full amount of the debt outstanding, and agreeing that it be repaid over a period of time in full and final settlement. If 75% (in value) of creditors agree to the offer as an alternative to liquidation, an insolvency practitioner will be appointed to administer the voluntary arrangement. In the event of payment being received in full or part, this money will be credited back to the relevant account.

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### ***Administrative receivership***

This involves an individual being appointed by a lender, usually a bank, which holds a debenture as security over a floating charge on assets of the company, and usually takes effect where the company is in default of agreed lending terms. An insolvency practitioner will assume immediate control of the company in an attempt to sell it as a going concern. However, although remaining in occupation, no action can be taken against the receivers appointed to enforce payment of previous or on-going rate charges. In the event of payment being received in full or part, this money will be credited back to the relevant account.

### ***Company has ceased to trade leaving no assets***

On occasions, limited companies will cease to trade on the grounds of having no assets to pay an outstanding and / or on-going debts. They do not go through the formal process of winding-up proceedings, which carry a cost and have legal implications. Where this occurs, the authority could take steps to put the company into compulsory liquidation although this action is costly and is highly unlikely to secure payment.

In these circumstances, if it is proven that an enforcement agent has failed to recover monies due, or identify assets on which to levy distress, a recommendation for write-off will be made.

### ***Debt Relief Order***

Debt Relief Orders are aimed at those that have £15K or less of debts, assets of less than £300, disposable income of less than £50 per month and really cannot afford to go bankrupt, but need relief from their debts and creditors. The debt will be written off the system but will be monitored periodically, as the debtors circumstances must remain the same for a period of 12 months in order for the DRO to remain in place.

### **Unenforceable**

Certain debts will fall outside of legal jurisdiction either because the debtor is overseas or six years may have passed since recovery action had been instigated against a debtor and the debt was last acknowledged.

If a debtor is overseas and contact in writing has failed to result in payment or an arrangement to pay, a recommendation for write-off will be made. Evidence supplied from external sources would be used to determine this.

In cases where six years may have passed since recovery action had been instigated against a debtor and the debt was last acknowledged, the whole debt will be submitted for write-off. Evidence on what action, if any, has been taken will be used to determine this.

### **Abscond**

#### ***Closed accounts where no forwarding address is known and the debt is under £150.***

For any finalised account with a balance of under £150, staff will make basic checks of the authority systems and known third parties, (i.e. solicitors and letting agents). If, after a three month period, a new address is not established, the debt will be submitted for write-off.

#### ***Debts where no forwarding address is known and the debt is £150 or more***

Before the debt can be recommended for write-off, the following enquiries will be undertaken by staff:-

- Check Council Tax or NNDR database to identify if the person has re-registered at another address within the authority area.
- Check with housing department etc.



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- Check electoral register.
- Contact landlord or letting / estate agent.
- Contact other local authorities.

Conduct third party searches (i.e. through 'Experian' or similar companies).

If, after all enquiries have been completed, a forwarding address has not been established, the amount will be submitted for write-off.

**Uneconomical to Collect**

Balances of £5 or less will not normally be sent reminder letters. Where the outstanding balance is £25 or less, the Finance Officers will check the status of these cases and, where appropriate, put the balance to the Financial Services Manager for write-off.

**Uncollectible**

***Debts written off due to the debtors known personal or financial circumstances***

Where sufficient evidence has been gathered regarding the debtors current personal or financial circumstances that would inhibit recovery of the debt, the debt can be written off at the discretion of the relevant authority depending on the balance outstanding.

***Debts that have arisen because of local authority error***

If a debt has arisen as a result of a local authority error, the possibility of recovering the debt would be considered in the first instance. If that proves impossible (i.e. legislation prevents recovery or the fault is not of a debtors doing) the debt will be written off. Details of the events that gave rise to the debt being incurred will be taken to evidence this.

**Deceased**

Where a debtor has died and the estate is insolvent, the debt will need to be written-off. A letter from the executor confirming there are no assets from which to discharge any outstanding liability will be taken to determine this.

**25. Authority for Write-off**

All decisions for write-offs need to be made by the individuals who have the authority to write-off the corresponding level of debt.

There are 3 levels of write-off:-

- Authority of the Financial Services Manager - Debts up to but not exceeding £25 (including aggregated debts for one debtor)
- Authority of the Strategic Director (Corporate Resources) - Debts up to but not exceeding £2,500 (including aggregated debts for one debtor) (and for all credit balances)
- Authority of the Finance and Management Committee on recommendation of the Chief Executive and the Strategic Director (Corporate Resources) - Debts greater than £2,500 (including aggregated debts for one debtor)

There is no necessity for Member approval to write-off amounts however in the case of significant amounts it is appropriate to advise Members accordingly.

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The procedures to be followed for each level of write-off are set out below:-

- **Debts not exceeding £150 (including aggregated debts for one debtor)** Where the debt is not greater than £150 and normal recovery procedures have failed to secure payment and the debt is deemed to be uncollectable or uneconomic to pursue further, the delegated authority to approve write-offs lies with the Strategic Director (Corporate Resources).
- **Debts greater than £100 but not exceeding £10,000 (including aggregated debts for one debtor) (and for all credit balances)** Where the debt is greater than £150 but no greater than £2,500, and normal recovery procedures have failed to secure payment and the debt is deemed to be uncollectable, the delegated authority to approve write-offs lies with the Strategic Director (Corporate Resources).

The above procedures will also apply to how credit balances are treated; irrespective of the amount involved.

- **Debts of £2,500 and over (including aggregated debts for one debtor)** for the write-off of debts £2,500 and over, it will require a full report to be submitted to the Finance and Management Committee for approval. Once authority has been given by the Committee, the Finance Officers will be notified that the debt can be written off.

Reporting of debts for write-off will be batched as follows:-

- Listed on a spread sheet showing the customer number, invoice amount and supporting documentary evidence for each case which demonstrate the steps that have been taken to recover the debt and, if appropriate, the steps that have been made to trace the debtor.
- Summarised on a front sheet detailing the total amount of debt to be written off
- If there are exceptional debts within the write-off batch (i.e. an extremely high debt or a very old debt), then a brief report will be given. This is so that the authorising person or executive can make a decision based on all the facts.

When debts are written off, they are to be recorded against the bad debt provision, which is reviewed annually. An aged debt analysis is to be maintained and managers kept informed so that there is awareness and understanding of how much debt there is that might be irrecoverable. This will assist with the calculation of the bad debt provision and to identify trends in recoverability.

### **26. PERFORMANCE MEASUREMENT AND MANAGEMENT REPORTING**

The Council recognises that prompt recovery action is key in managing its debt and maximising income. The following performance information should be compiled:

- Debtor Days are reviewed by the Financial Services Manager on a monthly basis. This is a standard and commonly used indicator that identifies the average number of days for the organisation to receive payment for its invoices. The Council should aim to achieve a period-on-period reduction in average debtor days.
- The proportion of outstanding debt that is more than 90 days old from date of invoice is reviewed by the Financial Services Manager on a monthly basis. This indicator examines the ability of the Council to recover outstanding debts from customers and adopts the commonly used 90-day credit period. The Council should aim to achieve a period-on-period reduction in the proportion and this indicator should be used in tandem with Debtor Days monthly report.

**SOUTH DERBYSHIRE DISTRICT COUNCIL  
CORPORATE SUNDRY DEBT MANAGEMENT, RECOVERY AND  
WRITE-OFF POLICY**

- Credit notes as a percentage of total customer invoices raised provided is reviewed by the Financial Services Manager on an annual basis. This examines the accuracy of invoices raised by reviewing the number of credit notes required to make adjustments to invoices previously raised. The Council should aim to achieve a period-on-period reduction in the percentage.
- Monthly reports on recovery activity to originating departments provided by the Finance Officers.

Therefore, the Council will:

- Set clear targets for the recovery of debt.
- Have clear written recovery procedures.
- Have in place regular and formal reviews with partners and agents
- Set priorities for specific areas of debt and assess recovery methods to ensure maximum efficiency and recovery levels.

The performance information should be produced for the Financial Services Manager on a monthly basis. Information should be reported quarterly to the Finance and Management Committee alongside some narrative to explain the figures, trends, actions required, etc.

The main benchmark is the Council's own past performance and trends, etc and these are the indicators on which improvement should be based. However, wherever possible, comparisons are made with other local authorities and local government generally, through published information or benchmarking clubs, etc.

<b>REPORT TO:</b>	<b>FINANCE AND MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM: 12</b>
	<b>29<sup>th</sup> NOVEMBER 2018</b>	<b>RECOMMENDED</b>
<b>REPORT FROM:</b>	<b>STRATEGIC DIRECTOR (CORPORATE RESOURCES)</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>KEVIN STACKHOUSE (01283 595811)</b> <a href="mailto:kevin.stackhouse@southderbyshire.gov.uk">kevin.stackhouse@southderbyshire.gov.uk</a>	<b>DOC: U/KS/REVENUES AND BENEFITS/1920 SCHEME/CTRS CONSULTATION PROPOSAL 1920 SCHEME</b>
<b>SUBJECT:</b>	<b>LOCAL COUNCIL TAX REDUCTION SCHEME REGULATIONS</b>	
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: FM 12</b>

## **1.0 Recommendations**

- 1.1 That consideration is given in principle to amending the Local Council Tax Reduction Scheme Regulations (South Derbyshire) from April 2019 to place a two child limit within the calculation of support.
- 1.2 That a local consultation exercise is undertaken to obtain feedback from stakeholders, including representative groups.

## **2.0 Purpose of the Report**

- 2.1 To detail a possible amendment to the Council's Local Scheme to maintain it in accordance with national regulations.

## **3.0 Detail**

- 3.1 The Council's Scheme, which provides support to people on low incomes to pay their Council Tax, has been in existence since April 2013. The Local Scheme replaced the national benefits system which had previously supported Council Tax.
- 3.2 The Local Scheme is based on a national default scheme which broadly supports eligible claimants based on the parameters of the previous benefits system. It is updated each year to take account of increases in pensions, tax credits and other benefits which are applied nationally.
- 3.3 Following recent variations to national welfare regulations, it is considered appropriate to consider a change to the Local Scheme to consolidate and align it to those regulations. This change relates to a maximum of 2 personal allowances being included in the calculation of support in respect of children and young people. This applies for all **new** awards/claimants only.
- 3.4 Currently, under the Local Scheme, claimants who are eligible for support and have dependent children are awarded a dependent's allowance of £66.90p per year for each child in the calculation of support. There is currently no limit to the number that can be awarded.

- 3.5 Under the national benefit regulations, this limit has been reduced to a maximum of 2 dependent children. This does not affect existing claims that include more than 2 children and continues to allow for more than 2 dependent children where child tax credit includes additional children. This is allowed in defined circumstances.
- 3.6 In addition, claimants on passported benefits such as maximum Universal Credit are also unaffected.
- 3.7 The Council does not have to apply this change, which was implemented in the national regulations during 2017/18. However, in doing so, the Council's Scheme would move away from the national default scheme and welfare benefit regulations.
- 3.8 In addition, it is considered good practice that consultation is undertaken before a final decision is made.

#### **4.0 Financial Implications**

- 4.1 Limiting the allowance paid for dependent children would reduce the cost of the Local Scheme to the Council. As the Council is yet to implement the change, any new claims that may be eligible for dependent's support in the meantime, are being absorbed into the current cost of the Local Scheme.
- 4.2 It is difficult to estimate how much the cost of the Local Scheme would reduce by as the number of potential new claims falling into the parameters is not known.
- 4.3 However, the saving to the Local Scheme is not considered to be significant. The effect on a new claimant is that they will receive less Council Tax Reduction than they otherwise would have done; this would equate to up to £140 per year.

#### **5.0 Corporate Implications**

- 5.1 None directly.

#### **6.0 Community Implications**

- 6.1 It is proposed that before a final decision is made, some consultation is undertaken. The change is to a single regulation within the existing scheme and does not affect anyone who is currently in receipt of Council Tax Reduction.
- 6.2 Therefore, it is proposed that consultation is undertaken more generally through the web site, media channels and at various community points to obtain feedback. In addition, local representative groups such as the CVS, Citizens Advice and welfare groups will also be consulted.
- 6.3 Feedback from the consultation will be reported back to the Committee in accordance with the following timetable.

<b>Action</b>	<b>Timescale</b>
Approval by the Committee to commence consultation	29th November 2018
Consultation process	7th Dec 2018 to 31st January 2019
Report back to Finance and Management Committee	14 February 2019

Final Scheme for 2019/20 recommended to Council	27th February 2019
Publication of Council Tax Reduction Scheme 2019	11 March 2019
Scheme for 2019/20 becomes effective	1st April 2019

## 7.0 **Background Papers**

None

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<b>REPORT TO:</b>	<b>FINANCE AND MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM: 13</b>
<b>DATE OF MEETING:</b>	<b>29<sup>th</sup> NOVEMBER 2018</b>	<b>CATEGORY: DELEGATED</b>
<b>REPORT FROM:</b>	<b>CORPORATE EQUALITIES AND SAFEGUARDING GROUP</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>KEVIN STACKHOUSE (EXT. 5811)</b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>EQUALITIES POLICY STATEMENT AND CORPORATE EQUALITIES AND SAFEGUARDING GROUP TERMS OF REFERENCE</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: FM16</b>

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## **1.0 Recommendations**

- 1.0 That the Committee approves the updated Equalities Policy Statement.
- 1.2 That the Committee approves the updated Terms of Reference for the Corporate Equalities and Safeguarding Group.

## **2.0 Purpose of Report**

- 2.1 The Committee is asked to consider and approve the Equalities Policy Statement and Terms of Reference for the Corporate Equalities and Safeguarding Group.

## **3.0 Detail**

### **Equalities Policy Statement**

- 3.1 The Equalities Policy Statement sets out the Council's commitment to advancing equalities and fairness as an employer, service provider and community leader as well as celebrating and promoting the diversity within South Derbyshire.
- 3.2 This Policy confirms our commitment as a public body to have 'due regard' to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act
  - Advance equality of opportunity for all
  - Foster good relations between people who share a protected characteristic and those who do not.

- 3.3 The Policy will be implemented through the Council's Corporate Plan, Sustainable Community Strategy, Workforce Development Strategy, Communications Strategy and Consultation and Engagement Strategy.
- 3.4 The Policy will be reviewed, along with the progress in delivering our commitments, on an annual basis.

### **Corporate Equalities and Safeguarding Group (CESG)**

- 3.5 The CESG works within the delegated authority of the Finance and Management Committee under the Committee's Constitutional Terms of Reference (FM 16).
- 3.6 The Equality Act 2010 places a duty on public bodies such as the Council to ensure they consider the needs of individuals in their day-to-day work when developing policies, delivering services and in relation to their own employees.
- 3.7 The main focus of the CESG, which is chaired by the Strategic Director (Corporate Resources) and includes Elected Member champions as well as nominated service representatives, is to ensure the Council meets its duty under the Equality Act 2010 and to champion the authority's work relating to this. It also monitors progress made in delivering the Corporate Equalities and Safeguarding Action Plan.
- 3.8 The Terms of Reference are reviewed every two years to ensure that the Group's responsibilities, membership and accountability remain relevant and fit for purpose.

### **4.0 Financial Implications**

- 4.1 There are none relating to this report.

### **5.0 Corporate Implications**

- 5.1 Our approach to equalities, safeguarding and fairness helps to fulfil our key aims of 'promoting inclusion' and 'protecting and helping support the most vulnerable'. These sit underneath the Outcomes and People themes in the Corporate Plan.
- 5.2 As an employer and a provider of services, we are committed to advancing equality of opportunity and providing fair access and treatment in all of our activities. This applies to all Elected Members, employees and any other people or organisations employed or engaged by the Council to work or deliver services on its behalf.

### **6.0 Community implications**

- 6.1 We want our communities to be places where people feel they belong. In particular, we will support residents and employees in realising their full potential, to exercise genuine choice and control over their own lives and participate in the community life of South Derbyshire. The Equalities Policy Statement and Corporate Equalities and Safeguarding Group will support the Council to achieve this.

### **7.0 Background papers**

Appendix A – Corporate Equalities Policy Statement  
Appendix B – CESG Terms of Reference



# Equalities Policy Statement

October 2018

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## Version Control

Version	Description of version	Effective Date
1.0	Equalities Policy Statement	17/10/18

## Approvals

Approved by	Date
Corporate Equalities and Safeguarding Group	17/10/18

## Associated Documentation

Description of Documentation
<a href="#">Corporate Equalities and Safeguarding Annual Report 2017/18</a>
<a href="#">Corporate Equalities and Safeguarding Action Plan 2018/19</a>

## 1.0 Introduction

This is South Derbyshire District Council's Equalities Policy, which sets out our commitment to advancing equalities and fairness as an employer, service provider and community leader as well as celebrating and promoting the diversity within South Derbyshire.

## 2.0 Our Commitment to Equalities

Our vision is to make '*South Derbyshire a better place to live, work and visit*'.

Supporting our vision are a number of '*values*' that lie at the core of everything we do and help us make a difference for people and our communities within South Derbyshire.

This Policy confirms our commitment as a public body to have 'due regard' to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act;
- Advance equality of opportunity for all;
- Foster good relations between people who share a protected characteristic (see 4.0) and those who do not.

Therefore, as an employer and a provider of services, we are committed to advancing equality of opportunity and providing fair access and treatment in all of our activities.

We want all of our communities to be places where people feel they belong. In particular, we will support people and employees in realising their full potential, to exercise genuine choice and control over their own lives and participate fully in the community life of South Derbyshire.

We recognise the importance of our workforce and how they help us achieve our corporate aims and deliver customer-focused and efficient services.

To support our commitment, we will

- Comply with and embrace equalities legislation and good practice, including carrying out our public duties to promote equality and help create a fairer society
- Regularly monitor, assess and consult on the impact of our policies, services and functions to ensure that they are fair and reflect people's different needs and opinions
- Use our influence in the community, with partners and businesses to generate opportunities for the people of South Derbyshire
- Celebrate diversity in South Derbyshire and support initiatives for greater equality and awareness
- Embed equality and consider diversity into our everyday business.

To achieve our commitment, we will expect all Councillors, employees and contractors to:

- Treat everyone with dignity and respect at all times;
- Provide the best possible standards of service to all our service users;
- Consider the needs and opinions of every community;
- Have a clear set of objectives for equality issues;
- Keep under review the way services are delivered and accessed by members of the community.

### 3.0 Specific employment commitments

We are committed to being a fair and supportive employer, enabling our employees to deliver high quality services to everyone.

In order to achieve this we will:

- Carry out recruitment and selection procedures in a fair and transparent manner
- Provide training for our employees to implement this Policy effectively
- Treat all employees fairly, with dignity and respect at all times
- Not tolerate and take necessary action to deal with unacceptable behaviour at work
- Provide employees with opportunities to influence the development of our policies and practice
- Provide fair and transparent pay, reward and employment conditions
- Take a consistent and fair approach to the training and development of employees
- Promote work-life balance and provide opportunities to work flexibly
- Make reasonable adjustments, such as providing equipment or support to employees with health conditions
- Consult with employees and their representatives in the continued development of good employment practice
- Monitor the make-up of our workforce with the aim to employ a workforce that reflects the population of South Derbyshire.

### 4.0 Scope of our commitments

We will work to deliver our commitments by tackling inequality arising out of:

- Age
- Disability
- Gender re-assignment
- Pregnancy and maternity
- Race – including ethnic or national origins, colour or nationality
- Religion or belief (including non-belief)
- Sex or gender
- Sexual orientation
- Marriage and civil partnership
- Other forms of disadvantage, such as rural deprivation and isolation
- Any other reason which cannot be shown to be justified.

These are referred to as “protected characteristics”.

### 5.0 Responsibilities

This Policy applies to every Councillor, employee and any other person or organisation employed or engaged by South Derbyshire District Council to work or deliver services on its behalf, including those employed through contractual, commissioning or grant-related arrangements.

### 6.0 Implementation

We will ensure everyone associated with the Council is made aware of this Policy and understands their responsibilities for implementing it.

The Policy will be implemented through the:

- Corporate Plan
- Sustainable Community Strategy
- Workforce Development Strategy
- Communication Strategy
- Consultation and Engagement Strategy.

We will develop our approach to equality and diversity by identifying good practice in employment, service delivery, and how we engage with local people.

We will provide support to employees so that they know how to implement the Policy in relation to their role, including providing training and development opportunities.

We will regularly monitor and report our progress in relation to published equality and diversity objectives through the Council's Equalities and Safeguarding Annual Report.

We will use this information to monitor and assess:

- Compliance with the Public Sector Duty under the Equalities Act 2010
- Satisfaction with our services
- Composition of our workforce
- Effectiveness and impact of our employment practices
- Involvement in decision making
- Residents' experiences of living in South Derbyshire.

## 7.0 Our promise on monitoring

When we ask members of the public or employees for information in order to undertake equality monitoring, we will ensure that the monitoring is appropriate and complies with five main rules.

- Only ask for information we need.
- Provide an explanation of why we need that information and how it will be used.
- Take care to ensure that individuals cannot be identified from the data collected, especially when the monitoring results are made public or shared.
- Comply with the law in relation to confidentiality, data protection and Freedom of Information.
- When we no longer need data (either in paper or electronic formats), destroy it securely.

## 8.0 Review

The Policy will be reviewed, along with the progress in delivering our commitments, on an annual basis.

## Corporate Equalities and Safeguarding Group (CESG)

### Terms of Reference

#### **Responsibilities**

The CESG works within the delegated authority of the Finance and Management Committee under that Committee's Constitutional Terms of Reference (FM 16).

The Equality Act 2010 places a duty on public bodies such as South Derbyshire District Council to ensure they consider the needs of individuals in their day-to-day work when developing policies, delivering services and in relation to their own employees.

The main focus of the CESG is to ensure the Council meets its duty under the Equality Act 2010 and to champion the authority's work relating to this.

Specifically, the CESG will:

- Monitor the Annual Equalities and Safeguarding Action Plan as approved by the Finance and Management Committee;
- Co-ordinate the Annual Equalities Report to satisfy the requirements of the Equality Act 2010;
- Review safeguarding incidents as reported by the Council's Safeguarding Officer;
- Advise, monitor and review Equality Impact Assessments in accordance with Council guidelines;
- Share information across the Council regarding equalities, fairness and safeguarding;
- Recommend and monitor equality and fairness, safeguarding and Modern Day Slavery training and propose other related learning or development initiatives across the Council;
- Consider and take action on any matters arising from other forums and external agencies regarding Equality and Safeguarding matters;
- Ensure that relevant legislative changes and new initiatives are implemented across the Council as required;
- Receive and consider information on the Council workforce and propose actions to address areas of under representation or inequality.

#### **Membership**

The CESG is chaired by the Strategic Director (Corporate Resources) who is the Safeguarding Officer for the Council.

Other members include:

- Appointed Elected Member Champions for Equalities and Safeguarding
- Nominated representatives from different services areas
- Trade Union representatives

- Representatives from the Community Safety Partnership

Representatives from other groups working on projects which deliver against the key aims of the Council's Corporate Plan, in particular:

- Protect and help support the most vulnerable, including those affected by financial challenges
- Promote inclusion

External representatives from community and other groups may also be invited as required.

### **Accountability**

The Equality and Safeguarding Annual Report and the Corporate Equalities and Safeguarding Group Action Plan are reported to the Council's Finance and Management Committee annually.

Safeguarding concerns reported to the Safeguarding Officer are reported to safeguarding agencies such as the police and social care, as and when necessary.

The Annual Pay Policy Statement and Gender Pay Report will be reported to the Council.

### **Review**

The Action Plan is updated at each of the group's quarterly meetings to review progress and relevance of work.

The Annual Report highlights what the Council has done to meet the Equality Duty during the previous year and looks at the progress it has made in relation to meeting its equality objectives.

### **Meetings**

CESG meets on a quarterly basis. The agenda is linked to the Action Plan and any other initiatives/actions that may arise during the business of the meetings.

The Communications Team will co-ordinate the meetings, agendas, take and distribute notes and co-ordinate any annual or other reports required.

Confidential information shared at meetings is disposed of securely at the end of each meeting.

CESG adopts and publishes equality objectives that must be reviewed at least every four years. The next review is due in 2020.

The Terms of Reference are reviewed every two years. The next review is due in 2020.

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<b>REPORT TO:</b>	<b>FINANCE AND MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM: 14</b>
<b>DATE OF MEETING:</b>	<b>29<sup>th</sup> NOVEMBER 2018</b>	<b>CATEGORY: DELEGATED</b>
<b>REPORT FROM:</b>	<b>STRATEGIC DIRECTOR (CORPORATE RESOURCES)</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>KEVIN STACKHOUSE (EXT 5811)</b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>COMMITTEE WORK PROGRAMME</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: G</b>

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### **1.0 Recommendations**

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

### **2.0 Purpose of Report**

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

### **3.0 Detail**

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

### **4.0 Financial Implications**

4.1 None arising directly from this report.

### **5.0 Background Papers**

5.1 Work Programme.



**Finance and Management Committee – 29th November 2018  
Work Programme**

<b>Work Programme Area</b>	<b>Date of Committee meetings</b>	<b>Contact Officer (Contact details)</b>
<b>Reports Previously Considered By Last 3 Committees</b>		
Corporate Plan 2016-21: Performance Report (1 January – 31 March 2018)	14 <sup>th</sup> June 2018	Keith Bull Head of Communications (01283) 598705
Service Plans	14 <sup>th</sup> June 2018	Keith Bull Head of Communications (01283) 598705
Annual Equalities and Safeguarding Report 2017/18	14 <sup>th</sup> June 2018	Keith Bull Head of Communications (01283) 598705
Annual Health and Safety Report 2017/18	14 <sup>th</sup> June 2018	Tony Guest Health and Safety Officer (01283) 595872
Sickness Absence 2017/18	14 <sup>th</sup> June 2018	David Clamp Head of Organisational Development (01283) 595729
Annual Consultation Report 2017/18	14 <sup>th</sup> June 2018	Keith Bull Head of Communications (01283) 598705

Annual Communications Report 2017/18	14 <sup>th</sup> June 2018	Keith Bull Head of Communications (01283) 598705
Compliments, Complaints and Freedom of Information Requests October 2017 to March 2018	14 <sup>th</sup> June 2018	Kevin Stackhouse Strategic Director Corporate Resources (01283) 595811
Budget Out-Turn and Final Accounts 2017/18	26 <sup>th</sup> July 2018	Kevin Stackhouse Strategic Director Corporate Resources (01283) 595811
Treasury Management Annual Report 2017/18	26 <sup>th</sup> July 2018	Kevin Stackhouse Strategic Director Corporate Resources (01283) 595811
Annual Accounts and Financial Statements 2017/18	26 <sup>th</sup> July 2018	Kevin Stackhouse Strategic Director Corporate Resources (01283) 595811
Better Care Funding Allocation 2018-19	26 <sup>th</sup> July 2018	Eileen Jackson Housing Strategy Manager (01283) 595763
The Local Authorities' Property Fund	26 <sup>th</sup> July 2018	Kevin Stackhouse Strategic Director Corporate Resources (01283) 595811
Planning & Land Charges Software	26 <sup>th</sup> July 2018	Tony Sylvester Planning Services Manager (01283) 595743

Corporate Plan 2016-21: Performance Report (1 April 2018 – 30 June 2018)	30 <sup>th</sup> August 2018	Keith Bull Head of Communications (01283) 598705
Budget and Financial Monitoring 2018/19	30 <sup>th</sup> August 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Proposed Capital Investment Strategy and Policy Framework	30 <sup>th</sup> August 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Updated Treasury Management Investment Strategy and Counterparty List	30 <sup>th</sup> August 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Toyota City	30 <sup>th</sup> August 2018	Mike Roylance Economic Development Manager (01283) 595725
Modern Slavery Statement And Procedure Document	11 <sup>th</sup> October 2018	Chris Smith Communities Manager (01283) 595787
Updated Financial Strategy	11 <sup>th</sup> October 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
A Review of Earmarked Reserves	11 <sup>th</sup> October 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811

Updated Medium-Term Financial Plan to 2024	11 <sup>th</sup> October 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Annual Training and Development Report 2017/18	11 <sup>th</sup> October 2018	Loyd Baker Service Lead HR and Training (01283) 228770
Potentially Violent Persons' Policy	11 <sup>th</sup> October 2018	David Clamp Head of Organisational Development (01283) 595729
<b>Provisional Programme of Reports to be considered by Committee</b>		
Corporate Plan 2016-21: Performance Report (1 April 2018 – 30 June 2018)	29 <sup>th</sup> November 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Budget and Financial Monitoring 2018/19	29 <sup>th</sup> November 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Treasury Management Quarterly Report 2018/19	29 <sup>th</sup> November 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Sundry Debt Management Policy	29 <sup>th</sup> November 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811

Proposed Local Council Tax Reduction Scheme 2019/20	29 <sup>th</sup> November 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Compliments, Comments, Complaints and FOI Requests 1 <sup>st</sup> April to 30 <sup>th</sup> September 2018	29 <sup>th</sup> November 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Equalities Policy Statement and Corporate Group's Term of Reference	29 <sup>th</sup> November 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Proposed Service Budgets 2019/20	10 <sup>th</sup> January 2019	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Consolidated Budget Proposals 2019/20 and Medium-Term Financial Plan to 2023/24	10 <sup>th</sup> January 2019	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Council Tax Premiums on Empty Properties	10 <sup>th</sup> January 2019	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Proposed Treasury Management Strategy 2019/20	14 <sup>th</sup> February 2019	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Proposed Local Council Tax Support Scheme 2019/20	14 <sup>th</sup> February 2019	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811

Final Consolidated Budget Proposals 2019/20 and Medium-Term Financial Plan to 2023/24	14 <sup>th</sup> February 2019	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Corporate Plan 2016-21: Performance Report (1 April 2018 – 30 June 2018)	14 <sup>th</sup> March 2019	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Budget and Financial Monitoring 2018/19	14 <sup>th</sup> March 2019	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Treasury Management Quarterly Report 2018/19	14 <sup>th</sup> March 2019	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811