



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

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Our Ref  
Your Ref

Date: 17<sup>th</sup> November 2021

Dear Councillor,

### **Finance and Management Committee**

A Meeting of the **Finance and Management Committee** will be held at **Council Chamber**, Civic Offices, Civic Way, Swadlincote, DE11 0AH on **Thursday, 25 November 2021** at **18:00**. You are requested to attend.

Yours faithfully,

Chief Executive

To:- **Labour Group**

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

**Conservative Group**

Councillors Ackroyd, Bridgen, Lemmon, Redfern and Watson.

**Independent Group**

Councillor Fitzpatrick.



## **AGENDA**

### **Open to Public and Press**

- 1** Apologies and to note any Substitutes appointed for the Meeting.
- 2** To receive the Open Minutes of the following Meetings:  
  
10th June 2021 **4 - 7**  
  
22nd July 2021 **8 - 12**  
  
3rd August 2021 **13 - 14**  
  
26th August 2021 **15 - 20**
- 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 2020-24 PERFORMANCE REPORT (2021-2022 QUARTER 2– APRIL TO 30 SEPTEMBER) **21 - 75**
- 8** GENERAL FUND REVENUE MONITORING 2021-22 **76 - 95**
- 9** HOUSING REVENUE ACCOUNT REVENUE FINANCIAL MONITORING 2021-22 **96 - 103**
- 10** COLLECTION FUND 2021-22 **104 - 111**

|           |  |                      |
|-----------|--|----------------------|
| <b>11</b> | CAPITAL FINANCIAL MONITORING 2021-22   | <b>112 -<br/>124</b> |
| <b>12</b> | TREASURY MANAGEMENT UPDATE 2021-22   | <b>125 -<br/>144</b> |
| <b>13</b> | COMMENTS, COMPLIMENTS, COMPLAINTS & FREEDOM OF INFORMATION REQUESTS 01 APRIL 2021 TO 30 SEPTEMBER 2021 | <b>145 -<br/>150</b> |
| <b>14</b> | SOCIAL MOBILITY - SUPPORTING ASPIRATIONS ACTION PLAN   | <b>151 -<br/>166</b> |
| <b>15</b> | COMMITTEE WORK PROGRAMME   | <b>167 -<br/>173</b> |

**Exclusion of the Public and Press:**

- 16** 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.
- 17** To receive the Exempt Minutes of the following Meetings:  
10th June 2021  
22nd July 2021  
3rd August 2021  
26th August 2021
- 18** To receive any Exempt questions by Members of the Council pursuant to Council procedure Rule No. 11.
- 19** REGRADE OF POST – HOUSING PROJECT OFFICER (ELECTRICAL)
- 20** FUTURE SERVICE DELIVERY AND EMPLOYMENT MODELS UPDATE
- 21** HGV DRIVERS

FINANCE AND MANAGEMENT COMMITTEE

10<sup>th</sup> June 2021

**PRESENT:**

**Labour Group**

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

**Conservative Group**

Councillors Ackroyd, Bridgen, Lemmon, Redfern and Watson

**Independent Group**

Councillor Fitzpatrick

FM/01 **APOLOGIES**

Apologies for absence were received from Councillor Richards.

FM/02 **DECLARATIONS OF INTEREST**

The Committee was informed that no declarations of interest had been received.

FM/03 **QUESTIONS FROM MEMBERS OF THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE NO 10**

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

FM/04 **QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO 11**

The Committee was informed a question had been received from

FM/05 **REPORTS OF OVERVIEW AND SCRUTINY COMMITTEE**

The Committee was informed that no reports of Overview and Scrutiny Committee had been received.

**MATTERS DELEGATED TO COMMITTEE**

FM/06 **CORPORATE PLAN 2020-24 PERFORMANCE REPORT**

The Strategic Director (Corporate Resources) presented the Report to the Committee summarising the key areas for which the Committee had responsibility for and highlighting the long-term targets and those targets that had not been met. The Strategic Director (Corporate Resources) also focused

on the Social Mobility, Sickness Absence and Workforce and Skills targets and updated Members regarding the key areas within the Risk Register.

Members welcomed the report and highlighted the importance of regular Social Mobility updates, a query was raised regarding an update on the Fair Funding Review.

The Strategic Director (Corporate Resources) informed the Committee that there was currently no update available regarding the Fair Funding Review.

**RESOLVED:**

**1.1 The Committee considered progress against performance targets set out in the Corporate Plan 2020 - 2024.**

**1.2 The Committee reviewed the Risk Register for the Committee's services.**

FM/07 **SERVICE PLANS 2021-22**

The Strategic Director (Corporate Resources) delivered the Report and summarised the Service Plans for each service area and in particular back-office support, property and legal.

Members raised queries regarding Swadlincote Town Centre targets within Appendix A of the Report. The Strategic Director (Corporate Resources) advised the Committee that he would request that the Chief Executive and Head of Economic Development and Growth to respond.

**RESOLVED:**

***The Committee approved the Service Plans for the Chief Executive's Directorate and Corporate Resources Directorate as the basis for overall service delivery over the period 1 April 2021 to 31 March 2022.***

FM/08 **CLIMATE EMERGENCY ACTION PLANNING**

The Strategic Director (Service Delivery) introduced the Report to the Committee highlighting how the plan had evolved from its first iteration.

The Head of Environmental Services then presented the Report to the Committee and outlined South Derbyshire District Council's intention to be carbon neutral by 2030 which included the reduction of the main carbon emissions across the whole of the Council's portfolio of properties and vehicle fleet. The Head of Environmental Services highlighted the 18 actions that aimed to reduce the Council's emissions by 80% by 2030 and explained how external funding would be required to achieve the targets and that a coherent plan was key to attracting such funding.

Members fully supported the Plan and recognised how important it was to not let the finances detract from what was required to reach the targets.

**RESOLVED:**

- 1.1. *The Committee welcomed the actions completed to date and the ambition outlined in the Plan to achieve the Council's Carbon reduction targets for the Council by 2030 and for the District as a whole by 2050, whilst recognising the scale of the challenge to achieving these outcomes.*
- 1.2. *The Committee acknowledged the predicted costs and timescales for the delivery of the Climate and Environment Action Plan and the potential implications of this on corporate decisions relating to Council assets such as buildings and transport fleet up to the end of the Medium-Term Financial Strategy and beyond.*

FM/09 **COMMENTS, COMPLIMENTS, COMPLAINTS AND FREEDOM OF INFORMATION REQUESTS**

The Strategic Director (Corporate Resource) presented the Report and outlined the key points and terms of reference. Members were informed that the Report was a summary with additional information available via Council's website.

Councillor Fitzpatrick raised concern in relation to the increase in the number of complaints regarding housing services. The Strategic Director (Service Delivery) explained that when the complaints had been looked at in more detail some of the recorded complaints related to people who did not fit necessary criteria, those who did not get the outcome they were expecting, and some complaints were made during refurbishments, but those people were happy by the end of the refurbishment.

**RESOLVED:**

*The Committee considered and noted the comments, compliments, complaints and FOI requests as detailed in the report.*

FM/10 **COMPLAINTS POLICY AND PROCEDURE**

Strategic Director (Corporate Resources) presented the Report to the Committee and outlined the updates.

**RESOLVED:**

*The Committee approved the updated Complaints Policy and Procedure as appended to the report.*

FM/11 **COMMITTEE WORK PROGRAMME**

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

**RESOLVED:**

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

FM/12 **LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)**

**RESOLVED:-**

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

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

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

**SERVICES AND SUPPORT FOR HOMELESS PEOPLE – EXTENSION OF CONTRACT**

*The Committee approved the recommendation in the report.*

**PAYROLL SERVICE**

*The Committee approved the recommendation in the report.*

**REVIEW OF CULTURAL AND COMMUNITY SERVICES**

*The Committee approved the recommendation in the report.*

The meeting terminated at 19:15 hours.

COUNCILLOR PEARSON

CHAIR

FINANCE AND MANAGEMENT COMMITTEE

22<sup>nd</sup> July 2021

**PRESENT:**

**Labour Group**

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

**Conservative Group**

Councillors Ackroyd, Bridgen, Lemmon, Redfern and Watson

**Independent Group**

Councillor Fitzpatrick

FM/17 **APOLOGIES**

Apologies for absence were received from Councillor Rhind.

FM/18 **DECLARATIONS OF INTEREST**

The Committee was informed that no declarations of interest had been received.

FM/19 **QUESTIONS FROM MEMBERS OF THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE NO 10**

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

FM/20 **QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO 11**

The Committee was informed a question had been received from

FM/21 **REPORTS OF OVERVIEW AND SCRUTINY COMMITTEE**

The Committee was informed that no reports of Overview and Scrutiny Committee had been received.

**MATTERS DELEGATED TO COMMITTEE**

FM/22 **TREASURY MANAGEMENT ANNUAL REPORT 2020-21**

The Head of Finance presented the Report to the Committee summarising the key points and highlighted the Council's strong cash position overall despite Covid-19 and Brexit. It was explained that money had been set aside each year to cover the Housing Revenue Account borrowing to be paid back.

**RESOLVED:**

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

FM/23 **FINAL CAPITAL OUTTURN 2020-21**

The Head of Finance presented the Report to the Committee and gave an overview of the General Fund and the Housing Revenue Account. Members were informed that the Capital Reserves, which included Section 106 Agreement Funding would be carried forward into future years and that there were lots of projects in the pipeline.

Councillor Fitzpatrick raised concern regarding the underspend of Section 106 Agreement Funding. The Strategic Director (Corporate Resources) informed the Committee that a restructure had ensured that an officer would be in place to oversee the allocation of Section 106 Agreement Funding and that a new Head of Service had been appointed who had experience of delivering capital projects.

**RESOLVED:**

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

FM/24 **FINAL REVENUE BUDGET OUTTURN 2020-21**

The Head of Finance delivered the Report to the Committee summarising the General Fund reserves, surplus and variances compared to the Budget. The Head of Finance noted that the Housing Revenue Account also showed a favourable position and informed the Committee that the spend of the Covid Pandemic Funding from Government would be reported to the Committee on a quarterly basis.

**RESOLVED:**

- 1.1 The Committee approved the final outturn position for:**
  - The General Fund Revenue Account 2020/21**

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

**1.1 The Committee approved that the net appropriation of £5,081,382 in 2020/21 be made from the General Fund Reserve to other Earmarked Reserves and a net appropriation of £150,000 be made from the HRA General Reserve to Earmarked Reserves as detailed in the report.**

**1.2 The Committee noted the following contributions and adjustments that had been made to Bad Debt and Appeal Provisions in 2020/21:**

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

## FM/25 **CORONAVIRUS (COVID-19) FINANCIAL IMPACT - UPDATE**

The Strategic Director (Corporate Resources) presented the report to the Committee which contained information regarding support given to businesses and residents since March 2020 including additional help with Council Tax for vulnerable residents. The Committee was informed that extra funding for Business Grants was expected but the amount was still to be confirmed and that there would be other funds available to encourage people back into town centres.

The Chief Executive addressed the Committee advising that due to Covid-19 unemployment nationally had risen to over 6% but locally it was at 3.6% and that South Derbyshire District Council had worked hard to keep local unemployment as low as possible.

Members welcomed the good news regarding additional funding and enquired about how it would be publicised to encourage a greater take up. The Strategic Director informed the Committee that it had been publicised and would be again and agreed to email Members giving them information regarding the application process and applicable criteria for the Discretionary Community Fund.

**RESOLVED:**

***The Committee approved the financial impact of Covid-19 and deployment of Government Funding as detailed in the report.***

FM/26 **CHIEF EXECUTIVE'S DIRECTORATE SERVICE PLAN 2021-22**

The Chief Executive presented the report to the Committee and outlined the clarification provided on certain indicators following the previous Committee. The Chief Executive explained how the Covid-19 pandemic had impacted on all departments within the Council, including Economy and Growth.

At the request of Councillor Tilley, it was agreed by the Chief Executive that a report regarding outturns would be brought to the Committee.

**RESOLVED:**

***The Committee noted the clarification provided.***

FM/27 **SOCIAL MOBILITY UPDATE**

The Chief Executive presented the updated Report to the Committee outlining the additional information and highlighting the emerging focus on the impact of the Covid-19 pandemic on younger people and children for which further support would be needed in the future.

The Chair thanked the Head of Economic Development and Growth and the Chief Executive for the report

Councillor Tilley raised a query regarding destination data. The Chief Executive explained that destination data now only included leaving data when going into employment

**RESOLVED:**

***The Committee noted the update provided.***

FM/28 **COMMITTEE WORK PROGRAMME**

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

**RESOLVED:**

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

FM/29 **LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)**

**RESOLVED:-**

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

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

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

**VISITOR INFORMATION PROPOSALS**

*The Committee approved the recommendation in the report.*

**REGRADE OF POSTS – LICENSING OFFICERS (ENFORCEMENT)**

*The Committee approved the recommendation in the report.*

**FUTURE SERVICE DELIVERY AND EMPLOYMENT MODELS**

*The Committee approved the recommendation in the report.*

The meeting terminated at 19:30 hours.

COUNCILLOR PEARSON

CHAIR

FINANCE AND MANAGEMENT COMMITTEE (SPECIAL)

3<sup>rd</sup> August 2021

**PRESENT:**

**Labour Group**

Councillor Pearson (Chair), Councillor Tilley (Vice-Chair) and Councillors Gee (substituting for Councillor Southerd), Mulgrew (substituting for Councillor Rhind), Richards, Singh, Southerd and Taylor

**Conservative Group**

Councillors Ackroyd, Bridgen, Lemmon, Redfern and Watson

**Independent Group**

Councillor Fitzpatrick

FM/34 **APOLOGIES**

Apologies for absence were received from Councillors Rhind and Southerd.

FM/35 **DECLARATIONS OF INTEREST**

The Committee was informed that no declarations of interest had been received.

FM/36 **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/37 **QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO 11**

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

FM/38 **REPORTS OF OVERVIEW AND SCRUTINY COMMITTEE**

The Committee was informed that no reports of Overview and Scrutiny Committee had been received.

**MATTERS DELEGATED TO COMMITTEE**

FM/39 **COMMITTEE WORK PROGRAMME**

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

**RESOLVED:**

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

FM/40

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

**RESOLVED:-**

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

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

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

The meeting terminated at 18:35 hours.

COUNCILLOR PEARSON

CHAIR

FINANCE AND MANAGEMENT COMMITTEE

26<sup>th</sup> August 2021

**PRESENT:**

**Labour Group**

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

**Conservative Group**

Councillors Ackroyd, Bridgen, Lemmon, Redfern and Watson.

**Independent Group**

Councillor Angliss (substituting for Councillor Fitzpatrick).

FM/43 **APOLOGIES**

Apologies for absence were received from Councillor Fitzpatrick (Independent) and Councillors Richards and Southerd (Labour).

FM/44 **DECLARATIONS OF INTEREST**

The Committee was informed that no declarations of interest had been received.

FM/45 **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/46 **QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO 11**

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

FM/47 **REPORTS OF OVERVIEW AND SCRUTINY COMMITTEE**

The Committee was informed that no reports of Overview and Scrutiny Committee had been received.

**MATTERS DELEGATED TO COMMITTEE****FM/48 CORPORATE PLAN 2020-24 PERFORMANCE REPORT (2021-2022 QUARTER 1-1 APRIL TO 30 JUNE)**

The Head of Organisational Development and Performance presented the report to the Committee which outlined the status of the 16 measures which the Committee was responsible for. Members were informed that an Internal Audit had led to an updated Risk Management Framework and new Risk Register templates that had been approved by the Audit Sub-Committee. The Head of Organisational Development and Performance noted that updates had been provided for all risks and there was currently no major issues to Service Delivery.

**RESOLVED:**

***1.1 The Committee approved progress against performance targets set out in the Corporate Plan 2020 - 2024.***

***1.2 The Committee reviewed the Risk Register for the Committee's services.***

***1.3 The Committee agreed that the new Risk Register templates be reviewed following approval at the Audit Sub Committee in June 2021 and noted that they will replace the existing Risk Registers.***

***1.4 The Committee agreed that the Corporate Performance measure for P2.4A be amended from 'South Derbyshire's ranking in the Social Mobility Commission's Social Mobility Index increases' to 'Deliver the objectives identified in the South Derbyshire Partnership Social Mobility Action Plan.'***

**FM/49 REVENUE FINANCIAL MONITORING 2021-22**

The Strategic Director (Corporate Resources) presented the Report to the Committee outlining the financial position in relation to the in-house delivery of recycling services, staffing through the use of consultants, an increase in planning fees and COVID-19 expenses funded by government grants. The committee was informed that the Housing Revenue Account was currently on budget and although rental income was down in the Housing Revenue Account, Council Tax collection rates were reported as good with a surplus expected on the Collection Fund.

The Chair acknowledged the content of the Report with an observation that although there were some concerns these would be monitored.

**RESOLVED:**

***1.1 The Committee considered and approved the latest revenue financial position for 2021/22 as detailed in the report.***

***1.2 The Committee agreed that an additional £50,000 per annum be set-aside as a provision in the Medium-Term Financial Plan (MTFP) due to changes to the Recycling service.***

FM/50 **CAPITAL FINANCIAL MONITORING 2021-22**

The Strategic Director (Corporate Resources) presented the Report to the Committee highlighting the underspending on projects approved during 2020/21, and the overspend for drainage works at Melbourne Sports Park for which Section 106 funding was being investigated.

Members enquired if there was a project aligned to funding for Swadlincote Woodlands and highlighted disappointment that the Disabled Facilities Grant showed an underspend and the amount of time taken to distribute Section 106 Agreement funding.

The Strategic Director (Corporate Resources) advised that projects took some time to plan, procure and implement and that a nature reserve had been approved at Swadlincote Woodlands.

The Chair requested a report of progress of individual Section 106 projects. The Strategic Director (Corporate Resources) explained that the Appendix to the Report was being added to each time with additional information and suggested that Members highlight specific projects that were to be included in the report in order that more detailed information could be provided separately.

**RESOLVED:**

***1.1 The Committee considered and approved the latest capital financial position for 2021/22 as detailed in the report.***

***1.2 The Committee approved an increase to the Budget for the Green Homes Grant.***

***1.3 The Committee noted the balance of S106 available for use by the Council for capital projects as detailed in Appendix 2 of the report.***

FM/51 **TREASURY MANAGEMENT UPDATE 2021-22**

The Strategic Director (Corporate Resources) presented the report to the Committee advising of an interest rate slightly above 0% and that long-term investments in the Property Fund were receiving between 3% and 4% in dividends.

Members enquired if further funds could be considered for the property fund. The Strategic Director (Corporate Resources) confirmed that the Finance Team would look into this option.

**RESOLVED:**

- 1.1 The Committee considered and approved the latest Treasury Management Update for quarter 1 2021/22 as detailed in Appendix 1 of the report.***
- 1.2 The Committee approved the updated Counterparty List for investments and bank deposits as detailed in Appendix 2 of the report.***

FM/52

**DEVELOPING AND CONSULTING ON REVISED LOCAL COUNCIL TAX REDUCTION SCHEME 2022-2023**

The Head of Customer Services presented the report to the Committee highlighting the inefficiency in the current scheme for both claimants and the Council and that it was no longer aligned to Universal Credit and other Welfare Reforms. . The Committee was informed that three options would be analysed, and results would brought back to Committee in October.

Members enquired which residents and stakeholders would be included in any modelling and requested that any consultation documentation be clear and simple to use.

The Head of Customer Services confirmed that current claimants and council tenants would be included in the modelling process along with partnership groups and that the consultation modules would be made clear.

The Chair observed that detailed results would be interesting and encouraged Members to take a key role in reviewing the results and providing feedback.

**RESOLVED:**

- 1.1 The Committee approved the proposal to develop a draft revised Local Council Tax Reduction scheme (LCTRS) and acknowledged that the development of the scheme will involve consulting residents and stakeholders on a variety of potential models.***
- 1.2 The Committee approved the various scheme changes/considerations to be included in the consultation models to be brought back to Finance and Management Committee for approval on 7<sup>th</sup> October 2021 prior to consultation.***
- 1.3 The Committee approved the proposed timeline for the development of the proposed revised LCTRS.***
- 1.4 The Committee approved a maximum spend of £10,000 on support services to develop the proposed LCTRS, to be funded from the Welfare Reform Reserve.***

FM/53 **COMMITTEE WORK PROGRAMME**

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

**RESOLVED:**

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

FM/54 **LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)**

**RESOLVED:-**

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

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

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

**ANNUALISED HOURS CONTRACTS – ENVIRONMENTAL EDUCATION PROJECT**

*The Committee approved the recommendation in the report.*

**BETTER CARE FUNDING ALLOCATION – FINANCIAL POSITION**

*The Committee approved the recommendation in the report.*

**FORMER TENANT WRITE OFF**

*The Committee approved the recommendation in the report.*

**CUSTOMER SERVICES PROVISION AT THE CIVIC OFFICES**

*The Committee approved the recommendation in the report.*

**COLLECTION RATES, DEBT RECOVERY AND WRITE OFFS (Q1 2021 – 2022)**

*The Committee approved the recommendation in the report.*

**PAYROLL SERVICE**

***The Committee approved the recommendation in the report.***

The meeting terminated at 19:40 hours.

COUNCILLOR PEARSON

CHAIR

|                         |   |                       |
|-------------------------|---|-----------------------|
| REPORT TO:              | FINANCE AND MANAGEMENT COMMITTEE  | AGENDA ITEM: 7        |
| DATE OF MEETING:        | 25 <sup>th</sup> NOVEMBER 2021  | CATEGORY: DELEGATED   |
| REPORT FROM:            | LEADERSHIP TEAM   | OPEN DOC:             |
| MEMBERS' CONTACT POINT: | FRANK MCARDLE (EXT. 5700)<br>FIONA PITTAM (EXT. 5735)   |                       |
| SUBJECT:                | CORPORATE PLAN 2020-24:<br>PERFORMANCE REPORT<br>(2021-2022 QUARTER 2– APRIL TO 30 SEPTEMBER) |                       |
| WARD (S) AFFECTED:      | ALL   | TERMS OF REFERENCE: G |

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## 1.0 Recommendations

- 1.1 That the Committee approves progress against performance targets set out in the Corporate Plan 2020 - 2024.
- 1.2 That the Risk Register for the Committee's services are reviewed.

## 2.0 Purpose of the Report

- 2.1 To report progress against the Corporate Plan under the priorities of Our Environment, Our People and Our Future.

## 3.0 Executive summary

- 3.1 The Corporate Plan 2020 – 2024 was approved following extensive consultation into South Derbyshire's needs, categorising them under three key priorities: Our Environment, Our People and Our Future. The Corporate Plan is central to the Council's work – it sets out its values and vision for South Derbyshire and defines its priorities for delivering high-quality services.
- 3.2 This Committee is responsible for overseeing the delivery of the key priorities and the following key aims:

### **Our Environment**

- *Enhance the attractiveness of South Derbyshire*

### **Our People**

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

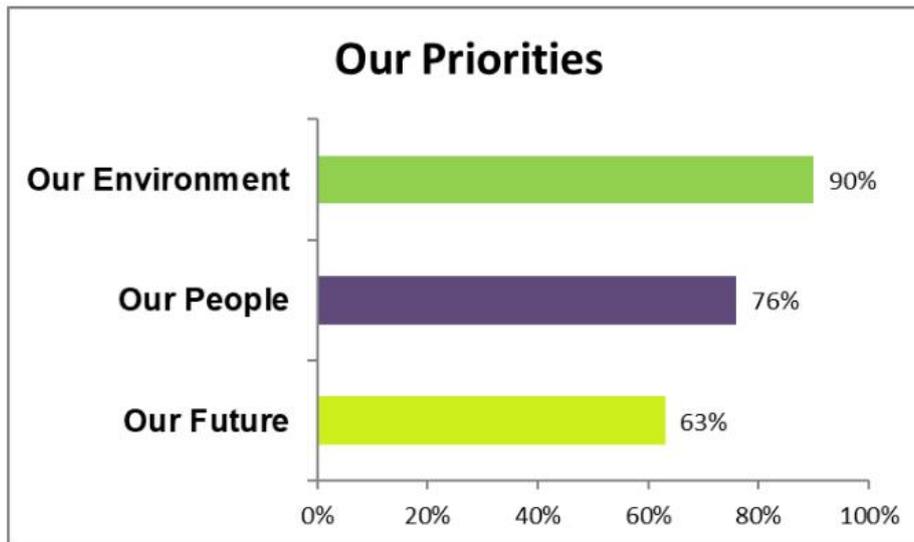


- *Develop skills and careers*
- *Support economic growth and infrastructure*
- *Transforming the Council*

#### 4.0 Detail

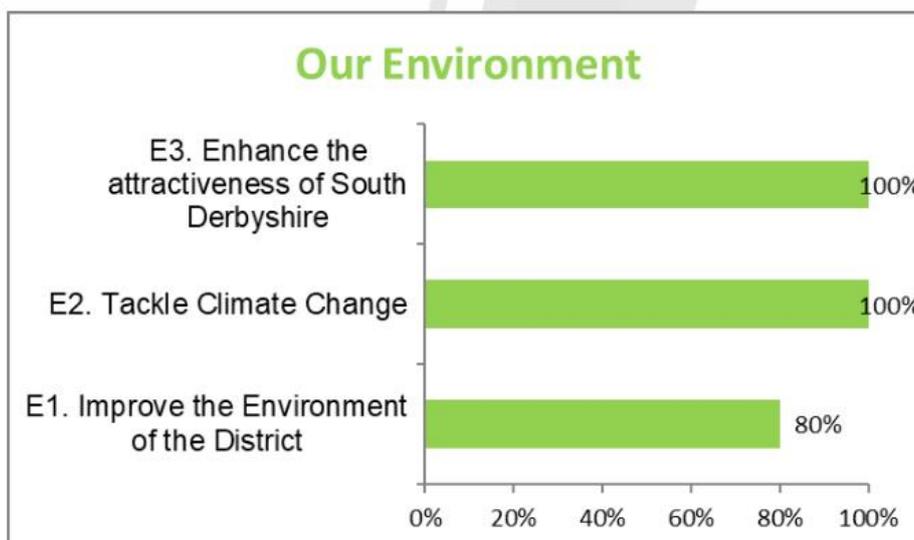
##### 4.1 Overall Council performance against the priorities– Quarter two 2021-2022.

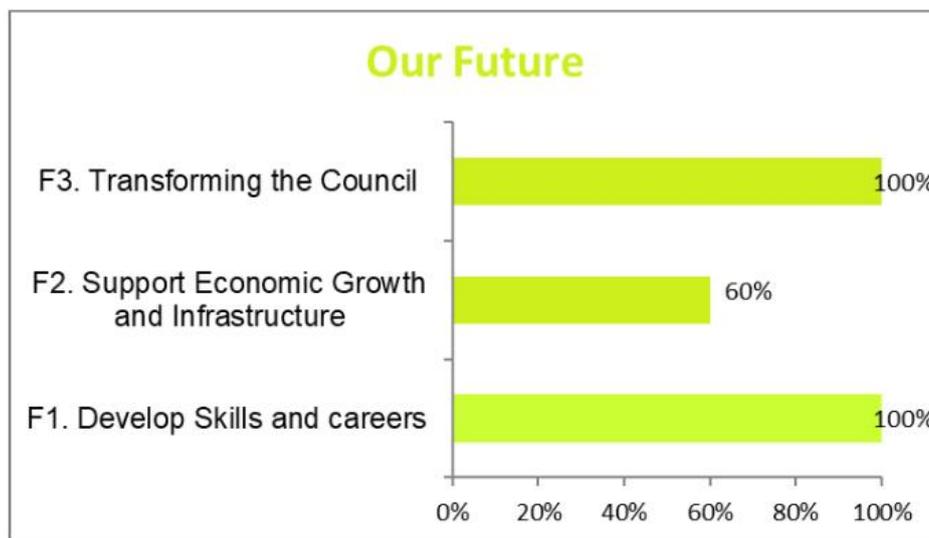
The below chart provides an overview for the percentage of measures that are on track to achieve the annual target.



##### 4.2 Overall Council performance against key aims – Quarter two 2021-2022.

The below charts provide an overview for the percentage of measures that are on track to achieve the annual target within each key aim of the Corporate Plan.





4.3 Of the 35 measures which support the progress of the Corporate Plan 20-24, 16 are green, seven are amber, six are red and six are grey.

Overall, 77% of the key aims within the Corporate Plan are on track. 90% are on track for Our Environment, 76% are on track for Our People and 63% are on track for Our Future.

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

Below outlines the 14 measures for this Committee that are on track (green, amber or grey) for the quarter:

- Increase Swadlincote Town Centre visitor satisfaction.
- Develop and deliver the Public Buildings programme over four years.
- South Derbyshire's ranking in the Social Mobility Commission's Social Mobility Index increases
- Increase the number of customers who interact digitally as a first choice.
- Reduce face-to-face contact to allow more time to support those customers who need additional support.



- Increase digital engagement (Twitter, Instagram, Facebook).
- Increase the level of staff engagement
- % of employees that consider the Council has a positive health and safety culture
- Number of apprenticeships
- Average number of staff days lost due sickness
- Increase the number of Employee Jobs in South Derbyshire
- Annual net growth in commercial floorspace (sqm)
- Deliver against the Transformation Action Plan.
- Develop our approach towards the commercialisation of services which include grants, sponsorship, fees and charges and operating models and increase the income generated from these activities.

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

- Number of customer telephone calls answered by Customer Services.
- Total Rateable Value of businesses in the District.

For more detailed information please refer to **Appendix B**, Performance Measure Report Index.

4.6 An overview of performance can be found in the Performance Dashboard in **Appendix A**. A detailed description of each performance measure including mitigating actions and actions to sustain and improve performance is included in the detailed Performance Measure Report Index in **Appendix B**.

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

4.8 The Risk Register(s) for the Committee's services are detailed in **Appendix C** Chief Executive Risk Register and **Appendix D** Corporate Risk Register. Each risk has been identified and assessed against the Corporate Plan aims which are considered to be the most significant risks to the Council in achieving its main objectives. The Risk Register(s) detail a risk matrix to summarise how each identified risk has been rated.

## 5.0 Financial and Implications

None directly.

## 6.0 Corporate Implications

### 6.1 Employment Implications

None directly.



## 6.2 Legal Implications

None directly.

## 6.3 Corporate Plan Implications

This report updates the Committee on the progress against the key measures agreed in the Corporate Plan and demonstrates how the Council's key aims under the priorities, Our Environment, Our People and Our Future contribute to that aspiration.

## 6.4 Risk Impact

Key risks impacting on this Committee are detailed in **Appendix C** Chief Executive Risk Register and **Appendix D** Corporate Risk Register alongside mitigating actions in place to manage these risks and the risk rating after mitigating actions have been considered.

Following a review of the Councils Risk Management Framework, the new risk template was approved, and all risks have been moved onto the new template.

The following risks have been removed and added to the archive risk register:

- CR5 - Financial Management System Upgrade  
The project was successful with the system going live in April 2021
- CR6 - Failure of the Financial Management System  
No longer hosted on the Council's servers and therefore not a risk to the Council
- CR25 - Recycling Contract Procurement  
procurement has now successfully taken place.

## 7.0 Community Impact

### 7.1 Consultation

None required.

### 7.2 Equality and Diversity Impact

Not applicable in the context of the report.

### 7.3 Social Value Impact

Not applicable in the context of the report.

### 7.4 Environmental Sustainability

Not applicable in the context of the report.

## 8.0 Appendices

Appendix A – Performance Dashboard 2020-2024

Appendix B – Performance Measures Report for Our Future



Appendix C – Chief Executive Risk Register  
Appendix D – Corporate Risk Register



| Priority   | Key Aim   | Outcome  | PI Ref   | How success will be measured  | Frequency   | (Q4) Jan 20 - Mar 20 Outturn  | April 21-June 21 (Qtr. 1)                | April 21 - September 21 (Qtr. 2)  | Annual Target 2021-2022   | Plan Target 2020-2024  | Strategic Lead                                       | Committee |
|--|---|--|--|---|---|---|--|---|---|--|--|-----------|
| OUR ENVIRONMENT  | E1. Improve the environment of the District         | E1.1 Reduce waste and increase composting and recycling  | E1.1A  | <a href="#">Household waste collected per head of population</a>  | Quarterly   | 404 kgs (Cumulative Apr-Mar)  | 128kgs                                   | 245kgs  | Sustain Current levels  | Sustain during Y1 and Y2. See a downward trend in Yrs. 3 and 4   | Allison Thomas, Strategic Director, Service Delivery | E&DS      |
|  |   |  | E1.1B  | <a href="#">% of collected waste recycled and composted</a>   | Quarterly   | 45% (Cumulative Apr-Mar)  | 50%                                      | 49% (estimate)  | >45%  | Sustain during Y1 and Y2. See an upward trend in Yrs. 3 and 4  | Allison Thomas, Strategic Director, Service Delivery | E&DS      |
|  |   | E1.2 Reduce fly tipping and litter through education, engagement and zero tolerance enforcement action where appropriate | E1.2A  | <a href="#">Number of fly tipping incidents</a>   | Quarterly   | 714 (Cumulative April-Mar)  | Q1 Target < 191 Actual - 211             | Q2 Target < 388 Actual - 362  | Downward trend as a 4-year mean <764  | Downward trend over 4 years  | Allison Thomas, Strategic Director, Service Delivery | E&DS      |
|  |   |  | E1.2B  | <a href="#">Improve the quality of the District through the Local Environmental Quality Survey</a>  | Annual  | The first survey was completed in January 2020 the result was 89.67% above grade C+.  | 94.74% above grade C+                    | 94.74% above grade C+   | >95% (Grade C or above)   | >95%   | Allison Thomas, Strategic Director, Service Delivery | E&DS      |
|  |   | E1.3 Enhance biodiversity across the District  | E1.3A  | <a href="#">% of eligible new homes and commercial developments to achieve net gain in Biodiversity by a minimum of 10% compared to the sites pre development baseline.</a> | Annual  | Not possible to provide as outputs not held in software until April 2020. Monitoring underway and baseline data to be provided Q1 and Q2. | 66.7%                                    | 66.7%   | 85% (4-year target)   | 85%  | Allison Thomas, Strategic Director, Service Delivery | E&DS      |
|  | E2. Tackle climate change                           | E2.1 Strive to make South Derbyshire District Council carbon neutral by 2030   | E2.1A  | <a href="#">Reduce South Derbyshire District Council carbon emissions</a>   | Annual  | No update required for Q4. First update to be provided Q1 2020-21.  | Achieved                                 | Achieved  | Produce and implement a Head of Service Q4 Climate and Environment report that tracks performance against quantified targets and outturns | Achievement of Actions contained in the South Derbyshire Climate and Environment Action Plan 2020-24 (C&EAP) | Allison Thomas, Strategic Director, Service Delivery | E&DS      |
|  |   | E2.2 Work with residents, businesses and partners to reduce their carbon footprint                                       | E2.2A  | <a href="#">% of new homes to meet water efficiency targets as set out in the Part G optional standard of 110 litres of potable water usage per person per day.</a>         | Bi Quarterly (Q2 & Q4)                                    | Baseline figure of 50% based on 18 qualifying decisions in Q4.  | 70.5%                                    | 79.30%  | 85%   | 85%  | Allison Thomas, Strategic Director, Service Delivery | E&DS      |
|  | E3. Enhance the attractiveness of South Derbyshire  | E3.1 Enhance the appeal of Swadlincote town centre as a place to visit   | E3.1A  | <a href="#">Increase Swadlincote Town Centre visitor satisfaction</a>   | Annual  | 49% of respondents would recommend Swadlincote Town Centre - May 2019.  | Reported Annually in Q3                  | Reported Annually in Q3   | 58%   | National small towns average 72%. Target to be above the National average by 2023/24                         | Frank McArdle, Chief Executive                       | F&M       |
|  |   | E3.2 Improve public spaces to create an environment for people to enjoy  | E3.2A  | <a href="#">The number of Green Flag Awards for South Derbyshire parks.</a>   | Annual  | 2   | Achieved                                 | Achieved  | Four Year Target - 4  | Increase from two green flag park awards to four by 2024   | Allison Thomas, Strategic Director, Service Delivery | H&CS      |
|  |   |  | E3.2B  | <a href="#">Proportion of good quality housing development schemes.</a>   | Annual  | 92%   | Reported Annually in Q4                  | Reported Annually in Q4   | 90%   | % of schemes which score high  | Allison Thomas, Strategic Director, Service Delivery | E&DS      |
| OUR PEOPLE   | P1. Engage with our communities                     | P1.1 Support and celebrate volunteering, community groups and the voluntary sector                                       | P1.1A  | <a href="#">Number of new and existing Community Groups supported.</a>  | Quarterly   | 36  | 24                                       | 65  | upward trend  | Year 1 (Proxy)- collate baseline data. Year 2-4 we will show an increase on baseline in year 1               | Allison Thomas, Strategic Director, Service Delivery | H&CS      |
|  |   | P1.2 Help tackle anti-social behaviour & crime through strong and proportionate action                                   | P1.2A  | <a href="#">Number of ASB interventions by type</a>   | Quarterly   | 2,893 ASB reports (Cumulative Apr-Mar)  | Moderate                                 | Moderate  | 'Moderate' or 'High'  | Proxy Measure to show service activity   | Allison Thomas, Strategic Director, Service Delivery | H&CS      |
|  | P2. Supporting and safeguarding the most vulnerable | P2.1 With partners encourage independent living and keep residents healthy and happy in their homes.                     | P2.1A  | <a href="#">Number of households prevented from Homelessness.</a>   | Quarterly   | 103 cases   | 85                                       | 164   | Proxy   | Proxy Measure to show service activity   | Allison Thomas, Strategic Director, Service Delivery | H&CS      |
|  |   |  | P2.1B  | <a href="#">Continue to undertake interventions per year to keep families out of fuel poverty.</a>  | Quarterly   | Numbers of interventions in 2019/20 were not recorded   | Q1 Target - 30 interventions Actual - 30 | Q1-2 Target - 135 interventions Actual - 102  | 210 interventions   | 300 interventions (2020-21) Target to be reviewed thereafter.  | Allison Thomas, Strategic Director, Service Delivery | E&DS      |
|  |   | P2.2 Promote health and wellbeing across the District  | P2.2A  | <a href="#">Deliver the objectives identified in the South Derbyshire Health &amp; Wellbeing Group.</a>   | Bi monthly  | Not applicable for Q4   | Achieved                                 | Achieved  | 100% of actions delivered   | 100% of actions identified delivered   | Allison Thomas, Strategic Director, Service Delivery | H&CS      |
|  |   | P2.3 Improve the condition of housing stock and public buildings.  | P2.3A  | <a href="#">Deliver the Planned Maintenance Housing programme over four years</a>   | Quarterly   | £2,717,193.80   | 111.5%                                   | 105.6%  | 100% against the annual plan 2020-21  | 100%   | Allison Thomas, Strategic Director, Service Delivery | H&CS      |
|  | P2.3B   |  | <a href="#">Develop and deliver the Public Buildings programme over four years</a> | Quarterly   | Project Plan for 2020-21 developed                        | 9.1%  | 16%                                      | 30% of surveys to be undertaken.  | 100%  | Kevin Stackhouse, Strategic Director, Corporate Resources  | F&M  |           |
|  | P2.3C   |  | <a href="#">Average time taken to re-let Council homes</a>                         | Quarterly   | 122 days  | 190 days  | 174 days                                 | Median Quartile Performance (Benchmark via Housemark)   | Median Quartile Performance (Benchmark via Housemark)   | Allison Thomas, Strategic Director, Service Delivery   | H&CS   |           |
| P2.4 Support social mobility to ensure people have the opportunity to access skilled jobs, higher and further education. | P2.4A   | <a href="#">Deliver the objectives identified in the South Derbyshire Partnership Social Mobility Action Plan</a>        | Annual   | 311   | Proposed revision to measure due to data non-availability | Reported annually in Q4   | Develop the Social Mobility Action Plan  | Deliver the objectives identified in the South Derbyshire Partnership Social Mobility Action Plan | Frank McArdle, Chief Executive  | F&M  |  |           |

| Priority  | Key Aim  | Outcome  | PI Ref   | How success will be measured  | Frequency | (Q4) Jan 20 - Mar 20 Outturn   | April 21-June 21 (Qtr. 1)  | April 21 - September 21 (Qtr. 2)                      | Annual Target 2021-2022   | Plan Target 2020-2024  | Strategic Lead   | Committee  |  |      |
|---|--|--|--|---|-----------|--|--|---|---|--|--|--|--|------|
| P<br>i<br>e   | Working with communities and<br><br>P3. Deliver Excellent Services                                       | P3.1 Ensuring consistency in the way the Council deal with service users                               | P3.1A  | <a href="#">Increase the number of customers who interact digitally as a first choice</a>   | Quarterly | 1,219 Covid-19 business grants forms, 1,282 council tax & benefits forms and 12,343 online web form submissions. <b>14,844 in total (annual figure).</b>                                 | 5,301  | 10,491  | >22,242 (upward trend year on year)   | Upward Trend   | Kevin Stackhouse, Strategic Director, Corporate Resources  | F&M  |  |      |
|   |  | P3.2 Have in place methods of communication that enables customers to provide and receive information. | P3.2A  | <a href="#">Reduce face-to-face contact to allow more time to support those customers who need additional support</a>   | Quarterly | 2,463 enquiries dealt with at Customer Services Desk. Visitors to office 4,490. Please note this was up to 20 March 2020, when offices closed due to Covid 19. <b>Quarter 4 figures.</b> | No visitors due to Covid-19  | No visitors due to Covid-19                           | Downward trend (based on 2019 pre-Covid-19)   | Downward trend in Face to Face interactions  | Kevin Stackhouse, Strategic Director, Corporate Resources  | F&M  |  |      |
|   |  | P3.3 Ensuring technology enables us to effectively connect with our communities.                       | P3.3A  | <a href="#">Number of customer telephone calls answered by Customer Service</a>   | Quarterly | <b>Total Calls 95,896</b> (cumulative April- March)  | Total calls handled: 26,756  | Total calls handled: 51,886                           | Downward trend <95,896  | Downward Trend   | Kevin Stackhouse, Strategic Director, Corporate Resources  | F&M  |  |      |
|   |  |  | P3.3B  | <a href="#">Increase digital engagement (Twitter, Instagram, Facebook)</a>  | Quarterly | Total FACEBOOK fans: 22,440, total TWITTER followers: 11,448, No Instagram account yet, total ALL SOCIAL MEDIA fans: 33,888. Social Media queries: 287                                   | All social media fans: 44,989.   | All social media fans: 46,853.                        | upward trend  | Upward Trend   | Kevin Stackhouse, Strategic Director, Corporate Resources  | F&M  |  |      |
|   |  | P3.4 Investing in our workforce  | P3.4A  | <a href="#">Increase the level of staff engagement.</a>   | Annual    | No Q4 Update. First Staff survey to take place in 20/21.   | Survey postponed until 22-23   | Survey postponed until 22-23                          | Annual Increase in the % of Staff completing the survey                               | Annual Increase in the % of Staff completing the survey  | Kevin Stackhouse, Strategic Director, Corporate Resources  | F&M  |  |      |
|   |  |  | P3.4B  | <a href="#">Number of apprenticeships</a>   | Annual    | 4 (1.2% of head count)   | 3 (0.9% head count)  | 6 (1.84%)   | >2.3%   | >2.3% of head count  | Kevin Stackhouse, Strategic Director, Corporate Resources  | F&M  |  |      |
|   |  |  | P3.4C  | <a href="#">Average number of staff days lost due to sickness.</a>  | Quarterly | 10.65 (cumulative April - March)   | 2.11 days  | 2.68 days   | Downward trend  | Downward Trend   | Kevin Stackhouse, Strategic Director, Corporate Resources  | F&M  |  |      |
|   |  |  | P3.4D  | <a href="#">% of employees that consider that the Council has a positive health and safety culture</a>  | Annual    | No Q4 update for 19/20. First Staff survey to take place in 20/21.   | Survey postponed until 22-23   | Survey postponed until 22-23                          | No annual target  | Upward Trend   | Kevin Stackhouse, Strategic Director, Corporate Resources  | F&M  |  |      |
|   |  | O<br>u<br>r<br>F<br>u<br>t<br>u<br>r<br>e  | F1. Develop skills and careers                 | F1.1 Attract and retain skilled jobs in the District  | F1.1A     | <a href="#">Increase the number of employee jobs in South Derbyshire</a>   | Annual   | 32,000  | Reported Annually in Q4   | Reported Annually in Q4  | >32,000  | Upward Trend   | Frank McArdle, Chief Executive                       | F&M  |
|   |  |  |  | F1.2 Support unemployed residents back into work  |           |  |  |   |   |  |  |  |  |      |
|   |  |  | F2. Support economic growth and infrastructure | F2.1 Encourage and support business development and new investment in the District  | F2.1A     | <a href="#">Annual net growth in new commercial floorspace (sqm)</a>   | Annual   | 2885 sqm  | Reported Annually in Q4   | Reported Annually in Q4  | net annual growth in commercial floorspace of 12,269.5 sqm | net annual growth in commercial floorspace of 12,269.5 sqm | Frank McArdle, Chief Executive                       | F&M  |
|   |  |  |  |   | F2.1B     | <a href="#">Total Rateable Value of businesses in the District.</a>  | Quarterly  | £67,486,786   | £67,150,426   | £67,133,764  | >£67,486,786   | Upward Trend   | Frank McArdle, Chief Executive                       | F&M  |
|   |  |  |  | F2.2 Enable the delivery of housing across all tenures to meet Local Plan targets   | F2.2A     | <a href="#">Speed of decision on discharging conditions on housing applications</a>  | Quarterly  | 80%   | 93.7%   | 72%  | 90% within 8-13 weeks or as agreed with the applicant      | 90% within 8-13 weeks or as agreed with the applicant      | Allison Thomas, Strategic Director, Service Delivery | E&DS |
| F2.2B   | <a href="#">% of planning applications determined within the statutory period</a>                        |  |  |   | Quarterly | 93%  | 91%  | 93.10%  | >90%  | >90%   | Allison Thomas, Strategic Director, Service Delivery       | E&DS   |  |      |
| F2.3 Influence the improvement of infrastructure to meet the demands of growth. | F2.3A  |  |  | <a href="#">Secure new facilities and contributions through Section 106 to mitigate impacts of development. Achieve all necessary highway, education, healthcare, and recreation contributions</a>              | Annual    | No Q4 update for 19/20. New indicator, data will be collected from April 2020 onwards as retrospective data is not possible to collect.  | Reported Annually in Q4  | Reported annually in Q4                               | 90%   | 90%  | Allison Thomas, Strategic Director, Service Delivery       | E&DS   |  |      |
| F3. Transforming the Council  | F3.1 Provide modern ways of working that support the Council to deliver services to meet changing needs. |  | F3.1A  | <a href="#">Deliver against the Transformation Action Plan.</a>   | Quarterly | No Q4 update for 19/20. Transformation plan to report from Q1 onwards  | The annual plan has been agreed and project teams established or continued to deliver the 2nd year objectives                        | Continuing the delivery of the annual work programme. | Deliver 100% against action plan  | Deliver 100% against action plan   | Kevin Stackhouse, Strategic Director, Corporate Resources  | F&M  |  |      |
|   | F3.2 Source appropriate commercial investment opportunities for the Council                              |  | F3.2A  | <a href="#">Develop our approach towards the commercialisation of services which include grants, sponsorship, fees and charges and operating models and increase the income generated from these activities</a> | Quarterly | Preliminary discussion between Operational Services and Finance have taken place, working group and action plan not yet established  | Business Transformation has concluded one to one meetings with all HoS to establish baseline and potential commercial opportunities. | No progress in Q2                                     | deliver 100% against the action plan and sustain an upward trend in income generation | Y1 – Form a working group & Action Plan<br>Y2 – deliver against action plan and sustain an upward trend in revenue | Allison Thomas, Strategic Director, Service Delivery       | F&M  |  |      |



# Corporate Plan 2020-2024

## Performance Measure Report Index

### Finance and Management Committee

**Team: Organisational Development and Performance**

**Date: November 2021**

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Our Environment | Our People | Our Future

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# Performance Measure Report Index

## Corporate Plan 2020-2024

### Summary

The Corporate Plan 2020-2024 has 35 Corporate Measures which underpin the Council's three priorities Our Environment, Our People, Our Future.

The following Committees are responsible for overseeing the delivery of the following key aims and outcomes:

Environmental and Development Services Committee (E&DS) are responsible for 12 Corporate measures under the key aims:

- E1. Improve the environment of the District
- E2. Tackle climate change
- E3. Enhance the attractiveness of South Derbyshire
- P2. Supporting and safeguarding the most vulnerable
- F2. Support economic growth and infrastructure

Housing and Community Services Committee (H&CS) are responsible for seven Corporate measures under the key aims:

- E3. Enhance the attractiveness of South Derbyshire
- P1. Engage with our communities
- P2. Supporting and safeguarding the most vulnerable

Finance and Management Committee (F&M) are responsible for 16 corporate measures under the key aims:

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



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

## Our Environment

### Measure

- Increase Swadlincote Town Centre visitor satisfaction

## Our People

### Measure

- Develop and deliver the Public Buildings programme over four years
- South Derbyshire's ranking in the Social Mobility Commissions Social Mobility Index increases
- Increase the number of customers who interact digitally as a first choice
- Reduce face-to-face contact to allow more time to support those customers who need additional support
- Number of customer telephone calls answered by Customer Services
- Increase digital engagement (Twitter, Instagram, Facebook)
- Increase the level of staff engagement
- Number of apprenticeships
- Average number of staff days lost due sickness
- % of employees that consider that the Council has a positive health and safety culture

## Our Future

### Measure

- Increase the number of employee jobs in South Derbyshire
- Annual net growth in new commercial floorspace (sqm)
- Total Rateable Value of businesses in the District
- Deliver against the Transformation Action Plan
- Develop an approach towards the commercialisation of services which include grants, sponsorship, fees and charges and operating models and increase the income generated from these activities



**PRIORITY: OUR ENVIRONMENT**

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

|   |  |  |                                |   |  |
|---|--|--|--------------------------------|---|--|
| <b>Measure and Ref</b>                                      | <b>E3.1A - Increase Swadlincote Town Centre visitor satisfaction</b>   |  |                                | <b>Committee</b>  | <b>F&amp;M</b>   |
| <b>Definition</b>   | Benchmarking for Swadlincote Town Centre includes a Town Centre User Survey (questionnaire) completed at the same time each year by an independent consultant.   |  |                                | <b>Why this is important</b>                            | There is a need to limit the impact of national changes in shopping habits on the vitality of the town centre, at a time when High Streets are under extreme pressure. |
| <b>What good looks like</b>                                 | The aim is to steadily close the gap to the National Small Towns average over the four-year period of the Corporate Plan.  |  |                                |   |  |
| <b>History with this indicator</b>                          | Comparable Benchmarking data was first collected in 2019. This found that 49% of respondents would recommend a visit to Swadlincote Town Centre, whilst the comparable National Small Towns Average was 72%. It should be noted that any public questionnaire of this type will be significantly influenced by recent events, such as an Anti-Social Behaviour (ASB) incident that has been reported in the media. |  |                                | <b>Mitigating actions</b>                               | The Council is implementing the Swadlincote Town Centre Vision with public, private and voluntary/community sector partners.   |
| <b>2019/20 baseline data</b>                                |  | 49% of respondents would recommend Swadlincote Town Centre as of May 2019  |                                |   |  |
|   | <b>Annual target</b>   | <b>Q1 Outturn (Apr-June)</b>   | <b>Q2 Outturn (Apr - Sept)</b> | <b>Q3 Outturn (Apr - Dec)</b>                           | <b>Q4 Outturn (Apr 20 - Mar 21)</b>  |
| <b>2020/21</b>  | <b>&gt;49%</b>   | Update due in Q3   | Update due in Q3               | <b>55%</b>  | <b>55%</b>   |
| <b>2021/22</b>  | <b>58%</b>   | <b>Reported in Q3</b>  | <b>Reported in Q3</b>          |   |  |
| <b><u>Performance Overview – quarterly update</u></b>       |  |  |                                | <b><u>Actions to sustain or improve performance</u></b> |  |
| This is an annual indicator reported once a year during Q3. |  |  |                                |   |  |
| <b>Benchmarking</b>   |  | The National Small Towns Average was 72%. Given the worsening national trend for town centres, the target national average may fall during the period, with the target being re-evaluated accordingly. |                                |   |  |



**PRIORITY: OUR PEOPLE**

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

| Measure   | P2.3B - Develop and deliver the Public Buildings programme over four years   |  |   | Measure Ref   | F&M   |
|---|--|--|---|---|---|
| <b>Project detail</b>   | <p>Development of the public buildings programme involves the initial completion of Public Buildings condition surveys over the four-year lifespan of the Corporate Plan. These surveys will then inform the drafting of a planned maintenance programme, which will be progressively developed as the surveys become available.</p> <p>The completion of condition surveys and a planned maintenance programme will provide Corporate Property with a clear understanding of the repair requirements for the Council's buildings, enabling a proactive approach to property maintenance and future budget planning for repairs.</p> <p>The portfolio contains 149 Public Building Assets. 100 % of the portfolio will be surveyed over the life of the Corporate Plan</p> <p>The scoring of the condition of the elements in each asset will feed directly into the compilation of the Reactive and Planned Maintenance programme.</p> <p>A comprehensive Planned Maintenance Programme to be in place for the entire portfolio by December 2023.</p> |  |   | <b>Why this is important</b>  | Completion of Public Buildings condition surveys and a planned maintenance programme will ensure the Council's buildings are fit for purpose, with repairs undertaken in a proactive, efficient and prioritised manner. |
|   |  |  |   | <b>Mitigating actions</b>   | A Building Services Manager and Building Surveyor have been appointed to undertake the condition surveys and draft the planned maintenance programme.   |
| <b>Project Action Plan</b>  | <b>Q1 Outturn (Apr-June)</b>   | <b>Q2 Outturn (Apr - Sept)</b>   | <b>Q3 Outturn (Apr - Dec)</b>                       | <b>Q4 Outturn (Apr 20 - Mar 21)</b>   |   |
| <b>2020/21</b>  | Software tested and calibrated.  | Carry out surveys on five largest buildings and populate maintenance schedule. | Carry out surveys on a further 12 Public Buildings. | Carry out surveys on a further 12 Public Buildings.                                       |   |
| <b>2021/22</b>  | Carry out Condition Surveys on a further 11 Public Building Assets   | Carry out Condition Surveys on a further 11 Public Building Assets             |   |   |   |
| <b>Project Overview/ Target: Quarterly update</b>   |  |  |   | <b>Actions to sustain or improve performance</b>  |   |
| Q2 Target – Carry out Condition Surveys on a further 11 Public Building Assets to continue to enable a Planned and Reactive Maintenance Programme to be developed across the portfolio. |  |  |   | The Action Plan for 2021/22 was developed and was monitored quarterly throughout 2021/22. |   |



To date surveys have been undertaken for 16% of the public building stock that are due to be surveyed this year (against the annual target of 30%), including the largest assets, which has enabled the team to start to look at future planned maintenance programmes as well as costs involved.

**Annual action plan detail**

**Q4 (2019/2020) Develop an action plan for delivering the Public Buildings' Programme**

| Project  | Lead Officer | Quarter 1 2021/22 Task / Milestone   | Quarter 2 2021/22 Task / Milestone   | Quarter 3 2021/22 Task / Milestone   | Quarter 4 2021/22 Task / Milestone   |
|--|--------------|--|--|--|--|
| Carry out condition Surveys of 100% of the 149 Public Building Assets, producing a Survey Report for each over the course of the four-year plan. | SB           | Carry out Condition Surveys on a further 11 Public Building Assets   | Carry out Condition Surveys on a further 11 Public Building Assets   | Carry out Condition Surveys on a further 11 Public Building Assets   | Carry out Condition Surveys on a further 11 Public Building Assets   |
| Compile a Planned and Reactive Maintenance Programme for each Public Building Assets derived from Condition Survey results                       | SB           | Populate Planned and Reactive Maintenance Programme with data from Condition Surveys for 11 Public Building Assets | Populate Planned and Reactive Maintenance Programme with data from Condition Surveys for 11 Public Building Assets | Populate Planned and Reactive Maintenance Programme with data from Condition Surveys for 11 Public Building Assets | Populate Planned and Reactive Maintenance Programme with data from Condition Surveys for 11 Public Building Assets |



**PRIORITY: OUR PEOPLE**

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

| Measure and Ref  | P2.4A Deliver the objectives identified in the South Derbyshire Partnership Social Mobility Action Plan                                      |                       |                         |                        | Committee  | F&M  |
|--|--|-----------------------|-------------------------|------------------------|--|--|
| Project detail   | Delivery against the key themes identified in the South Derbyshire Partnership's Social Mobility Action Plan, as appropriate to the Council. |                       |                         |                        | Why this is important  | South Derbyshire has performed poorly on a number of indicators of Social Mobility for disadvantaged young people in recent years. The Social Mobility Commission's Social Mobility Index ranked South Derbyshire 311/324 local authority areas in 2017. Whilst the number of disadvantaged residents affected in South Derbyshire is relatively small, Social Mobility aims to ensure that everyone has the opportunity to build a good life for themselves regardless of geography or family background. |
|  |  |                       |                         |                        | Mitigating actions   | The Council is working with the South Derbyshire Partnership to research, develop and implement a Social Mobility Action Plan.   |
|  | Annual target  | Q1 Outturn (Apr-June) | Q2 Outturn (Apr - Sept) | Q3 Outturn (Apr - Dec) | Q4 Outturn (Apr 20 - Mar 21)   |  |
| 2020/21  |  |                       |                         |                        |  | Research and data analysis   |
| 2021/22  |  |                       |                         |                        |  | Develop Action Plan  |
| <p><b>Performance Overview – quarterly update</b></p> <p>South Derbyshire CVS has completed the pilot project in Newhall and published the final report. This will be presented to the South Derbyshire Partnership Board on 20 October 2021. The Partnership funded the pilot project in Newhall to work intensively with a small cohort of households with complex issues/needs, exploring underlying issues and developing solutions.</p> <p>This is informing the development of the Partnership's Social Mobility Action Plan during 2021/22, along with research and data analysis undertaken with Derbyshire County Council and the University of Derby. The Partnership is currently seeking the views of schools, colleges, employers and other agencies on actions to address the identified Social Mobility challenges.</p> |  |                       |                         |                        | <p><b>Actions to sustain or improve performance</b></p> <p>The development of the South Derbyshire Partnership Action Plan is underway though is proving to be challenging to deliver:</p> <ul style="list-style-type: none"> <li>• available data is lagged by several years; OFSTED inspections were undertaken some years ago.</li> <li>• the State of the Nation index has not been updated since 2017.</li> <li>• headline data is likely to mask a more complex picture.</li> <li>• activities of schools and other organisations have been restricted by social distancing.</li> <li>• resources of partner organisations have been diverted to Covid response activities.</li> </ul> |  |



**Benchmarking**

The Social Mobility Commission has not published an update to its 2017 Social Mobility Index. Consequently, the South Derbyshire Partnership will need to identify other indicators that can be used to monitor the Action Plan (eg. attainment by disadvantaged pupils).



**PRIORITY: OUR PEOPLE**

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

|                                    |   |  |   |   |  |
|------------------------------------|---|--|---|---|--|
| <b>Measure and Ref</b>             | <b>P3.1A - Increase number of customers who interact with the Council digitally as a first choice</b>   |  |   | <b>Committee</b>  | <b>F&amp;M</b>   |
| <b>Definition</b>                  | Increase number of customers who interact/raise service requests with the Council using online forms, web chat, and integrated social media, versus alternative methods (phone, face-to-face etc).  |  |   | <b>Why this is important</b>                                | The Council has an ambition to enable customers who wish to interact online with the Council to do so. This will reduce the cost of service transaction, increase customer satisfaction and ensure there is more time to support those customers who need more additional support by telephone or face-to-face.  |
| <b>What good looks like</b>        | Increased number of customers who choose to raise service requests digitally with the Council – whether through the Council's Customer Relationship Management (CRM) platform, web chat, integrated social media or supporting digital systems (such as council tax, planning and housing systems). |  |   |   |  |
| <b>History with this indicator</b> | The Council has not yet adopted a centralised digital platform to enable true online interactions, however, has been adopting improved forms and new forms to boost digital interactions until a new CRM is in place.   |  |   | <b>Mitigating actions</b>                                   | The Council has identified it needs to introduce a central CRM solution that connects into back-office systems and systems such as social media, waste, housing, council tax etc, in order to support this priority. This will be delivered through the Transformation Plan and Customer Access Strategy and Plan. Both the emerging Customer Access Strategy and Transformation Plan Action Plan will be reviewed to ensure they remain in line with new/emerging requirements from the COVID-19 shut-down and recovery, which is likely to increase the requirement for digital interaction. |
| <b>2019/20 baseline data</b>       |   | During 2019/20 there were 1,282 council tax and digital forms submitted, 12,343 general website forms were submitted via the website, 287 social media enquiries and 1,219 COVID-19 Business Rates Grant Application Forms submitted which demonstrates the appetite for online interaction in the business community. |   |   |  |
|                                    | <b>Annual target</b>  | <b>Q1 Outturn (Apr- June)</b>  | <b>Q2 Outturn (Apr - Sept)</b>                              | <b>Q3 Outturn (Apr - Dec)</b>                               | <b>Q4 Outturn (Apr 20 - Mar 21)</b>  |
| <b>2020/21</b>                     | Upward Trend  | <b>Total: 4,474</b>  | <b>Total (3 months): 5,700<br/>Total cumulative: 10,174</b> | <b>Total (3 months): 5,929<br/>Total cumulative: 16,103</b> | <b>Total (3 months): 6,139<br/>Annual outturn: 22,242</b>  |
| <b>2021/22</b>                     | Upward Trend  | <b>Total: 5,301</b>  | <b>Total (3 months): 5,190<br/>Total cumulative: 10,491</b> |   |  |



### Performance Overview

The number of online forms submitted in Quarter 2 saw a slight increase when compared to the same period in 2020/2021 (an increase of 317 forms).

This is a new performance indicator and as such, we do not yet have the data to show whether there is a seasonal demand for online forms – with demand for forms being higher at certain points in the year. Certainly, certain forms, such as event booking forms, are likely to be less well used due to the ongoing COVID restrictions.

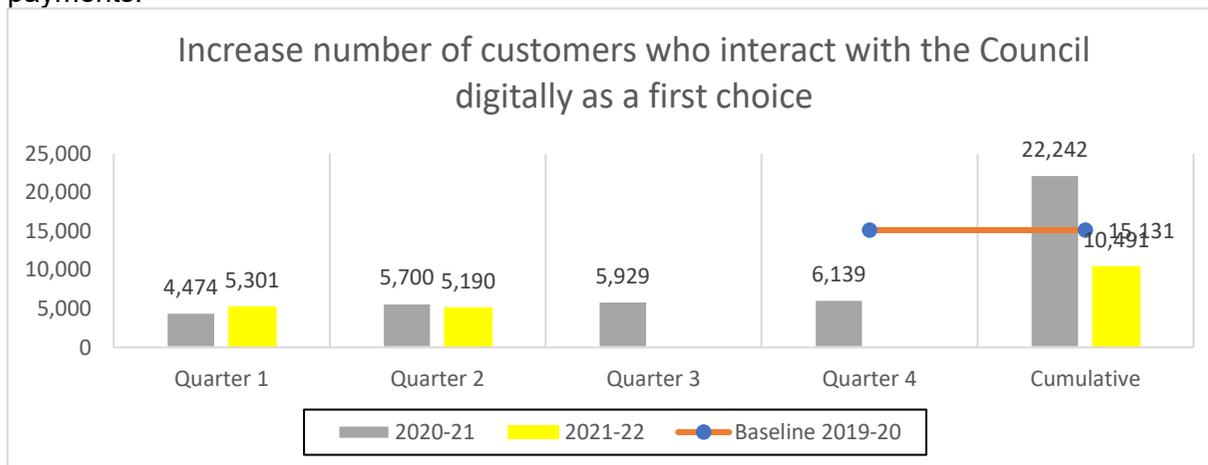
If Q1 and Q2 performance remains static throughout the remainder of the year, the annual target will not be achieved, however if the volume fluctuates positively throughout the year (as per 2020/2021) the target will be achieved. This will be monitored ongoing.

When the new CRM is in place, marketing activity to promote increased take up of online forms will be carried out, with the ambition of driving up form submissions and reducing calls and emails to the Council.

Last year's figures were also impacted by the high number of businesses apply for business grants in Winter 2020 and the high number of residents applying for Test and Trace payments.

### Actions to sustain or improve performance

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



### Benchmarking



**PRIORITY: OUR PEOPLE**

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

| Measure                                | P3.2A - Reduce face-to-face contact to allow more time to support those customers who need additional support   |   |                                |                               | Measure Ref                                      | F&M  |
|--|---|---|--------------------------------|-------------------------------|--|--|
| <b>Definition</b>                      | Decrease the number of face-to-face interactions, by offering enhanced alternative methods of contact (phone and online) to enable the Council to provide a better service to those customers who need additional support.  |   |                                |                               | <b>Why this is important</b>                     | The Council has an ambition to enable customers who wish to interact online with the Council to do so, and to enhance telephone support services available. This will enable the Council to better support those customers who need more personalised support face-to-face.  |
| <b>What good looks like</b>            | To see a downward trend in the number of face-to-face customers through Customer Services.  |   |                                |                               |  |  |
| <b>History with this indicator</b>     | The Council has already seen a decrease in numbers of face-to-face visitors since the introduction of the Council's website, which provides answers to a variety of basic queries and the payment kiosk, which supports self-service payments. To further reduce the number of face-to-face visits, it is recognised that an online service request capability is required, so that customers can raise requests without officer intervention, and a greater variety of services need to be delivered at first point of contact through the Council's contact centre. |   |                                |                               | <b>Mitigating actions</b>                        | The Council has identified it needs to introduce a central Customer Relationship Management (CRM) solution that connects into systems, such as visitor management systems. This will be delivered through the Transformation Plan and the Customer Access Strategy and Plan. Both the emerging Customer Access Strategy and Transformation Action Plan will be reviewed to ensure they remain in line with new/emerging requirements from the COVID-19 shut-down and recovery, which is likely to reduce face to face interaction. |
| <b>2019/20 baseline data</b>           |   | 31,986 face to face enquiries (2018/2019) Q4 (Jan-Mar) 6,953 (2,463 enquiries dealt with at Customer Services Desk. Visitors to office 4,490) |                                |                               |  |  |
|  | <b>Annual target</b>  | <b>Q1 Outturn (Apr-June)</b>  | <b>Q2 Outturn (Apr - Sept)</b> | <b>Q3 Outturn (Apr - Dec)</b> | <b>Q4 Outturn (Apr 20 - Mar 21)</b>              |  |
| <b>2020/21</b>                         | Downward Trend  | 0   | 0                              | 0                             | 0  |  |
| <b>2021/22</b>                         | Downward Trend  | 0   | 0                              |                               |  |  |
| <b>Performance Overview</b>            |   |   |                                |                               | <b>Actions to sustain or improve performance</b> |  |
| No visitors to office due to COVID 19. |   |   |                                |                               |  |  |
| <b>Benchmarking</b>                    |   | Not applicable  |                                |                               |  |  |



**PRIORITY: OUR PEOPLE**

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

| Measure                            | P3.3A - Number of customer telephone calls answered by Customer Services  |   | Measure Ref  | F&M   |   |
|------------------------------------|---|---|--|---|---|
| <b>Definition</b>                  | The Council has an ambition to handle an increased number/variety of customer calls at first point of contact, vs transferring to back-office teams. Initially this will result in an increase of calls into the contact centre, which will reduce over time, in parallel with the introduction of increased online tools.  |   | <b>Why this is important</b>   | The Council has an ambition to enable customers who wish to interact online with the council to do so, and better support those customers who need more personalised support by phone or face to face.  |   |
| <b>What good looks like</b>        | Initially an increase in numbers of calls/variety of calls into the contact centre is anticipated, followed by a decrease in overall calls, following the introduction and roll out of digital tools.   |   |  |   |   |
| <b>History with this indicator</b> | The Council has already seen a decrease in numbers of telephone calls following the introduction of the Council's website which provides answers to a variety of basic queries and some online forms. To further reduce the number of calls, it is recognised that digital service request capability is required, so that customers can raise requests without officer intervention. |   | <b>Mitigating actions</b>  | The Council has identified it needs to handle more calls through Customer Services at first point of contact. This will be delivered through the Customer Access Strategy and Plan. The Council has also identified it needs to introduce a central Customer Relationship Management (CRM) solution that connects into back-office systems to support this priority. This will be delivered through the Transformation Plan. Both the emerging Customer Access Strategy and Transformation Plan Action Plan will be reviewed to ensure they remain in line with new/emerging requirements from the COVID-19 shut-down and recovery. |   |
| <b>2019/20 baseline data</b>       |   | 95,896 telephone calls received (2019/20). 76,804 calls handled & 19,092 automated call payments. |  |   |   |
|                                    | <b>Annual target</b>  | <b>Q1 Outturn (Apr-June)</b>  | <b>Q2 Outturn (Apr - Sept)</b>   | <b>Q3 Outturn (Apr - Dec)</b>   | <b>Q4 Outturn (Apr 20 - Mar 21)</b>   |
| <b>2020/21</b>                     | Downward Trend  | <b>Total: 22,387</b><br>(22,387 including: 17,016 handled & 5,371 automated payment calls)        | <b>Cumulative total: 46,017</b><br>(23,633 including: 18,870 handled and 4,763 automated payments calls) | <b>Cumulative total: 69,812</b><br>(23,795 including: 17,660 calls handled and 6,135 automated calls)   | <b>Cumulative total: 98,099</b><br>(28,284 including: 22,684 calls handled and 5,600 automated calls) |
| <b>2021/22</b>                     | Downward Trend  | <b>Total: 26,756</b><br>(26,756 including: 19,641 handled and 7,115 automated payment calls)      | <b>Cumulative Total: 51,886</b><br>(25,130 including 18,244 calls handled and 6,886 automated calls)     |   |   |

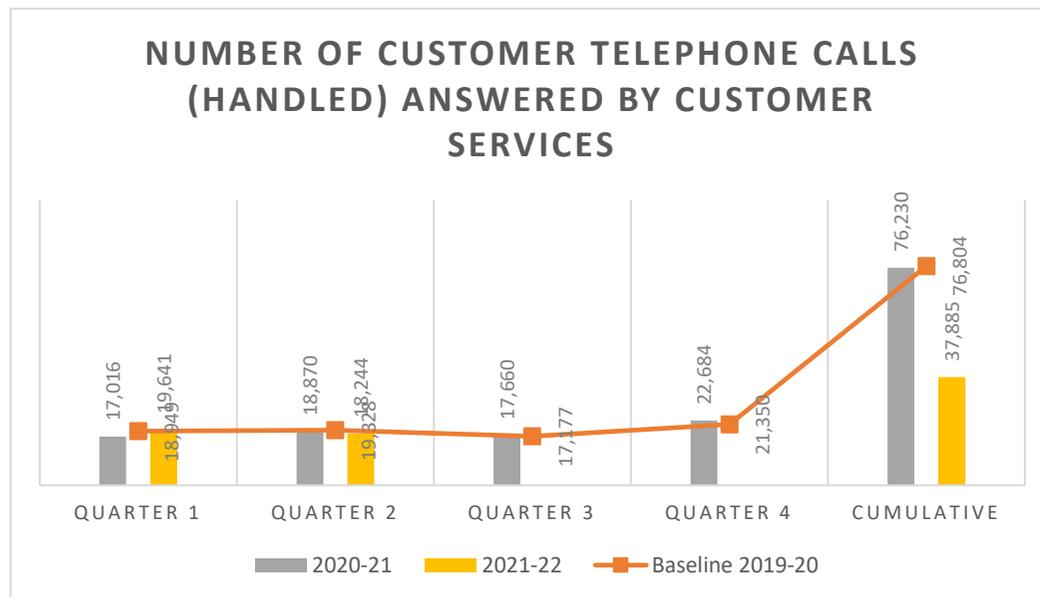


## Performance Overview – quarterly update

The continued increase in calls handled this quarter reflects the fact that many customers have now migrated to telephone as their preferred service channel following COVID-19, and the resulting alteration of face-to-face services at the Civic Centre. Emails volumes into the contact centre also remain high during this period.

Interestingly however, during this period automated payment calls saw the largest increase (increase of 2,123 calls compared to this time last year), whereas the number of calls handled by the customer services team was slightly lower (18,244 compared to 18,870).

The total number of calls offered was far higher. This figure represents the total number of callers attempting to reach the contact centre over the period, including answered calls, and abandoned calls.

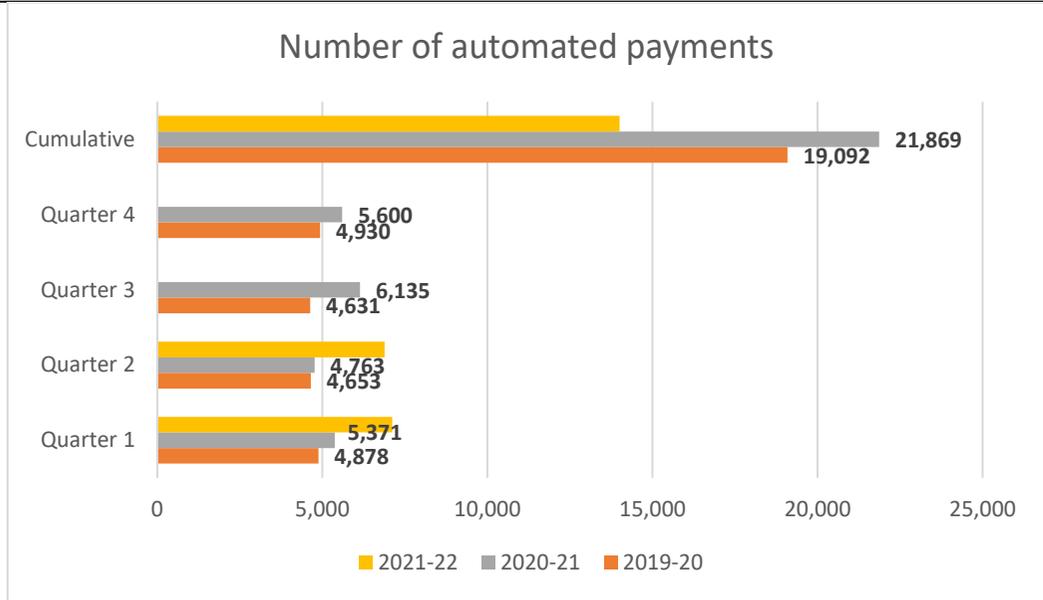


## Actions to sustain or improve performance

Long-term our ambition is to see a downward trend in call volumes, as those customers who can self-serve via digital channels migrate across.

In the interim period, as part of the Council's Transformation Strategy, there is an ambition to centralise customer services across departments and bring more calls into the contact centre to be handled at first point of contact – for example housing repair calls. It is likely this will result in a short-term rise in volumes over the coming quarters, which it is envisaged will reduce again as more and more services are migrated online.





Current call statistics show that callers are abandoning calls prior to the average wait time. To address this, the Council is working to install a 'position in queue' and 'your average wait time' automated message on the Council's IVR system, which will hopefully give callers more confidence and see them wait slightly longer to be served before abandoning a call.

There is a concern that some of the housing repair calls are not being recorded as statistic on the data collected to date and this is under investigation. The call volumes are being closed monitored to identify resourcing needs moving forwards.

**Target:** Downward trend for the number of calls answered by Customer Services

|                     |  |
|---------------------|--|
|                     |  |
| <b>Benchmarking</b> |  |



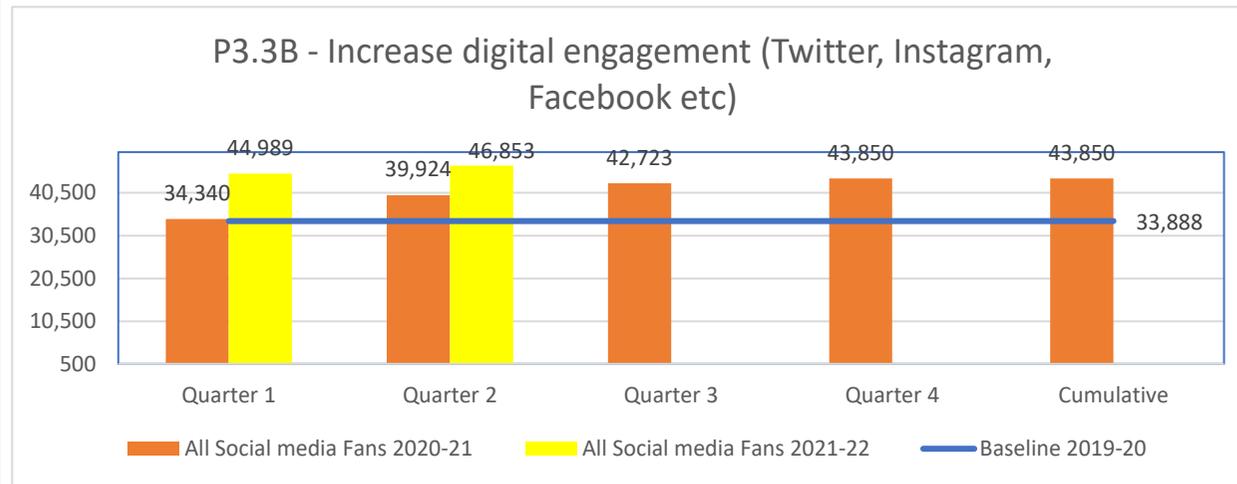
**PRIORITY: OUR PEOPLE**

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

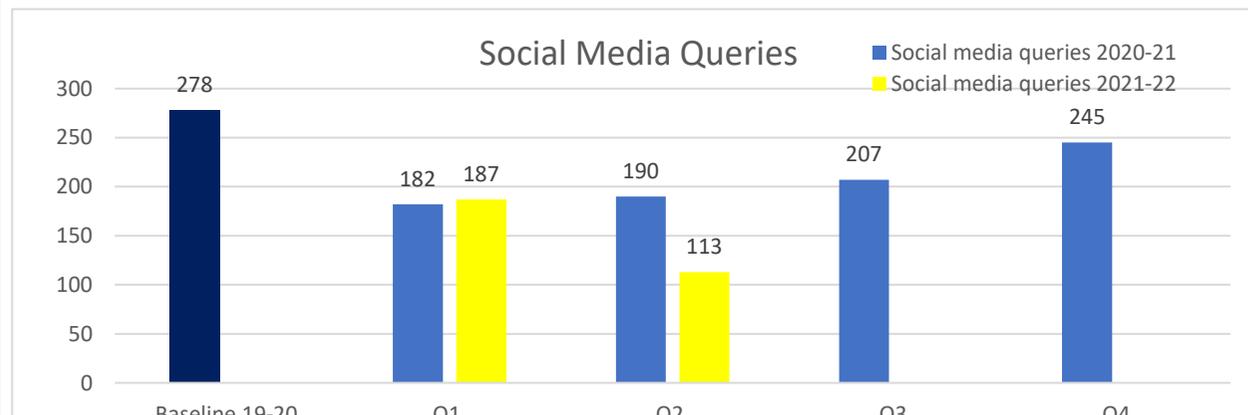
| Measure and Ref   | P3.3B - Increase digital engagement (Twitter, Instagram, Facebook etc)   |   |                                | Committee  | F&M  |
|---|--|---|--------------------------------|--|--|
| <b>Definition</b>   | To increase the volume and quality of social media interaction with residents and customers on all Council social media platforms.   |   |                                | <b>Why this is important</b>   | Social media captures customers who are already digitally engaged/aware and more likely to engage with the Council digitally and acts as a good springboard to digital service delivery.   |
| <b>What good looks like</b>   | Increase number of proactive social media engagement from the Council through the Communications team, result in an increased number of engaged citizens.  |   |                                |  |  |
| <b>History with this indicator</b>  | <ul style="list-style-type: none"> <li>The engagement rate, sentiment and follower/fan base on our social media accounts has significantly evolved since 2017.</li> <li>With the creation of the central Facebook page in 2017 and a more strategic approach – more residents are now choosing to communicate with us via this platform.</li> <li>Monthly social media reports indicate the number and type of interactions via social media.</li> </ul> |   |                                | <b>Mitigating actions</b>  | The Council has identified it needs to introduce a central Customer Relationship Management (CRM) solution that connects into back off systems and systems such as social media in order to support this priority. This will be delivered through the Transformation Plan. |
| <b>2019/20 baseline data</b>  |  | <ul style="list-style-type: none"> <li>Number of Facebook (central and departmental) fans and Twitter (central and departmental) followers.33,888</li> <li>Commentary of the nature of these queries (this is already included in the monthly social media dashboard reports).</li> </ul> |                                |  |  |
|   | <b>Annual target</b>   | <b>Q1 Outturn (Apr-June)</b>  | <b>Q2 Outturn (Apr - Sept)</b> | <b>Q3 Outturn (Apr - Dec)</b>  | <b>Q4 Outturn (Apr 20 - Mar 21)</b>  |
| 2020/21   | Upward Trend   | 34,340  | 39,924                         | 42,723   | 43,850   |
| 2021/22   | Upward Trend   | 44,989  | 46,853                         |  |  |
| <b>Performance Overview</b>   |  |   |                                | <b>Actions to sustain or improve performance</b>   |  |
| <p>During quarter two, the number of social media fans/followers increased from 44,989 to 46,853, an increase of 1,864 on the previous quarter.</p> <p>There were 34,168 Facebook followers during quarter two, an increase of 1,842 on quarter one.</p> <p>The number of Twitter followers is 12,689.</p> <p>The increase in the number of fans/followers can be accounted for by continuing to post regular, relevant content about a variety of Council services. Of particular note was the success of posts about the Music in the Park events held during the summer and promotion of the Council’s Green Homes Grant to residents.</p> |  |   |                                | <ul style="list-style-type: none"> <li>To ensure our platforms remain active by posting relevant key messages.</li> <li>To actively engage with social media fans to create a two-way conversation, trust and rapport with our residents.</li> <li>Monthly (and annual) reporting to allow us to spot and adapt to digital trends.</li> <li>To provide support and guidance to social media page managers proactively and reactively.</li> </ul> |  |



The Council also continues to share relevant content from partner organisations, particularly around the relaxing of COVID-19 restrictions and also by responding in a timely way to enquiries received by social media.



The number of queries received on social media accounts was 113. This is a decrease of 74 queries on quarter one.



**Benchmarking**

Not Applicable



**PRIORITY: OUR PEOPLE**

**OUTCOME: P3.4 - Investing in our workforce.**

| Measure and Ref                    | P3.4A - Increase the level of staff engagement  |                              | Committee                      | F&M   |                                     |
|------------------------------------|---|------------------------------|--------------------------------|---|-------------------------------------|
| <b>Definition</b>                  | <p>Employee engagement is a combination of commitment to the organisation and its values and a willingness to help colleagues.</p> <p>Employee engagement also focuses on mutual gains in employment relationships, seeking the good of employees (well-being, job satisfaction and so on) and the good of the organisation they work for (performance, motivation, and commitment)</p> |                              | <b>Why this is important</b>   | <p>Employee engagement is a workplace approach resulting in the right conditions for all staff to give of their best each day, committed to the Council's Corporate Plan and values.</p> <p>An engaged workforce supports the achievement of our key priorities and role models the values in the Corporate Plan.</p>   |                                     |
| <b>What good looks like</b>        | <p>A year on year improvement in relation to the % of employees that indicate positive experience working for the council and positive engagement with the strategic direction of the Council.</p> <p>This measure to be based on a) the response to the annual employee survey and b) the overall number of positive responses to engagement activities.</p>                           |                              | <b>Mitigating actions</b>      | <p>The Workforce Strategy, the Communication Strategy and the Employee Survey as well as other channels of engagement will be used as a framework to promote and develop employee engagement.</p> <p>National and economic factors can influence the resources and limit options available to the Council in relation to the management of the workforce.</p> |                                     |
| <b>History with this indicator</b> | New indicator – No recent history available   |                              |                                | <p>Measuring employee engagement is complex and intrinsically linked to the experience and environment at the time any measure is taken. Validity testing and reflection will be an important action when assessing the levels of engagement.</p>   |                                     |
| <b>2019/20 baseline data</b>       |   | No baseline data available.  |                                |   |                                     |
|                                    | <b>Annual target</b>  | <b>Q1 Outturn (Apr-June)</b> | <b>Q2 Outturn (Apr - Sept)</b> | <b>Q3 Outturn (Apr - Dec)</b>   | <b>Q4 Outturn (Apr 20 - Mar 21)</b> |
| <b>2020/21</b>                     | <b>Upward trend</b>   | Report in Q4                 | Report in Q4                   | Report in Q4  | Survey postponed until 22-23        |
| <b>2021/22</b>                     | <b>Upward trend</b>   |                              |                                |   |                                     |



**Performance Overview**

The employee survey has been postponed until 2022/23.

The focus for 2021-22 is to fully develop and implement any new flexible ways of working arrangements following lessons learnt from COVID-19.

During Q2, 17 staff briefing sessions were held on Microsoft Teams and also in-person for front line staff.

The sessions were attended by 254 employees who received an update from Leadership Team and had the opportunity to have their questions answered

The comments raised by staff at these sessions and submitted by email can be grouped into the following key themes:

- Work/life balance:
- Technology
- Office accommodation:
- Customer interaction
- Colleague interaction:

Staff also received an update on the next steps in the process.

**Actions to sustain or improve performance**

**Benchmarking**



**PRIORITY: OUR PEOPLE**

**OUTCOME: P3.4 - Investing in our workforce**

| Measure and Ref  | P3.4B - Number of apprenticeships and expenditure against the apprenticeship levy  |                              |                                |                               | Committee   | F&M  |  |
|--|--|------------------------------|--------------------------------|-------------------------------|---|--|--|
| <b>Definition</b>  | The number of apprenticeships posts or expenditure against the apprenticeship levy is defined as the number of posts established for apprentices or where existing employees can access funding from the apprenticeship levy. This will be a numerical outcome showing a positive increase trend from the previous year. |                              |                                |                               | <b>Why this is important</b>  | To invest in the Council's current and future workforce through the provision of entry level posts and access to further academic qualifications that will support succession planning and build resilience across the Council.  |  |
| <b>What good looks like</b>  | The purpose of this PI is to see an increased trend over four years leading to full expenditure of the Apprenticeship Levy for a financial year (April – March each year).   |                              |                                |                               | <b>Mitigating actions</b>   | A new post will lead on this activity to provide support to all services to identify support opportunities to establish posts or provide training for existing members of staff.<br><br>The Government is planning a reform of the current arrangements to encourage more take up of the scheme and to simplify the process.<br><br>A partnership approach with other employers has been proposed and this will need to be considered as part of the overall approach. |  |
| <b>History with this indicator</b>   | New Indicator<br><br>In the last financial year (April 2019 to March 2020), we spent approximately 34% of our levy funds (total input into the levy was £27,479, spend was £9,263.11).   |                              |                                |                               |   |  |  |
| <b>2019/20 baseline data</b>   |  | <b>1.2% (4 apprentices)</b>  |                                |                               |   |  |  |
|  | <b>Annual target</b>   | <b>Q1 Outturn (Apr-June)</b> | <b>Q2 Outturn (Apr - Sept)</b> | <b>Q3 Outturn (Apr - Dec)</b> | <b>Q4 Outturn (Apr 20 - Mar 21)</b>   |  |  |
| <b>2020/21</b>   | >2.3% of head count  | 1.2% (4)                     | 1.2% (4)                       | 1.5% (5)                      | 1.48%   |  |  |
| <b>2021/22</b>   | Increase the trend   | 0.9% (3)                     | 6 (1.84%)                      |                               |   |  |  |
| <b>Performance Overview – quarterly update</b>   |  |                              |                                |                               | <b>Actions to sustain or improve performance</b>                                  |  |  |
| Customer Services made two hires and Corporate Property made one hire during quarter two, leading to a significant increase in the proportion of our apprentices. In addition to this, one of the hires in Customer Services was a colleague recruited under the |  |                              |                                |                               | PDRs being used to identify apprenticeship opportunities for existing colleagues. |  |  |



|   |   |
|---|---|
| <p>government's Kickstart work placement scheme, which is a real success story for South Derbyshire's involvement in this.</p> <p>PDR returns are currently at 42% with the Learning and Development Officer contacting colleagues and managers about potential apprenticeship opportunities. Despite communications, it seems some colleagues are still using the older form for PDRs rather than the new one which specifically asks colleagues to consider apprenticeships – this will need to be rectified in future PDR planning.</p> <p>Housing and the Communities team still hope to hire apprentices in the future once their restructures are embedded.</p> <p><u>Levy Spending:</u></p> <p>Total spend in financial year 2021-2022: £15,425.</p> <ul style="list-style-type: none"> <li>• Quarter one spend: £7,745</li> <li>• Quarter two spend: £7,680</li> </ul> <p>Total expired levy funds in financial year 2021-2022: £9,927.98</p> <ul style="list-style-type: none"> <li>• Quarter one expired: £4,910.50</li> <li>• Quarter two expired: £5,017.48</li> </ul> <p>Projected levy available April 2021 to April 2022: £30,840 <i>(N.B. this is an estimate and could fluctuate as levy input is dependent on PAYE data). Our total fund available including the carried over fund from last year is £64,680.</i></p> | <p>Continuance of bi-monthly reminders as to how to use apprenticeships in the Learning and Development Newsletter.</p> <p>Liaising with colleges to look at alternative ways of using levy funding (i.e., Derby College have provided information on management apprenticeships).</p> <p>In the future, Leadership programmes can look at using leadership apprenticeships to upskill existing or upcoming managers.</p> |
| <p><b>Benchmarking</b></p>  |   |



**PRIORITY: OUR PEOPLE**

**OUTCOME: P3.4 - Investing in our workforce.**

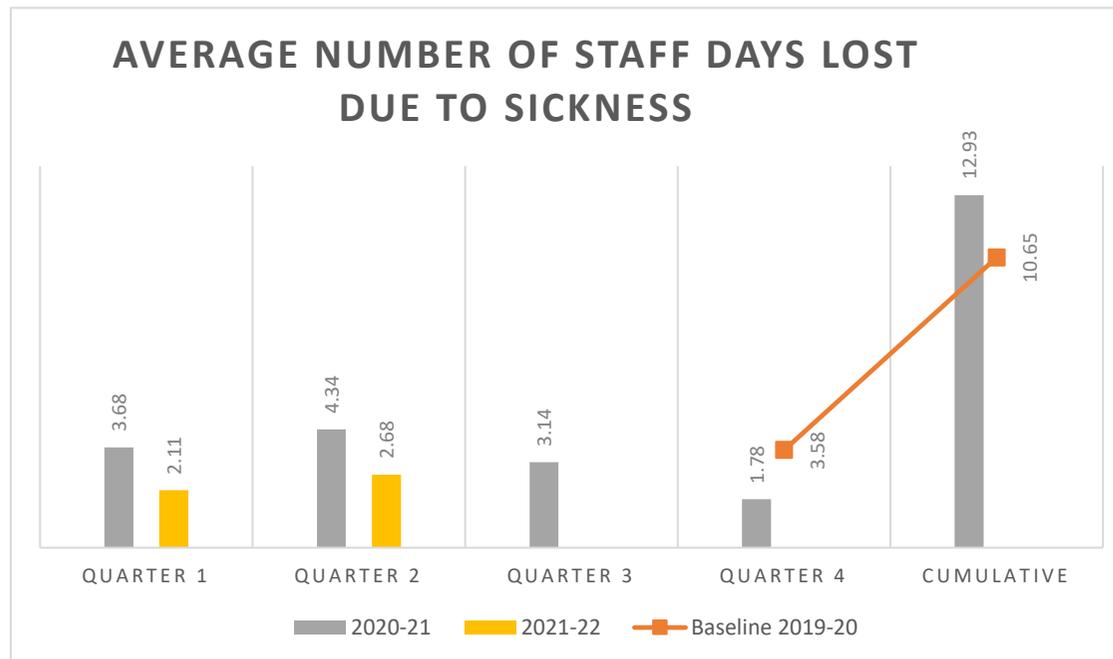
| Measure and Ref                    | P3.4C – average number of staff days lost due to sickness   |                                  | Committee                      | F&M   |                               |                              |
|------------------------------------|---|----------------------------------|--------------------------------|---|-------------------------------|------------------------------|
| <b>Definition</b>                  | The measure is designed to monitor the levels of employee absence from work due to ill-health. The target of eight days is in line with targets/performance nationally.       |                                  | <b>Why this is important</b>   | Reducing the number of absences will provide an indication of the health and wellbeing of the workforce and the actions being progressed by the Council to provide a supportive employment framework. It will also reduce the impact on service delivery and result in savings arising from the payment of Occupational and Statutory Sick Pay (OSP/SSP) and any secondary costs incurred to cover the absences of staff such as overtime and agency costs. |                               |                              |
| <b>What good looks like</b>        | To see a downward trend in the average number of working days lost per employee over four years and be in line with the rates for comparable sized district/borough Councils. |                                  |                                |   |                               |                              |
| <b>History with this indicator</b> | This indicator has formed part of the corporate performance indicator set for a number of years. The average figure for the past six years is shown below;                    |                                  | <b>Mitigating actions</b>      | A joint working group of employer and employee representatives had been established to identify actions and other interventions that will improving the levels of attendance at work.<br><br>The Council has changed its Attendance Management Procedure with a review of the impact of this to be completed jointly with the Trade Unions 2021   |                               |                              |
|                                    | <b>Year</b>   | <b>Outturn days per employee</b> |                                |   |                               |                              |
|                                    | 2018/19   | 11.38                            |                                |   |                               |                              |
|                                    | 2017/18   | 11.63                            |                                |   |                               |                              |
|                                    | 2016/17   | 9.91                             |                                |   |                               |                              |
|                                    | 2015/16   | 7.95                             |                                |   |                               |                              |
|                                    | 2014/15   | 9.99                             |                                |   |                               |                              |
| 2013/14                            | 12.28   |                                  |                                |   |                               |                              |
| <b>2019/20 baseline data</b>       |   | 10.65 days                       |                                |   |                               |                              |
|                                    | <b>Annual target</b>  | <b>Q1 Outturn (Apr-June)</b>     | <b>Q2 Outturn (Jul - Sept)</b> | <b>Q3 Outturn (Oct - Dec)</b>   | <b>Q4 Outturn (Jan – Mar)</b> | <b>YTD (Apr 20 – Mar 21)</b> |
| 2020/21                            | Downward trend  | 3.68                             | 4.34                           | 3.14  | 1.78                          | 12.93                        |
| 2021/22                            | Downward trend  | 2.11                             | 2.68                           |   |                               | 4.79                         |



## Performance Overview – quarterly update

The outturn figure is higher than the previous quarter but 38% lower than the same quarter in the previous year. The estimated outturn would show a reduction of around 7.5 days per employee based on the quarter two outturn. There has been an increase in the number employees on long term absence due to different serious and long term health conditions and a number of these are due to return to work in quarter 3. These are all being managed in line with the Attendance Management Procedure and each case has a dedicated HR Officer supporting the Manager.

Long term absences currently account for approximately 60% of all absences and have a significant impact on our levels of performance. The impact of the COVID pandemic on attendance figures is kept under review. The number of absences directly linked to Coronavirus has remained low and does not have a material impact on the overall figure.



## Actions to sustain or improve performance

With the support provided by HR, the cases of long-term absences are being managed in line with the Attendance Management Procedure (AMP).

Leadership Team have been presented with a range of options that could be taken to address the levels of employee absence. These are under consideration and actions will be commenced in 2021/22. This will include formal consultation with the Trades Unions.

Work has commenced on progressing new ways of flexible working that will enable services to continue to be delivered remotely where possible. The impact on levels of employee attendance is expected to be positive and this will be kept under review.

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

Training is provided in stress awareness and mental health along with a range of supporting materials made available for managers and employees. Training is also provided in managing absences from work for managers and supervisors with a new course on Building your resilience to provide further support for managers. Health and wellbeing interventions will also continue to be made available to staff. This will include the continued promotion of support for mental health conditions through training, videos and materials; raising awareness of the importance of physical health and reminding all employees to seek support should they need it.

Additional on-site Occupational Health clinics or referrals will also be made to provide professional, independent medical advice on any cases before decisions are taken on the employees continued employment.

## Benchmarking

Arrangements are being progressed to benchmark with comparable organisations within the region via East Midlands Councils and these will be available at quarter 3, 2021/22.



**PRIORITY: OUR PEOPLE**

**OUTCOME: P3.4 - Investing in our workforce.**

|  |   |                                   |                                |   |   |
|--|---|-----------------------------------|--------------------------------|---|---|
| <b>Measure and Ref</b>   | <b>P3.4D - % of employees that consider the Council has a positive health and safety culture</b>  |                                   |                                | <b>Committee</b>  | <b>F&amp;M</b>  |
| <b>Definition</b>  | The number of employees that have indicated that the Council has a positive approach to the management of health and safety in the workplace. This will be taken from the annual employee survey and will be expressed as a % of the overall responses.                   |                                   |                                | <b>Why this is important</b>                            | The Council has statutory duties under the Health and Safety at Work Act 1974 to ensure the health and safety of the workforce. This measure will indicate how well the statutory duties and other non-statutory activities are being implemented.  |
| <b>What good looks like</b>  | The purpose of this PI is to see an increased trend over four years to indicate the robustness of the Council's Health and Safety Management Framework. Retention of industry recognition of the health and safety management framework – RoSPA Health and Safety Awards. |                                   |                                |   |   |
| <b>History with this indicator</b>   | New indicator – No previous history available   |                                   |                                | <b>Mitigating actions</b>                               | A full-time resource will lead on this work from 1 <sup>st</sup> February 2020 and will support all services areas to keep under review and develop their local arrangements in relation to health and safety.<br><br>The corporate health and safety management framework will be used to govern compliance with and improvements to any current or new interventions. |
| <b>2019/20 baseline data</b>   |   | New indicator – No data available |                                |   |   |
|  | <b>Annual target</b>  | <b>Q1 Outturn (Apr-June)</b>      | <b>Q2 Outturn (Apr - Sept)</b> | <b>Q3 Outturn (Apr - Dec)</b>                           | <b>Q4 Outturn (Apr 20 - Mar 21)</b>   |
| <b>2020/21</b>   | Upward trend  | Annual indicator                  | Annual Indicator               | Annual indicator  | Postponed until early 22/23   |
| <b>2021/22</b>   | Upward trend  |                                   |                                |   |   |
| <b><u>Performance Overview – quarterly update</u></b>  |   |                                   |                                | <b><u>Actions to sustain or improve performance</u></b> |   |
| In this quarter, the Council received the President's Health and Safety Award from the Royal Society for the Prevention of Accidents (ROSPA). This is in recognition of the health and safety performance of the Council over the past ten consecutive years where ROSPA have awarded the Council the Gold standard. |   |                                   |                                |   |   |



|  |  |
|--|--|
| <p>The employee survey has been postponed until early 2022/23.</p> <p>The focus for 2021-22 is to fully develop and implement any new flexible ways of working arrangements following lessons learnt from Covid-19. This is being progressed and a report was approved by Finance and Management Committee on 22 July 2021 that provided a high level overview of the work to be completed. A further report is to be considered by Finance and Management Committee on 21 October 2021.</p> |  |
| <b>Benchmarking</b>  |  |



PRIORITY: OUR FUTURE

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

|   |   |                              |                                |  |   |
|---|---|------------------------------|--------------------------------|--|---|
| <b>Measure and Ref</b>  | <b>F1.1A- Increase the number of Employee Jobs in South Derbyshire</b>  |                              |                                | <b>Committee</b>   | <b>F&amp;M</b>  |
| <b>Definition</b>   | Working in partnership, to successfully implement a programme of actions as set out within a new Economic Development Strategy for South Derbyshire.  |                              |                                | <b>Why this is important</b>   | The District's economy has performed strongly in recent years - with a rapidly growing population it will be important to sustain this and provide a range of local employment opportunities.                             |
| <b>What good looks like</b>   | The aim is to increase the number of Employee Jobs in South Derbyshire over the four-year period of the Corporate Plan.   |                              |                                |  |   |
| <b>History with this indicator</b>  | South Derbyshire has enjoyed low levels of unemployment in recent years. Data for employment is taken from the Office of National Statistics (ONS) Business Register and Employment Survey. BRES is based on a sample survey so estimates are subject to sampling errors which need to be considered when interpreting the data. Employee jobs excludes self-employed, government-supported trainees and HM Forces. Data excludes farm-based agriculture. In 2018, there were 32,000 Employee Jobs in South Derbyshire, having grown from 30,000 in 2015. |                              |                                | <b>Mitigating actions</b>  | The Council will be working with partners from the public, private and voluntary/ community sectors to develop and implement a new Economic Development Strategy once the pressures from the Covid-19 recovery has eased. |
| <b>2019/20 baseline data</b>  |   | N/A                          |                                |  |   |
|   | <b>Annual target</b>  | <b>Q1 Outturn (Apr-June)</b> | <b>Q2 Outturn (Apr - Sept)</b> | <b>Q3 Outturn (Apr - Dec)</b>  | <b>Q4 Outturn (Apr 20 - Mar 21)</b>   |
| <b>2020/21</b>  | 25%<br>(implementation of the actions contained within the plan)  | Report in Q4                 | Report in Q4                   | Report in Q4   | Impacted by Covid – 19  |
| <b>2021/22</b>  | 25%   |                              |                                |  | Implement Actions   |
| <b><u>Performance Overview – quarterly update</u></b>   |   |                              |                                | <b><u>Actions to sustain or improve performance</u></b>  |   |
| The Economic Development and Growth Team is predominantly focused on the processing of Covid business support grants which are safeguarding many existing jobs. Over £24 million of grants have been distributed to date. Two new grant programmes are now operating to distribute the latest tranche of funding. |   |                              |                                | Careers fairs and work experience are not generally taking place at present due to the pandemic. However, schools have recently reintroduced employer's presentations in schools and work experience is expected to restart. The focus is currently on providing alternative online experiences with the following two virtual facilities in operation and continuing to be developed: |   |



In addition to processing Covid business grants the team continue to support inward investment enquiries, business start-up programmes, town centre promotion, support for unemployed back into work, enhancing digital skills, and opening up new employment land.

Due to the resource required to support the processing of Covid business support grants, completion of the Strategy will be taken forward once Covid-19 response activities allow. As noted above, economic development activities are continuing in the meantime.

South Derbyshire unemployment (Claimant Count) in September 2021 dropped to 1,955 or 2.8% (GB average is 5.0%).

There are currently over 1,800 jobs available within a ten-mile radius of Swadlincote, including a number of large-scale seasonal recruitment programmes. Several new employers at East Midlands Gateway are recruiting significant numbers of staff.

-Start in D2N2 which offers study advice, jobs/apprenticeships, careers and application advice:

<https://d2n2.startprofile.com/page/home-page>

-Virtual Careers Fairs:

<https://d2n2.startprofile.com/page/virtual-careers-fairs>



PRIORITY: OUR FUTURE

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

|   |  |                              |                                |   |  |
|---|--|------------------------------|--------------------------------|---|--|
| <b>Measure and Ref</b>  | <b>F2.1A- Annual net growth in commercial floorspace (sqm)</b>   |                              |                                | <b>Committee</b>  | <b>F&amp;M</b>   |
| <b>Definition</b>   | Data collected for the Council's annual Authority Monitoring Report, includes the monitoring of commercial floorspace within South Derbyshire.   |                              |                                | <b>Why this is important</b>                            | There is very little vacant commercial floorspace in South Derbyshire, consequently the provision of additional commercial floorspace is closely related to the availability of additional employment opportunities. |
| <b>What good looks like</b>   | The aim is to increase the total commercial floorspace over the four-year period of the Corporate Plan.  |                              |                                |   |  |
| <b>History with this indicator</b>  | The Local Plan forecasts a net annual growth in commercial floorspace of 12,269.5 sqm per annum between 2008 and 2028. To date (2008-2021), the actual annual net rate of growth has been 6,095 sqm. It should be noted that the figures vary significantly from one year to the next and that single events, such as the loss of Hilton Depot, can heavily offset new construction. |                              |                                | <b>Mitigating actions</b>                               | The Council actively promotes development opportunities and vacant premises and supports developers and businesses seeking to invest in the area.  |
| <b>2019/20 baseline data</b>  |  | 2,885 sqm                    |                                |   |  |
|   | <b>Annual target</b>   | <b>Q1 Outturn (Apr-June)</b> | <b>Q2 Outturn (Apr - Sept)</b> | <b>Q3 Outturn (Apr - Dec)</b>                           | <b>Q4 Outturn (Apr 20 - Mar 21)</b>  |
| <b>2020/21</b>  | 12,269.5 sqm   |                              |                                |   | 4,140 sqm  |
| <b>2021/22</b>  | Upward Trend   |                              |                                |   |  |
| <b>2022/23</b>  | Upward Trend   |                              |                                |   |  |
| <b>2023/24</b>  | Upward Trend   |                              |                                |   |  |
| <b><u>Performance Overview – quarterly update</u></b>                             |  |                              |                                | <b><u>Actions to sustain or improve performance</u></b> |  |
| This is an annual performance indicator and data is collated and presented in Q4. |  |                              |                                |   |  |
| <b>Benchmarking</b>   |  |                              |                                |   |  |



**PRIORITY: OUR FUTURE**

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

|   |   |  |                                |  |  |
|---|---|--|--------------------------------|--|--|
| <b>Measure and Ref</b>  | <b>F2.1B - Total rateable value of businesses in the district</b>   |  |                                | <b>Committee</b>                                 | <b>F&amp;M</b>   |
| <b>Definition</b>   | Total rateable value of businesses in the district.   |  |                                | <b>Why this is important</b>                     | The total rateable value of businesses in the District is a good indication of the economic health of the district. An increase in floor space can indicate a growth in business numbers and employment opportunities.   |
| <b>What good looks like</b>   | A growth in rateable value, including a growth in sectors such as commercial (e.g., offices, shops, warehouses, restaurants) where there is a higher intensity of jobs per business.  |  |                                |  |  |
| <b>History with this indicator</b>  | The total rateable value of businesses across the District has been increasing year on year, particularly in the commercial sector with an overall increase of almost £345k since April 2017. It should be noted that events, such as the demolition of a business premises or its redevelopment for housing will offset new development. |  |                                | <b>Mitigating actions</b>                        | The Council encourage new businesses into the District through its inward investment programme. The Council also carries out regular checks across the District to identify businesses that are not appropriately valued and ensure they are appropriately listed. |
| <b>2019/20 baseline data</b>  |   | Q4 - £67,486,786. Quarterly reports can be provided from the Council's revenues and benefits system that defines the total rateable value of different categories of business (commercial, industrial etc) and further breakdowns of the sectors (for example commercial). |                                |  |  |
|   | <b>Annual target</b>  | <b>Q1 Outturn (Apr-June)</b>   | <b>Q2 Outturn (Apr - Sept)</b> | <b>Q3 Outturn (Apr - Dec)</b>                    | <b>Q4 Outturn (Apr 20 - Mar 21)</b>  |
| <b>2020/21</b>  | Upward Trend  | £67,528,690  | £67,316,577                    | £67,379,221                                      | £67,341,926  |
| <b>2021/22</b>  | Upward Trend  | £67,150,426  | £67,133,764                    |  |  |
| <b>Performance Overview – quarterly update</b>  |   |  |                                | <b>Actions to sustain or improve performance</b> |  |
| Rateable Value has been reduced compared to this time last year and also compared to end of Q4.   |   |  |                                |  |  |
| Q2 Rateable Value is reducing – whilst there have been new, albeit smaller, properties brought into the rating list, increasing the number of properties by 14 since Q1, this has been offset in part by larger reductions due to appeals and challenges made to the Valuation Office Agency, for |   |  |                                |  |  |



example Fire Stations had a national review which meant that the Swadlincote premises had a reduction of their Rateable Value by £20,000 and the annual review of Quarries has meant some larger reductions too, for example Swarkestone Quarry reduced by £31,000

Overall reduction is due in part to 2010 outstanding appeals being completed which has a subsequent impact on the 2017 Rateable Value Listing. Also during April there was a mass Rateable Value reassessment for Swadlincote Town Centre which meant that almost all businesses in High Street, West Street, Midland Road and Belmont Street benefitted from a Rateable Value reduction which although means our Total Rateable Value reduced did mean that a number of business became eligible for Business Rates Relief reducing their business rates payable, and would also make these premises more attractive to potential new tenants if they became empty.

**Benchmarking**



PRIORITY: OUR FUTURE

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

|  |   |                                |  |  |
|--|---|--------------------------------|--|--|
| <b>Measure and Ref</b>   | <b>F3.1A- Deliver against the Transformation Action Plan</b>  |                                | <b>Committee</b>   | <b>F&amp;M</b>   |
| <b>Project detail</b>  | <p>The Council is committed to improving outcomes and outputs for its stakeholders as is evident in the Corporate Plan.</p> <p>In order to deliver services to meet the needs of the organisation, the Council needs a robust plan to identify areas of improvement, evaluate and benchmark a target operating model and map a route to achieving our ambitions.</p> <p>Each year the Head of Business Change, ICT &amp; Digital will present a workplan for adoption, outlining projects, milestones and resources needed to achieve the objectives set by the Corporate Plan.</p> |                                | <b>Why this is important</b>   | The Transformation Plan provides a focal point for major change in the organisation, evaluating conflicting priorities, allocating resources, escalating problem and above all else, manage core programmes of work by documenting progress.   |
|  |   |                                | <b>Mitigating actions</b>  | Resources that are allocated to delivery of transformation projects (PM, IT technical, Business Analyst, Digital team roles) are also skills required for corporate responses to changes in policy or procedure relating to COVID. There will be times where that work is prioritised above the delivery of transformation projects. |
| <b>Project Action Plan</b>   | <b>Q1 Outturn (Apr-June)</b>  | <b>Q2 Outturn (Jul - Sept)</b> | <b>Q3 Outturn (Oct - Dec)</b>  | <b>Q4 Outturn (Apr 21 - Mar 22)</b>  |
| <b>2020/21</b>   |   |                                |  |  |
| <b>2021/22</b>   |   |                                |  |  |
| <b>Project Overview: Quarterly update</b>  |   |                                | <b>Actions to sustain or improve performance</b>   |  |
| <p>Continuing the delivery of the annual work programme.</p> <p>Testing for new Homelessness solutions, tender of new Back Up solution to advert, delivery of new functions in corporate bookings.</p> <p>Several projects are reaching a critical stage, including the first phase of Housing Modernisation. The new Programme Manager has been recruited and is due to start at the beginning to the next quarter.</p> |   |                                | <p>The Transformation Steering Group meets every 6 weeks, each project group, of which there are 20, meet approximate every two weeks.</p> <p>Every group has a highlight report to report back the theme chair on work completed over period and work to be completed over net period.</p> <p>Any risk, actions, issues or decisions that are not within the identified scope and tolerance of the project controls will be escalated to the TSG.</p> |  |



PRIORITY: OUR FUTURE

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

|   |   |                                |  |  |
|---|---|--------------------------------|--|--|
| <b>Measure and Ref</b>  | <b>F3.2A- Develop our approach towards the commercialisation of services which include grants, sponsorship, fees and charges and operating models and increase the income generated from these activities</b> |                                | <b>Committee</b>   | <b>F&amp;M</b>   |
| <b>Project detail</b>   | Year 1 to form a working group and define the action plan<br>Year 2 to 4 deliver 100% against the action plan and sustain an upward trend in income generation  |                                | <b>Why this is important</b>   | As funding shrinks exploring new ways to maximise our income is essential, in order to protect valuable frontline services and ensure positive outcomes for our local communities. |
|   |   |                                | <b>Mitigating actions</b>  | Using Council assets wisely, trading services with others across the public and private sectors and selling commodities to generate income.  |
| <b>Project Action Plan</b>  | <b>Q1 Outturn (Apr-June)</b>  | <b>Q2 Outturn (Apr - Sept)</b> | <b>Q3 Outturn (Apr - Dec)</b>  | <b>Q4 Outturn (Apr 20 - Mar 21)</b>  |
| <b>2020/21</b>  |   |                                |  |  |
| <b>2021/22</b>  |   |                                |  |  |
| <b><u>Project Overview: quarterly update</u></b>  |   |                                | <b><u>Actions to sustain or improve performance.</u></b>   |  |
| <p>Due to a number of factors including Covid-19 and the procurement of the new Recycling contract, little capacity has been available for the Head of Operational Services to progress the action plan during quarter two.</p> <p>There is a commitment to dedicate more resources during quarters three and four to finalise the draft action plan and identify commercial opportunities.</p> |   |                                | <p>Business Change have taken on the task of establishing a current baseline and commercial opportunities identified across the authority.</p> |  |



## Quarter 2, 2021-2022 Chief Executive Risk Register

| REF | RISK TITLE & DESCRIPTION  | RISK CAUSE   | RISK IMPACT  | RISK CATEGORY<br><br>Strategic<br>Operational<br>Financial<br>Knowledge<br>management<br>Compliance,<br>Partnership | Current Risk Rating<br>(See table below for guidance) |        |             | CONTROLS IN PLACE TO MITIGATE THE RISK   | Risk Rating after mitigations<br>(See table below for guidance) |        |             | FURTHER ACTION REQUIRED  | SUMMARY OF CHANGE SINCE LAST QUARTER | RISK OWNER                      |
|-----|---|--|--|---|---|--------|-------------|--|---|--------|-------------|--|--------------------------------------|---------------------------------|
|     |   |  |  |   | LIKELIHOOD  | IMPACT | RISK RATING |  | LIKELIHOOD  | IMPACT | RISK RATING |  |                                      |                                 |
| CE1 | Economic development partnerships   | Failure of economic development partnerships                                 | Leading to an adverse impact on businesses and local economy                                       | Partnership   | 2   | 2      | 4           | <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> </ul>  | 1   | 2      | 2           | <ul style="list-style-type: none"> <li>Monitoring of projects and performance.</li> </ul>                                  | No change.                           | Economic Development and Growth |
| CE2 | South Derbyshire Partnership working  | Failure of the South Derbyshire Partnership                                  | Leading to non-delivery of the community's vision and priorities set out in the Community Strategy | Partnership / Strategic   | 2   | 3      | 6           | <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>  | 1   | 3      | 3           | <ul style="list-style-type: none"> <li>Monitoring of projects and performance by Strategic Co-ordinating Group.</li> </ul> | No change.                           | Economic Development and Growth |
| CE3 | Transfer of responsibility for visitor information provision from Sharpe's Pottery Heritage and Arts Trust to the Council | Interruption of service delivery whilst transferring services to the Council | Leading to associated risk of service disruption   | Operational   | 2   | 2      | 4           | <ul style="list-style-type: none"> <li>Commitment of officer time and resources.</li> <li>Transformation Project is underway.</li> </ul>   | 1   | 2      | 2           | <ul style="list-style-type: none"> <li>Monitoring of progress through Transformation Project Team arrangements.</li> </ul> | Mitigating actions updated.          | Economic Development and Growth |
| CE4 | Effectively manage the election process and canvassing.   | Failure of joined up Council approach  | Leading to a failed election process   | Strategic   | 2   | 2      | 4           | <ul style="list-style-type: none"> <li>Elections Project Team in place and meets as necessary with representatives from all services involved.</li> <li>Arrangements in place for an Election to be called at short notice.</li> <li>Arrangements in place for Referenda/By-Elections to be called.</li> </ul> | 1   | 2      | 2           | <ul style="list-style-type: none"> <li>Monitoring of service delivery under review consistently</li> </ul>                 | No change.                           | Legal and Democratic Services   |

|                   |                      |                         |                     |                     |                            |   |       |                         |     |                    |       |                 |
|-------------------|----------------------|-------------------------|---------------------|---------------------|----------------------------|---|-------|-------------------------|-----|--------------------|-------|-----------------|
| <b>Impact</b>     | <b>Very High (4)</b> | 4                       | 8                   | 12                  | 16                         | <table border="1"> <tr> <td>12-16</td> <td rowspan="3"><b>Significant Risk</b></td> </tr> <tr> <td>6-9</td> <td rowspan="2"><b>Medium Risk</b></td> </tr> <tr> <td>1 - 4</td> <td><b>Low Risk</b></td> </tr> </table> | 12-16 | <b>Significant Risk</b> | 6-9 | <b>Medium Risk</b> | 1 - 4 | <b>Low Risk</b> |
|                   | 12-16                | <b>Significant Risk</b> |                     |                     |                            |   |       |                         |     |                    |       |                 |
|                   | 6-9                  |                         | <b>Medium Risk</b>  |                     |                            |   |       |                         |     |                    |       |                 |
|                   | 1 - 4                |                         |                     | <b>Low Risk</b>     |                            |   |       |                         |     |                    |       |                 |
| <b>High (3)</b>   | 3                    | 6                       | 9                   | 12                  |                            |   |       |                         |     |                    |       |                 |
| <b>Medium (2)</b> | 2                    | 4                       | 6                   | 8                   |                            |   |       |                         |     |                    |       |                 |
| <b>Low (1)</b>    | 1                    | 2                       | 3                   | 4                   |                            |   |       |                         |     |                    |       |                 |
|                   |                      | <b>Remote (1)</b>       | <b>Possible (2)</b> | <b>Probable (3)</b> | <b>Highly Probable (4)</b> |   |       |                         |     |                    |       |                 |
|                   |                      | <b>Likelihood</b>       |                     |                     |                            |   |       |                         |     |                    |       |                 |

| <b>Impact</b>                      | <b>Thresholds and Description</b>   |
|------------------------------------|---|
| 1 – Low                            | Limited impact on service objectives if any, section objectives unlikely to be met, financial loss less than £10,000, no media attention  |
| 2 – Medium                         | Slight delay in achievement of service objectives, minor injuries, financial loss over £50,000k, adverse local media attention, breaches of local procedures  |
| 3 – High                           | Significant threat to Council objectives. Non-statutory duties not achieved, permanent injury, financial loss over £100,000, negative national media attention, litigation expected, serious issues raised through inspection, breakdown of confidence of partners.                       |
| 4 – Very high                      | Objectives cannot be delivered. Statutory duties not achieved, death, financial loss over £500,000 adverse national media attention, litigation almost certain, prosecutions, breaches of law, inspection highlights inadequate service, Council unable to work with partner organisation |
| <b>Likelihood</b>                  | <b>Thresholds and Description</b>   |
| 1 – Remote                         | May occur only in exceptional circumstances (e.g. once in 10 years)   |
| 2 – Possible                       | Unlikely to occur but could at some time (e.g. once in three years)   |
| 3 – Probable (in two years)        | Fairly likely to occur at some time or under certain circumstances (e.g. once in two years)   |
| 4 – Highly probable (in 12 months) | Will probably occur at some time or in most circumstances (e.g. once in 12 months)  |

## Chief Executive Risk Matrix

The below table summarises the risk likelihood and impact for risks after controls have been put in place to mitigate the risk.

|               |                      |                          |                     |                     |                                |
|---------------|----------------------|--------------------------|---------------------|---------------------|--------------------------------|
| <b>Impact</b> | <b>Very High (4)</b> |                          |                     |                     |                                |
|               | <b>High (3)</b>      | <b>CE2</b>               |                     |                     |                                |
|               | <b>Medium (2)</b>    | <b>CE1, CE3,<br/>CE4</b> |                     |                     |                                |
|               | <b>Low (1)</b>       |                          |                     |                     |                                |
|               |                      | <b>Remote (1)</b>        | <b>Possible (2)</b> | <b>Probable (3)</b> | <b>Highly<br/>Probable (4)</b> |
|               |                      | <b>Likelihood</b>        |                     |                     |                                |

|     |   |  |
|-----|---|--|
| CE1 | Economic development partnerships   | Failure of economic development partnerships                                 |
| CE2 | South Derbyshire Partnership working  | Failure of the South Derbyshire Partnership                                  |
| CE3 | Transfer of responsibility for visitor information provision from Sharpe's Pottery Heritage and Arts Trust to the Council | Interruption of service delivery whilst transferring services to the Council |
| CE4 | Effectively manage the election process and canvassing.   | Failure of joined up Council approach  |

## Quarter 2, 2021-2022 Corporate Risk Register

| REF | RISK TITLE & DESCRIPTION     | RISK CAUSE  | RISK IMPACT   | RISK CATEGORY<br><br>Strategic<br>Resource<br>Operational<br>Financial<br>Knowledge<br>management<br>Compliance,<br>Partnership | Current Risk Rating<br>(See table below for guidance) |        |             | CONTROLS IN PLACE TO MITIGATE THE RISK   | Risk Rating after mitigations<br>(See table below for guidance) |        |             | FURTHER ACTION REQUIRED  | SUMMARY OF CHANGE SINCE LAST QUARTER | RISK OWNER                              |
|-----|------------------------------|---|---|---|---|--------|-------------|--|---|--------|-------------|--|--------------------------------------|---|
|     |                              |   |   |   | LIKELIHOOD  | IMPACT | RISK RATING |  | LIKELIHOOD  | IMPACT | RISK RATING |  |                                      |   |
| CR1 | <b>Universal Credit (UC)</b> | Ongoing changes to the welfare system and Universal Credit impact on resources in Benefits and Customer Services. | Resources allocated to the team are not in line with workload demands.                                    | Financial and Resource  | 4   | 1      | 4           | <ul style="list-style-type: none"> <li>The Local Council Tax Reduction Scheme is being redesigned to improve the customer experience and make it easier/more efficient to administer. Proposals will be presented to Finance &amp; Management Committee in August 2021.</li> <li>A service review will ensure the team is flexible and can adapt to changes in workload in future years.</li> <li>Following a major system upgrade, improved document management functions, the introduction of a linked CRM system and automation are being explored to increase productivity within the team and improve interaction with customers.</li> </ul>  | 2   | 1      | 2           | Continually monitor the workload and resources allocated to the team.  | Risk updated for Q2                  | Head of Customer Services               |
| CR2 | <b>Fraudulent activities</b> | The possibility of fraud being undetected.  | National studies show fraud leads to a significant loss of resources within the Public Sector as a whole. | Financial and Reputational  | 4   | 3      | 12          | <ul style="list-style-type: none"> <li>The Council has a Shared Service Arrangement with Derby City Council which supports the delivery of the Council's Anti-Fraud &amp; Corruption Plan, which aims to introduce stronger anti-fraud processes across council tax, business rates, benefits, Right to Buy, social housing, supported accommodation and wider service areas. The unit also delivers fraud awareness training across the Council.</li> <li>Public agencies such as the DWP and HMRC increasingly share data with local authorities on a real-time basis. This allows compliance checks to take place to spot and eliminate the potential for fraud and error in a timely manner.</li> <li>Single Person Discount checks on Council Tax are also regularly undertaken.</li> </ul> | 2   | 2      | 4           | <ul style="list-style-type: none"> <li>The Fraud Unit have an annual work programme which is considered and approved by the Audit Sub-Committee. Outcomes are also reported to the Audit Committee.</li> <li>Authorities are being asked to be extra vigilant due to the potential for fraud to increase during Covid-19.</li> </ul> | Risk updated for Q2                  | Head of Customer Services               |
| CR3 | <b>Procurement Services</b>  | Limited resources to enable good quality advice and support for Services.   | The Council does not have its own procurement department  | Resource  | 3   | 3      | 9           | <ul style="list-style-type: none"> <li>The Council is part of a Shared Service Arrangement with other Derbyshire Agencies and has access to a wider pool of resources for support and advice.</li> </ul>   | 1   | 3      | 3           | Continue to review the SLA with the Lead Partner.  | Risk updated for Q2.                 | Corporate Resources, Strategic Director |

| REF | RISK TITLE & DESCRIPTION                | RISK CAUSE  | RISK IMPACT  | RISK CATEGORY<br><br>Strategic<br>Resource<br>Operational<br>Financial<br>Knowledge<br>management<br>Compliance,<br>Partnership | Current Risk Rating<br>(See table below for guidance) |        |             | CONTROLS IN PLACE TO MITIGATE THE RISK   | Risk Rating after mitigations<br>(See table below for guidance) |        |             | FURTHER ACTION REQUIRED  | SUMMARY OF CHANGE SINCE LAST QUARTER | RISK OWNER                            |
|-----|---|---|--|---|---|--------|-------------|--|---|--------|-------------|--|--------------------------------------|---------------------------------------|
|     |   |   |  |   | LIKELIHOOD  | IMPACT | RISK RATING |  | LIKELIHOOD  | IMPACT | RISK RATING |  |                                      |                                       |
| CR4 | <b>Public Building</b>                  | Ensuring public buildings are safe and have adequate repair budgets to ensure they remain fit for purpose.                      | Funding available within the budget provisions to deliver the planned maintenance programme  | Financial and Compliance  | 2   | 3      | 6           | <ul style="list-style-type: none"> <li>The additional repairs reserve has addressed the risk in the short term</li> <li>Condition surveys are being undertaken with a view to preparing a planned maintenance programme and comparing estimated costs against available budgets.</li> <li>The safety measures identified within the Covid-19 risk assessments will be implemented before any closed Council building is re-opened to the public.</li> </ul>  | 2   | 2      | 4           | <ul style="list-style-type: none"> <li>Continually monitor and review the repair budgets to ensure adequate funding is available for the Planned Maintenance Programme going forward.</li> </ul> | Risk updated for Q2                  | Head of Corporate Property            |
| CR7 | <b>Payroll Service</b>                  | There is no additional capacity or expertise within the team to cope with any down time so the risk of.                         | employees and members not receiving payments due is significant  | Resource  | 4   | 4      | 16          | <ul style="list-style-type: none"> <li>A report was approved in August 2021 for the approval to look into a new system or provide additional resources.</li> <li>There is a support function for payroll provision available to the Council from the supplier of the payroll software which can be utilised in an emergency.</li> <li>Discussions regarding cover of the payroll service are currently underway with the software supplier to make the detail more formal.</li> <li>Chesterfield Borough Council use the same payroll system and are able to offer a small level of support if required although they would not have the capacity to run the payroll.</li> </ul> | 1   | 2      | 3           | Review Finance structure   | Risk updated for Q2                  | Head of Finance                       |
| CR8 | <b>Payroll Software Contract Expiry</b> | The contract expires in March 2022  | No payroll system available from the 1 <sup>st</sup> of April 2022   | Compliance  | 4   | 4      | 16          | <ul style="list-style-type: none"> <li>Discussions with the current software provider are underway regarding the contract.</li> <li>Discussions are underway with the recently upgraded financial management provider to potentially move the payroll service to the Unit4 system.</li> </ul>  | 1   | 2      | 3           | Report to members on decisions   | Risk updated for Q2                  | Head of Finance                       |
| CR9 | <b>Transformation Compliance</b>        | Committing to already allocated resources or finances of projects outside the annual work programme for ICT and Business Change | The Council has signed up to a Transformation Roadmap which would be adversely affected and not delivered therefore failing the corporate plan target. | Strategic   | 4   | 2      | 8           | <ul style="list-style-type: none"> <li>Ensure all Heads of Service are aware of the roadmap and the implications of adding additional projects.</li> <li>Ensure Transformation Steering Group members understand when they are involved in other work how that affects the ability to deliver critical transformation projects.</li> <li>Key TSG members feeding back any discussions or ongoing work relating to unauthorised projects as soon as possible.</li> </ul>  | 3   | 2      | 6           |  | Risk updated for Q2                  | Head of Business Change, ICT, Digital |

| REF  | RISK TITLE & DESCRIPTION                      | RISK CAUSE  | RISK IMPACT   | RISK CATEGORY<br><br>Strategic<br>Resource<br>Operational<br>Financial<br>Knowledge<br>management<br>Compliance,<br>Partnership | Current Risk Rating<br>(See table below for guidance) |        |             | CONTROLS IN PLACE TO MITIGATE THE RISK   | Risk Rating after mitigations<br>(See table below for guidance) |        |             | FURTHER ACTION REQUIRED | SUMMARY OF CHANGE SINCE LAST QUARTER | RISK OWNER      |
|------|---|---|---|---|---|--------|-------------|--|---|--------|-------------|-------------------------|--------------------------------------|-----------------|
|      |   |   |   |   | LIKELIHOOD  | IMPACT | RISK RATING |  | LIKELIHOOD  | IMPACT | RISK RATING |                         |                                      |                 |
| CR10 | <b>Banking and Counterparty Limits</b>        | Authorised signatories being unavailable, Internet failure resulting in no access to the bank accounts.                                   | Result in a breach of the approved counterparty limits set by the Council   | Resource  | 4   | 3      | 12          | <ul style="list-style-type: none"> <li>Annual leave and meetings of both approvers and administrative functions are monitored by the team to ensure any potential risks are mitigated.</li> <li>5 administration staff have responsibility for setting up transfers of cash therefore any external internet failure is mitigated by having at least 2 other staff to take over the process.</li> <li>There are 3 approvers for banking transactions, 2 of which are the S151 and Deputy S151 Officers. At least 1 of these officers is always available for approvals.</li> <li>Cash flow forecasts are updated daily, and any known transfers are set up in advance.</li> <li>The risk of the Internet failure is mitigated through risk CR23</li> </ul>  | 1   | 1      | 1           |                         | Risk updated for Q2                  | Head of Finance |
| CR11 | <b>Failure of systems external to Finance</b> | The Academy system interfaces data for Housing Benefit, Council Tax and Business Rates daily. The AIM system interfaces cash files daily. | Impacts of Customer accounts and financial statements not being up to date with cash paid and the FMS not including all assets and liabilities resulting in potential qualification of the Financial Statements | Compliance and reputational   | 2   | 3      | 6           | <ul style="list-style-type: none"> <li>An annual maintenance fee is paid to the system providers for system support and disaster recovery.</li> <li>Daily reconciliations of cash are completed by the Finance team to ensure that any failure is recognised immediately. To prevent any reputational issues, a major failure would result in debt collection reminders being delayed.</li> <li>Bank accounts are also reconciled daily, and any missing cash files would be manually transferred into the FMS to ensure the Debtor position is correct.</li> <li>Council Tax, Business Rates and Housing Benefit interface files are reconciled monthly but the processing of the interface files is a manual task so any failure of file generation would be recognised immediately and reported to the IT Helpdesk.</li> <li>An upgrade to the Academy system has taken place.</li> </ul> | 1   | 1      | 2           |                         | Risk updated for Q2                  | Head of Finance |

| REF  | RISK TITLE & DESCRIPTION   | RISK CAUSE  | RISK IMPACT   | RISK CATEGORY<br><br>Strategic Resource<br>Operational<br>Financial<br>Knowledge management<br>Compliance, Partnership | Current Risk Rating<br>(See table below for guidance) |        |             | CONTROLS IN PLACE TO MITIGATE THE RISK   | Risk Rating after mitigations<br>(See table below for guidance) |        |             | FURTHER ACTION REQUIRED   | SUMMARY OF CHANGE SINCE LAST QUARTER | RISK OWNER                              |
|------|--|---|---|--|---|--------|-------------|--|---|--------|-------------|---|--------------------------------------|---|
|      |  |   |   |  | LIKELIHOOD  | IMPACT | RISK RATING |  | LIKELIHOOD  | IMPACT | RISK RATING |   |                                      |   |
| CR12 | Government Funding - a reduction in core funding                     | As a growth area, the Council's proportion of core funding is heavily reliant on the New Homes Bonus (NHB) and Business Rates.<br><br>This makes it potentially vulnerable from changes to the current distribution system relative to other authorities who still receive Revenue Support Grant. This is a potential weakness highlighted in the Council's Financial Resilience Index. | Overall income has been increasing in recent years from the NHB and Business Rates growth. There has been uncertainty for some time regarding the replacement for the NHB and future changes to the Retention of Business Rates, which could disadvantage the Council relative to other authorities.<br><br>The Government have delayed implementing outcomes from their Fair Funding Review until 2022/23.<br><br>In addition, there may be a longer-term impact of the current Covid-19 pandemic on the level and distribution of resources for local government. | Financial  | 3   | 3      | 9           | <p><b>Financial Planning</b></p> <ul style="list-style-type: none"> <li>The Council plans its finances over five years for the General Fund and 10 years for the Housing Revenue Account. Its financial target of achieving a minimum level of contingency balance on a rolling five-year basis allows for a planned and timely approach to address any financial difficulties.</li> <li>The Medium-Term Financial Plan (MTFP) is regularly reviewed, updated and reported to the Finance Committee on a quarterly basis.</li> </ul> <p><b>Current Financial Position</b></p> <ul style="list-style-type: none"> <li>Overall, the General Fund currently shows a healthy position due to the level of reserves, although the medium-term forecast indicates an increasing deficit in future years although this may be the worst-case scenario as it forecasts increasing expenditure to meet the population growth, but a reduction in income</li> <li>Projected budget deficits could be financed from reserves if required, although this would become unsustainable well before 2025/26.</li> <li>The impact of Covid-19 on the short-term financial position is being kept under review temporary increases in expenditure and loss of income are being met from additional Government funding received.</li> <li>The Council has approved that no new revenue spending, over and above that approved by the Council in February 2021, is committed until the situation becomes clearer.</li> </ul> | 3   | 2      | 6           | Income and Expenditure is being kept under review and reported to the Finance Committee on a quarterly basis. | Risk updated for Q2                  | Strategic Director, Corporate Resources |
| CR13 | The Economy - the impact of the national economic situation locally. | The impact of the current Covid-19 pandemic could have a longer-term impact on the Council's core income as residents and businesses may face difficulties in paying Council Tax, Business Rates and Rent. It could also result   | Any negative effects could be disproportionate for the District as a significant growth area.   | Financial  | 3   | 3      | 9           | <p><b>Support for Local Businesses</b></p> <ul style="list-style-type: none"> <li>The Government has provided various funding and support for local businesses and residents to help them overcome the impact of Covid-19.</li> </ul> <p><b>Regeneration</b></p> <ul style="list-style-type: none"> <li>In addition, major residential development has largely continued and following an initial downturn in planning applications in April 2020, they have since shown a strong and sustained upward turn. In addition, the sale of the Council's former Depot Site for redevelopment has been completed and work commenced.</li> </ul>  | 2   | 3      | 6           | Keep under review through quarterly reporting.  | Risk updated for Q2                  | Strategic Director, Corporate Resources |

| REF  | RISK TITLE & DESCRIPTION  | RISK CAUSE   | RISK IMPACT  | RISK CATEGORY<br><br>Strategic<br>Resource<br>Operational<br>Financial<br>Knowledge<br>management<br>Compliance,<br>Partnership | Current Risk Rating<br>(See table below for guidance) |        |             | CONTROLS IN PLACE TO MITIGATE THE RISK  | Risk Rating after mitigations<br>(See table below for guidance) |        |             | FURTHER ACTION REQUIRED  | SUMMARY OF CHANGE SINCE LAST QUARTER                              | RISK OWNER                            |
|------|---|--|--|---|---|--------|-------------|---|---|--------|-------------|--|---|---------------------------------------|
|      |   |  |  |   | LIKELIHOOD  | IMPACT | RISK RATING |   | LIKELIHOOD  | IMPACT | RISK RATING |  |   |                                       |
|      |   | <p>in a recession in the local economy.</p> <p>In addition, the introduction of negative interest rates by the Bank of England, could mean that the Council will have to pay to have its cash and reserves on deposit.</p> |  |   |   |        |             | <ul style="list-style-type: none"> <li>The Finance and Management Committee approved a new capital investment programme of approximately £4 million on 8 October 2020 which will provide resources for regeneration and community projects.</li> </ul> <p><b>Treasury Management</b></p> <ul style="list-style-type: none"> <li>The MTFP is not reliant on interest rates increasing from the current level to generate revenue on its reserves and balances. Any increase would be a direct benefit to the Budget.</li> <li>The Council's Lending Policy is reviewed on a weekly and daily basis to mitigate the risk of negative interest rates and to expand the Counterparty List where it is safe to do so.</li> <li>Apart from debt associated with its Council Housing, the Council is debt free. Regarding the debt, a significant amount is at fixed interest rates and is affordable within the Housing Revenue Account's financial plan. The interest rate associated with a smaller proportion of variable rate debt, is below that budgeted</li> </ul>   |   |        |             |  |   |                                       |
| CR14 | Technology, Data and Security - keeping pace with developments in IT, together with the management and security of data | <p>There is a potential security risk for running outdated or unsupported systems</p> <p>Employees not following due process in relation to IT and data security</p>   | There is potential to loss operational data and for reputational damage, together with possible fines, should a data breach occur. | Strategic   | 4   | 4      | 16          | <p><b>IT Upgrades and Development</b></p> <ul style="list-style-type: none"> <li>The Council has an ICT replacement programme in place which directs hardware and corporate infrastructure upgrades. This is resourced through provision in the IT base budget, together with an IT Asset Replacement Reserve. New laptops, smartphones and an upgrade to Microsoft 365 was completed in 2020.</li> </ul> <p><b>Security of Systems</b></p> <ul style="list-style-type: none"> <li>The Council is currently compliant with the Government's Public Services Network requirements.</li> <li>Regular Internal Audit Reviews test the robustness of systems and the infrastructure with recommendations to strengthen the ICT environment being reported to and monitored by the Audit Sub-Committee.</li> <li>Due to potential virus attacks, measures are in place to restrict Internet access and to control the use of mobile devices.</li> <li>Continually updated and patched digital estate including firewall servers and antivirus</li> </ul> <p><b>Security of Data</b></p> <ul style="list-style-type: none"> <li>Regular briefings and guidance documents are issued to raise awareness of data and security issues. An E-learning package is</li> </ul> | 3   | 3      | 9           | Induction process for all new starters as part of the employee lifecycle | Risk rating, mitigating actions and further action updated for Q2 | Head of Business Change, ICT, Digital |

| REF  | RISK TITLE & DESCRIPTION                           | RISK CAUSE  | RISK IMPACT  | RISK CATEGORY<br><br>Strategic<br>Resource<br>Operational<br>Financial<br>Knowledge<br>management<br>Compliance,<br>Partnership | Current Risk Rating<br>(See table below for guidance) |        |             | CONTROLS IN PLACE TO MITIGATE THE RISK   | Risk Rating after mitigations<br>(See table below for guidance) |        |             | FURTHER ACTION REQUIRED  | SUMMARY OF CHANGE SINCE LAST QUARTER                              | RISK OWNER  |
|------|--|---|--|---|---|--------|-------------|--|---|--------|-------------|--|---|---|
|      |  |   |  |   | LIKELIHOOD  | IMPACT | RISK RATING |  | LIKELIHOOD  | IMPACT | RISK RATING |  |   |   |
|      |  |   |  |   |   |        |             | <p>completed annually by all Officers with access to Council systems and equipment.</p> <ul style="list-style-type: none"> <li>The Council's Data Protection Officer has direct access to the Leadership Team on matters concerning Information Governance.</li> <li>Whilst staff have been working remotely communications have been sent to remind of the dangers of cyber-attacks. The security in place is the same for end users regardless of location therefore hardware and software need no special arrangements in response to COVID working practices, however staff are the first, last, strongest, and weakest chain in our defences. A mandatory Cyber Security e-learning package must be completed annually. A number of procedures and policies are also in place that mandate more secure ways of working such as no use of personal email addresses and devices, information classification and encryption.</li> <li>The Council is currently upgrading its telephone infrastructure to enable full compliance with the Payment Card Industry (PCI) regulations. The implementation of actions to strengthen security and the safeguarding of data subject to PCI, are being monitored by the Audit Sub-Committee.</li> </ul> |   |        |             |  |   |   |
| CR15 | Technology and Data – quality of performance data. | Inaccurate monitoring and reporting of performance data           | If this is not robust and meaningful, it could lead to misreporting and incorrect decision making. | Compliance  | 2   | 3      | 6           | <ul style="list-style-type: none"> <li>Performance and Risk team to monitor and review data</li> <li>Performance Management Framework and Risk Management Framework are in place</li> <li>Performance data is reviewed at Directorate management meetings and Leadership meetings.</li> <li>Performance is currently undergoing an internal audit review if the outcome identifies no major issues this will be removed from the risk register.</li> </ul>   | 1   | 1      | 1           | Recommendation to remove from the risk register  | Risk rating, mitigating actions and further action updated for Q2 | Heads of Organisational Development & Performance |
| CR16 | Business Continuity                                | Flu Pandemic<br>Fuel Shortage<br>Loss of Buildings<br>ICT Failure | Loss of Service provision  | Operational   | 3   | 4      | 12          | <ul style="list-style-type: none"> <li>Some aspects of this risk can be transferred as business interruption cover is in place as part of the Council's Property Insurance Policy.</li> <li>Business Continuity and Emergency Plans are in place and regularly reviewed in accordance with the Civil Contingencies Act. The Council buys in support from Derbyshire County Council to ensure that the Council's plans remain up to date.</li> <li>COVID risk assessments and action plans are in place and resources made available to provide employees with the equipment to work from home wherever possible as well as</li> </ul>  | 4   | 2      | 8           | Report a business case to F&M in October to identify new flexible ways of working in the future. | Risk updated for Q2   | Strategic Director, Corporate Resources           |

| REF  | RISK TITLE & DESCRIPTION                            | RISK CAUSE  | RISK IMPACT  | RISK CATEGORY<br><br>Strategic<br>Resource<br>Operational<br>Financial<br>Knowledge<br>management<br>Compliance,<br>Partnership | Current Risk Rating<br>(See table below for guidance) |        |             | CONTROLS IN PLACE TO MITIGATE THE RISK   | Risk Rating after mitigations<br>(See table below for guidance) |        |             | FURTHER ACTION REQUIRED  | SUMMARY OF CHANGE SINCE LAST QUARTER | RISK OWNER                              |
|------|---|---|--|---|---|--------|-------------|--|---|--------|-------------|--|--------------------------------------|---|
|      |   |   |  |   | LIKELIHOOD  | IMPACT | RISK RATING |  | LIKELIHOOD  | IMPACT | RISK RATING |  |                                      |   |
|      |   |   |  |   |   |        |             | access to resources to support their physical and mental health and wellbeing. <ul style="list-style-type: none"> <li>The Council continues to deliver all of its services. This is being undertaken within national guidelines and in conjunction with other agencies in Derbyshire. Guidance is being provided to staff and the public regarding on-going services and to help protect health and well-being.</li> <li>There are no changes to the current working arrangements. All staff who are able to work from home must continue to do so until further notice.</li> <li>Sessions have taken place with Heads of Service and Trade Unions to explore options for future working arrangements ahead of sessions with staff.</li> </ul>   |   |        |             |  |                                      |   |
| CR17 | <b>Capacity and Resilience</b>                      | Service demand and loss of skills   | Recruitment, retention and development of the workforce and dealing with additional demand for services due to Growth. | Operational   | 3   | 3      | 9           | <ul style="list-style-type: none"> <li>Resources set-aside in the MTFP in growth provisions and training budgets to expand service provision and develop the workforce.</li> <li>Since 2018, several major services across the Council have been restructured to strengthen service provision and improve capacity.</li> <li>Proposed restructures in Community and Cultural Services and Housing have recently been approved and implemented to increase capacity and resilience.</li> <li>A restructure of the Council's Senior Management was implemented on 1 April 2019. The aim of the new structure was to create resilience in service provision with the creation of new Head of Service posts, including new posts to focus on Organisational Improvement/Learning and Development.</li> <li>The management restructure also combined resources to create centralised Business Change and Policy teams to support business transformation across the Council.</li> </ul> | 2   | 2      | 4           | Finance and Management Committee at its meeting on 22 July considered options for the future delivery of services and employment models that takes in to account the risk associated with ensuring capacity and resilience in the delivery of services and retention of the workforce. | Risk updated for Q2                  | Strategic Director, Corporate Resources |
| CR18 | <b>Terrorism and potentially violent situations</b> | As a public body there is a potential for the Council and its workforce to become a target. | From time to time, members of the workforce do face individual threats while undertaking their duties                  | Operational   | 3   | 4      | 12          | <ul style="list-style-type: none"> <li>Lone working systems in place including a 'Solo-Protect' warning and call for assistance system.</li> <li>A Potentially Violent Persons Policy and Risk Register are in place.</li> <li>Alarms and warning system in place in the Civic Offices.</li> </ul>   | 3   | 3      | 9           | Monitoring and review of systems in place; learn from incidents and near misses.   | Risk updated for Q2                  | Strategic Director, Corporate Resources |

| REF  | RISK TITLE & DESCRIPTION  | RISK CAUSE  | RISK IMPACT  | RISK CATEGORY<br><br>Strategic<br>Resource<br>Operational<br>Financial<br>Knowledge<br>management<br>Compliance,<br>Partnership | Current Risk Rating<br>(See table below for guidance) |        |             | CONTROLS IN PLACE TO MITIGATE THE RISK   | Risk Rating after mitigations<br>(See table below for guidance) |        |             | FURTHER ACTION REQUIRED   | SUMMARY OF CHANGE SINCE LAST QUARTER | RISK OWNER  |
|------|---|---|--|---|---|--------|-------------|--|---|--------|-------------|---|--------------------------------------|---|
|      |   |   |  |   | LIKELIHOOD  | IMPACT | RISK RATING |  | LIKELIHOOD  | IMPACT | RISK RATING |   |                                      |   |
| CR19 | <b>Statute and Regulation</b>   | Failure to meet requirements.   | There is no recent evidence to suggest any significant issues; the impact would depend on the nature of the failure. | Compliance  | 2   | 3      | 6           | <ul style="list-style-type: none"> <li>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.</li> </ul> <p><b>Note:</b> Some aspects of this risk can be transferred as the Council has insurance cover in place. If the failure rises due to an action of an employee during the normal course of their duties, it is covered under the Official Indemnity (accidental or negligent act) or Professional Indemnity (breach of professional duty) Policies.</p>                     | 1   | 3      | 3           | Keep under review. Continue training and awareness for staff.   | Risk updated for Q2                  | Strategic Director, Corporate Resources           |
| CR20 | <b>Health and Safety</b>  | the potential to contravene regulations through bad practice.   | Serious harm through accidents and near misses   | Compliance  | 4   | 4      | 16          | <ul style="list-style-type: none"> <li>The Council employs a corporate Health and Safety Officer.</li> <li>All employees are provided with the relevant training and PPE required for their role.</li> <li>An on-going training programme is in place for all staff and for parts of the workforce where there is a greater risk of an accident.</li> <li>Accidents and near misses are logged, reported and reviewed corporately and any major incidents are investigated to review procedures.</li> <li>Risk assessments are regularly undertaken, and procedures updated when necessary.</li> </ul>   | 3   | 2      | 6           | Monitoring and review of accidents and near misses.   | Risk updated for Q2                  | Heads of Organisational Development & Performance |
| CR21 | <b>Managing the environmental impact of incidents across the District</b> | Incidents arising directly from actions by the Council in the provision of its services. For example, an oil spill which contaminates land or water courses | Impacts on environment and economy; increased risk of major events: potential for litigation; reputational damage    | Strategic   | 2   | 3      | 6           | <ul style="list-style-type: none"> <li>The Council has plans in place through Emergency Planning to manage the environmental impact of any incidents across the District.</li> <li>The Council is accredited to the prestigious international ISO 14001 standard for Environmental Management.</li> <li>The Council has also declared a "Climate Emergency" and has a Corporate Steering Group to oversee an action plan to reduce the Council's carbon footprint and become carbon neutral as an organisation by 2030. (See Risk below)</li> </ul>  | 2   | 2      | 4           |   | Risk updated for Q2                  | Head of Environmental Services                    |
| CR22 | <b>Climate Emergency</b>  | The failure of the Council to achieve carbon neutrality for its operations by 2030 and carbon neutrality for the District by 2050.                          | Impacts on environment and economy; increased risk of major events: potential for litigation; reputational damage    | Strategic   | 4   | 3      | 12          | <ul style="list-style-type: none"> <li>Achievement of the carbon reduction ambitions are mainly vested in our <b>Climate and Environment Strategy</b> and <b>Climate &amp; Environment Action Plan</b>.</li> <li>The Action Plan contains planned and programmed actions and will be reviewed annually. It will quantify the estimated net financial costs and net carbon savings associated with the contents of the Plan. The Plan will calculate the contribution of the Plan to the carbon reduction trajectory, along with the calculated shortfall in carbon reductions. Attaining the targets in the Plan is one of the Corporate Plan Key Performance Indicators. Whist the action plan</li> </ul> | 4   | 3      | 12          | Annual monitoring and review of the Climate and Environment Action Plan<br><br>Actively seeking external funding. | Risk updated for Q2                  | Head of Environmental Services                    |

| REF  | RISK TITLE & DESCRIPTION   | RISK CAUSE  | RISK IMPACT  | RISK CATEGORY<br><br>Strategic<br>Resource<br>Operational<br>Financial<br>Knowledge<br>management<br>Compliance,<br>Partnership | Current Risk Rating<br>(See table below for guidance) |        |             | CONTROLS IN PLACE TO MITIGATE THE RISK   | Risk Rating after mitigations<br>(See table below for guidance) |        |             | FURTHER ACTION REQUIRED  | SUMMARY OF CHANGE SINCE LAST QUARTER | RISK OWNER                            |  |
|------|----------------------------|---|--|---|---|--------|-------------|--|---|--------|-------------|--|--------------------------------------|---------------------------------------|--|
|      |                            |   |  |   | LIKELIHOOD  | IMPACT | RISK RATING |  | LIKELIHOOD  | IMPACT | RISK RATING |  |                                      |                                       |  |
|      |                            |   |  |   |   |        |             | has been agreed it does contain several actions where funding has not been committed.<br><ul style="list-style-type: none"> <li>The Strategy and Plan have identified the main carbon emissions sources. The Council will be alive to the many and various <b>windfall opportunities</b> for interventions in between the annual Plan revisions where these are considered likely to make significant impacts on reducing emissions.</li> <li>Emerging statute, in particular the <b>Environment Bill</b>, will exert significant influence over the Council's operations and indirect influence in relation to climate change.</li> </ul> |   |        |             |  |                                      |                                       |  |
| CR23 | <b>Internet Connection</b> | The effects of the internet connection becoming unavailable for a length of time would be a major incident.             | Most applications whether they are onsite or hosted will need the Council's internet connection to be active for their use.<br><br>There is only one ISP in Swadlincote. Therefore, if the cable is damaged or the service is disrupted, no internet connection will be available. | Strategic   | 2   | 4      | 8           | <ul style="list-style-type: none"> <li>New RA02 Circuits are being procured which have been specified with a resilient line. Although full resilience isn't proved due to a single supplier, the lines are coming from different exchanges so both would have to be out of service for a total loss of connection.</li> <li>There are options to make some services available over alternative connections, be that personal or business, if needed.</li> <li>Smartphone users can use the mobile data connection to access outlook and teams etc</li> </ul>   | 2   | 3      | 6           |  | Risk updated for Q2                  | Head of Business Change, ICT, Digital |  |
| CR24 | <b>Technical Resource</b>  | The Council relies on a small pool of technical specialists and support operatives to keep the organisation operational | Availability of resource to conduct and support Council meetings<br><br>Availability of resource to support day to day operations and projects.  |   | 3   | 3      | 9           | <ul style="list-style-type: none"> <li>The COVID-19 Fund is being used to finance an agency resource. The introduction of the post has offered relief for first line calls and Committee meetings.</li> <li>The agency resource is more expensive than an established post and is not a permanent solution.</li> </ul>   | 3   | 2      | 6           | ICT structure will be reviewed in-line with corporate employment and operating model<br><br>Continually review and monitor support tickets | Risk updated for Q2                  | Head of Business Change, ICT, Digital |  |

| REF  | RISK TITLE & DESCRIPTION | RISK CAUSE   | RISK IMPACT  | RISK CATEGORY<br><br>Strategic<br>Resource<br>Operational<br>Financial<br>Knowledge<br>management<br>Compliance,<br>Partnership | Current Risk Rating<br>(See table below for guidance) |        |             | CONTROLS IN PLACE TO MITIGATE THE RISK  | Risk Rating after mitigations<br>(See table below for guidance) |        |             | FURTHER ACTION REQUIRED   | SUMMARY OF CHANGE SINCE LAST QUARTER | RISK OWNER  |
|------|--------------------------|--|--|---|---|--------|-------------|---|---|--------|-------------|---|--------------------------------------|---|
|      |                          |  |  |   | LIKELIHOOD  | IMPACT | RISK RATING |   | LIKELIHOOD  | IMPACT | RISK RATING |   |                                      |   |
| CR26 | <b>Supply Chain</b>      | <p>EU shortage of materials to manufacture coloured plastic</p> <p>National shortage of agency drivers to undertake HGV driving.</p> <p>There is fast becoming a global shortage of microchips and some vehicle manufacturers have suspended production of new vehicles,</p> | <p>The Council may not be able to supply new brown and green bins for at least 3 months.</p> <p>A cancellation of driver testing during lockdown has led to a shortage of newly qualified drivers and changes to IRS rules have led many agency drivers to take permanent positions.</p> <p>Could potentially impact fleet purchases and the supply of computer equipment.</p> |   | 4   | 3      | 12          | <ul style="list-style-type: none"> <li>• <b>EU shortage of materials to manufacture plastic:</b> Current stocks are diminishing but should last a few more weeks, we have placed orders for both brown and green bins and should be first in line when material supplies pick up. Additional black bins have been ordered and will be supplied with different coloured lids. Manufacturers have advised that they can provide the lids in different colours.</li> <li>• <b>National shortage of HGV drivers/production of new vehicles:</b> Currently discussing with all employees, the opportunity to be trained to drive HGV's, we also have three drivers not employed on Waste Services who can be utilised in an emergency. Secured 3 more drivers recently.</li> <li>• <b>Global shortage of microchips:</b> No immediate concerns over purchase of new vehicles, if situation deteriorates then we will look to source ex-demonstrator vehicles or nearly new/used vehicles. Short-term hire will also be considered where appropriate</li> <li>• The shortage of semiconductors, a key component part in almost all modern electronics, is having a large effect on production of many products. Cars and Computer equipment are high profile products to suffer supply chain problems. The only way to combat this problem in relation to purchase of new equipment is to order early and allow up to 6 months for delivery. Where practical and financially viable orders can be made before the need arises. A good example could be purchase of a new laptop after members approve the post rather than after the candidate has accepted the post and will be starting in a matter of weeks.</li> <li>• NOVUS and other contractors have been able to secure alternative supplies/products.</li> </ul> | 4   | 3      | 12          | <p>Currently looking at HGV apprenticeships</p> <p>Management is in constant discussions with local agency driver suppliers to secure additional cover.</p> | Risk updated for Q2                  | <p>Head of Operational Services</p> <p>Head of Business Change, ICT, Digital</p> <p>Head of Housing</p> |

## Risk Matrix Template

The table below outlines how the impact and likelihood of the risk is scored using the threshold and description as guidance.

|                   |                      |                   |                     |                     |                            |   |       |     |       |
|-------------------|----------------------|-------------------|---------------------|---------------------|----------------------------|---|-------|-----|-------|
| <b>Impact</b>     | <b>Very High (4)</b> | 4                 | 8                   | 12                  | 16                         | <table border="1" style="margin-left: 20px;"> <tr><td style="background-color: #ff0000; color: white; text-align: center;">12-16</td></tr> <tr><td style="background-color: #ffc000; color: black; text-align: center;">6-9</td></tr> <tr><td style="background-color: #00b050; color: white; text-align: center;">1 - 4</td></tr> </table> | 12-16 | 6-9 | 1 - 4 |
|                   | 12-16                |                   |                     |                     |                            |   |       |     |       |
|                   | 6-9                  |                   |                     |                     |                            |   |       |     |       |
|                   | 1 - 4                |                   |                     |                     |                            |   |       |     |       |
| <b>High (3)</b>   | 3                    | 6                 | 9                   | 12                  | <b>Significant Risk</b>    |   |       |     |       |
| <b>Medium (2)</b> | 2                    | 4                 | 6                   | 8                   | <b>Medium Risk</b>         |   |       |     |       |
| <b>Low (1)</b>    | 1                    | 2                 | 3                   | 4                   | <b>Low Risk</b>            |   |       |     |       |
|                   |                      | <b>Remote (1)</b> | <b>Possible (2)</b> | <b>Probable (3)</b> | <b>Highly Probable (4)</b> |   |       |     |       |
|                   |                      | <b>Likelihood</b> |                     |                     |                            |   |       |     |       |

| Impact                             | Thresholds and Description   |
|------------------------------------|--|
| 1 – Low                            | Limited impact on service objectives if any, section objectives unlikely to be met, financial loss less than £10,000, no media attention   |
| 2 – Medium                         | Slight delay in achievement of service objectives, minor injuries, financial loss over £50,000, adverse local media attention, breaches of local procedures  |
| 3 – High                           | Significant threat to Council objectives. Non-statutory duties not achieved, permanent injury, financial loss over £100,000, negative national media attention, litigation expected, serious issues raised through inspection, breakdown of confidence of partners.                        |
| 4 – Very high                      | Objectives cannot be delivered. Statutory duties not achieved, death, financial loss over £500,000, adverse national media attention, litigation almost certain, prosecutions, breaches of law, inspection highlights inadequate service, Council unable to work with partner organisation |
| Likelihood                         | Thresholds and Description   |
| 1 – Remote                         | May occur only in exceptional circumstances (e.g. once in 10 years)  |
| 2 – Possible                       | Unlikely to occur but could at some time (e.g. once in three years)  |
| 3 – Probable (in two years)        | Fairly likely to occur at some time or under certain circumstances (e.g. once in two years)  |
| 4 – Highly probable (in 12 months) | Will probably occur at some time or in most circumstances (e.g. once in 12 months)   |

## Corporate Risk Matrix

The below table summarises the risk likelihood and impact for risks after controls have been put in place to mitigate the risk.

|               |                      |                     |                         |                          |                            |
|---------------|----------------------|---------------------|-------------------------|--------------------------|----------------------------|
| <b>Impact</b> | <b>Very High (4)</b> |                     |                         |                          |                            |
|               | <b>High (3)</b>      | CR3, CR19           | CR13, CR23              | CR14, CR18               | CR22, CR26                 |
|               | <b>Medium (2)</b>    | CR7, CR8,           | CR2, CR4,<br>CR17, CR21 | CR9, CR12,<br>CR20, CR24 | CR16                       |
|               | <b>Low (1)</b>       | CR10, CR11,<br>CR15 | CR1                     |                          |                            |
|               |                      | <b>Remote (1)</b>   | <b>Possible (2)</b>     | <b>Probable (3)</b>      | <b>Highly Probable (4)</b> |
|               |                      | <b>Likelihood</b>   |                         |                          |                            |

|      |  |   |
|------|--|---|
| CR1  | Universal Credit (UC)                  | Ongoing changes to the welfare system and Universal Credit impact on resources in Benefits and Customer Services.                         |
| CR2  | Fraudulent activities                  | The possibility of fraud being undetected.  |
| CR3  | Procurement Services                   | Limited resources to enable good quality advice and support for Services.   |
| CR4  | Public Building                        | Ensuring public buildings are safe and have adequate repair budgets to ensure they remain fit for purpose.                                |
| CR7  | Payroll Service                        | There is no additional capacity or expertise within the team to cope with any down time so the risk of.                                   |
| CR8  | Payroll Software Contract Expiry       | The contract expires in March 2022  |
| CR9  | Transformation Compliance              | Committing to already allocated resources or finances of projects outside the annual work programme for ICT and Business Change           |
| CR10 | Banking and Counterparty Limits        | Authorised signatories being unavailable, Internet failure resulting in no access to the bank accounts.                                   |
| CR11 | Failure of systems external to Finance | The Academy system interfaces data for Housing Benefit, Council Tax and Business Rates daily. The AIM system interfaces cash files daily. |

|      |   |   |
|------|---|---|
| CR12 | Government Funding  | A reduction in core funding   |
| CR13 | The Economy   | The impact of the national economic situation locally.  |
| CR14 | Technology, Data and Security - keeping pace with developments in IT, together with the management and security of data | There is a potential security risk for running outdated or unsupported systems. Employees not following due process in relation to IT and data security   |
| CR15 | Technology and Data – quality of performance data.  | Inaccurate monitoring and reporting of performance data   |
| CR16 | Business Continuity   | Flu Pandemic, Fuel Shortage, Loss of Buildings, ICT Failure   |
| CR17 | Capacity and Resilience   | Service demand and loss of skills   |
| CR18 | Terrorism and potentially violent situations  | As a public body there is a potential for the Council and its workforce to become a target.   |
| CR19 | Statute and Regulation  | Failure to meet requirements.   |
| CR20 | Health and Safety   | the potential to contravene regulations through bad practice.   |
| CR21 | Managing the environmental impact of incidents across the District  | Incidents arising directly from actions by the Council in the provision of its services. For example, an oil spill which contaminates land or water courses   |
| CR22 | Climate Emergency   | The failure of the Council to achieve carbon neutrality for its operations by 2030 and carbon neutrality for the District by 2050.  |
| CR23 | Internet Connection   | The effects of the internet connection becoming unavailable for a length of time would be a major incident.   |
| CR24 | Technical Resource  | The Council relies on a small pool of technical specialists and support operatives to keep the organisation operational   |
| CR26 | Supply Chain  | EU shortage of materials to manufacture coloured plastic<br>National shortage of agency drivers to undertake HGV driving.<br>There is fast becoming a global shortage of microchips and some vehicle manufacturers have suspended production of new vehicles, |

|                                |  |  |
|--------------------------------|--|--|
| <b>REPORT TO:</b>              | <b>FINANCE AND MANAGEMENT COMMITTEE</b>  | <b>AGENDA ITEM: 8</b>                          |
| <b>DATE OF MEETING:</b>        | <b>25<sup>th</sup> NOVEMBER 2021</b>   | <b>CATEGORY: DELEGATED</b>                     |
| <b>REPORT FROM:</b>            | <b>STRATEGIC DIRECTOR (CORPORATE RESOURCES)</b>  | <b>OPEN</b>                                    |
| <b>MEMBERS' CONTACT POINT:</b> | <b>VICKI SUMMERFIELD</b><br><a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a> | <b>DOC:</b><br>s/finance/committee/2021-22/Nov |
| <b>SUBJECT:</b>                | <b>GENERAL FUND REVENUE MONITORING 2021/22</b>   |  |
| <b>WARD(S) AFFECTED:</b>       | <b>ALL</b>   | <b>TERMS OF REFERENCE: FM08</b>                |

## **1.0 Recommendations**

- 1.1 That the latest revenue financial position for 2021/22 as detailed in the report is considered and approved.

## **2.0 Purpose of the Report**

- 2.1 To provide an update on performance against budget for 2021/22.
- 2.2 The report details performance up to 30 September 2021 unless otherwise stated and is an update of income and expenditure for 2021/22.
- 2.3 The report covers the General Fund income and expenditure and an update to the MTFP.
- 2.4 To provide an update on the Council's additional costs due to the COVID-19 pandemic.

## **3.0 Detail**

- 3.1 Apart from Council housing, day-to-day revenue income and expenditure for Council services is accounted for through the General Fund. The net expenditure is financed through the Council's Core Spending Power which includes:

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

- 3.2 The Base Budget for 2021/22 approved in February 2021 estimated a budget deficit of £100,984. As reported in August, the budgeted deficit was increased to £379,116

due to a review of contingent sums. A further update has now been made due to the potential pay award for employees of £151,713 which is currently under negotiation for 2021/22. The deficit is now estimated at £530,289.

- 3.3 In November 2020, the Government published the Spending Review 2020. As part of the response to the economic impact of the COVID-19 pandemic, the Chancellor announced that public sector pay increases would be paused for 2021/22, with the exception of NHS staff.
- 3.4 Negotiations regarding public sector pay have been undertaken during 2021 and the National Employers have offered a settlement for the 2021/22 financial year. This has not yet been agreed by the Unions and is still in negotiation. Nothing was included in the MTFP for a pay award in 2021/22 after the Chancellor's announcement and the potential impact to the financial position is significant.
- 3.5 An update to the General Fund financial position as a result of the potential pay is listed within the MTFP in **Appendix 1**. This shows that the General Reserve Balance is now projected to be at approximately £833,408 by 2025/26, assuming projected deficits will be financed from General Reserves between 2021 and 2026. This balance is now below the minimum requirement of £1.5m. On these projections, the balance then falls into deficit by 2027 so the financial position needs to be kept under close review.
- 3.6 The biggest uncertainty remains future Government funding and further details are awaited ahead of the financial settlement for 2022/23.
- 3.7 A summary of the current MTFP position is listed in the following table.

|                                 | Budget<br>£<br>2021.22 | Projection<br>£<br>2022.23 | Projection<br>£<br>2023.24 | Projection<br>£<br>2024.25 | Projection<br>£<br>2025.26 | Projection<br>£<br>2026.27 |
|---------------------------------|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| RESERVE BALANCE B/FWD           | -13,193,524            | -11,614,027                | -9,706,039                 | -7,108,402                 | -4,180,307                 | -833,408                   |
| NET SERVICE EXPENDITURE         | 13,738,682             | 14,211,376                 | 14,590,431                 | 14,958,492                 | 15,349,963                 | 15,769,070                 |
| CONTINGENT SUMS                 | 511,802                | 683,367                    | 898,116                    | 821,101                    | 849,985                    | 888,125                    |
| <b>TOTAL PROJECTED SPENDING</b> | <b>14,250,484</b>      | <b>14,894,743</b>          | <b>15,488,547</b>          | <b>15,779,593</b>          | <b>16,199,947</b>          | <b>16,657,195</b>          |
| TOTAL FINANCING                 | -13,720,196            | -13,503,754                | -13,406,910                | -13,366,498                | -13,374,548                | -13,675,822                |
| CAPITAL CONTRIBUTIONS           | 1,049,208              | 517,000                    | 516,000                    | 515,000                    | 521,500                    | 528,000                    |
| <b>DEFICIT FOR THE YEAR</b>     | <b>1,579,497</b>       | <b>1,907,989</b>           | <b>2,597,637</b>           | <b>2,928,095</b>           | <b>3,346,899</b>           | <b>3,509,373</b>           |
| RESERVE BALANCE C/FWD           | -11,614,027            | -9,706,039                 | -7,108,402                 | -4,180,307                 | -833,408                   | 2,675,965                  |

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

|                                       | £              |
|---------------------------------------|----------------|
| Provision for "off-payroll" payments  | 10,000         |
| Waste Collection and Recycling        | 50,000         |
| Potential Pay Award                   | 151,173        |
| Growth                                | 32,630         |
| Pension Earmarked Reserve Drawdown    | -41,122        |
| Administration of Child Care Vouchers | 1,750          |
| Licensing Post Upgrade                | 2,445          |
| PCI Compliance                        | 17,235         |
| Payroll Service Outsourcing           | 32,376         |
| Parish and Concurrent Functions       | 13,488         |
| Local Plan Provision                  | 15,000         |
| Temporary Post Adjustments            | -16,447        |
| Operational Services Growth           | 243,274        |
| <b>Total</b>                          | <b>511,802</b> |

### Position as at September 2021

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

## COMMITTEE SUMMARY - BUDGET MONITORING SEPTEMBER 2021

### Summary by Policy Committee

| REVENUE                                | ANNUAL                |                       |                         | RESERVES         |                       |
|--|-----------------------|-----------------------|-------------------------|------------------|-----------------------|
|  | Full Year Budget<br>£ | Projected Actual<br>£ | Projected Variance<br>£ | Earmarked<br>£   | Net effect on GF<br>£ |
| Environmental and Development Services | 6,227,089             | 6,154,602             | 72,487                  | 51,101           | 21,386                |
| Housing and Community Services         | 2,650,462             | 2,181,328             | 469,134                 | 477,810          | -8,676                |
| Finance and Management                 | 6,038,722             | 3,366,555             | 2,672,168               | 2,427,553        | 244,616               |
| <b>TOTAL</b>                           | <b>14,916,273</b>     | <b>11,702,484</b>     | <b>3,213,789</b>        | <b>2,956,464</b> | <b>257,326</b>        |

3.10 The above table shows that net expenditure is expected to be £3,213,789 lower than budget but transfers to Earmarked Reserves of £2,956,464 due to grant income and external contributions received under Section 106 agreements for projects which stretch beyond the current financial year are required. This funding is transferred to specific reserves and drawn down to finance expenditure when it is incurred.

3.11 Excluding transfers to specific reserves, the above table shows that based on current spending, there is a projected decrease in expenditure across services of approximately £257,326 which would reduce the overall deficit noted at 3.2.

3.12 An analysis by the main service areas is shown in the following table with more detail by specific cost centre included in **Appendix 2**.

**COMMITTEE SUMMARY - BUDGET MONITORING SEPTEMBER 2021**

**Summary by Service Area**

| REVENUE  | ANNUAL                   |                          |                            | RESERVES         |                             |
|--|--------------------------|--------------------------|----------------------------|------------------|-----------------------------|
|  | Full Year<br>Budget<br>£ | Projected<br>Actual<br>£ | Projected<br>Variance<br>£ | Earmarked<br>£   | Net<br>effect<br>on GF<br>£ |
| Economic Development                           | 344,350                  | 343,947                  | 403                        | 0                | 403                         |
| Environmental Services                         | 809,185                  | 794,931                  | 14,254                     | 153              | 14,101                      |
| Highways & Parking                             | 61,801                   | 56,348                   | 5,453                      | 0                | 5,453                       |
| Licensing & Land Charges                       | -1,566                   | 127,031                  | -128,598                   | 0                | -128,598                    |
| Planning                                       | 638,628                  | 474,830                  | 163,798                    | 33,000           | 130,798                     |
| Street Scene                                   | 1,194,076                | 1,125,838                | 68,239                     | 17,948           | 50,291                      |
| Waste & Transport                              | 3,180,615                | 3,231,677                | -51,062                    | 0                | -51,062                     |
| Community Development & Support                | 698,302                  | 688,088                  | 10,214                     | 11,950           | -1,736                      |
| Recreational Activities                        | 152,990                  | 158,386                  | -5,397                     | 0                | -5,397                      |
| Leisure Centres & Community Facilities         | 757,807                  | 424,455                  | 333,353                    | 331,305          | 2,047                       |
| Parks & Open Spaces                            | 577,272                  | 576,948                  | 324                        | 0                | 324                         |
| Private Sector Housing                         | 464,091                  | 333,451                  | 130,640                    | 134,555          | -3,915                      |
| Central Support Services                       | 4,075,360                | 4,006,725                | 68,635                     | 6,772            | 61,863                      |
| Corporate & Democratic Costs                   | 534,770                  | 509,771                  | 24,998                     | 0                | 24,998                      |
| Elections & Registration                       | 228,425                  | 186,605                  | 41,820                     | 0                | 41,820                      |
| Parishes, Interest, S106 Receipts & Provisions | 769,221                  | -1,630,470               | 2,399,691                  | 2,378,281        | 21,411                      |
| Estate Management                              | -245,318                 | -284,009                 | 38,691                     | 0                | 38,691                      |
| Revenues & Benefits                            | 676,265                  | 577,932                  | 98,333                     | 42,500           | 55,833                      |
|  | <b>14,916,273</b>        | <b>11,702,484</b>        | <b>3,213,789</b>           | <b>2,956,464</b> | <b>257,326</b>              |

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

**GENERAL FUND VARIANCE TO BUDGET SEPTEMBER 2021**

|  | <b>£'000</b>  |
|--|---------------|
| Salary savings (vacancies, maternity etc.) - E&D | 796           |
| Salary savings (vacancies, maternity etc.) - F&M | 203           |
| Salary savings (vacancies, maternity etc.) - H&C | 155           |
| <b>Total Employee</b>                            | <b>1,154</b>  |
| Increased Planning Fee Income                    | 167           |
| Waste Disposal                                   | 150           |
| Election Savings                                 | 42            |
| Professional Fees - Finance and NNDR Collection  | 40            |
| Commercial Income                                | 28            |
| Investment Income                                | 21            |
| Unbudgeted Grant Income                          | 16            |
| Extra Refuse Collections                         | 10            |
| PSAA Audit Rebate                                | 8             |
| Members Allowance, Room Hire and Training        | 8             |
| <b>Total Favourable Variances</b>                | <b>1,644</b>  |
| Responsive Tree Works in Churchyards             | -6            |
| Emergency Fire Support and Flood Mitigation      | -8            |
| Bank Charges                                     | -10           |
| Freighter Parking Charges                        | -12           |
| Legal Support for Tender                         | -12           |
| Recycling Calendars                              | -13           |
| Telephone and Data Charges                       | -14           |
| Bin and Sack Purchases                           | -15           |
| Head of Service Recruitment                      | -17           |
| PWC Vision Reform                                | -19           |
| Fuel   | -20           |
| Vehicle Spare Parts                              | -30           |
| Vehicle Hire                                     | -84           |
| Agency and Consultancy Costs                     | -1,123        |
| Other Variances (net)                            | -4            |
| <b>Total Adverse Variances</b>                   | <b>-1,387</b> |
| <b>TOTAL - OVERALL PROJECTED VARIANCE</b>        | <b>257</b>    |

3.14 Salary savings in year relate to vacancies and maternity but these savings are mainly offset by agency and consultancy to support services. Recruitment costs of £17k for the new Head of Culture and Community Services were not budgeted for but are partially offset by a saving of £7k for the vacancy within Community Centres. The following table shows the expected costs and savings on staffing in year.

|   | Employee Saving<br>£'000 | Agency Cost<br>£'000 | Variance<br>£'000 |                                     |
|---|--------------------------|----------------------|-------------------|-------------------------------------|
| Recycling                                     | 330                      | -390                 | -60               | Recruitment in progress             |
| Parks and Open Spaces                         | 120                      | -117                 | 3                 | Recruitment in progress             |
| Street Scene                                  | 106                      | -51                  | 55                | Recruitment in progress             |
| Planning                                      | 95                       | -136                 | -41               | Vacancies                           |
| Direct Services Administration and Management | 81                       | -78                  | 3                 | Recruitment in progress             |
| Legal   | 69                       | -26                  | 47                | Recruitment in progress             |
| Land Charges                                  | 61                       | -180                 | -119              | Vacancies - Lichfield DC supporting |
| Revenues and Customer Services                | 58                       | 0                    | 58                | Vacancies                           |
| Economic Development                          | 53                       | -54                  | -1                | Vacant post                         |
| Waste and Transport                           | 47                       | -30                  | 17                | Vacancy plus sickness               |
| Property and Public Buildings                 | 38                       | -2                   | 36                | Vacancies                           |
| Democratic                                    | 29                       | 0                    | 29                | Long-term sickness                  |
| Organisational Development                    | 28                       | -5                   | 23                | Vacancy recruited                   |
| Rosliston                                     | 22                       | -13                  | 9                 | Vacant post                         |
| Environmental                                 | 14                       | -6                   | 8                 | Vacancy recruited                   |
| Community Centres                             | 12                       | -5                   | 7                 | Vacant post                         |
| Licensing                                     | 10                       | -24                  | -14               | Maternity cover                     |
| Business Change                               | 4                        | -6                   | -2                | Long-term sickness                  |
| Finance                                       | -23                      | 0                    | -23               | Professional fees offset cost       |
|   | <b>1,154</b>             | <b>-1,123</b>        | <b>35</b>         |                                     |

### Favourable Variances

- 3.15 Planning applications are significantly higher than forecast and have picked up considerably in the past few months after a lower number during 2020/21. There is no slowdown in applications expected at this stage.
- 3.16 Contributions from Derbyshire County Council are higher than budget on waste disposal due to higher levels of green waste and recycling due to the pandemic. This is in line with the outturn position in 2020/21 where higher levels of income were seen due to stock piling of food during the pandemic. Extra collections are also higher than budget in line with the receipt for waste disposal but an increase in provision of bins and sacks more than offsets this additional income.
- 3.17 In addition to the increased income for waste disposal, the costs of recycling were over accrued at the year-end resulting in any costs received in 2021/22 being offset against the accrual. This will leave a favourable variance for the first half of the year at approximately £60k which is included within the £150k favourable variance noted in the table at 3.12.
- 3.18 Savings are expected on Conducting Elections (£22k) and Registration of Electors (£20k). Grant income of £31k was received for COVID safe practices during the recent elections of which costs of only £9k have been incurred. Changes to the canvas has also been implemented resulting in no casual staffing costs.
- 3.19 Professional fee savings are being seen in Finance (£38k) due to the payroll service remaining in-house at this stage. Costs are being incurred for the unbudgeted payroll

post, but this is covered by the saving. An additional saving of £2k is also being seen in NNDR Collection due to over budgeting for expected costs.

- 3.20 Income from letting industrial units (£18k) and collection of trade waste (£10k) are exceeding budget. This is not expected to alter at this stage but is being kept under review in light of potential business failures due to the pandemic.
- 3.21 Investment income is greater than budget due to the large value of cash deposits held by the Council. £4m is currently invested in a longer-term high interest account with an average return of 4%. The budget for investment income is prudently based on a low interest receivable percentage and is therefore likely to exceed the budget.
- 3.22 Grant income has been received for the administration of Housing Benefits. Costs have already been incurred against this sum in year due to resourcing for changes brought on by the pandemic but the remaining balance of £16k is expected to be surplus.
- 3.23 Savings are being made due to vacancies and training costs for elected Members. It is expected that costs will be incurred as the year progresses with a small saving overall.
- 3.24 Public Sector Audit Appointments have issued a rebate of £8k to the Council which was unbudgeted.

### **Adverse Variances**

- 3.25 Emergency tree works have been undertaken in churchyards to ensure health and safety measures are in place (£8k) and other emergency works on flood mitigation in Melbourne and equipment for a serious fire in Hilton have also been required (£6k).
- 3.26 Due to the additional number of transactions being processed through the Council's bank account, higher costs than budgeted are being incurred. These costs are covered however by the increase in investment income.
- 3.27 Recycling costs have been incurred for the annual calendars which was unbudgeted. Additional costs for fuel in excess of the budget approved in August (£20k) are being seen and costs for parking of the Recycling freighters are being incurred due to there being no room at the Depot to store the vehicles overnight. This cost is expected to continue. Legal charges were also incurred for support for the tender for the new recycling contract (£12k).
- 3.28 Costs in excess of the budget are being seen on mobile and land line telephones. Mobile data usage (£7k) has increased over the last 18 months due to working from home and the Council is incurring additional line charges for the land lines (£7k). This is currently under investigation.

### **Risk Areas**

#### **Recycling Contract**

- 3.29 As reported in early August to the Committee, the recycling service went out to tender during 2021 and three contractors were appointed for bulking, transportation and disposal of waste with the Council's Operational Services team to continue with recycling collection.

- 3.30 The approval includes a risk share of the sales price of materials disposed of by the two main contractors. Sales prices are determined and based on the Letsrecycle.com website and full analysis of the risk was presented to the Committee in August.
- 3.31 Although the contract and revised way of working did not officially start until 7 October 2021, the table below confirms how the Council would have performed on income generation in the first quarter had the change to service delivery occurred at the start of the financial year.

| Quarter 1                             | Tonnes | £                      |
|---------------------------------------|--------|------------------------|
| Mixed papers                          | 725.68 | -61,442                |
| Aluminium cans                        | 55.00  | -46,865                |
| Steel cans                            | 101.21 | -19,208                |
| Clear blue PET                        | 0.72   | -173                   |
| HDPE natural                          | 281.73 | -66,193                |
| PTT - pots, tubs, trays               | 0.00   | 0                      |
| Glass                                 | 969.83 | -5,399                 |
| General waste                         | 95.64  | 9,373                  |
| <b>Lets Recycle Income Generation</b> |        | <b><u>-189,906</u></b> |

- 3.32 As can be seen above, income on materials for the first quarter of 2021/22 performed well and the Council would have seen income above the required amount for the service to be within the approved expenditure budget. As part of the tender, general waste is chargeable to the Council, but it is expected that as the contract progresses, the tonnage for general waste will reduce as the contractor will find more of the materials previously considered as general waste to be recyclable.
- 3.33 To ensure the recycling costs are kept within the approved budget of £920k, an income of approximately £400k needs to be generated in the year.
- 3.34 Past performance is of course no guarantee of future performance, but it is hoped that the continued growth in recycling will remain and result in a benefit longer-term to the General Fund. £300,000 has been set-aside in earmarked reserves to protect against a fall in prices and an additional £50,000 provision has been updated within the MTFP over the life of the plan.
- 3.35 It is intended to update the Committee each quarter with details of the recycling contract identifying any risks and potential benefits as the new service model begins.

### **Vacancies**

- 3.36 As can be seen at the table in 3.13, there are a significant number of vacant posts within the General Fund. Whilst a number of these are in the process of being recruited, there are areas where significant costs are being incurred to support services.
- 3.37 The main financial risk to note is that due to the current economic climate, there are vacant roles within service areas that may be difficult to recruit into due either to a shortage of candidates or market salary levels being greater than the Council's core evaluated pay structure.
- 3.38 This is an area being kept under review by the Leadership Team.

## **Land Charges**

- 3.39 The Council has been in discussion with Lichfield District Council regarding the delivery of the service for some time.
- 3.40 Currently and as can be seen from the table at 3.13, there are full vacancies for the service as Lichfield are overseeing this area whilst the negotiations are underway. The cost of support from Lichfield is escalating month on month since the support began and on current estimates, is expected to be approximately £180k by March.
- 3.41 Alongside the costs from Lichfield, additional costs for computer licences have been incurred of £5k to access the new system which were unbudgeted.
- 3.42 Land searches however have increased during the year and there is expected to be a favourable outturn of approximately £14k on income.
- 3.43 Overall, whilst negotiations are ongoing and based on the current monitoring data, the Council is likely to incur costs of approximately £110k over the approved budget in 2021/22.

## **Housing Benefit**

- 3.44 The Council has an allowance for errors for awarding housing benefit incorrectly and generally keeps within this limit each year.
- 3.45 If errors are less than or equal to 0.48% of total benefit awarded, the Council is able to keep 100% of the benefit issued through the subsidy. If errors are between 0.49% and 0.54%, the Council retains 40% of the total error awarded.
- 3.46 In 2021/22, one particularly difficult claim has resulted in a benefit error of £15k going back to 2015. This now creates a risk to the overall error rate reported through the subsidy system. The Council has an error rate of around £40k per annum which is generally fully reclaimable, but this one large error could potentially put us above the 0.54% error rate in year.
- 3.47 The Benefits team is working on processes and is hopeful that they will still fall below the 0.54% error rate. If however this is not achieved, a reduction in subsidy of up to £60k could be seen in year which would be an unbudgeted General Fund cost.

## **COVID-19 Funding**

- 3.48 The Government has issued £490k of additional funding in quarter one to assist with additional expenditure due to the Pandemic.
- 3.49 During 2020/21, the Council received four tranches of funding for expenditure pressures totalling just over £1.4m. A carry forward of £181k into 2021/22 was approved as part of the outturn report in July 2021.
- 3.50 The following table shows the funding received, the carry forward from 2020/21 and the expected expenditure during 2021/22.

|                                   | £                      |
|-----------------------------------|------------------------|
| Bought Forward 2020/21            | -181,218               |
| Grant Payment Q1                  | -490,231               |
| <b>Total Funding</b>              | <b>-671,449</b>        |
| Agency                            | 86,255                 |
| ICT and Home Working              | 59,761                 |
| Discretionary Grant Awards        | 75,072                 |
| Recycling Costs                   | -11,257                |
| Overtime                          | 31,670                 |
| Committee Sound System and Chairs | 42,430                 |
| Car Parking Deficit               | 7,222                  |
| Kennelling Costs                  | 36,805                 |
| Bank Charges                      | 5,970                  |
| Audit Fees                        | 12,941                 |
| PPE                               | 13,059                 |
| Election Costs                    | -5,360                 |
| Cleaning of Public Buildings      | 3,986                  |
| Vehicle Hire                      | 8,979                  |
| <b>Total Predicted Impact</b>     | <b>367,534</b>         |
| <b>Remaining Funding</b>          | <b><u>-303,915</u></b> |

- 3.51 Expenditure as noted above is a prediction of potential costs in 2021/22. It is assumed that agency and vehicle hire will continue until at least the year-end.
- 3.52 Costs for kennelling animals under the Animal Welfare Act are no longer being incurred as the court case has now been heard. The animals have been rehomed and therefore there will be no further costs to offset.
- 3.53 Overtime costs are being incurred for additional work related to the Business Grant schemes and Test and Trace. It is expected based on current data that these schemes will wind down by the Winter. In addition to the overtime, banking costs are being incurred for same day payments for the schemes. These are now being offset against the Covid funding.
- 3.54 The cleaning regime currently in place in Public Buildings is expected to continue for the remainder of the year and PPE expenditure is likely to remain at a higher level for at least the first two quarters.
- 3.55 Most employees are now set up to work from home where they are able to but there are still potentially areas of cost yet to be seen. This will be kept under review pending a decision on future working arrangements.
- 3.56 The Council set-aside £100k for discretionary grant purposes where businesses and charitable organisations did not qualify for a mandatory Business Grant. As at 30 September, £24,928 of this fund has been utilised. It is assumed that the remainder will be spent in year.
- 3.57 A larger deficit for car parking penalties than is usually incurred in 2020/21 has been charged to the Council after the Accounts have been concluded by the County Council. After analysis it is believed that the larger than normal deficit is due to the

lack of car parking across the District over the pandemic resulting in less parking fines being issued.

- 3.58 The Council has been notified of additional external audit fees in relation to increased work around the Council's going concern and valuations for the 2019/20 audit due to the COVID-19 pandemic.
- 3.59 A credit amount for Recycling is now sitting within the summary table due to an over accrual at the year-end for the contract. This in effect was a bigger draw down than required in 2020/21 and is to be rectified in 2021/22.
- 3.60 A credit has also been seen for Elections costs. These costs were expected to be funded by the additional COVID grant received by the Council during 2020/21 but the Council has since received a large grant for Election safety as noted earlier in the report.
- 3.61 Income losses are not yet included within the table. Analysis is continually being carried out and most of the losses are expected to be recouped by the year-end. Any shortfall on income that is directly related to the pandemic will be offset against the grant income at the year-end.

### **Core Grants and Funding**

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

|                           | £                        |
|---------------------------|--------------------------|
| Council Tax               | 5,915,215                |
| Retained Business Rates   | 3,779,996                |
| Lower Tier Services Grant | 519,414                  |
| New Homes Bonus           | 3,381,517                |
| Collection Fund Surplus   | 124,054                  |
| <b>Total Funding</b>      | <b><u>13,720,196</u></b> |

- 3.63 The final amount retained for Business Rates will depend upon income and expenditure during the year, which includes provisions and any return from the Derbyshire Business Rates Pool.
- 3.64 Performance of the Pool is reported quarterly to all Derbyshire S151 Officers, but nothing has yet been reported on the second quarter performance. There is a risk due to the pandemic that the Business Rates position for authorities across Derbyshire and potential losses in income will be seen which will impact on better performing authorities. It is still unknown at this stage how the Council will be impacted in 2021/22.

## **4.0 Financial Implications**

- 4.1 Detailed in the report.

## **5.0 Corporate Implications**

### **Employment Implications**

5.1 None.

### **Legal Implications**

5.2 None.

### **Corporate Plan Implications**

5.3 There are no specific targets within the Corporate Plan but ensuring sustainability of the Council's financial position enables services to deliver targets included with the Plan.

### **Risk Impact**

5.4 None.

## **6.0 Community Impact**

### **Consultation**

6.1 None.

### **Equality and Diversity Impact**

6.2 None.

### **Social Value Impact**

6.3 None.

### **Environmental Sustainability**

6.4 None.

## **7.0 Background Papers**

7.1 None.

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

|  | Budget<br>£<br>2021.22 | Projection<br>£<br>2022.23 | Projection<br>£<br>2023.24 | Projection<br>£<br>2024.25 | Projection<br>£<br>2025.26 | Projection<br>£<br>2026.27 |
|--|------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>BASE BUDGET</b>   |                        |                            |                            |                            |                            |                            |
| Environmental & Development  | 6,227,089              | 6,460,107                  | 6,626,586                  | 6,797,424                  | 6,971,713                  | 7,153,047                  |
| Housing & Community  | 2,650,462              | 2,792,946                  | 2,844,411                  | 2,897,581                  | 2,951,322                  | 3,021,669                  |
| Finance & Management   | 6,038,722              | 6,198,526                  | 6,366,623                  | 6,536,299                  | 6,707,819                  | 6,881,426                  |
| <b>Net Service Expenditure</b>   | <b>14,916,273</b>      | <b>15,451,579</b>          | <b>15,837,621</b>          | <b>16,231,304</b>          | <b>16,630,853</b>          | <b>17,056,142</b>          |
| <b>Accounting Adjustments</b>  |                        |                            |                            |                            |                            |                            |
| Reverse out Depreciation   | -1,435,413             | -1,435,413                 | -1,435,413                 | -1,435,413                 | -1,435,413                 | -1,435,413                 |
| Minimum Revenue Provision (MRP)  | 181,932                | 174,654                    | 167,668                    | 160,962                    | 154,523                    | 148,342                    |
| Voluntary Revenue Provision (VRP - Recycling Bins & Grove Active Zone) | 75,891                 | 20,556                     | 20,556                     | 1,639                      | 0                          | 0                          |
|  | <b>13,738,682</b>      | <b>14,211,376</b>          | <b>14,590,431</b>          | <b>14,958,492</b>          | <b>15,349,963</b>          | <b>15,769,070</b>          |
| <b>Add: Known Variations</b>   |                        |                            |                            |                            |                            |                            |
| Vehicle Maintenance Plan (Tyres and Spare Parts)                       | 0                      | 23,000                     | 20,000                     | 55,000                     | 55,000                     | 55,000                     |
| Operational Services - Allocated Growth Excluded From Base Budget      | 243,274                | 146,652                    | 382,329                    | 160,367                    | 164,376                    | 168,486                    |
| Growth Provision Drawdown  | 0                      | 0                          | -172,294                   | 0                          | 0                          | 0                          |
| Licensing Posts Regrade - approved July 2021                           | 2,445                  | 3,893                      | 6,200                      | 8,536                      | 8,735                      | 8,953                      |
| PCI Compliance Reported January 2021                                   | 17,235                 | 17,235                     | 17,235                     | 17,235                     | 17,235                     | 17,235                     |
| Parish Concurrent Functions and Grants to Voluntary Bodies             | 13,488                 | 13,488                     | 13,488                     | 13,488                     | 13,488                     | 13,488                     |
| Payroll Service Transfer Reported June 2021                            | 32,376                 | -39,119                    | -39,019                    | -38,905                    | -38,779                    | -38,779                    |
| Local Plan Review  | 15,000                 | 15,000                     | 0                          | 0                          | 0                          | 0                          |
| Potential Pay Award  | 151,173                | 154,952                    | 158,826                    | 162,797                    | 166,867                    | 171,038                    |
| Incremental Salary Increases   | 0                      | 21,842                     | 22,388                     | 22,948                     | 23,522                     | 0                          |
| Investment Income  | 0                      | 11,000                     | 51,000                     | 68,040                     | 70,000                     | 70,000                     |
| Administration of Childcare Vouchers                                   | 1,750                  | 1,750                      | 1,750                      | 1,750                      | 1,750                      | 1,750                      |
| Temporary Posts, Rosliston and Grants                                  | -16,447                | -100,298                   | -86,943                    | -95,844                    | -80,410                    | 0                          |
| Potential Cost of New Waste Disposal Site                              | 0                      | 47,560                     | 49,938                     | 52,435                     | 55,057                     | 57,809                     |
| Potential Loss of Industrial Unit Income                               | 0                      | 190,000                    | 190,000                    | 190,000                    | 190,000                    | 190,000                    |
| Pension Earmarked Reserve Drawdown                                     | -41,122                | -43,589                    | -6,783                     | 0                          | 0                          | 0                          |
| District Election May 2023   | 0                      | 0                          | 125,000                    | 0                          | 0                          | 0                          |
| <b>TOTAL ESTIMATED SPENDING</b>  | <b>14,157,854</b>      | <b>14,674,743</b>          | <b>15,323,547</b>          | <b>15,576,339</b>          | <b>15,996,803</b>          | <b>16,484,051</b>          |
| <b>Provisions</b>  |                        |                            |                            |                            |                            |                            |
| Provision for Employer's NIC on "off-payroll" payments                 | 10,000                 | 10,000                     | 10,000                     | 10,000                     | 10,000                     | 10,000                     |
| Contingent Sum - Growth  | 32,630                 | 160,000                    | 105,000                    | 143,254                    | 143,144                    | 113,144                    |
| Waste and Recycling  | 50,000                 | 50,000                     | 50,000                     | 50,000                     | 50,000                     | 50,000                     |
| <b>TOTAL PROJECTED SPENDING</b>  | <b>14,250,484</b>      | <b>14,894,743</b>          | <b>15,488,547</b>          | <b>15,779,593</b>          | <b>16,199,947</b>          | <b>16,657,195</b>          |

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

|   | Proposed<br>Budget<br>£<br>2021.22 | Projection<br>£<br>2022.23 | Projection<br>£<br>2023.24 | Projection<br>£<br>2024.25 | Projection<br>£<br>2025.26 | Projection<br>£<br>2026.27 |
|---|------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>FINANCING</b>                                    |                                    |                            |                            |                            |                            |                            |
| Business Rates Retention                            | -3,779,996                         | -3,779,996                 | -3,779,996                 | -3,779,996                 | -3,779,996                 | -3,779,996                 |
| Lower Tier Services Grant Allocation                | -519,414                           | -2,388,033                 | -3,159,592                 | -2,843,633                 | -2,559,270                 | -2,559,270                 |
| New Homes Bonus                                     | -3,381,517                         | -1,122,625                 | 0                          | 0                          | 0                          | 0                          |
| Council Tax Income                                  | -5,915,215                         | -6,158,100                 | -6,412,322                 | -6,687,869                 | -6,980,282                 | -7,281,557                 |
| <b>Core Spending Power</b>                          | <b>-13,596,142</b>                 | <b>-13,448,754</b>         | <b>-13,351,910</b>         | <b>-13,311,498</b>         | <b>-13,319,548</b>         | <b>-13,620,822</b>         |
| Add Estimated Collection Fund Surplus - Council Tax | -124,054                           | -55,000                    | -55,000                    | -55,000                    | -55,000                    | -55,000                    |
| <b>TOTAL FINANCING</b>                              | <b>-13,720,196</b>                 | <b>-13,503,754</b>         | <b>-13,406,910</b>         | <b>-13,366,498</b>         | <b>-13,374,548</b>         | <b>-13,675,822</b>         |
| <b>Revenue Surplus (-) / Deficit</b>                | <b>530,289</b>                     | <b>1,390,989</b>           | <b>2,081,637</b>           | <b>2,413,095</b>           | <b>2,825,399</b>           | <b>2,981,373</b>           |
| <b>Capital Contributions</b>                        |                                    |                            |                            |                            |                            |                            |
| Melbourne Sports Park Drainage                      | 166,020                            | 0                          | 0                          | 0                          | 0                          | 0                          |
| IT and Digital Strategy                             | 166,000                            | 160,000                    | 160,000                    | 160,000                    | 166,500                    | 173,000                    |
| Purchase of Town Centre Land                        | 44,335                             | 0                          | 0                          | 0                          | 0                          | 0                          |
| Community Partnership Scheme                        | 264,853                            | 0                          | 0                          | 0                          | 0                          | 0                          |
| Rosliston Forestry Centre - Play Project            | 50,000                             | 0                          | 0                          | 0                          | 0                          | 0                          |
| Asset Replacement and Renewal Fund                  | 358,000                            | 357,000                    | 356,000                    | 355,000                    | 355,000                    | 355,000                    |
| <b>TOTAL CAPITAL CONTRIBUTION</b>                   | <b>1,049,208</b>                   | <b>517,000</b>             | <b>516,000</b>             | <b>515,000</b>             | <b>521,500</b>             | <b>528,000</b>             |
| <b>TOTAL GENERAL FUND DEFICIT</b>                   | <b>1,579,497</b>                   | <b>1,907,989</b>           | <b>2,597,637</b>           | <b>2,928,095</b>           | <b>3,346,899</b>           | <b>3,509,373</b>           |
| <b>GENERAL FUND RESERVE BALANCE</b>                 |                                    |                            |                            |                            |                            |                            |
| Balance b/fwd                                       | -13,193,524                        | -11,614,027                | -9,706,039                 | -7,108,402                 | -4,180,307                 | -833,408                   |
| Revenue Surplus (-) / Deficit                       | 530,289                            | 1,390,989                  | 2,081,637                  | 2,413,095                  | 2,825,399                  | 2,981,373                  |
| Capital Contributions                               | 1,049,208                          | 517,000                    | 516,000                    | 515,000                    | 521,500                    | 528,000                    |
| <b>Balance c/fwd</b>                                | <b>-11,614,027</b>                 | <b>-9,706,039</b>          | <b>-7,108,402</b>          | <b>-4,180,307</b>          | <b>-833,408</b>            | <b>2,675,965</b>           |

## ENVIRONMENTAL &amp; DEVELOPMENT SERVICES - BUDGET MONITORING SEPTEMBER 2021

## SUMMARY OF PERFORMANCE

|   | Budget<br>£    | Projected<br>Actual<br>£ | Variance<br>£   | RESERVES       |                      |  |
|---|----------------|--------------------------|-----------------|----------------|----------------------|--|
|   |                |                          |                 | Earmarked<br>£ | General<br>Fund<br>£ |  |
| Tourism Policy, Marketing & Development | 61,071         | 61,071                   | 0               |                | 0                    |  |
| Promotion and Marketing of the Area     | 273,252        | 272,849                  | 403             |                | 403                  | Fav pay £53k, subsistence £1k; adv agency £54k                                   |
| Community Development                   | 10,027         | 10,027                   | -0              |                | -0                   |  |
| <b>ECONOMIC DEVELOPMENT</b>             | <b>344,350</b> | <b>343,947</b>           | <b>403</b>      | <b>0</b>       | <b>403</b>           |  |
| Food Safety                             | 81,771         | 79,394                   | 2,378           |                | 2,378                | Fav pay £8k; adv agency £6k  |
| Pollution Reduction                     | 410,289        | 393,282                  | 17,007          |                | 17,007               | Fav pay £12k, consultancy income £5k   |
| Pest Control                            | 15,752         | 11,280                   | 4,472           |                | 4,472                | Fav pay £4k  |
| Public Health                           | 0              | 0                        | -0              |                | -0                   |  |
| Public Conveniences                     | 30,367         | 30,486                   | -119            |                | -119                 |  |
| Community Safety (Safety Services)      | 173,485        | 183,122                  | -9,637          |                | -9,637               | Adv pay £10k   |
| Environmental Education                 | 95,721         | 95,568                   | 153             | 153            | 0                    |  |
| Welfare Services                        | 1,800          | 1,800                    | 0               |                | 0                    |  |
| <b>ENVIRONMENTAL SERVICES</b>           | <b>809,185</b> | <b>794,931</b>           | <b>14,254</b>   | <b>153</b>     | <b>14,101</b>        |  |
| Environmental Maintenance (Other Roads) | -70,557        | -70,557                  | 0               |                | 0                    |  |
| Public Transport                        | 29,001         | 23,549                   | 5,452           |                | 5,452                | No contract cleaning of bus shelters   |
| Off-Street Parking                      | 103,357        | 103,356                  | 0               |                | 0                    |  |
| <b>HIGHWAYS &amp; PARKING</b>           | <b>61,801</b>  | <b>56,348</b>            | <b>5,453</b>    | <b>0</b>       | <b>5,453</b>         |  |
| Local Land Charges                      | -3,539         | 106,453                  | -109,992        |                | -109,992             | Fav pay £61k, fee income £14k; adv Lichfield support £180k, software licence £5k |
| Licensing                               | 1,973          | 20,579                   | -18,606         |                | -18,606              | Fav pay £10k; adv agency £24k, fee income £5k                                    |
| <b>LICENSING &amp; LAND CHARGES</b>     | <b>-1,566</b>  | <b>127,031</b>           | <b>-128,598</b> | <b>0</b>       | <b>-128,598</b>      |  |

|   |         |         |         |
|---|---------|---------|---------|
| Emergency Planning and Works                  | 16,000  | 19,772  | -3,772  |
| Building Regulations                          | 35,200  | 35,200  | -0      |
| Dealing with Development Control Applications | 281,178 | 138,923 | 142,255 |
| Structure and Local Planning                  | 313,807 | 288,431 | 25,376  |
| Street Name & Numbering                       | -7,556  | -7,496  | -60     |

|        |         |   |
|--------|---------|---|
|        | -3,772  | Emergency works fire in Hilton  |
|        | -0      |   |
| 33,000 | 109,255 | Fav pay £80k, fee income £200k (20% fee to be earmarked); adv agency £136k, staff advertising £2k |
|        | 25,376  | Fav pay £15k, grants £10k   |
|        | -60     |   |

**PLANNING**

**638,628      474,830      163,798**

**33,000      130,798**

|   |         |         |        |
|---|---------|---------|--------|
| Grounds Maintenance                           | 653,399 | 613,825 | 39,573 |
| Countryside Recreation & Management           | 0       | 0       | 0      |
| Street Cleansing (not chargeable to highways) | 540,678 | 512,012 | 28,665 |

|        |        |   |
|--------|--------|---|
|        | 39,573 | Fav pay £39k                                      |
|        | 0      |   |
| 17,948 | 10,717 | Fav pay £67k; adv agency £51k, bins and sacks £5k |

**STREET SCENE**

**1,194,076      1,125,838      68,239**

**17,948      50,291**

|                               |           |           |         |
|-------------------------------|-----------|-----------|---------|
| Household Waste Collection    | 1,745,163 | 1,778,799 | -33,637 |
| Trade Waste Collection        | -99,563   | -109,661  | 10,098  |
| Recycling                     | 450,835   | 447,648   | 3,187   |
| Direct Services Central Admin | 323,206   | 320,191   | 3,015   |
| Transport Services            | 760,974   | 794,699   | -33,726 |

|  |         |  |
|--|---------|--|
|  | -33,637 | Fav pay £30k, DCC contribution £40k, extra collections £10k; adv agency £30k, vehicle hire £84k                                    |
|  | 10,098  | Fav fee income £10k, disposal costs £10k; adv bins & sacks £10k  |
|  | 3,187   | Fav DCC contribution £100k, pay £330k; adv agency £390k, vehicle parking £12k, recycling calendars £13k, legal support tender £12k |
|  | 3,015   | Fav pay £81k; adv agency £78k  |
|  | -33,726 | Fav pay £16k; adv fuel £20k, spare parts £30k  |

**WASTE & TRANSPORT**

**3,180,615      3,231,677      -51,062**

**0      -51,062**

**6,227,089      6,154,602      72,487**

**51,101      21,386**

## HOUSING & COMMUNITY SERVICES - BUDGET MONITORING SEPTEMBER 2021

### SUMMARY OF PERFORMANCE

|                                      | Budget<br>£ | Projected<br>Actual<br>£ | Variance<br>£ |
|--------------------------------------|-------------|--------------------------|---------------|
| General Grants, Bequests & Donations | 300,510     | 300,509                  | 0             |
| Community Centres                    | 210,725     | 255,101                  | -44,376       |
| Community Safety (Crime Reduction)   | 129,952     | 71,202                   | 58,750        |
| Defences Against Flooding            | 56,237      | 60,094                   | -3,857        |
| Market Undertakings                  | 878         | 1,181                    | -303          |
| Village Halls                        | -0          | -0                       | 0             |

| RESERVES       |                      |  |
|----------------|----------------------|--|
| Earmarked<br>£ | General<br>Fund<br>£ |  |
|                | 0                    |  |
| -46,800        | 2,424                | Fav pay £12k; adv agency £5k, fee income £5k |
| 58,750         | 0                    |  |
|                | -3,857               | Adv flooding works across district           |
|                | -303                 | Adv trade waste                              |
|                | 0                    |  |

#### COMMUNITY DEVELOPMENT & SUPPORT

**698,302    688,088    10,214**

**11,950    -1,736**

|                                 |         |         |        |
|---------------------------------|---------|---------|--------|
| Arts Development & Support      | 15,040  | 15,015  | 25     |
| Events Management               | 115,668 | 115,426 | 241    |
| Midway Community Centre         | 13,066  | 18,770  | -5,704 |
| Stenson Fields Community Centre | 9,216   | 9,175   | 42     |

|  |        |   |
|--|--------|---|
|  | 25     |   |
|  | 241    |   |
|  | -5,704 | Adv fee income due to covid and extension |
|  | 42     |   |

#### RECREATIONAL ACTIVITIES

**152,990    158,386    -5,397**

**0    -5,397**

|  |         |          |         |
|--|---------|----------|---------|
| Melbourne Assembly Rooms                     | -1,668  | -1,688   | 20      |
| Get Active in the Forest                     | 31,175  | 34,021   | -2,846  |
| Sports Development & Community Recreation    | 171,118 | -37,785  | 208,903 |
| Indoor Sports & Recreation Facilities        | 537,233 | 535,205  | 2,028   |
| Outdoor Sports & Recreation Facilities (SSP) | 0       | -111,720 | 111,721 |
| Play schemes                                 | 19,950  | 6,422    | 13,528  |

|         |       |                                |
|---------|-------|--------------------------------|
|         | 20    |                                |
| -2,846  | -0    |                                |
| 208,903 | 0     |                                |
|         | 2,028 | Fav utility over accrual 20/21 |
| 111,720 | 0     |                                |
| 13,528  | -0    |                                |

#### LEISURE CENTRES & COMMUNITY FACILITIES

**757,807    424,455    333,353**

**331,305    2,048**

|                           |         |         |        |
|---------------------------|---------|---------|--------|
| Allotments                | -1,091  | -1,075  | -16    |
| Rosliston Forestry Centre | 249,137 | 243,164 | 5,973  |
| Cemeteries                | 18,950  | 18,454  | 496    |
| Closed Churchyards        | 7,241   | 13,371  | -6,130 |
| Parks and Open Spaces     | 303,035 | 303,035 | 0      |

|  |        |   |
|--|--------|---|
|  | -16    |   |
|  | 5,973  | Fav pay £21k, car park income £10k, log cabin income £8k; adv agency £13k, FE contribution £20k |
|  | 496    |   |
|  | -6,130 | Adv reactive tree works   |
|  | 0      | Fav pay £120k; adv agency £110k, grant income £3k, tree consultant £7k                          |

**PARKS & OPEN SPACES**

**577,272    576,948    324**

**0    324**

|   |         |        |         |
|---|---------|--------|---------|
| Housing Standards                                 | 93,369  | 91,272 | 2,097   |
| Housing Strategy                                  | 97,880  | 97,304 | 576     |
| Administration of Renovation & Improvement Grants | 50,298  | 49,331 | 967     |
| Bed / Breakfast Accommodation                     | 6,500   | 3,934  | 2,566   |
| Pre-tenancy Services                              | 190,421 | 58,433 | 131,989 |
| Other Housing Support Costs (GF)                  | 25,623  | 33,177 | -7,554  |

|         |        |   |
|---------|--------|---|
|         | 2,097  | Fav fixed penalties £4k; adv staff advertising £2k        |
|         | 576    | Fav pay £1k   |
|         | 967    | Fav pay £1k   |
| 2,566   | -0     |   |
| 131,989 | -0     |   |
|         | -7,554 | Adv comp maintenance crossover in charges for upgrade £8k |

**PRIVATE SECTOR HOUSING**

**464,091    333,451    130,640**

**134,555    -3,915**

**2,650,462    2,181,328    469,134**

**477,810    -8,676**

## FINANCE & MANAGEMENT - BUDGET MONITORING SEPTEMBER 2021

### SUMMARY OF PERFORMANCE

|   |                  |                          |               | RESERVES       |                      |   |
|---|------------------|--------------------------|---------------|----------------|----------------------|---|
|   | Budget<br>£      | Projected<br>Actual<br>£ | Variance<br>£ | Earmarked<br>£ | General<br>Fund<br>£ |   |
| Business Change                         | 98,042           | 98,231                   | -189          |                | -189                 | Fav pay £4k, training £2k; adv agency £6k                               |
| Digital Services                        | 153,559          | 151,658                  | 1,901         |                | 1,901                | Fav printing £2k  |
| Caretaking                              | 135,993          | 126,414                  | 9,579         |                | 9,579                | Fav pay £17k; adv agency £2k, void clean £5k                            |
| Senior Management                       | 445,826          | 462,508                  | -16,682       |                | -16,682              | Adv HoS recruitment £17k  |
| Financial Services                      | 387,047          | 371,761                  | 15,285        |                | 15,285               | Fav prof fees £38k; adv pay £23k  |
| Internal Audit                          | 109,307          | 114,805                  | -5,499        |                | -5,499               | Adv Inflation   |
| Merchant Banking Services               | 61,200           | 71,101                   | -9,901        |                | -9,901               | Adv increased banking transactions £10k                                 |
| ICT Support                             | 732,555          | 725,607                  | 6,948         | 20,826         | -13,878              | Adv mobile phones £7k, land lines £7k                                   |
| Legal Services                          | 264,534          | 226,454                  | 38,080        |                | 38,080               | Fav pay £69k; adv agency £22k, staff advertising £5k, legal support £4k |
| Performance & Policy                    | 36,720           | 36,710                   | 10            |                | 10                   |   |
| Personnel/HR                            | 361,327          | 348,345                  | 12,982        | 4,946          | 8,036                | Fav pay £15k; adv medical fees £4k, recruitment expenses £3k            |
| Communications                          | 75,667           | 70,444                   | 5,223         |                | 5,223                | Fav pay £10k; consultancy support £5k                                   |
| Customer Services                       | 492,308          | 470,586                  | 21,722        |                | 21,722               | Fav pay £20k; stationary £2k  |
| Health & Safety                         | 48,073           | 44,958                   | 3,114         |                | 3,114                | Fav pay £3k   |
| Admin Offices & Depot                   | 632,236          | 646,473                  | -14,237       | -19,000        | 4,763                | Fav utilities £5k   |
| Protective Clothing                     | 28,819           | 28,545                   | 274           |                | 274                  |   |
| Procurement                             | 12,149           | 12,124                   | 24            |                | 24                   |   |
| <b>CENTRAL SUPPORT SERVICES</b>         | <b>4,075,360</b> | <b>4,006,725</b>         | <b>68,635</b> | <b>6,772</b>   | <b>61,863</b>        |   |
| Democratic Representation & Management  | 85,473           | 57,177                   | 28,296        |                | 28,296               | Fav pay £29k; Cllr investigations £1k                                   |
| Corporate Management                    | 64,458           | 83,506                   | -19,048       |                | -19,048              | PWC vision reform   |
| Corporate Finance Management            | 37,437           | 29,869                   | 7,569         |                | 7,569                | PSAA audit rebate   |
| Elected Members                         | 347,401          | 339,220                  | 8,181         |                | 8,181                | Fav allows £5k, room hire £1k, mileage £2k                              |
| <b>CORPORATE &amp; DEMOCRATIC COSTS</b> | <b>534,770</b>   | <b>509,771</b>           | <b>24,998</b> | <b>0</b>       | <b>24,998</b>        |   |

|                                     |                |                |               |
|-------------------------------------|----------------|----------------|---------------|
| Registration of Electors            | 56,531         | 36,766         | 19,766        |
| Conducting Elections                | 171,893        | 149,840        | 22,054        |
| <b>ELECTIONS &amp; REGISTRATION</b> | <b>228,425</b> | <b>186,605</b> | <b>41,820</b> |

|  |          |  |
|--|----------|--|
|  | 19,766   | Fav canvas saving  |
|  | 22,054   | Fav grant income for covid safety £31k; adv costs of safety measures £9k |
|  | <b>0</b> | <b>41,820</b>  |

|   |                |                   |                  |
|---|----------------|-------------------|------------------|
| Funded Pension Schemes  | 280,072        | 214,030           | 66,042           |
| Increase/Decrease in Provision for Bad or Doubtful Debts (GF) | 175,000        | 175,000           | 0                |
| Planning Agreements   | 0              | -2,312,239        | 2,312,239        |
| Parish Councils   | 417,607        | 417,607           | 0                |
| Interest & Investment Income (GF)                             | -147,585       | -168,997          | 21,411           |
| External Interest Payable (GF)                                | 500            | 500               | 0                |
| Other Operating Income & Expenditure (GF)                     | 43,627         | 43,628            | -1               |
| <b>PARISHES, INTEREST, S106 RECEIPTS &amp; PROVISIONS</b>     | <b>769,221</b> | <b>-1,630,470</b> | <b>2,399,691</b> |

|  |                  |               |                                 |
|--|------------------|---------------|---------------------------------|
|  | 66,042           | 0             | Earmark for pension revaluation |
|  |                  | 0             |                                 |
|  | 2,312,239        | -0            |                                 |
|  |                  | 0             |                                 |
|  |                  | 21,411        | Fav investment income           |
|  |                  | 0             |                                 |
|  |                  | 0             |                                 |
|  | <b>2,378,281</b> | <b>21,411</b> |                                 |

|                          |                 |                 |               |
|--------------------------|-----------------|-----------------|---------------|
| Estate Management        | -245,318        | -284,009        | 38,691        |
| <b>ESTATE MANAGEMENT</b> | <b>-245,318</b> | <b>-284,009</b> | <b>38,691</b> |

|  |          |                         |
|--|----------|-------------------------|
|  | 38,691   | Fav pay £21k, rent £18k |
|  | <b>0</b> | <b>38,691</b>           |

|  |                |                |               |
|--|----------------|----------------|---------------|
| Council Tax Collection                   | 116,327        | 107,519        | 8,808         |
| Non Domestic Rates Collection            | -84,500        | -86,418        | 1,918         |
| Revenues & Benefits Support & Management | 136,633        | 107,389        | 29,244        |
| Rent Allowances Paid                     | 53,047         | 53,048         | -1            |
| Net cost of Rent Rebates Paid            | 81,999         | 81,999         | 0             |
| Corporate Fraud                          | 45,474         | 45,474         | 0             |
| Housing Benefits Administration          | 327,285        | 269,161        | 58,124        |
| Concessionary Fares                      | 0              | -240           | 240           |
| <b>REVENUES &amp; BENEFITS</b>           | <b>676,265</b> | <b>577,932</b> | <b>98,333</b> |

|  |               |  |
|--|---------------|--|
|  | 8,808         | Fav pay £9k                            |
|  | 1,918         | Fav prof fees £2k over budgeted        |
|  | 22,338        | 6,906 Fav pay £7k                      |
|  |               | -1                                     |
|  |               | 0                                      |
|  |               | 0                                      |
|  | 20,162        | 37,962 Fav pay £22k, grant income £16k |
|  |               | 240                                    |
|  | <b>42,500</b> | <b>55,833</b>                          |

|                  |                  |                  |
|------------------|------------------|------------------|
| <b>6,038,722</b> | <b>3,366,554</b> | <b>2,672,168</b> |
|------------------|------------------|------------------|

|                  |                |
|------------------|----------------|
| <b>2,427,553</b> | <b>244,616</b> |
|------------------|----------------|

|                                |  |  |
|--------------------------------|--|--|
| <b>REPORT TO:</b>              | <b>FINANCE AND MANAGEMENT COMMITTEE</b>  | <b>AGENDA ITEM: 9</b>                          |
| <b>DATE OF MEETING:</b>        | <b>25<sup>th</sup> NOVEMBER 2021</b>   | <b>CATEGORY: DELEGATED</b>                     |
| <b>REPORT FROM:</b>            | <b>STRATEGIC DIRECTOR (CORPORATE RESOURCES)</b>  | <b>OPEN</b>                                    |
| <b>MEMBERS' CONTACT POINT:</b> | <b>VICKI SUMMERFIELD</b><br><a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a> | <b>DOC:</b><br>s/finance/committee/2021-22/Nov |
| <b>SUBJECT:</b>                | <b>HOUSING REVENUE ACCOUNT REVENUE FINANCIAL MONITORING 2021/22</b>  |  |
| <b>WARD(S) AFFECTED:</b>       | <b>ALL</b>   | <b>TERMS OF REFERENCE: FM08</b>                |

## **1.0 Recommendations**

1.1 That the latest revenue financial position for 2021/22 as detailed in the report is considered and approved.

## **2.0 Purpose of the Report**

2.1 To provide an update on performance against budget for 2021/22.

2.2 The report details performance up to 30 September 2021 unless otherwise stated and is an update of income and expenditure for 2021/22.

2.3 The report covers the Housing Revenue Account (HRA) income and expenditure, and an update to the MTFP.

## **3.0 Detail**

3.1 The Council is required to account separately for income and expenditure in providing council housing. Income is generated through the HRA from rents from tenants in dwellings, garages and shops plus careline.

3.2 The Base Budget approved in February 2021 for the HRA was set with an estimated deficit of £1,645,806. As reported in August, the budget deficit was increased following the approval of an upgrade to the Housing Management Software of £29,600. A further update has now been made due to the potential pay award for employees of £27,421 which is currently under negotiation for 2021/22. The deficit is now estimated at £1,702,827.

3.3 In November 2020, the Government published the Spending Review 2020. As part of the response to the economic impact of the COVID-19 pandemic, the Chancellor

announced that public sector pay increases would be paused for 2021/22, with the exception of NHS staff.

- 3.4 Negotiations regarding public sector pay have been undertaken during 2021 and the National Employers have offered a settlement for the 2021/22 financial year. This has not yet been agreed by the Unions and is still in negotiation. Nothing was included in the MTFP for a pay award in 2021/22 after the Chancellor's announcement.
- 3.5 An update to the HRA's financial position is included in the revised MTFP attached in **Appendix 1**. This shows that the General Reserve balance reduces over the first six years of the ten-year plan due to scheduled debt repayment. Large deficits are due to be funded from the reserve with the lowest point being reached in 2026/27 where the estimated reserve falls to £1,116,514. This is greater than the statutory minimum set for the HRA of £1m but does not leave a big contingency for any unforeseen issues.

### Position as at September 2021

- 3.6 A summary of the projected financial position for the year is shown in the following table.

#### HRA SUMMARY BY AREA - BUDGET MONITORING SEPTEMBER 2021

|                                 | ANNUAL                |                       |                         | RESERVES       |                        |
|---------------------------------|-----------------------|-----------------------|-------------------------|----------------|------------------------|
|                                 | Full Year Budget<br>£ | Projected Actual<br>£ | Projected Variance<br>£ | Earmarked<br>£ | Net effect on HRA<br>£ |
| Rent and Rechargeable Repairs   | -12,484,167           | -12,332,303           | -151,864                | 0              | -151,864               |
| Repairs and Maintenance         | 3,478,745             | 3,511,128             | -32,383                 | 0              | -32,383                |
| Managing Tenancies              | 1,802,926             | 1,846,171             | -43,244                 | 8,500          | -51,744                |
| Supported Housing               | 663,447               | 589,580               | 73,866                  | 0              | 73,866                 |
| Interest Payable and Receivable | 1,737,855             | 1,582,102             | 155,753                 | 0              | 155,753                |
| Capital and Debt Repayment      | 6,277,000             | 6,277,000             | 0                       | 0              | 0                      |
| Bad Debt Provision              | 125,000               | 125,000               | 0                       | 0              | 0                      |
| Contingent Sums                 | 102,021               | 102,021               | 0                       | 0              | 0                      |
|                                 | <b>1,702,827</b>      | <b>1,700,698</b>      | <b>2,129</b>            | <b>8,500</b>   | <b>-6,371</b>          |

- 3.7 The above table shows that the HRA is projected to be adverse to budget by approximately £6,371 in 2021/22 which increases the deficit forecast in the MTFP. The HRA's 10-year MTFP is included in **Appendix 1**.
- 3.8 The main reasons for the variances are detailed below.

## HRA VARIANCE TO BUDGET SEPTEMBER 2021

|  | <b>£'000</b> |
|--|--------------|
| Salary savings (vacancies, maternity etc.) | 303          |
| Interest Income and Expenditure            | 156          |
| Additional Careline Income                 | 45           |
| Materials                                  | 40           |
| Staff Advertising                          | -7           |
| Computer Maintenance                       | -15          |
| Rehoming Costs                             | -15          |
| Disrepair Claims                           | -30          |
| Reduced Rent due to Void Dwellings         | -152         |
| Agency and Consultancy Staff               | -331         |
| <b>TOTAL - OVERALL PROJECTED VARIANCE</b>  | <b>-6</b>    |

- 3.9 Expected salary savings in year relate to vacancies but are more than offset by agency and consultancy to support services. Some posts as part of the approved restructure have been recruited and costs for advertising these posts (£7k) have been incurred. The Head of Housing is in the process of reviewing the vacancies and any further support required.
- 3.10 Investment income is expected to be above budget by approximately £14k on the HRA and expenditure on the loan interest is expected to be lower than budgeted (£141k) due to lower interest rates chargeable. The budget for the variable interest is at 3.50% yet the chargeable rate was 0.23% in September 2021. The variable rate loan is repayable in March 2022 so although interest payments will be lower in the future, savings of this magnitude will not be seen after 2021/22.
- 3.11 Additional income is being received from Derbyshire County Council for the Careline provision. The Council has been informed that this contribution will no longer be received from April 2023. Further detail is included in the risks noted at 3.21.
- 3.12 Savings are being seen on material costs due to a lower level of repairs being carried out by the internal repairs team. Contractor repairs and maintenance are being carried out at a good level and are expected to be within budget for the year.
- 3.13 Although an upgrade to the main Housing computer system was budgeted, additional costs for implementing UPRN details against dwellings has resulted in a bigger cost. This is expected to be a one-off issue.
- 3.14 An enforcement order issued by Derbyshire Fire Service at Pear Tree Court has resulted in extensive remedial works to the property. Consequently, one tenant has had to be rehoused. The tenant is entitled to statutory Home-loss and disturbance payments which are expected to total around £15k. There have also been capital costs incurred for this incident which are reported in more detail in the Capital Monitoring report later on this Agenda.
- 3.15 Successful disrepair claims have been made against the Council which were not covered by the Council's insurance policy. These claims are usually made in defence of rent arrears action by the landlord and have risen in recent years. They are generally due to long standing repairs and maintenance issues including damp proofing works that may not have been taken in a reasonable timeframe. The

claims now appear to be reducing and are not expected to be in excess of £30k. The majority of the payments are made up of the claimant's solicitor costs.

- 3.16 Rental income is lower in year due mainly to rent loss on void properties. The turnaround time of void properties is improving, and the number of vacant properties is reducing, and losses should level out as the year progresses. A budget of £215k for void losses and £21k for Right to Buy (RTB) losses is included as a reduction in the expected rental income each year.
- 3.17 At this stage, RTB is showing a favourable variance as the losses are lower than forecast. A number of applications have been seen however during October which puts a risk on the revenue generation for the year and going forward. If during the remainder of the year another 10 dwellings are sold, this loss will be contained within the budget, any losses above this will impact the deficit further.
- 3.18 Void losses are totalling approximately £221k in the first half of the year. As noted above, this is already above the budget for the year but is expected to level out. The Council also has a number of passive properties that are taken out of the rent roll for varying reasons. Where there is the ability to let properties as they are at decent standard, they are being let to Housing Register applicants as promptly as possible to help mitigate the overall losses.

### **Risk Areas**

#### **Vacancies**

- 3.19 As with the General Fund, there are a number of vacant posts within the HRA especially in the repair and maintenance area, that pose a risk to the financial position due to the added cost of agency and support.
- 3.20 Risks to the shortage of available candidates and also market salaries are present, and the Head of Housing is keeping this issue under review.

#### **Careline**

- 3.21 Derbyshire County Council has now informed the Council that there will no longer be any funding available for the service managed by the Council after March 2023 although a one-year extension of these contracts has been proposed but not yet confirmed.
- 3.22 A working group including all districts and the County Council has been set up to determine next steps and hopefully mitigate losses for all parties.
- 3.23 Another potential risk to the HRA for the Careline service is the transfer to digital from analogue. Costs of changes are under review and will be considered as part of the overall future Careline provision.
- 3.24 The Head of Housing will report progress and any potential changes to the current Careline service to Housing and Community Services Committee at a future meeting.
- 3.25 A contribution of £130k per annum from the County Council is included over the life of the HRA MTFP. A loss of this level will push the HRA's General reserve below the minimum balance of £1m within four years. This is a huge financial and potentially

reputational risk as the service in its current format is not sustainable without the County contribution. A full review of the service is now in progress.

#### **4.0 Financial Implications**

4.1 Detailed in the report.

#### **5.0 Corporate Implications**

##### **Employment Implications**

5.1 None.

##### **Legal Implications**

5.2 None.

##### **Corporate Plan Implications**

5.3 There are no specific targets within the Corporate Plan but ensuring sustainability of the Council's financial position enables services to deliver targets included with the Plan.

##### **Risk Impact**

5.4 None.

#### **6.0 Community Impact**

##### **Consultation**

6.1 None.

##### **Equality and Diversity Impact**

6.2 None.

##### **Social Value Impact**

6.3 None.

##### **Environmental Sustainability**

6.4 None.

#### **7.0 Background Papers**

7.1 None.

## HOUSING REVENUE ACCOUNT FINANCIAL PROJECTION - NOVEMBER 2021

|  | 2021.22<br>Approved<br>Budget<br>£'000 | 2022.23<br>Proposed<br>Budget<br>£'000 | 2023.24<br>Forecast<br>£'000 | 2024.25<br>Forecast<br>£'000 | 2025.26<br>Forecast<br>£'000 | 2026.27<br>Forecast<br>£'000 | 2027.28<br>Forecast<br>£'000 | 2028.29<br>Forecast<br>£'000 | 2029.30<br>Forecast<br>£'000 | 2030.31<br>Forecast<br>£'000 | 2031.32<br>Forecast<br>£'000 |
|--|--|--|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>INCOME</b>                            |  |  |                              |                              |                              |                              |                              |                              |                              |                              |                              |
| Rental Income                            | -12,385                                | -12,577                                | -12,838                      | -13,141                      | -13,450                      | -13,766                      | -14,089                      | -14,419                      | -14,756                      | -15,100                      | -15,452                      |
| Non-Dwelling Income                      | -127                                   | -130                                   | -133                         | -136                         | -140                         | -143                         | -147                         | -151                         | -155                         | -159                         | -163                         |
| Supporting People Grant                  | -130                                   | -130                                   | -130                         | -130                         | -130                         | -130                         | -130                         | -130                         | -130                         | -130                         | -130                         |
| Other Income                             | -177                                   | -177                                   | -177                         | -177                         | -177                         | -177                         | -177                         | -177                         | -177                         | -177                         | -177                         |
| <b>Total Income</b>                      | <b>-12,819</b>                         | <b>-13,014</b>                         | <b>-13,278</b>               | <b>-13,584</b>               | <b>-13,897</b>               | <b>-14,216</b>               | <b>-14,543</b>               | <b>-14,877</b>               | <b>-15,218</b>               | <b>-15,566</b>               | <b>-15,922</b>               |
| <b>EXPENDITURE</b>                       |  |  |                              |                              |                              |                              |                              |                              |                              |                              |                              |
| General Management                       | 1,848                                  | 1,889                                  | 1,932                        | 1,975                        | 2,020                        | 2,065                        | 2,112                        | 2,160                        | 2,209                        | 2,259                        | 2,310                        |
| Supporting People                        | 951                                    | 976                                    | 1,001                        | 1,028                        | 1,056                        | 1,084                        | 1,114                        | 1,145                        | 1,178                        | 1,212                        | 1,247                        |
| Responsive                               | 1,406                                  | 1,439                                  | 1,473                        | 1,509                        | 1,545                        | 1,582                        | 1,620                        | 1,658                        | 1,698                        | 1,739                        | 1,781                        |
| Planned Maintenance                      | 1,975                                  | 2,024                                  | 2,072                        | 2,123                        | 2,174                        | 2,227                        | 2,281                        | 2,336                        | 2,393                        | 2,452                        | 2,511                        |
| Bad Debt Provision                       | 125                                    | 125                                    | 128                          | 131                          | 134                          | 137                          | 140                          | 144                          | 147                          | 151                          | 154                          |
| Interest Payable & Receivable            | 1,738                                  | 1,738                                  | 1,738                        | 1,738                        | 1,738                        | 1,738                        | 1,738                        | 1,738                        | 1,739                        | 2,672                        | 2,673                        |
| Depreciation                             | 4,127                                  | 4,064                                  | 4,044                        | 4,023                        | 4,003                        | 3,983                        | 3,963                        | 3,943                        | 3,924                        | 3,904                        | 3,884                        |
| <b>Net Operating Income</b>              | <b>-649</b>                            | <b>-759</b>                            | <b>-890</b>                  | <b>-1,057</b>                | <b>-1,227</b>                | <b>-1,400</b>                | <b>-1,574</b>                | <b>-1,752</b>                | <b>-1,930</b>                | <b>-1,177</b>                | <b>-1,363</b>                |
| <b>Known variations:</b>                 |  |  |                              |                              |                              |                              |                              |                              |                              |                              |                              |
| Reversal of Depreciation                 | -4,127                                 | -4,064                                 | -4,044                       | -4,023                       | -4,003                       | -3,983                       | -3,963                       | -3,943                       | -3,924                       | -3,904                       | -3,884                       |
| Capital Expenditure                      | 1,683                                  | 1,470                                  | 1,433                        | 1,477                        | 1,516                        | 1,547                        | 1,182                        | 1,261                        | 1,489                        | 2,103                        | 1,605                        |
| Disabled Adaptations                     | 300                                    | 300                                    | 300                          | 300                          | 300                          | 300                          | 300                          | 300                          | 300                          | 300                          | 300                          |
| Asbestos and Health & Safety Surveys     | 100                                    | 100                                    | 100                          | 100                          | 100                          | 100                          | 100                          | 100                          | 100                          | 100                          | 100                          |
| Debt Repayment - Balance of Depreciation | 1,444                                  | 1,594                                  | 2,011                        | 1,646                        | 1,587                        | 1,936                        | 1,881                        | 1,782                        | 1,535                        | 901                          | 1,379                        |
| Major Repairs Reserve                    | 600                                    | 600                                    | 300                          | 600                          | 600                          | 200                          | 600                          | 600                          | 600                          | 600                          | 600                          |
| Asset Replacement Earmarked Reserve      | 45                                     | 45                                     | 45                           | 45                           | 45                           | 45                           | 45                           | 45                           | 45                           | 45                           | 50                           |

## HOUSING REVENUE ACCOUNT FINANCIAL PROJECTION - NOVEMBER 2021

|  | 2021.22       | 2022.23       | 2023.24       | 2024.25       | 2025.26       | 2026.27       | 2027.28       | 2028.29       | 2029.30       | 2030.31       | 2031.32       |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Approved                                 |               |               |               |               |               |               |               |               |               |               |               |
| Budget                                   | Forecast      |
| £'000                                    | £'000         | £'000         | £'000         | £'000         | £'000         | £'000         | £'000         | £'000         | £'000         | £'000         | £'000         |
| Additional Debt Repayment Transfer       | 2,150         | 2,500         | 2,300         | 1,500         | 1,500         | 1,850         | 750           | 750           | 750           | 1,000         | 800           |
| Investment Income                        | 0             | 18            | 43            | 60            | 60            | 60            | 60            | 60            | 60            | 60            | 0             |
| Capital works non-traditional properties | 100           | 100           | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| Potential Pay Award                      | 27            | 28            | 29            | 30            | 30            | 31            | 32            | 33            | 33            | 34            | 35            |
| ICT Upgrades                             | 30            | 30            | 30            | 30            | 30            | 30            | 30            | 230           | 30            | 30            | 30            |
| Incremental Salary Increases             | 0             | 6             | 6             | 6             | 6             | 7             | 7             | 7             | 7             | 7             | 7             |
| <b>HRA Surplus (-) / Deficit</b>         | <b>1,703</b>  | <b>1,968</b>  | <b>1,662</b>  | <b>713</b>    | <b>544</b>    | <b>723</b>    | <b>-551</b>   | <b>-528</b>   | <b>-904</b>   | <b>100</b>    | <b>-340</b>   |
| <b>HRA General Reserve</b>               |               |               |               |               |               |               |               |               |               |               |               |
| HRA Reserve B/fwd                        | -8,430        | -6,727        | -4,760        | -3,097        | -2,384        | -1,839        | -1,117        | -1,668        | -2,196        | -3,100        | -3,000        |
| (Surplus) / Deficit for year             | 1,703         | 1,968         | 1,662         | 713           | 544           | 723           | -551          | -528          | -904          | 100           | -340          |
| <b>HRA Reserve C/fwd</b>                 | <b>-6,727</b> | <b>-4,760</b> | <b>-3,097</b> | <b>-2,384</b> | <b>-1,839</b> | <b>-1,117</b> | <b>-1,668</b> | <b>-2,196</b> | <b>-3,100</b> | <b>-3,000</b> | <b>-3,341</b> |



|                                |  |   |
|--------------------------------|--|---|
| <b>REPORT TO:</b>              | <b>FINANCE AND MANAGEMENT COMMITTEE</b>  | <b>AGENDA ITEM: 10</b>                              |
| <b>DATE OF MEETING:</b>        | <b>25<sup>th</sup> NOVEMBER 2021</b>   | <b>CATEGORY: DELEGATED</b>                          |
| <b>REPORT FROM:</b>            | <b>STRATEGIC DIRECTOR (CORPORATE RESOURCES)</b>  | <b>OPEN</b>   |
| <b>MEMBERS' CONTACT POINT:</b> | <b>VICKI SUMMERFIELD</b><br><a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a> | <b>DOC:</b><br>s/Finance/Committee/2021-22/November |
| <b>SUBJECT:</b>                | <b>COLLECTION FUND 2021-22</b>   |   |
| <b>WARD(S) AFFECTED:</b>       | <b>ALL</b>   | <b>TERMS OF REFERENCE: FM08</b>                     |

## **1.0 Recommendations**

- 1.1 That the latest Collection Fund position as detailed in the report is considered and approved.

## **2.0 Purpose of the Report**

- 2.1 To provide an update on performance of the Collection Fund against the approved budget for quarter two of 2021/22.
- 2.2 The detail included within the report is at 30 September 2021 unless otherwise stated.

## **3.0 Detail**

- 3.1 The Collection Fund is a statutory requirement that accounts separately for the Council Tax and National Non-Domestic Rates (NNDR) collected by the Council.
- 3.2 The Council is classed as a Billing Authority for both Council Tax and NNDR and is responsible for distributing charges to residents and businesses located within the district annually.
- 3.3 Estimates of expected income generated from taxation charges are reported annually to the Government as part of the Council Tax Base and NNDR1 returns.
- 3.4 The returns are used to determine the precept due in the following financial year to the Preceptors and the Council's share is reported to the Committee as part of the budget round in February.
- 3.5 Any surplus or deficit generated on the Fund during the previous financial year is allocated to the relevant Preceptor as part of the annual forecast reporting.

## **Council Tax**

3.6 Council Tax was introduced on 1 April 1993 and each residential property is allocated a band according to their open market value at 1 April 1991. Detail of the bands is listed below.

| <b>Band</b> | <b>Between</b> |           |
|-------------|----------------|-----------|
| A           | £0             | £40,000   |
| B           | £40,001        | £52,000   |
| C           | £52,001        | £68,000   |
| D           | £68,001        | £88,000   |
| E           | £88,001        | £120,000  |
| F           | £120,001       | £160,000  |
| G           | £160,001       | £320,000  |
| H           | £320,001       | and above |

3.7 The amount of Council Tax payable by an individual household is calculated using the band allocation less deductions for national and local exemptions.

3.8 As part of the forecast for the following years precepts, the Council is required to calculate estimated chargeable dwellings, revised for estimated exemptions as noted above. An average Band D equivalent tax base is then determined and is used as the basis for the Council Tax setting by each of the Preceptors, including the Council.

3.9 The precept for each Preceptor is calculated using the estimated tax base multiplied by the Band D value. The Band D is reported annually to Full Council as part of the Council Tax Settling report. This report details out the approved Band D for each of the Preceptors and the demand on the Collection Fund in the following year.

3.10 The approved Band D and precept demands as set in March 2021 for 2021/22 are included as a reminder in the following table.

| <b>Preceptor</b>                   | <b>Band D<br/>£</b> | <b>Precept<br/>£</b> |
|------------------------------------|---------------------|----------------------|
| South Derbyshire District Council  | 167.96              | 5,915,215            |
| Derbyshire County Council          | 1,383.07            | 48,708,959           |
| Police and Crime Commissioner      | 241.60              | 8,508,669            |
| Derbyshire Fire and Rescue Service | 79.27               | 2,791,731            |
| <b>TOTAL</b>                       | <b>1,871.90</b>     | <b>65,924,574</b>    |

3.11 Parish Councils are also able to make a demand on the Collection Fund and this is approved as part of the Council Tax Setting report. The demand for Parishes in 2021/22 is £929,527.

3.12 The Council's forecast of collectable income for Council Tax in 2021/22 and the projected outturn for the year is summarised below with further detail included in **Appendix 1**.

|                                      | Forecast<br>£'000 | Q2<br>Projected<br>£'000 | Variance<br>£'000 |
|--------------------------------------|-------------------|--------------------------|-------------------|
| Council Tax Collectable              | 68,476            | 68,980                   | 504               |
| Expenditure                          | -68,224           | -68,234                  | -10               |
| <b>Estimated Surplus / (Deficit)</b> | <b>252</b>        | <b>746</b>               | <b>494</b>        |

3.13 Growth of the tax base during the year over and above that forecast is resulting in an expected increase in income. The number of chargeable dwellings included in the forecast was 46,311 with an average Band D equivalent number of 35,218. The actual chargeable dwellings at 30 September was 47,637, an increase of 1,326 with a Band D equivalent of 36,702, an increase of 1,484.

3.14 A surplus payment to the Preceptors of £1,200,000 was approved in January 2021 as part of the budget round for 2021/22 and is detailed below.

|                                   | £                |
|-----------------------------------|------------------|
| Derbyshire County Council         | 880,948          |
| Police and Crime Commissioner     | 144,241          |
| Derbyshire Fire and Rescue        | 50,757           |
| South Derbyshire District Council | 124,054          |
|                                   | <b>1,200,000</b> |

3.15 The surplus payment was a forecast of expected outturn for the year-end. The balance plus any estimate for 2021/22 will be approved as part of the budget round and paid to Preceptors in 2022/23. Based on the current anticipated surplus for the year plus the balance remaining in the Collection Fund Account, the payment in 2022/23 will be approximately £2,163,000 to be split between the Preceptors.

## **NNDR**

### **Background**

3.16 Taxation to fund local services has been in existence for over 50 years but under the Local Government Finance Act 1988, a consistent administrative assessment from 1 April 1990 in England and Wales was introduced in relation to property taxes.

3.17 The Valuation Office Agency (VOA) is responsible for setting the rateable value of business premises which is the average rental that could be achieved per annum at a fixed valuation date using assumptions set by statute.

3.18 A business within the district is charged annually by the Council based on the rateable value set by the VOA multiplied by the non-domestic rating multiplier which is set by the Government.

3.19 The chargeable amount can be altered with mandatory and discretionary reliefs and the overall rateable value can also be challenged and appealed by a business.

3.20 The retention of business rates for local authorities changed significantly on 1 April 2013. Prior to this date, business rates were collected by authorities and paid over to the Government, and this was then redistributed across the country by a set formula.

- 3.21 The introduction of a new funding system provided a direct financial incentive for authorities to work with local businesses to create a favourable environment for growth, but this also added more risk as bad debts, business failures and appeals are now partially borne by the authority.
- 3.22 Under the new system, a Start-up Funding Assessment was determined for each authority which reviewed the income required to fund services. The assessment set out a Baseline Need and this was split between Revenue Support Grant (RSG) and business rates.
- 3.23 To fund the Baseline Need, local authorities each had an expected level of business rates to be collected which was referred to as the NDR Baseline. For authorities with a Baseline Need that is higher than their NDR Baseline, a Top Up grant would be required. When the Baseline Need is lower than the NDR Baseline, a Tariff is payable by the authority. The Council pays a Tariff of over £6m per annum.
- 3.24 Authorities that collect a higher level of income than their NDR Baseline are rewarded through the scheme as they are able to keep a proportion of the growth. Where there is growth above the Baseline however, a levy becomes payable to the Government.
- 3.25 Where an authority does not achieve its allocated NDR Baseline, a safety net system was also introduced to ensure that income achieved below 92.5% of the Baseline would be reimbursed centrally. The first 7.5% would need to be covered locally. The safety net is funded by the levy noted in 3.24.
- 3.26 Authorities were able under the new scheme to combine into a Pool to retain more of the business rates income locally. All Top Up and Tariff allocations are combined as part of the Pool and one levy rate and safety net rate is then applied to any income growth/loss in the Pool.
- 3.27 The Council joined the Derbyshire Business rates Pool in 2015/16 after approval at the Committee in October 2014. The Council contributes to the Pool annually due to the growth above the Baseline, but the contribution is far lower than the levy imposed by the Government had the Pool not been in existence.

### **Local Performance**

- 3.28 Through the Collection Fund Account, precepts are paid to the Government (50%), Derbyshire County Council (9%), Derbyshire Fire and Rescue (1%) and South Derbyshire District Council (40%). The Council also has to fund the Tariff noted above which reduces the actual income retained to approximately 15%.
- 3.29 The NNDR1 return is completed in January each year, and this provides the forecasted income for the following financial year for all Preceptors. Within the return the surplus or deficit from the previous financial year is split between the Preceptors and paid/recovered as part of the precept payment. A summary of the return for 2021/22 is included below.

|                                   | Precept<br>£      | Deficit<br>£      | Total<br>£        |
|-----------------------------------|-------------------|-------------------|-------------------|
| South Derbyshire District Council | 11,141,791        | -2,361,299        | 8,780,492         |
| Central Government                | 13,927,239        | -2,951,624        | 10,975,615        |
| Derbyshire County Council         | 2,506,903         | -531,292          | 1,975,611         |
| Derbyshire Fire and Rescue        | 278,545           | -59,032           | 219,513           |
|                                   | <b>27,854,478</b> | <b>-5,903,247</b> | <b>21,951,231</b> |

3.30 The forecast collectable income as per the NNDR1 return versus the actual performance for quarter 2 is summarised below with further detail included in **Appendix 1**.

|                                      | Forecast<br>£'000 | Q2<br>Projected<br>£'000 | Variance<br>£'000 |
|--------------------------------------|-------------------|--------------------------|-------------------|
| NNDR Income (incl Relief)            | 28,597            | 25,382                   | -3,215            |
| Expenditure                          | -28,597           | -28,701                  | -104              |
| <b>Estimated Surplus / (Deficit)</b> | <b>0</b>          | <b>-3,319</b>            | <b>-3,319</b>     |

3.31 Due to the pandemic which reduced income and increased bad debt and appeals provisions during 2020/21, a large deficit of £9.2m was made on the Fund. It was legislated to spread any deficit on the Fund over a three-year period to ensure that all Preceptors had a longer time frame to cover the loss in income.

3.32 As the impact of the pandemic has continued into 2021/22 with businesses not returning to normal trading conditions until August, further relief has been issued to the Council from the Government to help mitigate losses on the Fund. It is expected that a large deficit will be seen again in year, but it is still unknown to what degree. The third quarter should hopefully show an element of recovery on the Fund. The Government will cover losses on the Fund caused by increased statutory reliefs by issuing section 31 grants to the Council.

3.33 The Council set-aside £3.2m at the year-end to help mitigate the losses from business rates on the General Fund. This will be drawn down over a three-year period in line with the spreading of the deficit with £2.3m being draw down in 2021/22.

#### **4.0 Financial Implications**

4.1 Included within the report.

#### **5.0 Corporate Implications**

##### **Employment Implications**

5.1 None.

##### **Legal Implications**

5.2 None.

## **Corporate Plan Implications**

5.3 The ability to achieve all Corporate Plan objectives is dependent upon the financial sustainability of the Council.

### **Risk Impact**

5.4 None.

## **6.0 Community Impact**

### **Consultation**

6.1 None.

### **Equality and Diversity Impact**

6.2 None.

### **Social Value Impact**

6.3 None.

### **Environmental Sustainability**

6.4 None.

## COLLECTION FUND MONITORING 2021/22 (as at 30 September 2021)

|   | Actual<br>2020/21 | Estimated<br>2021/22 | Qtr 2<br>Projection<br>2021/22 | Notes  |
|---|-------------------|----------------------|--------------------------------|--|
| <b>COUNCIL TAX - INCOME &amp; EXPENDITURE</b> | £'000             | £'000                | £'000                          |  |
| <b>INCOME</b>                                 |                   |                      |                                |  |
| Council Tax Collectable                       | 65,215            | 68,476               | 68,980                         | Est. Increase in Tax Base and Precepts at 5% |
| <b>EXPENDITURE</b>                            |                   |                      |                                |  |
| County Council Precept                        | 46,517            | 48,709               | 48,709                         | As approved by Full Council 1 Mar 2021       |
| Police and Crime Commissioner Precept         | 7,812             | 8,509                | 8,509                          | As above                                     |
| Fire and Rescue Authority Precept             | 2,680             | 2,792                | 2,792                          | As above                                     |
| SDDC Precept                                  | 5,705             | 5,915                | 5,915                          | As above                                     |
| SDDC Parish Precepts                          | 848               | 929                  | 929                            | As above                                     |
| Increase in Bad Debts Provision               | 1,546             | 1,370                | 1,380                          | Estimated at 2% of income                    |
| <b>Total Expenditure</b>                      | <b>65,108</b>     | <b>68,224</b>        | <b>68,234</b>                  |  |
| <b>Surplus for the Year</b>                   | <b>107</b>        | <b>252</b>           | <b>746</b>                     |  |
| <b>COUNCIL TAX BALANCE</b>                    |                   |                      |                                |  |
| Opening Balance 1 April                       | 3,310             | 2,617                | 2,617                          | Per Final Accounts 2020/21                   |
| Share of Previous Surplus to County Council   | -587              | -881                 | -881                           | As approved by Full Council 14 Jan 2021      |
| Share of Previous Surplus to Police           | -96               | -144                 | -144                           | As above                                     |
| Share of Previous Surplus to Fire Authority   | -34               | -51                  | -51                            | As above                                     |
| Share of Previous Surplus to SDDC             | -83               | -124                 | -124                           | As above                                     |
| Surplus for Year (as above)                   | 107               | 252                  | 746                            |  |
| <b>Closing Balance as at 31 March</b>         | <b>2,617</b>      | <b>1,669</b>         | <b>2,163</b>                   |  |

|   | Actual<br>2020/21 | Estimated<br>2021/22 | Qtr 2<br>Projection<br>2021/22 |  |
|---|-------------------|----------------------|--------------------------------|--|
|   | £'000             | £'000                | £'000                          |  |
| <b>BUSINESS RATES - INCOME &amp; EXPENDITURE</b>        |                   |                      |                                |  |
| <b>INCOME</b>   |                   |                      |                                |  |
| Business Rates Collectable                              | 19,572            | 28,308               | 25,093                         | Estimate as per NNDR1                        |
| Transitional Protection Payments                        | 343               | 289                  | 289                            |  |
| <b>Total Income</b>                                     | <b>19,915</b>     | <b>28,597</b>        | <b>25,382</b>                  |  |
| <b>EXPENDITURE</b>                                      |                   |                      |                                |  |
| Central Government Precept                              | 13,862            | 13,927               | 13,927                         |  |
| SDDC Precept  | 11,089            | 11,141               | 11,141                         | Per NNDR1 Submission                         |
| Derbyshire County Council Precept                       | 2,495             | 2,507                | 2,507                          | As above                                     |
| Fire and Rescue Service Precept                         | 277               | 279                  | 279                            | As above                                     |
| Cost of Collection                                      | 93                | 94                   | 94                             | As above                                     |
| Increase in Bad Debts Provision                         | 589               | 199                  | 251                            | Estimated using debtor position at 31 Dec 20 |
| Provision for Appeals                                   | 799               | 450                  | 502                            | Estimated using appeals list at 31 Dec 20    |
| <b>Total Expenditure</b>                                | <b>29,204</b>     | <b>28,597</b>        | <b>28,701</b>                  |  |
| <b>Surplus / Deficit (-)</b>                            | <b>-9,289</b>     | <b>0</b>             | <b>-3,319</b>                  |  |
| <b>BUSINESS RATES BALANCE</b>                           |                   |                      |                                |  |
| Opening Balance 1st April                               | 1,155             | -8,157               | -8,157                         | Per Final Accounts 2020/21                   |
| Prior Year Share of Surplus (-) / Deficit to Government | 36                | 2,952                | 2,952                          | Per NNDR1 Submission                         |
| Prior Year Share of Surplus (-) / Deficit to SDDC       | -19               | 2,361                | 2,361                          | As above                                     |
| Prior Year Share of Surplus (-) / Deficit to County     | -40               | 531                  | 531                            | As above                                     |
| Prior Year Share of Surplus (-) / Deficit to Fire       | 0                 | 59                   | 59                             | As above                                     |
| Surplus / Deficit (-) for the Year as above             | -9,289            | 0                    | -3,319                         |  |
| <b>Closing Balance as at 31 March</b>                   | <b>-8,157</b>     | <b>-2,254</b>        | <b>-5,573</b>                  |  |

|                                |  |   |
|--------------------------------|--|---|
| <b>REPORT TO:</b>              | <b>FINANCE AND MANAGEMENT COMMITTEE</b>  | <b>AGENDA ITEM: 11</b>                              |
| <b>DATE OF MEETING:</b>        | <b>25<sup>th</sup> NOVEMBER 2021</b>   | <b>CATEGORY: DELEGATED</b>                          |
| <b>REPORT FROM:</b>            | <b>STRATEGIC DIRECTOR (CORPORATE RESOURCES)</b>  | <b>OPEN</b>   |
| <b>MEMBERS' CONTACT POINT:</b> | <b>VICKI SUMMERFIELD</b><br><a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a> | <b>DOC:</b><br>s/finance/committee/2021-22/November |
| <b>SUBJECT:</b>                | <b>CAPITAL FINANCIAL MONITORING 2021-22</b>  |   |
| <b>WARD(S) AFFECTED:</b>       | <b>ALL</b>   | <b>TERMS OF REFERENCE: FM08</b>                     |

## **1.0 Recommendations**

- 1.1 That the latest capital financial position for 2021/22 as detailed in the report is considered and approved.
- 1.2 That the balance of S106 available for use by the Council for capital projects as detailed in Appendix 2 is noted.
- 1.3 That an increase in the General Fund contribution to works at Melbourne Sports Park of £4,558 is approved.

## **2.0 Purpose of the Report**

- 2.1 To provide an update on performance against the budget for 2021/22.
- 2.2 The report details performance of both the HRA and General Fund up to 30 September 2021 unless otherwise stated and is an update of capital project progress for 2021/22.

## **3.0 Detail**

- 3.1 The Council's capital programme consists of many different projects covering both the General Fund and HRA.
- 3.2 General Fund projects are developed in line with strategies reported to policy committees and are funded through Section 106 developer contributions, General Fund contributions, grant income and capital receipts generated from asset sales.
- 3.3 HRA projects are mainly for refurbishment of council houses, disabled adaptations to council housing and new build and are funded by HRA reserves plus grant income.

- 3.4 The capital budget for 2021/22 was approved in February 2021 and has been updated following the outturn for 2020/21 to reflect the carry forward of income and expenditure for incomplete projects.
- 3.5 Progress during the year on capital projects and the total financing of all projects is summarised in the following tables with detail of financial performance for each project listed in Appendix 1.

### CAPITAL MONITORING SEPTEMBER 2021

| EXPENDITURE                      |                  |                   |                  |
|----------------------------------|------------------|-------------------|------------------|
|                                  | Actual           | Budget            | Variance         |
|                                  | £                | £                 | £                |
| Major Improvements               | 1,501,935        | 2,383,000         | 881,065          |
| Disabled Adaptations             | 109,346          | 300,000           | 190,654          |
| New Build and Acquisition        | 234,737          | 505,030           | 270,293          |
| <b>TOTAL HRA</b>                 | <b>1,846,018</b> | <b>3,188,030</b>  | <b>1,342,012</b> |
| Private Sector Housing           | 349,701          | 1,915,495         | 1,565,794        |
| Environmental Services           | 104,091          | 799,873           | 695,782          |
| Community Projects               | 315,099          | 3,630,131         | 3,315,032        |
| Vehicle Replacements             | 62,750           | 673,568           | 610,818          |
| ICT Strategy                     | 67,011           | 166,000           | 98,989           |
| Asset Replacement and Renewal    | 18,731           | 619,150           | 600,419          |
| <b>TOTAL GENERAL FUND</b>        | <b>917,382</b>   | <b>7,804,217</b>  | <b>6,886,835</b> |
| <b>TOTAL CAPITAL EXPENDITURE</b> | <b>2,763,401</b> | <b>10,992,247</b> | <b>8,228,846</b> |

| FUNDING              |                  |                   |                  |
|----------------------|------------------|-------------------|------------------|
|                      | Actual           | Budget            | Variance         |
|                      | £                | £                 | £                |
| Section 106          | 68,436           | 1,076,121         | 1,007,685        |
| Grants               | 445,920          | 2,658,545         | 2,212,625        |
| HRA                  | 1,611,281        | 2,683,000         | 1,071,719        |
| Revenue Contribution | 0                | 15,000            | 15,000           |
| General Fund         | 196,333          | 718,708           | 522,375          |
| Capital Receipts     | 361,659          | 2,634,466         | 2,272,807        |
| Earmarked Reserves   | 79,771           | 1,206,407         | 1,126,636        |
| <b>TOTAL FUNDING</b> | <b>2,763,401</b> | <b>10,992,247</b> | <b>8,228,846</b> |

#### **HRA Capital**

- 3.6 Detail of the planned expenditure for both revenue and capital have been reported to Housing and Community Services Committee during August. A marginal underspend of approximately £5k is expected in year. Progress will be updated quarterly.

#### **Enforcement Works – Pear Tree Court, Etwall**

- 3.7 Following a statutory Enforcement Notice issued against the Council in July 2021 by the Fire Authority, the Council was given eight weeks to remedy faults at Pear Tree

Court. This involved works costing approximately £35,000 to replace and repair fire doors and associated fire safety works in corridors and communal areas.

- 3.8 This allegedly arose from previous works undertaken by the Council's contractor, who were appointed to undertake fire safety works in the Council's housing stock. The Council has recently settled a dispute in its favour with this contractor.
- 3.9 Given the serious nature of the Enforcement Notice and the time constraint involved, the Strategic Director of Corporate Resources invoked the Emergency Provision in the Contract Procedural Rules to appoint a separate and independent Contractor to undertake the works required under the Enforcement Notice.
- 3.10 Although no direct procurement exercise was undertaken, the Contractor was appointed from a Local Authority Framework Agreement (Fusion 21) regarding social housing works.
- 3.11 The cost of the works has been met from within HRA capital budget and the impact of the unexpected expenditure will continue to be monitored.
- 3.12 Disabled adaptations of Council housing are scheduled and expected to be on budget by the year-end.
- 3.13 The budget for new build and acquisition schemes consists of acquisitions of properties in Newhall and Overseal.
- 3.14 The Overseal properties were acquired in April after a slight delay in delivery in 2020/21. A marginal overspend is currently being seen of £5k.
- 3.15 Acquisitions in Newhall are due to complete in 2021/22 and no expenditure has yet been incurred.
- 3.16 In addition to the above new build projects, during September Derbyshire Fire have reclaimed £4k of the sprinkler contribution for properties at Lullington Road. This is apparently due to a larger contribution than applicable and is under investigation.

### **General Fund Capital**

#### **Private Sector Housing Works**

- 3.17 There are several projects included within this area, one of which is Disabled Facility Grants (DFG). Expenditure on DFG has been consistently lower than the allocated budget of £400k for several years. Carry forwards of underspent budgets are made at the year-end to ensure sufficient allocation for any increase in the pipeline. Work is underway to secure additional contractor capacity to complete works and speed up the current specification process for adaptations.
- 3.18 A list of projects was reported to the Committee in August with an update to the budget and allocation of a proportion of the accumulated underspend.
- 3.19 In addition to the above, the Council is supporting community flood prevention measures which funds a maximum of £5,000 per qualifying household and is reimbursed to the Council by DEFRA. No proposal is made at the stage to include a budget as there is no upper limit to the amount the Council can allocate to households, and it is therefore difficult to predict the likely expenditure at this stage.

## **Leisure and Community Schemes**

- 3.20 The Community Partnership Scheme has all the funding committed to specific projects, but the funding is still to be drawn down from the Council.
- 3.21 The Melbourne Sports Park drainage project is now complete but an overspend of £69k has been identified. Contract variations for drainage CCTV, the balancing pond extension, fencing around the balancing pond for safety and additional pipework are the main reason for the increased expenditure but £65k of the overspend can be covered by S106 contributions available for the Sports Park. The remaining £4k is proposed to be funded by the General Fund.
- 3.22 All of the remaining projects in this area were approved as part of the Capital Bidding round in October 2020. Progress was slow during 2020/21 and budgets were therefore carried forward into 2021/22. It is unlikely that all of the projects will be complete during 2021/22 and a revision to the profile of the budgeted expenditure may be required later in the year.

## **Environmental Projects**

- 3.23 The budget included a sum of £28,500 for fly tipping and surveillance which has been partially spent in 2020/21, the remainder being carried forward into 2021/22.
- 3.24 A further sum of £49k has been received for the Green Homes Grant increasing the total budget to £774,550. The Council has secured two grant allocations to-date and progress is being made on allocating the funds to households within the District.

## **Vehicle Replacements**

- 3.25 A carry forward was required into 2021/22 in this area due to the delay in vehicle supplies during the Pandemic. A tender exercise is to be undertaken in year which should enable the Council to order the necessary vehicles. Currently, additional revenue costs are being seen due to the age and repairs required to the current fleet.

## **Asset Disposals and Refurbishment**

- 3.26 A General Fund contribution of £88k is set-aside each year to fund refurbishment and maintenance of Public Buildings. No major capital works have yet been undertaken in year and any underspend will be carried forward for future scheduled works.
- 3.27 The main expenditure seen so far in year is for the demolition works in the Town Centre and works on Melbourne Assembly Rooms both approved as part of the Capital Bidding Round.

## **IT Strategy**

- 3.28 Following approval of an IT Strategy, sums are being set-aside annually to fund new equipment and software.
- 3.29 A three-year planning cycle for replacements of equipment is in place and any overspends, or underspends will either require a drawdown from earmarked reserves or a contribution. The budget is expected to be fully spent in year.

## 4.0 Capital Reserves

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

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

### HRA Capital Reserves

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

3.31 Right to Buy sales have totalled 10 as at 30 September 2021 and a total sum of £792,082 has been received by the Council.

3.32 Reinvigoration of Right to Buy has created a new method of reporting sales of housing stock to the Government. The change now means that full reporting and payment of the pooled amount to the Government is only undertaken once a year as opposed to quarterly.

3.33 Detail of the retained balance will be reported as part of the final outturn. The retained sum will be transferred to the New Build and Acquisition reserve.

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

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

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

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

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

## General Fund Capital Reserves

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

3.39 Section 106 contributions are a large element of funding for the Council's capital programme and future planned works. The list of contributions within the Council's control are detailed in Appendix 2 with commentary regarding committed projects and the time frame to spend. Within the Appendix, updates to a couple of the spend deadlines have been made since Q1. In summary, the total balance of S106 held by the Council is included in the table below.

3.40 S106 is received and monitored by the Council for other public bodies such as Derbyshire County Council and the NHS with sums also being allocated specifically to the Council. Appendix 2 details the total S106 available for the Council to spend on projects and has been broken down between community sums and affordable housing sums. The following table summarises the position as at 30 September 2021.

|                    | £                |
|--------------------|------------------|
| Affordable Housing | 4,148,039        |
| Community          | 3,072,779        |
| Property           | 436,759          |
| Other              | 484,890          |
|                    | <b>8,142,468</b> |

3.41 The Capital Receipts Reserve is made up of asset sales in recent years and there are many projects to be funded from the balance. Committed projects are listed at Appendix 1.

3.42 An approximate sum of £900k is expected under a collaboration agreement for sale of land at Oversetts Road. The sum was initially expected to be fully paid in year but has now been phased into 2022/23 with the estimated receipt reduced from £983k to £900k. A sum of £107k has been received however during Q2 for an easement which was previously approved by the Committee for housing development at Swadlincote Woodlands.

|   | £<br>2021/22     | £<br>2022/23     | £<br>2023/24   | £<br>2024/25   | £<br>2025/26   |
|---|------------------|------------------|----------------|----------------|----------------|
| <b>General Capital Receipts B/fwd</b>   | <b>2,569,462</b> | <b>1,146,994</b> | <b>928,533</b> | <b>797,595</b> | <b>712,595</b> |
| <b>Receipts in Year:</b>                |                  |                  |                |                |                |
| Easement receipt                        | 107,000          | 0                | 0              | 0              | 0              |
| Land Sale Oversetts Road                | 600,000          | 300,000          | 0              | 0              | 0              |
| <b>Specific Projects:</b>               |                  |                  |                |                |                |
| Strategic Housing Market Assessment     | 0                | 0                | 0              | -25,000        | 0              |
| Private Sector Stock Condition Survey   | 0                | 0                | 0              | -60,000        | 0              |
| Empty Property Grants                   | -38,000          | 0                | 0              | 0              | 0              |
| Repairs to Village Halls                | -6,700           | 0                | 0              | 0              | 0              |
| Public Buildings Planned Maintenance    | -58,032          | 0                | 0              | 0              | 0              |
| Midway Community Centre Extension       | -250,000         | 0                | 0              | 0              | 0              |
| Vehicle Replacements                    | 0                | 0                | 0              | 0              | -650,000       |
| Capital Bids approved October 2020      | -1,776,736       | -518,461         | -130,938       | 0              | 0              |
| <b>Capital Receipts Reserve Balance</b> | <b>1,146,994</b> | <b>928,533</b>   | <b>797,595</b> | <b>712,595</b> | <b>62,595</b>  |

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

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

#### **4.0 Financial Implications**

4.1 Detailed in the report.

#### **5.0 Corporate Implications**

5.1 None directly.

#### **6.0 Community Impact**

6.1 None directly.

## COMMITTEE SUMMARY - CAPITAL MONITORING SEPTEMBER 2021

|  | EXPENDITURE      |                  |                  |
|--|------------------|------------------|------------------|
|  | Actual<br>£      | Budget<br>£      | Variance<br>£    |
| Major Improvements under Self-financing              | 1,501,935        | 2,383,000        | 881,065          |
| Major Disabled Facilities Grant (Council Houses MRA) | 109,346          | 300,000          | 190,654          |
| New Build - Lullington Road, Overseal                | 4,326            | 0                | -4,326           |
| New Build - Orchard Street, Newhall                  | 0                | 280,000          | 280,000          |
| New Build - Acresford Road, Overseal                 | 230,411          | 225,030          | -5,381           |
| <b>HOUSING REVENUE ACCOUNT</b>                       | <b>1,846,018</b> | <b>3,188,030</b> | <b>1,342,012</b> |
| Disabled Facility Grants and other Works             | 117,421          | 664,293          | 546,873          |
| Discretionary Top-up Grants                          | 0                | 100,000          | 100,000          |
| Healthy Homes Project                                | 10,397           | 50,000           | 39,603           |
| Dedicated Mental Health Worker                       | 20,000           | 40,000           | 20,000           |
| Additional Technical Officer                         | 16,941           | 40,000           | 23,059           |
| Empty Property Grants                                | 0                | 38,000           | 38,000           |
| Relocation Grant                                     | 0                | 100,000          | 100,000          |
| Dementia Friendly Homes Grant                        | 0                | 30,000           | 30,000           |
| Domestic Violence Crisis Prevention                  | 25,000           | 65,000           | 40,000           |
| Hospital Discharge Grant                             | 22,980           | 30,000           | 7,020            |
| Healthy Homes Assistance Fund                        | 31,185           | 340,929          | 309,744          |
| Pilot Schemes  | 0                | 129,593          | 129,593          |
| Capital One-off Projects                             | 25,000           | 32,680           | 7,680            |
| Temporary Health & Housing Co-ordinator              | 0                | 45,000           | 45,000           |
| Stay Active and Independent for Longer               | 17,136           | 60,000           | 42,864           |
| Temporary Public Health Officer                      | 19,679           | 45,000           | 25,321           |
| Temporary Occupational Therapist                     | 0                | 55,000           | 55,000           |
| Fuel Poverty   | 0                | 50,000           | 50,000           |
| Property Flood Resilience Recovery Support Scheme    | 43,962           | 0                | -43,962          |
| <b>Private Sector Housing</b>                        | <b>349,701</b>   | <b>1,915,495</b> | <b>1,565,794</b> |
| Fly Tipping and Environmental Surveillance           | 7,871            | 25,323           | 17,452           |
| Green Homes Grant - Local Authority Delivery         | 96,220           | 774,550          | 678,330          |
| <b>Environmental Services</b>                        | <b>104,091</b>   | <b>799,873</b>   | <b>695,782</b>   |
| Community Partnership Scheme                         | 0                | 264,853          | 264,853          |
| Melbourne Sports Park - Drainage Works               | 197,759          | 193,201          | -4,558           |
| Midway Community Centre Extension                    | 0                | 270,000          | 270,000          |
| Oversetts Road Football Facility                     | 0                | 1,188,159        | 1,188,159        |
| SuDS Improvements                                    | 0                | 20,000           | 20,000           |
| Paradise Garden, Swadlincote Town Centre             | 0                | 30,000           | 30,000           |
| Revitalising Rosliston Foresty Centre                | 51,494           | 344,834          | 293,340          |
| CCTV in Swadlincote Town Centre                      | 9,945            | 11,500           | 1,555            |
| Improvements to Play Areas                           | 1,465            | 153,965          | 152,500          |
| Extension to Marston on Dove Cemetery                | 0                | 48,000           | 48,000           |
| Miners Memorial Project, Eureka Park                 | 12,790           | 185,000          | 172,210          |

|   |                  |                   |                  |
|---|------------------|-------------------|------------------|
| Urban Park at William Nadin Way                 | 41,647           | 840,619           | 798,972          |
| Improvements to Swadlincote Woodlands           | 0                | 40,000            | 40,000           |
| Eureka Park Bowling Green Improvements          | 0                | 40,000            | 40,000           |
| <b>Community Services</b>                       | <b>315,099</b>   | <b>3,630,131</b>  | <b>3,315,032</b> |
| Vehicle Replacements                            | 62,750           | 673,568           | 610,818          |
| Public Building - Repairs & Renewals            | 0                | 278,000           | 278,000          |
| Repairs to Village Halls & Community Facilities | 0                | 6,700             | 6,700            |
| Civic Hub - Town Centre Regeneration            | 0                | 298,365           | 298,365          |
| IT Strategy                                     | 67,011           | 166,000           | 98,989           |
| Repairs to Melbourne Assembly Rooms             | 1,710            | 24,566            | 22,856           |
| Purchase of Chamber Building                    | 2,790            | 11,519            | 8,729            |
| Demolition of Bank House and Car Park Creation  | 14,231           | 0                 | -14,231          |
| <b>Assets</b>                                   | <b>148,491</b>   | <b>1,458,718</b>  | <b>1,310,227</b> |
| <b>GENERAL FUND</b>                             | <b>917,382</b>   | <b>7,804,217</b>  | <b>6,886,835</b> |
| <b>TOTAL CAPITAL EXPENDITURE</b>                | <b>2,763,401</b> | <b>10,992,247</b> | <b>8,228,846</b> |

**APPENDIX 2**

|           |                | Cultural Services | Housing | Property | SDDC Unspecified | Deadline                                       |   |
|-----------|----------------|-------------------|---------|----------|------------------|--|---|
| 1         | 1              | £                 | £       | £        | £                | 1  | 1   |
| 2010/0320 | Aston          | 932               | 0       | 0        | 0                | N/A  | £932 remaining - £19.7k claimed by Aston PC towards outdoor gym equipment in Aug-21.  |
| 2012/0568 | Aston          | 539,550           | 0       | 0        | 0                | £267,431 - 28/02/2024<br>£272,119 - 02/02/2026 | 180k to Derby City for Chellaston Community Centre - 87k is in discussion with Swarkestone / Elvaston Cricket Club                      |
| 2014/0232 | Aston          | 22,839            | 0       | 0        | 0                | 06/04/2024                                     | Towards the provision of local outdoor recreational facilities - Weston & Aston PC have project for RIA                                 |
| 2016/0583 | Aston          | 15,733            | 0       | 0        | 0                | 20/02/2024                                     | Towards local areas of play - Derby City taking lead on spend   |
| 2016/0870 | Aston          | 15,052            | 0       | 0        | 0                | £9,660 - 26/06/2024<br>£5,392 - 26/06/2029     | Towards provision of outdoor sports facilities at Aston recreation Ground - Weston & Aston PC have project for RIA                      |
| 2016/0898 | Aston          | 14,886            | 0       | 0        | 0                | 05/07/2023                                     | Towards permitting public access to social and community facilities - Weston & Aston PC have project for RIA                            |
| 2017/0416 | Church Gresley | 24,979            | 0       | 0        | 0                | N/A  | £12k towards play equipment at Maurice Lea Memorial Park, £7k towards Woodhouse Recreation Ground, £4k towards Greenbank Leisure Centre |
| 2012/0743 | Church Gresley | 214,779           |         | 77,921   | 0                | £135,922 - 20/11/2022<br>£156,778 - 30/08/2024 | £212k towards Urban Park Project, £77.9k Green Bank   |
| 2012/0743 | Church Gresley |                   | 152,773 |          | 0                | N/A  | Towards Cadley Hill affordable housing  |
| 2013/1040 | Etwall         | 45,097            | 0       | 0        | 0                | 22/02/2022                                     | £45k remaining to be claimed by JPS for tennis courts/MUGA. £44k claimed by JPS in Aug-21 towards Etwall LC car park                    |
| 2014/0562 | Etwall         | 0                 | 0       | 60,386   | 0                | 06/11/2024                                     | Towards increasing the capacity of Etwall Leisure Centre  |
| 2014/1136 | Etwall         | 0                 | 0       | 298,452  | 0                | £201,668 - 01/06/2024<br>£96,784 - 19/06/2025  | Towards improvements at Etwall Leisure Centre   |
| 2015/0354 | Etwall         | 21,590            | 0       | 0        | 0                | 01/10/2023                                     | Towards improvements to King George V Playing Field - Etwall PC currently obtaining 3 quotes to resurface play area.                    |

|           |                     |         |           |   |         |   |  |
|-----------|---------------------|---------|-----------|---|---------|---|--|
| 2015/0768 | Etwall              | 240,637 |           | 0 | 0       | 14/02/2023                                    | £188k towards Newhouse Farm Community Centre<br>£52k towards group exercise and swimming provision at Etwall LC.         |
| 2015/0768 | Etwall              |         | 1,071,180 | 0 | 0       | 09/08/2024                                    | Towards housing within the Derby fringe  |
| 2015/0768 | Etwall              |         | 1,071,180 | 0 | 0       | 20/10/2025                                    | Towards housing within the Derby fringe  |
| 2015/0768 | Etwall              |         | 1,103,640 | 0 | 0       | 27/07/2026                                    | Towards housing within the Derby fringe  |
| 2017/0349 | Etwall              | 75,648  | 0         | 0 | 370,682 | 28/09/2025                                    | £75k potentially towards a sporting hub - discussions ongoing, £370.6k towards travel plan.                              |
| 2017/1293 | Hilton              | 1,132   | 0         | 0 | 0       | 04/10/2024                                    | Hilton Parish to spend on Hilton Memorial Meadow   |
| 2013/1044 | Hilton              | 214,103 | 0         | 0 | 0       | £55,425 - 21/06/2023<br>£158,677 - 30/06/2026 | Hilton PC taking lead - £55k towards Scout Hut   |
| 2014/0948 | Linton              | 91,670  | 0         | 0 | 0       | 04/12/2025                                    | Towards outdoor Recreational facilities & improvement of off-site open space at Rosliston Forestry Centre                |
| 2015/0426 | Linton              | 20,946  | 0         | 0 | 0       | 21/11/2024                                    | Badgers Hollow Recreation Ground - towards provision and or improvement of youth facilities - Linton PC obtaining quotes |
| 2015/0723 | Linton              | 71,655  | 0         | 0 | 0       | 14/08/2024                                    | Towards enhancements to RFC visitor centre, RFC play equipment and sports pitches at Strawberry Lane                     |
| 2014/1141 | Melbourne           | 15,326  | 0         | 0 | 0       | £7,644 - 01/11/2028<br>£7,682 - 08/02/2029    | Towards Kings Newton Bowls Club  |
| 2016/0094 | Midway              | 26,256  | 0         | 0 | 0       | 19/10/2025                                    | Towards Eureka Park, Miner's memorial and Swadlincote Town Hall improvements   |
| 2011/0952 | Newhall and Stanton | 15,708  | 0         | 0 | 0       | 05/05/2022                                    | Included within the "Improvements to play areas" project at Newhall Park   |
| 2014/0222 | Newhall and Stanton | 16,892  | 0         | 0 | 0       | £8,398 - 01/09/2022<br>£8,494 - 03/04/2023    | Included within the "Improvements to play areas" project at Newhall Park   |
| 2014/0888 | Newhall and Stanton | 570,000 | 0         | 0 | 0       | 15/03/2025                                    | Towards Oversetts Road Football Facility   |
| 2015/0396 | Newhall and Stanton | 13,815  | 0         | 0 | 0       | 04/09/2024                                    | Towards Oversetts Road Football Facility   |
| 2017/0667 | Newhall and Stanton | 118,428 |           | 0 | 0       | 02/02/2026                                    | £76k Towards Urban Park project, £42k towards works to swimming pool at Green Bank                                       |
| 2017/0667 | Newhall and Stanton |         | 62,359    | 0 | 0       | 16/11/2025                                    | Towards the provision of affordable housing on the Swadlincote South fringe  |
| 2017/0667 | Newhall and Stanton |         | 124,803   | 0 | 0       | 02/02/2026                                    | Towards the provision of affordable housing on the Swadlincote South fringe  |

|           |                        |        |         |   |         |  |   |
|-----------|------------------------|--------|---------|---|---------|--|---|
| 2017/0667 | Newhall and Stanton    |        | 64,187  | 0 | 0       | 31/08/2026                                   | Towards the provision of affordable housing on the Swadlincote South fringe   |
| 2016/1118 | Repton                 | 34,767 | 0       | 0 | 0       | 02/03/2026                                   | £12.4k towards extension of Repton Village Hall, £22.3k towards improvements to Broomfields Playing Fields                                |
| 2013/0643 | Repton                 | 0      | 497,916 | 0 | 0       | 22/12/2026                                   | Towards provision, improvement, maintenance or management of affordable housing within the Repton Ward                                    |
| 2014/0431 | Seales                 | 6,200  | 0       | 0 | 0       | 30/06/2022                                   | Towards restoration & subsequent management of grassland at Swadlincote Woodlands   |
| 2015/0029 | Seales                 | 26,368 | 0       | 0 | 0       | £12,904 - 25/03/2026<br>£13,464 - 01/10/2026 | Towards the changing room at Overseal Rec   |
| 2017/0819 | Seales                 | 5,635  | 0       | 0 | 0       | 28/02/2023                                   | Towards improving existing changing rooms at Overseal Recreation Ground. Currently speaking with Overseal PC                              |
| 2011/0006 | Swadlincote            | 30,340 | 0       | 0 | 0       | 08/11/2023                                   | Towards provision of play space - Including within the "Improvements to play areas" project   |
| 2019/1183 | Swadlincote            | 0      | 0       | 0 | 14,208  | N/A  | Towards the CCG and improvements at Swadlincote Surgery   |
| 2011/0329 | Swadlincote            | 19,386 | 0       | 0 | 0       | 29/03/2024                                   | Towards the provision of local open space facilities - Including within the "Improvements to play areas" project                          |
| 2013/0818 | Swadlincote            | 59,505 | 0       | 0 | 0       | 20/03/2022                                   | Towards purchasing and maintaining off-site open space - Urban Park project   |
| 2014/0300 | Swadlincote            | 25,858 | 0       | 0 | 0       | 22/10/2024                                   | Towards renovation of multi-use games area at Maurice Lea Memorial Park   |
| 2006/0885 | Willington and Findern | 19,950 | 0       | 0 | 100,000 | 11/10/2023                                   | £19.9k towards enhancing open space/recreation facilities, £100k towards improvement to the culverts on and bridges over Willington Brook |
| 2011/0292 | Willington and Findern | 46,857 | 0       | 0 | 0       | N/A  | Willington Parish - towards Twyford Pavilion & tennis courts project  |
| 2012/0586 | Woodville              | 11,918 | 0       | 0 | 0       | N/A  | Towards the provision of Open Space   |
| 2012/0861 | Woodville              | 22,134 | 0       | 0 | 0       | N/A  | Towards the provision of open space - Including within the "Improvements to play areas" project   |
| 2013/0364 | Woodville              | 2,118  | 0       | 0 | 0       | 15/03/2022                                   | Towards improvements at Swadlincote Woodlands   |
| 2015/0534 | Woodville              | 31,692 | 0       | 0 | 0       | 03/01/2023                                   | Towards open space - Woodville PC taking lead   |

|                        |                     |                  |                  |                |                |                  |  |
|------------------------|---------------------|------------------|------------------|----------------|----------------|------------------|--|
| 2015/0561              | Woodville           | 20,402           | 0                | 0              | 0              | 12/12/2024       | £16.9k towards Main Street Rec, £3.5k towards Goseley Community Centre   |
| 2015/0563              | Woodville           | 8,335            | 0                | 0              | 0              | 07/02/2024       | Towards provision of outdoor sports facilities, open space and build facilities - currently in talks with Hartshorne PC  |
| 2015/0976              | Woodville           | 7,316            | 0                | 0              | 0              | 29/11/2023       | Woodville Parish looking to spend at Woodville Recreation Ground   |
| 2016/0329              | Woodville           | 28,960           | 0                | 0              | 0              | 02/07/2025       | £5.5k towards improvements of the pavilion at Woodville Rec, £14k towards grass pitches at Woodville Rec, £9.3k towards Footpath connections at Woodville Woodlands - included within the "Improvements to play areas" project |
| 2018/0377              | Woodville           | 20,366           | 0                | 0              | 0              | 16/03/2026       | £3.4k towards Goseley Community Centre, £6.2k towards Hartshorne Cricket Club, £10.6k towards Improvements to Swadlincote Woodlands  |
| 2019/1205              | Hilton              | 3,662            |                  |                | 0              | N/A              | Towards enhancing and managing biodiversity  |
| 2019/1427              | Newhall and Stanton | 15,591           | 0                | 0              | 0              | 10/06/2026       | Towards enhancements to the Urban Park   |
| 2017/0194              | Repton              | 44,338           | 0                | 0              | 0              | 15/06/2026       | £7.5k towards Repton Village Hall, £36.7k towards improvements & recreational facilities at Broomfields Playing Fields   |
| 2015/1108              | Hatton              | 96,066           | 0                | 0              | 0              | N/A              | Towards the enhancement of Scropton Road Recreation Ground   |
| 2016/0288              | Swadlincote         | 26,000           | 0                | 0              | 0              | 24/06/2026       | Towards improving play or sports facilities at Swadlincote Woodlands   |
| 2020/0592              | Melbourne           | 51,361           | 0                | 0              | 0              | 04/10/2026       | £18k towards enhancements of Melbourne Assembly Rooms, £33k towards improving the sports pitches at the Cockshut Lane recreation ground  |
| <b>TOTAL AVAILABLE</b> |                     | <b>3,072,779</b> | <b>4,148,039</b> | <b>436,759</b> | <b>484,890</b> | <b>8,142,468</b> |  |

|                                |  |   |
|--------------------------------|--|---|
| <b>REPORT TO:</b>              | <b>FINANCE AND MANAGEMENT COMMITTEE</b>  | <b>AGENDA ITEM: 12</b>                            |
| <b>DATE OF MEETING:</b>        | <b>25<sup>th</sup> NOVEMBER 2021</b>   | <b>CATEGORY: DELEGATED</b>                        |
| <b>REPORT FROM:</b>            | <b>STRATEGIC DIRECTOR (CORPORATE RESOURCES)</b>  | <b>OPEN</b>                                       |
| <b>MEMBERS' CONTACT POINT:</b> | <b>VICKI SUMMERFIELD</b><br><a href="mailto:victoria.summerfield@southderbyshire.gov.uk">victoria.summerfield@southderbyshire.gov.uk</a> | <b>DOC:</b><br>s/finance/committee/21-22/November |
| <b>SUBJECT:</b>                | <b>TREASURY MANAGEMENT UPDATE 2021-22</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 2021/22 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 2021/22.
- 2.2 To provide an update on external economic factors and how these may affect treasury management in the future.

## **3.0 Detail**

- 3.1 The Council is required to manage its treasury activities under the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code).
- 3.2 Alongside this, the Council follows the 2017 Prudential Code which requires a Capital Strategy to be updated and approved.
- 3.3 The aims of the Codes are to ensure that the Council's capital investment plans are affordable and sustainable, that treasury management decisions are taken in accordance with best practice and that financial planning and asset management are integrated into the corporate planning arrangements.

3.4 The Council reports the treasury activities quarterly and the Treasury Strategy annually to this Committee. The Capital Strategy was last reported to Council in January 2019.

3.5 Details of the treasury activities for quarter 2 are attached in Appendix 1 but a summary of key local information is also contained in the following paragraphs.

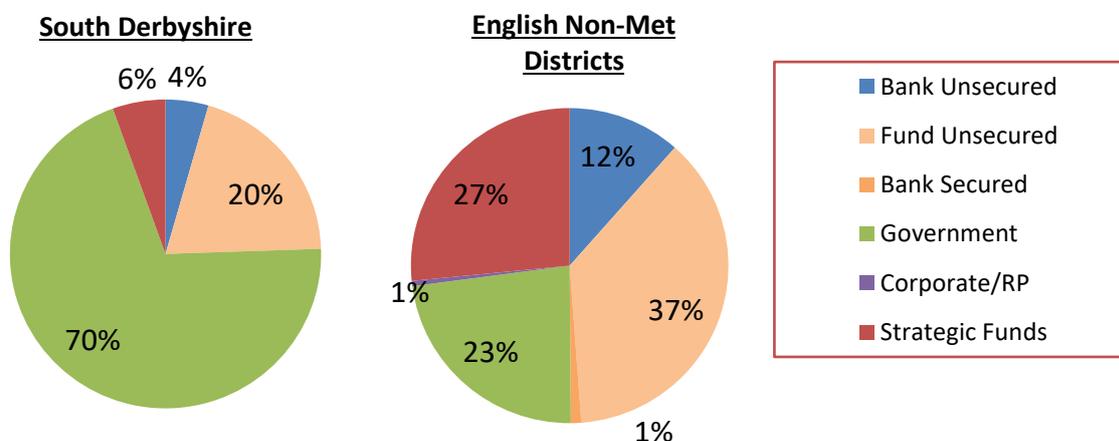
### Treasury Management Summary

3.6 The following table shows the level of cash balances held and the borrowing liability in June 2021 and September 2021.

|                           | 30.06.21<br>Balance<br>£m | Movement<br>£m | 30.09.21<br>Balance<br>£m | Average<br>Rate<br>% |
|---------------------------|---------------------------|----------------|---------------------------|----------------------|
| Long-term borrowing:      |                           |                |                           |                      |
| Fixed                     | 47,423                    | 0              | 47,423                    | 3.19%                |
| Variable                  | 10,000                    | 0              | 10,000                    | 0.35%                |
| Short-term borrowing      | 89                        | 0              | 89                        | 0.00%                |
| <b>Total borrowing</b>    | <b>57,512</b>             | <b>0</b>       | <b>57,512</b>             |                      |
| Long-term investments     | 4,000                     | 0              | 4,000                     |                      |
| Short-term investments    | 53,500                    | -9,500         | 63,000                    | 0.10%                |
| Cash and cash equivalents | 3,213                     | 95             | 3,118                     | 0.00%                |
| <b>Total investments</b>  | <b>60,544</b>             | <b>-9,405</b>  | <b>70,118</b>             |                      |
| <b>Net borrowing</b>      | <b>-3,032</b>             | <b>-9,405</b>  | <b>-12,606</b>            |                      |

3.7 The table above shows that the cash balances have increased in the year, mainly due to additional Government grants received and less capital expenditure due to the pandemic.

3.8 The Council holds varying types of deposits, and the charts below show how the investment portfolio compares to other local district authorities.



3.9 As can be seen from the above, the unsecured funds held by other local authorities is a much higher percentage of their overall investment portfolio which will produce

higher yields. However, the bail in exposure of these authorities is significantly higher than the Council who invests funds in a much more secure manner.

3.10 Average rates of return on investments is still low but the CCLA fund is a longer-term investment that is currently returning an average of over 4%. The budget does not include a return at this level and therefore it is a benefit in year to the General Fund and HRA.

3.11 HRA debt is profiled for repayment over a twenty-year period and money is being set-aside each year in the Debt Repayment Reserve. The profiled repayment is listed in the following table.

| <b>Loan Profile</b>              | <b>Type</b> | <b>Value<br/>£'000</b> | <b>Rate<br/>%</b> | <b>Maturity</b> |
|----------------------------------|-------------|------------------------|-------------------|-----------------|
| Public Works Loan Board          | Variable    | 10,000                 | 0.23              | 2021/22         |
| Public Works Loan Board          | Fixed       | 10,000                 | 2.70              | 2023/24         |
| Public Works Loan Board          | Fixed       | 10,000                 | 3.01              | 2026/27         |
| Public Works Loan Board          | Fixed       | 10,000                 | 3.30              | 2031/32         |
| Public Works Loan Board          | Fixed       | 10,000                 | 3.44              | 2036/37         |
| Public Works Loan Board          | Fixed       | 7,423                  | 3.50              | 2041/42         |
| <b>Total Long-term borrowing</b> |             | <b>57,423</b>          |                   |                 |
| Short-term Parish Council Loans  |             | <b>89</b>              | 0.00              |                 |
| <b>Total borrowing</b>           |             | <b>57,512</b>          |                   |                 |

### **Counterparty Limits**

3.12 The Council utilises a Treasury Adviser to provide updates on the financial markets and guide on the most secure financial institutions to invest surplus cash with.

3.13 A counterparty investment limit is approved by this Committee quarterly and the Council must report any breaches. A summary table is included within **Appendix 1** to show the maximum balances on deposit during the quarter.

3.14 There have been no breaches of the counterparty limits to report during the year.

### **4.0 Financial Implications**

4.1 As detailed in the report

### **5.0 Corporate Implications**

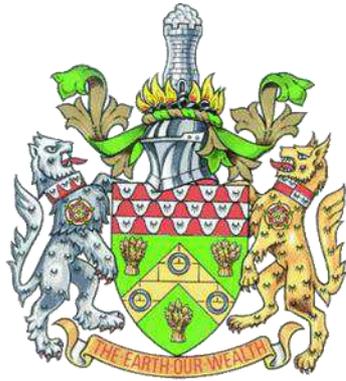
5.1 None directly

## **6.0 Community Implications**

6.1 None directly

## **7.0 Background Papers**

7.1 Treasury Management in the Public Services Code of Practice  
(CIPFA Publication - December 2017)



**South  
Derbyshire  
District Council**

**Treasury Management Report Q2 2021/22**

## 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 2021/22 was approved at a meeting of the Authority on 24th February 2021. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.

The 2017 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Authority's Capital Strategy, complying with CIPFA's requirement, was approved by full Council on 18<sup>th</sup> March 2021.

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

## External Context

**Economic background:** The economic recovery from coronavirus pandemic continued to dominate the first half of the financial year. By the end of the period over 48 million people in the UK had received their first dose of a COVID-19 vaccine and almost 45 million their second dose.

The Bank of England (BoE) held Bank Rate at 0.1% throughout the period and maintained its Quantitative Easing programme at £895 billion, unchanged since the November 2020 meeting. In its September 2021 policy announcement, the BoE noted it now expected the UK economy to grow at a slower pace than was predicted in August, as the pace of the global recovery had shown signs of slowing and there were concerns inflationary pressures may be more persistent. Within the announcement, Bank expectations for GDP growth for the third (calendar) quarter were revised down to 2.1% (from 2.9%), in part reflecting tighter supply conditions. The path of CPI inflation is now expected to rise slightly above 4% in the last three months of 2021, due to higher energy prices and core goods inflation. While the Monetary Policy Committee meeting ended with policy rates unchanged, the tone was more hawkish.

Government initiatives continued to support the economy over the quarter but came to an end on 30th September 2021, with businesses required to either take back the 1.6 million workers on the furlough scheme or make them redundant.

The latest labour market data showed that in the three months to July 2021 the unemployment rate fell to 4.6%. The employment rate increased, and economic activity rates decreased, suggesting an improving labour market picture. Latest data showed growth in average total pay (including bonuses) and regular pay (excluding bonuses) among employees was 8.3%

and 6.3% respectively over the period. However, part of the robust growth figures is due to a base effect from a decline in average pay in the spring of last year associated with the furlough scheme.

Annual CPI inflation rose to 3.2% in August, exceeding expectations for 2.9%, with the largest upward contribution coming from restaurants and hotels. The Bank of England now expects inflation to exceed 4% by the end of the calendar year owing largely to developments in energy and goods prices. The Office of National Statistics' (ONS') preferred measure of CPIH which includes owner-occupied housing was 3.0% year/year, marginally higher than expectations for 2.7%.

The easing of restrictions boosted activity in the second quarter of calendar year, helping push GDP up by 5.5% q/q (final estimate vs 4.8% q/q initial estimate). Household consumption was the largest contributor. Within the sector breakdown production contributed 1.0% q/q, construction 3.8% q/q and services 6.5% q/q, taking all of these close to their pre-pandemic levels.

The US economy grew by 6.3% in Q1 2021 (Jan-Mar) and then by an even stronger 6.6% in Q2 as the recovery continued. The Federal Reserve maintained its main interest rate at between 0% and 0.25% over the period but in its most recent meeting made suggestion that monetary policy may start to be tightened soon.

The European Central Bank maintained its base rate at 0%, deposit rate at -0.5%, and asset purchase scheme at €1.85 trillion.

**Financial markets:** Monetary and fiscal stimulus together with rising economic growth and the ongoing vaccine rollout programmes continued to support equity markets over most of the period, albeit with a bumpy ride towards the end. The Dow Jones hit another record high while the UK-focused FTSE 250 index continued making gains over pre-pandemic levels. The more internationally focused FTSE 100 saw more modest gains over the period and remains below its pre-crisis peak.

Inflation worries continued during the period. Declines in bond yields in the first quarter of the financial year suggested bond markets were expecting any general price increases to be less severe, or more transitory, that was previously thought. However, an increase in gas prices in the UK and EU, supply shortages and a dearth of HGV and lorry drivers with companies willing to pay more to secure their services, has caused problems for a range of industries and, in some instance, lead to higher prices.

The 5-year UK benchmark gilt yield began the financial year at 0.36% before declining to 0.33% by the end of June 2021 and then climbing to 0.64% on 30th September. Over the same period the 10-year gilt yield fell from 0.80% to 0.71% before rising to 1.03% and the 20-year yield declined from 1.31% to 1.21% and then increased to 1.37%.

The Sterling Overnight Rate (SONIA) averaged 0.05% over the quarter.

**Credit review:** Credit default swap spreads were flat over most of period and are broadly in line with their pre-pandemic levels. In late September spreads rose by a few basis points due to concerns around Chinese property developer Evergrande defaulting but are now falling back. The gap in spreads between UK ringfenced and non-ringfenced entities continued to

narrow, but Santander UK remained an outlier compared to the other ringfenced/retail banks. At the end of the period Santander UK was trading the highest at 53bps and Lloyds Banks Plc the lowest at 32bps. The other ringfenced banks were trading between 37-39bps and Nationwide Building Society was 39bps.

Over the period Fitch and Moody's upwardly revised to stable the outlook on a number of UK banks and building societies on our counterparty list, recognising their improved capital positions compared to last year and better economic growth prospects in the UK.

Fitch also revised the outlooks for Nordea, Svenska Handelsbanken and Handelsbanken plc to stable from negative. The rating agency considered the improved economic prospects in the Nordic region to have reduced the baseline downside risks it previously assigned to the lenders.

The successful vaccine rollout programme is credit positive for the financial services sector in general and the improved economic outlook has meant some institutions have been able to reduce provisions for bad loans. While there is still uncertainty around the full extent of the losses banks and building societies will suffer due to the pandemic-related economic slowdown, the sector is in a generally better position now compared to earlier this year and 2020.

At the end of the period Arlingclose had completed its full review of its credit advice on unsecured deposits. The outcome of this review included the addition of NatWest Markets plc to the counterparty list together with the removal of the suspension of Handelsbanken plc. In addition, the maximum duration for all recommended counterparties was extended to 100 days.

As ever, the institutions and durations on the Authority's counterparty list recommended by treasury management advisors Arlingclose remain under constant review.

### **Local Context**

On 31st March 2021, the Authority had net borrowing of (£3.032m) arising from its revenue and capital income and expenditure. This fell to (£12.606M) by the end of the quarter. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in below.

## Capital Financing Requirement (CFR)

|   | 31.03.21<br>Actual<br>£,000 | 30.09.21<br>Actual<br>£'000 |
|---|-----------------------------|-----------------------------|
| <b><u>Housing Revenue Account</u></b>                 |                             |                             |
| Debt Outstanding                                      | 57,423                      | 57,423                      |
| Capital Financing Requirement (CFR)                   | 61,584                      | 61,584                      |
| Statutory Debt Cap                                    | 66,853                      | 66,853                      |
| <b>Borrowing Capacity (Cap less Debt Outstanding)</b> | <b>9,430</b>                | <b>9,430</b>                |
| <b><u>General Fund</u></b>                            |                             |                             |
| Debt Outstanding                                      | 0                           | 0                           |
| Capital Financing Requirement (CFR)                   | 4,667                       | 4,667                       |
| <b>Borrowing Capacity (Cap less Debt Outstanding)</b> | <b>4,667</b>                | <b>4,667</b>                |
| <b>Total Capital Financing Requirement (CFR)</b>      | <b>66,251</b>               | <b>66,251</b>               |

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 as at 30<sup>th</sup> September 2021 and the change during the quarter is shown below.

### **Treasury Management Summary**

|                           | 30.06.21<br>Balance<br>£m | Movement<br>£m | 30.09.21<br>Balance<br>£m | Average<br>Rate<br>% |
|---------------------------|---------------------------|----------------|---------------------------|----------------------|
| Long-term borrowing:      |                           |                |                           |                      |
| Fixed                     | 47,423                    | 0              | 47,423                    | 3.19%                |
| Variable                  | 10,000                    | 0              | 10,000                    | 0.17%                |
| Short-term borrowing      | 89                        | 0              | 89                        | 0.00%                |
| <b>Total borrowing</b>    | <b>57,512</b>             | <b>0</b>       | <b>57,512</b>             |                      |
| Long-term investments     | 4,000                     | 0              | 4,000                     |                      |
| Short-term investments    | 53,500                    | 9,500          | 63,000                    | 0.10%                |
| Cash and cash equivalents | 3,213                     | -95            | 3,118                     | 0.00%                |
| <b>Total investments</b>  | <b>60,544</b>             | <b>9405</b>    | <b>70,118</b>             |                      |
| <b>Net borrowing</b>      | <b>-3,032</b>             | <b>9405</b>    | <b>-12,606</b>            |                      |

### **Borrowing update**

Local authorities can borrow from the PWLB provided they can confirm they are not planning to purchase 'investment assets primarily for yield' in the current or next two financial years, with confirmation of the purpose of capital expenditure from the Section 151 Officer.

Authorities that are purchasing or intending to purchase investment assets primarily for yield will not be able to access the PWLB except to refinance existing loans or externalise internal borrowing.

Acceptable use of PWLB borrowing includes service delivery, housing, regeneration, preventative action, refinancing and treasury management.

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

The Authority is not planning to purchase any investment assets primarily for yield within the next three years and so is able fully access the PWLB.

### Revised PWLB Guidance

HM Treasury published further guidance on PWLB borrowing in August 2021 providing additional detail and clarifications predominantly around the definition of an 'investment asset primarily for yield'. The principal aspects of the new guidance are:

- Capital expenditure incurred or committed to before 26th November 2020 is allowable even for an 'investment asset primarily for yield'.
- Capital plans should be submitted by local authorities via a DELTA return. These open for the new financial year on 1st March and remain open all year. Returns must be updated if there is a change of more than 10%.
- An asset held primarily to generate yield that serves no direct policy purpose should not be categorised as service delivery.
- Further detail on how local authorities purchasing investment assets primarily for yield can access the PWLB for the purposes of refinancing existing loans or externalising internal borrowing.
- Additional detail on the sanctions which can be imposed for inappropriate use of the PWLB loan. These can include a request to cancel projects, restrictions to accessing the PLWB and requests for information on further plans.

### Changes to PWLB Terms and Conditions from 8th September 2021

- The settlement time for a PWLB loan has been extended from two working days (T+2) to five working days (T+5). In a move to protect the PWLB against negative interest rates, the minimum interest rate for PWLB loans has also been set at 0.01% and the interest charged on late repayments will be the higher of Bank of England Base Rate or 0.1%.

Municipal Bonds Agency (MBA): The MBA is working to deliver a new short-term loan solution, available in the first instance to principal local authorities in England, allowing them access to short-dated, low rate, flexible debt. The minimum loan size is expected to be £25 million. Importantly, local authorities will borrow in their own name and will not cross guarantee any other authorities.

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

UK Infrastructure Bank: £4bn has been earmarked for of lending to local authorities by the UK Infrastructure Bank which is wholly owned and backed by HM Treasury. The availability of this lending to local authorities, for which there will be a bidding process, is yet to commence. Loans will be available for qualifying projects at gilt yields plus 0.6%, which is 0.2% lower than the PWLB certainty rate.

### **Borrowing Activity**

At 30th September 2021 the Authority held £57.4m of loans. These loans were taken out by the Authority in 2011/12 for the purpose of HRA self-financing. The principal element of these loans is repayable in full on maturity, with interest being paid each March and September.

The short-term borrowing of £89k relates to deposits received from two Parish Councils within the District. These loans can be recalled on immediate notice. Interest is calculated at the Bank of England Base Rate, less 1%. No interest is currently being paid due to the Base Rate being less than 1%.

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

### **Borrowing Position**

| <b>Loan Profile</b>              | <b>Type</b> | <b>Value<br/>£'000</b> | <b>Rate<br/>%</b> | <b>Maturity</b> |
|----------------------------------|-------------|------------------------|-------------------|-----------------|
| Public Works Loan Board          | Variable    | 10,000                 | 0.23              | 2021/22         |
| Public Works Loan Board          | Fixed       | 10,000                 | 2.70              | 2023/24         |
| Public Works Loan Board          | Fixed       | 10,000                 | 3.01              | 2026/27         |
| Public Works Loan Board          | Fixed       | 10,000                 | 3.30              | 2031/32         |
| Public Works Loan Board          | Fixed       | 10,000                 | 3.44              | 2036/37         |
| Public Works Loan Board          | Fixed       | 7,423                  | 3.50              | 2041/42         |
| <b>Total Long-term borrowing</b> |             | <b>57,423</b>          |                   |                 |
| Short-term Parish Council Loans  |             | <b>89</b>              | 0.00              |                 |
| <b>Total borrowing</b>           |             | <b>57,512</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.

In keeping with these objectives, no new borrowing was undertaken while £10m of existing loans will be allowed to mature without replacement. This strategy enabled the Authority to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.

## Treasury Investment Activity

During the last quarter the Authority has received £1.6m central government funding to offer out grant schemes to support small and medium businesses, and members of the public in isolation during the coronavirus pandemic. The additional funds received have been temporarily invested in short-dated, liquid instruments such as call accounts and Money Market Funds. The Authority has distributed £0.5m of these funds by the end of September.

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 £60m and £70m, due to timing differences between income and expenditure. The investment position during the quarter is shown in the table below.

### Treasury Investment Position

|                          | <b>31.03.21<br/>Balance<br/>£'000</b> | <b>Q2 2021<br/>Movement<br/>£'000</b> | <b>30.09.21<br/>Balance<br/>£'000</b> | <b>30.09.21<br/>Rate of<br/>Return<br/>%</b> |
|--------------------------|---------------------------------------|---------------------------------------|---------------------------------------|--|
| Banks (unsecured)        | -956                                  | 2,162                                 | 3,118                                 | 0.00%  |
| Local Authorities        | 44,000                                | 5,000                                 | 49,000                                | 0.15%  |
| Money Market Funds       | 13,500                                | 500                                   | 14,000                                | 0.00%  |
| CCLA Property Fund       | 4,000                                 | 0                                     | 4,000                                 | 3.48%  |
| <b>Total investments</b> | <b>60,544</b>                         | <b>7,662</b>                          | <b>70,118</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.

Ultra-low short-dated cash rates which have been a feature since March 2020 when Bank Rate was cut to 0.1% have resulted in the return on sterling low volatility net asset value money market funds (LVNAV MMFs) being close to zero even after some managers have temporarily waived or lowered their fees. At this stage net negative returns are not the central case of most MMF managers over the short-term, and fee waivers should maintain positive net yields, but the possibility cannot be ruled out.

Deposit rates with the Debt Management Account Deposit Facility (DMADF) are also largely around zero.

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

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

Security benchmark

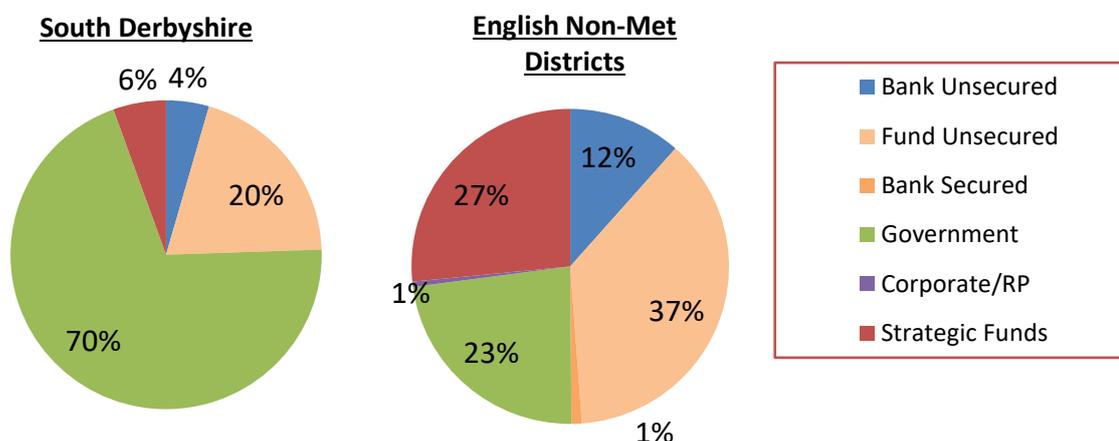
|                    | Credit Score | Credit Rating | Bail-in Exposure | Weighted Average Maturity (days) | Rate of Return % |
|--------------------|--------------|---------------|------------------|----------------------------------|------------------|
| <b>30.09.2021</b>  | 4.46         | AA-           | 26%              | 78                               | 0.36%            |
| <b>Similar LAs</b> | 4.66         | A+            | 69%              | 55                               | 1.20%            |
| <b>All LAs</b>     | 4.69         | A+            | 69%              | 44                               | 0.78%            |

**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.



This chart illustrates the type of investment funds held by the Council in comparison to other similar Local Authorities, this shows in greater detail, the comparisons in the bail in exposure and rate of return, on the above security benchmark table. The unsecured funds held by other Local Authorities is a much higher percentage of their investment portfolio, which will offer them a higher rate of return (1.20%), however the bail in exposure risk to funds is 69% of their total portfolio. The Council have invested their funds in much safer secured investments (Government) which may produce a smaller yield (0.36%) but the risk to Council funds is low at 26%.

## Externally Managed Pooled Funds

£4m of the Authority's investments are invested in externally managed strategic pooled property funds where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability. These funds are expected to generate an average return of £30k - £40k per quarter, its estimated £120k - £160k income return will be achieved this year, which is used to support services in year.

Because the Authority's externally managed funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over a three- to five-year period total returns will exceed cash interest rates.

### CCLA Property Fund Performance

|                                 |            | 2021/22 | 2021/22 |
|---------------------------------|------------|---------|---------|
|                                 |            | Q1      | Q 21    |
| Dividend Received               | £          | 35,660  | 33,500  |
| Annual Equivalent Interest Rate | %          | 3.83%   | 3.48%   |
| Bid (Selling) Price             | pence/unit | 298.98  | 309.24  |

The mid-market value of the fund as at the 30<sup>th</sup> September is £3,909,350 and the bid market value is £3,848,739. The quarters market and bid values have increased from June 21 by 3.43%. This reinforces the notion that the Fund should only be considered for long-term investments.

The authority's investment in the CCLA fund will remain stable throughout 21/22 with performance continuing to yield positive dividends.

## Performance

### **Average 7 day Interest Rate**

The main indicator the Council uses to measure its return on short-term investments to average over the year, is the Average 7-Day Money Market Rate. This is a standard measure of performance. Performance for the second quarter is shown below.

|   | As at<br>30.06.21 | As at<br>30.09.21 |
|---|-------------------|-------------------|
| Average 7-Day Money Market Rate (Target)              | 0.10%             | 0.09%             |
| Average Interest Rate Achieved on Short Term Deposits | 0.10%             | 0.09%             |

## Cost of Debt

This indicator shows how much the costs of borrowing impact upon each household (at Band D Council Tax rate) in the District. The impact on Council Tax is positive as the General Fund has no actual debt. The performance for the first quarter is shown below using the current interest received and the estimated annual interest based on current returns. This is compared to the actual annual interest received last year.

| General Fund Impact per Council Tax Payer | Actual<br>31.03.2021 | Actual<br>30.09.21 | Estimated<br>31.03.2022 |
|---|----------------------|--------------------|-------------------------|
|   | £'000                | £'000              | £'000                   |
| Net Interest Received - General Fund      | -£247,667            | -£75,026           | -£150,052               |
| Band D Properties                         | 34,474               | 35,218             | 35,218                  |
| <b>Cost per Band D Property</b>           | <b>-£7.18</b>        | <b>-£2.13</b>      | <b>-£4.26</b>           |

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

| HRA Debt Interest per Dwelling  | 31.03.21<br>Actual | 30.09.2021<br>Estimated |
|---------------------------------|--------------------|-------------------------|
| HRA Interest Payable            | 1,540,408          | 1,521,944               |
| Dwellings                       | 2,974              | 2,974                   |
| <b>Annual Cost per Dwelling</b> | <b>£517.96</b>     | <b>£511.75</b>          |

## Compliance

The Chief Finance Officer reports that during the second quarter treasury management activities have fully complied 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

| Sector  | Maximum Investment Q2 2021 | Counterparty Limit | Time Limit | Sector Limit | Complied |
|---|----------------------------|--------------------|------------|--------------|----------|
| The UK Government                             | £13.5m                     | £20m               | 364 days   | n/a          | ✓        |
| Local authorities & other government entities | £38m                       | £5m                | 364 days   | Unlimited    | ✓        |
| Banks (unsecured)*                            | £2.7m                      | £3m                | 35 days    | Unlimited    | ✓        |
| Building societies (unsecured)*               | £4m                        | £2m                | 35 days    | £5m          | ✓        |
| Money Market Funds*                           | £14m                       | £2m                | 60 days    | £14m         | ✓        |
| Strategic Pooled Funds                        | £4m                        | £4m                | n/a        | £4m          | ✓        |
| Other Investments*                            | 0                          | £1m                | 35 days    | Unlimited    | ✓        |

## Revisions to CIPFA Codes

In February 2021 CIPFA launched two consultations on changes to its Prudential Code and Treasury Management Code of Practice. These followed the Public Accounts Committee's recommendation that the prudential framework should be further tightened following continued borrowing by some authorities for investment purposes. In June, CIPFA provided feedback from this consultation.

In September CIPFA issued the revised Codes and Guidance Notes in draft form and opened the latest consultation process on their proposed changes. The changes include:

- Clarification that (a) local authorities must not borrow to invest primarily for financial return (b) it is not prudent for authorities to make any investment or spending decision that will increase the Capital Financing Requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the authority.
- Categorising investments as those (a) for treasury management purposes, (b) for service purposes and (c) for commercial purposes.
- Defining acceptable reasons to borrow money: (i) financing capital expenditure primarily related to delivering a local authority's functions, (ii) temporary management of cash flow within the context of a balanced budget, (iii) securing affordability by removing exposure to future interest rate rises and (iv) refinancing current borrowing, including replacing

internal borrowing.

- For service and commercial investments, in addition to assessments of affordability and prudence, an assessment of proportionality in respect of the authority’s overall financial capacity (i.e. whether plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services).
- Prudential Indicators
  - New indicator for net income from commercial and service investments to the budgeted net revenue stream.
  - Inclusion of the liability benchmark as a mandatory treasury management prudential indicator. CIPFA recommends this is presented as a chart of four balances – existing loan debt outstanding; loans CFR, net loans requirement, liability benchmark – over at least 10 years and ideally cover the authority’s full debt maturity profile.
  - Excluding investment income from the definition of financing costs.
- Incorporating ESG issues as a consideration within TMP 1 Risk Management.
- Additional focus on the knowledge and skills of officers and elected members involved in decision making

**MHCLG Improvements to the Capital Finance Framework:** MHCLG published a brief policy paper in July outlining the ways it feels that the current framework is failing and potential changes that could be made. The paper found that “while many authorities are compliant with the framework, there remain some authorities that continue to engage in practices that push the bounds of compliance and expose themselves to excessive risk”.

The actions announced include greater scrutiny of local authorities and particularly those engaged in commercial practices; an assessment of governance and training; a consideration of statutory caps on borrowing; further regulations around Minimum Revenue Provision (MRP) and ensuring that MHCLG regulations enforce guidance from CIPFA and the new PWLB lending arrangements.

A further consultation on these matters is expected soon.

Arlingclose’s Economic Outlook for the remainder of 2021/22 (based on the October 2021 interest rate forecast)

|                                 | Dec-21      | Mar-22      | Jun-22      | Sep-22      | Dec-22      | Mar-23      | Jun-23      | Sep-23      | Dec-23      | Mar-24      | Jun-24      | Sep-24      | Dec-24      |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Official Bank Rate</b>       |             |             |             |             |             |             |             |             |             |             |             |             |             |
| Upside risk                     | 0.00        | 0.15        | 0.00        | 0.25        | 0.25        | 0.25        | 0.25        | 0.25        | 0.25        | 0.25        | 0.25        | 0.25        | 0.25        |
| <b>Arlingclose Central Case</b> | <b>0.10</b> | <b>0.10</b> | <b>0.25</b> | <b>0.25</b> | <b>0.25</b> | <b>0.50</b> |
| Downside risk                   | 0.00        | 0.00        | 0.15        | 0.15        | 0.15        | 0.40        | 0.40        | 0.40        | 0.40        | 0.40        | 0.40        | 0.40        | 0.40        |

Arlingclose expects Bank Rate to rise in Q2 2022. We believe this is driven as much by the Bank of England’s desire to move from emergency levels as by fears of inflationary pressure.

Investors have priced in multiple rises in Bank Rate to 1% by 2024. While Arlingclose believes Bank Rate will rise, it is by a lesser extent than expected by markets.

The global economy continues to recover from the pandemic but has entered a more challenging phase. The resurgence of demand has led to the expected rise in inflationary pressure, but disrupted factors of supply are amplifying the effects, increasing the likelihood of lower growth rates ahead. This is particularly apparent in the UK due to the impact of Brexit.

While Q2 UK GDP expanded more quickly than initially thought, the pandemic and more latterly supply disruption will leave Q3 GDP broadly stagnant. The outlook also appears weaker. Household spending, the driver of the recovery to date, is under pressure from a combination of retail energy price rises, the end of government support programmes and soon, tax rises. Government spending, the other driver of recovery, will slow considerably as the economy is taken off life support.

Inflation rose to 3.2% in August. A combination of factors will drive this to over 4% in the near term. While the transitory factors affecting inflation, including the low base effect of 2020, are expected to unwind over time, the MPC has recently communicated fears that these transitory factors will feed longer-term inflation expectations that require tighter monetary policy to control. This has driven interest rate expectations substantially higher.

The supply imbalances are apparent in the labour market. While wage growth is currently elevated due to compositional and base factors, stories abound of higher wages for certain sectors, driving inflation expectations. It is uncertain whether a broad-based increased in wages is possible given the pressures on businesses.

Government bond yields increased sharply following the September FOMC and MPC minutes, in which both central banks communicated a lower tolerance for higher inflation than previously thought. The MPC in particular has doubled down on these signals in spite of softer economic data. Bond investors expect higher near-term interest rates but are also clearly uncertain about central bank policy.

The MPC appears to be playing both sides, but has made clear its intentions to tighten policy, possibly driven by a desire to move away from emergency levels. While the economic outlook will be challenging, the signals from policymakers suggest Bank Rate will rise unless data indicates a more severe slowdown.

**COUNTERPARTY LIST 2021/22  
(as at September 2021)**

**Treasury investment counterparties and limits**

| <b>Sector</b>                                 | <b>Counterparty Limit</b> | <b>Time Limit</b> | <b>Sector Limit</b> |
|---|---------------------------|-------------------|---------------------|
| The UK Government                             | £20m                      | 364 days          | n/a                 |
| Local authorities & other government entities | £5m                       | 364 days          | Unlimited           |
| Banks (unsecured)*                            | £3m                       | 35 days           | Unlimited           |
| Building societies (unsecured)*               | £2m                       | 35 days           | £5% <sup>m</sup>    |
| Money Market Funds*                           | £2m                       | 60 days           | £14m                |
| Strategic Pooled Funds                        | £4m                       | n/a               | £4m                 |
| Other Investments*                            | £1m                       | 35 days           | Unlimited           |

***This table must be read in conjunction with the notes below***

**\* Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

**Government:** Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency.

**Banks and building societies (unsecured):** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

**Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. The Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

**Strategic pooled funds:** Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

**Other investments:** This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.

**Operational bank accounts:** The Authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £3m. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

|                                |  |   |
|--------------------------------|--|---|
| <b>REPORT TO:</b>              | <b>FINANCE AND MANAGEMENT COMMITTEE</b>  | <b>AGENDA ITEM: 13</b>  |
| <b>DATE OF MEETING:</b>        | <b>25<sup>th</sup> NOVEMBER 2021</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><br><a href="mailto:kevin.stackhouse@southderbyshire.gov.uk">kevin.stackhouse@southderbyshire.gov.uk</a> | <b>DOC:</b><br>s:\cent_serv\complaints\committee reports\working papers for Dec 2021\Complaints and FOI report for Dec 2021 |
| <b>SUBJECT:</b>                | <b>COMMENTS, COMPLIMENTS, COMPLAINTS &amp; FREEDOM OF INFORMATION REQUESTS</b><br><b>01 APRIL 2021 TO</b><br><b>30 SEPTEMBER 2021</b>    | <b>REF: KS/SH</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**

- 2.1 The report provides a summary of official comments, compliments, complaints and Freedom of Information (FOI) requests received by the Council for the period 1 April 2021 to 30 September 2021. Details of individual complaints and requests etc, can be found at:  
<https://www.southderbyshire.gov.uk/about-us/open-data-and-transparency>.
- 2.2 Figures for the corresponding period in 2020/21 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 Council services.
- 3.2 No comments, 56 compliments and 77 complaints have been received between 1 April 2021 to 30 September 2021.
- 3.3 The number of complaints received in the first half of this financial year has increased compared to the corresponding period of 2020/21 and the number of compliments received has decreased.

- 3.4 Members are informed via e-mail (enclosing a copy of the original complaint) when a complaint is received relating to their ward. This is for information purposes only. A copy of the response letter sent to the complainant has been provided to Ward members from 01 June 2019.

### **Freedom of Information**

- 3.5 The Council is committed to making itself open. A large amount of information is already available to the public, through for example, the Council's website and at community centres and village halls, etc.

### **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.)
  - 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.southderbyshire.gov.uk/council\\_and\\_democracy/data\\_protection\\_and\\_freedom\\_of\\_information/default.asp](http://www.southderbyshire.gov.uk/council_and_democracy/data_protection_and_freedom_of_information/default.asp)

- 3.7 A total of 149 Freedom of Information requests have been received from 1 April 2021 to 30 September 2021. This is a decrease of 138 over the corresponding period for 2020/21.

#### 4.0 Detail

##### Comments

- 4.1 No 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 2020 –<br>30 September 2020 | 1 April 2021 – 30<br>September 2021 |
|--------------|-------------------------------------|-------------------------------------|
| <b>Total</b> | <b>0</b>                            | <b>0</b>                            |

##### Compliments

- 4.2 The table below compares the number of compliments received for the first half of 2021/2022 against the first half of 2020/2021. Compliments generally relate to the quality of the service provided and/or actions of individuals.
- 4.3 The decrease for Operational Services for this year is due to the unprecedented increase in compliments received last year in response to the Covid-19 situation after the first lockdown,

| Department                                 | 1 April 2020 –<br>30 September 2020 | 1 April 2021 –<br>30 September 2021 |
|--|-------------------------------------|-------------------------------------|
| Customer Services                          | 8*                                  | 10*                                 |
| Housing Services                           | 19                                  | 14                                  |
| Cultural and Community<br>Services         | 5*                                  | 3*                                  |
| Operational Services                       | 58*                                 | 18*                                 |
| Planning and Strategic Housing<br>Services | 2                                   | 6                                   |
| Environmental Services                     | 1                                   | 2                                   |
| Legal and Democratic Services              | 0                                   | 1                                   |
| Business Change and ICT                    | 0                                   | 2                                   |
| <b>Total</b>                               | <b>93</b>                           | <b>56</b>                           |

\* This indicates where one compliment has referred to two separate services

##### Complaints

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

|                       | 1 April 2020 –<br>30 September 2020 | 1 April 2021 –<br>30 September 2021 |
|-----------------------|-------------------------------------|-------------------------------------|
| Resolved at Stage 1   | 43                                  | 65                                  |
| Stage 1 still ongoing | 0                                   | 0                                   |
| Resolved at Stage 2   | 11                                  | 8                                   |
| Stage 2 still ongoing | 0                                   | 1                                   |
| Withdrawn             | 1                                   | 3                                   |
| <b>Total received</b> | <b>55</b>                           | <b>77</b>                           |

- 4.5 The 77 complaints received can be broken down as follows:

| <b>Department</b>                          | <b>1 April 2020 –<br/>30 September 2020</b> | <b>1 April 2021 –<br/>30 September 2021</b> |
|--|---|---|
| Organisational Development and Performance | 0   | 1*  |
| Finance Services                           | 1   | 2*  |
| Corporate Property Services                | 1*  | 0   |
| Customer Services                          | 2   | 16*   |
| Housing Services                           | 15  | 21*   |
| Cultural and Community Services            | 5*  | 2*  |
| Operational Services                       | 15  | 19*   |
| Planning and Strategic Housing Services    | 9   | 10  |
| Environmental Services                     | 3   | 4*  |
| Legal and Democratic Services              | 4   | 2*  |
| <b>Total</b>                               | <b>55</b>                                   | <b>77</b>                                   |

\* This indicates where one complaint has referred to more than one service

- 4.6 The increase in complaints in Customer Services emanated from a delay in processing Council Tax reminders and change in circumstances, following the lifting of debt recovery restrictions which had been applied during Covid 19.
- 4.7 The slight increase in complaints relating to Housing concerns some applicants on the housing register not being satisfied with the property that they had been allocated.
- 4.8 For comparison, the table below shows the total number of complaints over the last four complete years:

| <b>Department</b>                          | <b>2017/18</b> | <b>2018/19</b> | <b>2019/20</b> | <b>2020/21</b> |
|--|----------------|----------------|----------------|----------------|
| Corporate Resources                        | 2*             | 0              | 0              | 0              |
| Organisational Development and Performance | 0              | 1*             | 1*             | 1              |
| Finance Services **                        | 0)             | 1)             | 1              | 1              |
| Corporate Property Services **             | 1)             | 2)             | 2              | 2*             |
| Customer Services                          | 12*            | 13*            | 18*            | 5              |
| Housing Services                           | 22             | 24*            | 26             | 36             |
| Cultural and Community Services            | 6              | 7*             | 10             | 6*             |
| Planning and Strategic Housing Services    | 15             | 16*            | 14*            | 14             |
| Environmental Services **                  | 25)            | 26*)           | 12*            | 6              |
| Operational Services **                    | )              | )              | 22             | 29             |
| Legal and Democratic Services              | 6              | 7*             | 5              | 5              |
| <b>Total</b>                               | <b>89</b>      | <b>97</b>      | <b>111</b>     | <b>105</b>     |

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

\*\* This indicates where Finance and Corporate Property Services and Environmental and Operational Services were counted as one service for the years 2017/18 & 2018/19.

- 4.9 Managers dealing with the complaint are asked to complete a questionnaire following each complaint. This provides details of actions taken and improvements made because of a complaint.
- 4.10 If a complaint cannot be resolved at Stage 2 of the Council's 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

- 4.11 Although the Freedom of Information Act 2000 creates a general right of access to information, it also sets out information that the Council does not have to make available for specific reasons. This is information, which, if published, might prejudice the health, safety or security of the Council, its staff, systems, services or property.
- 4.12 As much information is made available as possible without charging for it. The Council, however, reserves the right to levy a reasonable charge where the information request is extensive and would require more than two days' staff time to satisfy the request.
- 4.13 The Council deals with hundreds of routine requests for information every day. These are referred to as "business as usual requests". However, information that is not readily available and that has to be prepared or extracted is handled differently. The Council is entitled to make a charge for this kind of information.
- 4.14 Requests for information under Freedom of Information must 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.
- 4.15 The table below compares the Freedom of Information requests received for the first half 2020/2021 against the first half of 2021/2022.

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

|  | <b>1 Apr 2020 -<br/>30 Sept 2020</b> | <b>1 Apr 2021 –<br/>30 Sept 2021</b> |
|--|--------------------------------------|--------------------------------------|
| Total Number of Requests Received              | 287                                  | 149                                  |
| Less passed to other organisations             | 42                                   | 13                                   |
| Less those withdrawn or duplicate requests     | 3                                    | 2                                    |
| Less exemptions/partial exemptions             | 3                                    | 9                                    |
| <b>Total Requests Answered</b>                 | <b>239</b>                           | <b>125</b>                           |
| Number replied to within 20 statutory days     | 226                                  | 100                                  |
| Number replied to after 20 statutory days      | 13                                   | 25                                   |
| Percentage replied to within 20 statutory days | 95%                                  | 80%                                  |
| Percentage replied to after 20 days            | 5%                                   | 20%                                  |

- 4.16 The above table shows that the response times fell overall to 80% in the first half of 2021. This was mainly due to a reduction of resources in the Planning Service, with one of the two Development Management team leader posts being vacate for six months and several other staff vacancies. Coupled with an increase in planning applications, this resulted in reduced overall capacity in the service to deal with some requests within specified timescales.

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

| <b>Department</b>                          | <b>1 April 2020 –<br/>30 September 2020</b> | <b>1 April 2021 –<br/>30 September 2021</b> |
|--|---|---|
| Corporate Resources                        | 2*  | 0   |
| Finance Service                            | 15*   | 7*  |
| Organisational Development and Performance | 13*   | 8*  |
| Business Change and ICT                    | 25*   | 13*   |
| Corporate Property Services                | 7*  | 7*  |
| Customer Services                          | 47*   | 21*   |
| Environmental Services                     | 49*   | 20*   |
| Housing Services                           | 19*   | 17*   |
| Cultural and Community Services            | 17*   | 6*  |
| Operational Services                       | 12*   | 8*  |
| Planning and Strategic Housing Services    | 19*   | 15*   |
| Legal and Democratic Services              | 19*   | 12*   |
| Economic Development and Growth            | 1   | 1   |
| Passed to 3 <sup>rd</sup> Parties          | 42*   | 13*   |

\* Same request has involved several Services.

## **5.0 Financial Implications**

5.1 None directly stemming from this report.

## **6.0 Corporate Implications**

6.1 Under the Complaints procedure the Council will write to the complainant within five 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.

6.2 Under the Freedom of Information Act the Council must respond to any requests received within 20 working days. For many requests the information required affects several areas of the Council. Consequently, a coordinated approach must be taken in the Council's response, with each service area being responsible for providing the information requested relating to their area.

## **7.0 Community Implications**

7.1 None.

## **8.0 Background Papers**

None.

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|                                |   |                               |
|--------------------------------|---|-------------------------------|
| <b>REPORT TO:</b>              | <b>FINANCE AND MANAGEMENT</b>   | <b>AGENDA ITEM: 14</b>        |
| <b>DATE OF MEETING:</b>        | <b>25<sup>th</sup> NOVEMBER 2021</b>  | <b>CATEGORY: DELEGATED</b>    |
| <b>REPORT FROM:</b>            | <b>CHIEF EXECUTIVE</b>  | <b>CATEGORY: OPEN</b>         |
| <b>MEMBERS' CONTACT POINT:</b> | <b>FRANK MCARDLE (01283 595702)</b><br><a href="mailto:frank.mcardle@southderbyshire.gov.uk">frank.mcardle@southderbyshire.gov.uk</a> | <b>DOC:</b>                   |
| <b>SUBJECT:</b>                | <b>SOCIAL MOBILITY - SUPPORTING ASPIRATIONS ACTION PLAN</b>   |                               |
| <b>WARD(S) AFFECTED:</b>       | <b>ALL</b>  | <b>TERMS OF REFERENCE: FM</b> |

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**1.0 Recommendations**

1.1 To develop a Supporting Aspirations Action Plan for South Derbyshire.

**2.0 Purpose of the Report;**

2.1 To propose the development of an Action Plan, which aims to support disadvantaged young people in the District to realise their aspirations. This would focus on progressing activities that the District Council can take forward, and that will directly contribute to the South Derbyshire Partnership's proposed aims to enhance Social Mobility in the District.

**3.0 Detail**

**Introduction**

3.1 A report to this Committee on 22 July 2021, set out the emerging factors impacting upon Social Mobility in South Derbyshire, including:

- Issues affect those aged under 18 years; The area's rapid population growth may be a factor in this;
- A relatively small group of children and young people face a high level of disadvantage compared to others in the area; This is likely to include issues of school readiness;
- A focus on households with children eligible for Free School Meals due to low incomes; Issues of complex lifestyles amongst household members;
- Geographic concentration, with a focus on the Swadlincote urban core;
- Challenges in school performance – attendance, attainment and progression;
- Issues are more prevalent amongst boys than girls; and,
- COVID-19 may have exacerbated existing issues (eg. due to household debt, digital exclusion).

3.2 The report also set out the challenges that are faced in developing a Social Mobility response, including:

- A lack of up-to-date data on Social Mobility factors restricts the ability of partner organisations to respond in a timely and effective manner. This also delays the assessment and evaluation of outcomes of interventions. OFSTED inspections, for example, were undertaken some years ago and the Social Mobility Commission's State of the Nation index has not been updated since 2017;
- Headline data is likely to mask a more complex picture;
- The recent activities of schools and other organisations have been restricted by social distancing;
- Resources of partner organisations have been diverted to Covid response activities; and,
- Early indications are that as we emerge from the pandemic the impact on young people will become increasingly apparent, due to disruptions to their education, fewer careers or social activities having been provided either through school or by parents, and those most vulnerable needing greater support financially and/or academically.

### **South Derbyshire Partnership**

3.3 The South Derbyshire Partnership is currently consulting on Social Mobility objectives on behalf of the Partnership. A copy of the consultation document can be found as Appendix A. For the reasons cited in Section 3.2, this is an ongoing piece of work.

### **Way Forward**

3.4 It is proposed that the District Council develops a cross-departmental action plan that aims to support the realisation of the aspirations of disadvantaged young people in South Derbyshire. This would focus on progressing activities that the District Council can take forward, and that will directly contribute to the South Derbyshire Partnership's proposed aims to enhance Social Mobility in the District.

3.5 Areas in which the District Council could seek to support disadvantaged young people could include:

- Acting as a best practice employer, with respect to employment practices and provision of employment themed opportunities for young people, such as school visits, work experience, careers advice and apprenticeships.
- Working with partner organisations to strengthen the links between schools and other academic centres to develop a shared understanding of the careers opportunities for young people and in particular, opportunities for vocationally based careers.
- Promoting career options such as apprenticeships and industrial placements, plus initiatives such as the Kickstart Scheme.
- Supporting the provision of careers activities and labour market information, working with schools to engage employers in broadening the outlook and raising awareness of opportunities amongst young people.
- Promoting healthy, active lifestyles amongst young people, through involvement in physical and cultural activities in their local communities that will be engaging and inspirational.

#### **4.0 Financial Implications**

4.1 There are no financial implications arising from this report.

#### **5.0 Corporate Implications**

##### **Employment Implications**

5.1 Not applicable.

##### **Legal Implications**

5.2 Not applicable.

##### **Corporate Plan Implications**

5.3 The Corporate Plan 'Our People' theme includes the objective to 'support and safeguard the most vulnerable' and the aim to:

- Support Social Mobility to ensure people have the opportunity to access skilled jobs, higher and further education.

##### **Risk Impact**

5.4 There is a risk that young people from disadvantaged backgrounds are unable to fulfill their potential, and that their talents are not unlocked, to the benefit of their communities and the local economy.

#### **6.0 Community Impact**

##### **Consultation**

6.1 Consultations have been undertaken by the South Derbyshire Partnership with stakeholders, including young people, disadvantaged households, schools and partner organisations.

##### **Equality and Diversity Impact**

6.2 Social Mobility is about ensuring that everyone has the opportunity to build a good life for themselves regardless of their family background. In a Socially Mobile society, every individual has a fair chance of reaching their potential.

##### **Social Value Impact**

6.3 Through its activities the District Council can directly and indirectly support disadvantaged young people in the area in realising their aspirations.

##### **Environmental Sustainability**

6.4 Not applicable.

#### **7.0 Conclusions**

7.1 Whilst adults in South Derbyshire experience high levels of Social Mobility, there are greater challenges for young people from disadvantaged backgrounds. The District Council can contribute to helping individuals from this group to realise their aspirations.

## **8.0 Background Papers**

### **Appendix A**

South Derbyshire Partnership consultation document.

**South Derbyshire Partnership  
Social Mobility Action Plan Note  
26 September 2021**

**Introduction**

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

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

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

*Social Mobility Commission, 2017*

The Commission used those eligible for Free School Meals (FSM) as its key indicator of disadvantage. The State of the Nation report highlighted that the greatest challenges were faced by those aged under 18 years in South Derbyshire. This has since been reiterated in more recent studies.

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

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

The Social Mobility Commission has identified a range of important Social Mobility factors, including the following:

Equipping people with skills and capabilities:

- Hard skills (eg. literacy, numeracy);
- Non-cognitive skills (eg. resilience, motivation, confidence, aspirations) – believed to be increasingly important; and,
- Parental and community influences (eg. gaps in education attainment appear early in life).

Equal opportunities to get jobs, regardless of socio-economic background, gender or race:

- Admissions and recruitment biases (eg. race, gender);
- Understanding of opportunities (eg. career paths; access to information; moving to good school catchments); and,
- Networks and peer group norms (eg. family or social circle; finding work experience).

Notably, the Commission found no direct correlation between an area's affluence and its ability to sustain high levels of Social Mobility.

The South Derbyshire Partnership has undertaken research to explore Social Mobility issues in the area, led by a number of the partner organisations including Derbyshire County Council, South Derbyshire CVS, South Derbyshire District Council and the University of Derby. This included consultation with a much wider group of organisations from the public, private and voluntary/community sectors. The aim has been to establish the nature of the issue in South Derbyshire, current activity and the potential for additional interventions.

### **The emerging focus for South Derbyshire**

- Issues affect younger age groups not adults; The area's rapid population growth may be a factor in this;
- A relatively small group of children and young people face a high level of disadvantage compared to others in the area; This is likely to include issues of school readiness;
- Focus is households with children eligible for Free School Meals due to low incomes; Issues of complex lifestyles amongst household members;
- Geographic concentration, with a focus on the Swadlincote urban core;
- Challenges in school performance – attendance, attainment and progression;
- Issues are more prevalent amongst boys than girls; and,
- COVID-19 may have exacerbated existing issues (eg. due to household debt, digital exclusion).

In 2018, 1,233 young people were eligible for Free School Meals in South Derbyshire, a rate of 10.5% (England average 14.1%). In the Electoral Divisions covering the Swadlincote urban core, rates are closer to or above the national average.

### **Three areas for action**

Social Mobility is inherently multi-faceted. There are many issues that if addressed could positively contribute to greater Social Mobility. There are other aspects that are performing well and where that performance needs to be maintained (eg. access to a range of employment opportunities). Partner organisations are already undertaking activities that should contribute to raising Social Mobility, but the impact may not be seen in the short term.

This Action Plan needs to specifically target the disadvantaged groups/areas and focus on the gaps in activity and areas of underperformance. Three key interventions are proposed that would be mutually supportive/reinforcing:

#### **EDUCATION**

**Improving the educational achievements of the disadvantaged group**

#### **ASPIRATION**

**Raising the aspirations of the disadvantaged group**

#### **ADVOCATION**

**Maximising the uptake of the support available to the disadvantaged group households**

*Do you agree with this description of Social Mobility in South Derbyshire? Does it reflect your understanding of the issues? Do you agree with the suggested focus for activity?*

## EDUCATION

### Issue

The study *Lost Learning: Why We Need to Level up Education* (Onward and New Schools Network, 2021) explored regional disparities and found that families in some areas have little chance of securing access to a Good or Outstanding school. South Derbyshire was identified as the worst performing area where pupils have a 1 in 3 chance of attending an underperforming primary school and a 100% chance of attending an underperforming secondary school. Taking a three-year average of 1998-2000 and 2017-2019, the county of Derbyshire dropped 74 places from 40<sup>th</sup> to 124<sup>th</sup> in GCSE attainment.

| South Derbyshire          | Bottom 20 local authorities by share of pupils attending underperforming primary schools | Bottom 20 local authorities for share of pupils attending underperforming secondary schools |
|---------------------------|--|---|
| Rank of local authorities | 7 <sup>th</sup><br>Lowest  | 1 <sup>st</sup><br>Lowest   |
| Share of pupils           | 32%  | 100%  |

*Ofsted Inspection Data 2019, Onward analysis*

Research by the Social Mobility Commission highlights the following:

- The early years of a child’s life have a lasting impact; And have the greatest impact on their development.
- Parenting and home support matter more than external opportunities at this stage.
- Deprived areas do not consistently underperform on the Early Years indicators.
- Key factors include: High quality pre-school settings; Effective promotion and use of early education; Integration of health and education services; Uptake of the free early education offer for 2-year-olds; and, Availability of good parenting programmes.
- Educational attainment is linked to social disadvantage and place; The attainment gap between disadvantaged and better off pupils, which starts in the early years, widens during a child’s schooling.
- Key factors include: Attending a good/outstanding secondary school; High quality teaching; Secondary school teacher turnover; Pupil-teacher ratios; Increasing importance of developing soft skills such as teamwork; Links to other schools and to employers; and, Levels of pupil funding/investment in facilities.

### Measure

The Department for Education measures school readiness by the proportion of children eligible for Free School Meals achieving a ‘good level of development’ at the end of the Early Years Foundation Stage (from birth to five years). In 2016/17 this proportion was 71.9% for South Derbyshire,

compared with 70.7% for England. Rates are below the national average for some of the Electoral Divisions covering the Swadlincote urban core.

Childcare and Early Education Performance; Note date of inspection.

| <b>Pre-school/Day Nursery/Out-of-School Care/Nursery School/School with Nursery</b> | <b>Overall Effectiveness</b> |
|---|------------------------------|
| Little Stars, Swadlincote   | Good (2007)                  |
| Bramblewood Day Nursery, Swadlincote  | Requires Improvement (2021)  |
| Chuckle Bunnies Day Nursery, Swadlincote  | Good (2018)                  |
| Church Gresley Playgroup T/A Church Gresley Pre-School                              | Good (2017)                  |
| Our Monkey Club CIC, Swadlincote  | N/A                          |
| The Honey Pots Day Nursery, Swadlincote   | Good (2018)                  |
| One and All After School Club, Swadlincote  | Good (2018)                  |
| Midway Preschool  | Good (2016)                  |
| Little Cherubs School Club, Church Gresley  | N/A                          |
| Little Cherubs, Swadlincote   | Good (2018)                  |
| Woodville Community Pre-School  | Good (2017)                  |
| Woodville Day Nursery and Pre-School  | Outstanding (2017)           |
| Whacky Kids Club, Woodville   | Met (2020)                   |
| Little Butterflies Woodville Pre-School   | Good (2017)                  |
| Woodville Schools Federation Holiday Provision                                      | N/A                          |
| Boomerangs – The Newhall Day Nursery  | Good (2017)                  |
| Little Lambs Childcare at Cadley Hill   | Good (2019)                  |
| Tiny Blessings Day Nursery  | N/A                          |
| Little Angels Pre-School Ltd, Swadlincote   | Good (2017)                  |

N/A – new registration

Ofsted

Primary School Performance (Data is for 2018/19 unless stated); Note date of inspection.

| South Derbyshire Primary School | Ofsted rating               | % pupils meeting expected standard in reading, writing and maths | % pupils meeting expected standard in reading, writing and maths (disadvantaged pupils) | Progress score in reading (disadvantaged pupils) | Progress score in writing (disadvantaged pupils) | Progress score in maths (disadvantaged pupils) | Average score in reading (disadvantaged pupils) | Average score in maths (disadvantaged pupils) | Absence | Persistent absence |
|---------------------------------|-----------------------------|--|---|--|--|--|---|---|---------|--------------------|
| Belmont                         | Good (2017)                 | 49%  | 55%   | -1.2   | 1.8  | -1.8   | 100   | 101   | 4.7%    | 9.9%               |
| Eureka                          | Good (2018)                 | 53%  | 22%   | -3.6   | -2.5   | -4.9   | 98  | 97  | 4.3%    | 9.4%               |
| Woodville CofE                  | Requires Improvement (2019) | 50%  | 30%   | -2.6   | -3.9   | -3.1   | 98  | 99  | 3.8%    | 8%                 |
| Springfield                     | Not available               | 46%  | 41%   | -2.6   | -0.3   | -1.3   | 98  | 100   | 4.2%    | 10.2%              |
| St Edwards Catholic             | Good (2019)                 | 79%  | N/K   | N/K  | N/K  | N/K  | N/K   | N/K   | 3.4%    | 4.7%               |
| Elmsleigh                       | Requires Improvement (2019) | N/A  | N/A   | N/A  | N/A  | N/A  | N/A   | N/A   | 7.3%    | 18.6%              |
| Church Gresley                  | Good (2017)                 | N/A  | N/A   | N/A  | N/A  | N/A  | N/A   | N/A   | 4.2%    | 6.5%               |
| Pennine Way                     | Good (2019)                 | 65%  | 44%   | -2.8   | -4   | -2.2   | 102   | 103   | 3.6%    | 5.5%               |
| St George's CofE                | Good (2019)                 | 70%  | N/K   | N/K  | N/K  | N/K  | N/K   | N/K   | 3.4%    | 3.4%               |
| Hartshorne CofE                 | Good (2018)                 | 94%  | 100%  | 9  | 2.9  | 3.3  | 112   | 107   | 4.8%    | 12.2%              |
| Fairmeadows                     | Good (2019)                 | 77%  | 56%   | -5.4   | -3.1   | -1   | 101   | 106   | 3.7%    | 8.2%               |
| Newhall Infant                  | Good (2018)                 | N/A  | N/A   | N/A  | N/A  | N/A  | N/A   | N/A   | 3.9%    | 6%                 |
| Newhall Junior                  | Requires Improvement (2018) | 59%  | 56%   | -1.5   | 0  | -2.6   | 102   | 102   | 3.9%    | 9.8%               |
| Stanton                         | Good (2017)                 | 65%  | 67%   | -2.3   | -1   | -3.5   | 102   | 101   | 4.7%    | 6.9%               |
| England                         |                             | 65%  | 71%   | 0.3  | 0.3  | 0.4  | 105   | 106   | 4%      | 8.2%               |

Ofsted, 2018/19 data unless stated

N/K = Data suppressed if less than 5 pupils

N/A = School undergoing change eg. becoming Academy and past data not available

Secondary School Performance (Data is for 2018/19 unless stated); Note date of inspection.

| South Derbyshire Secondary School    | Ofsted rating               | Progress 8 - Progress description (KS2-4 across 8 subjects) | Progress 8 - School disadvantaged pupils progress score | Percentage achieving Grade 4 or above in English and Maths (~GCSE C or above) | Attainment 8 score (Eight qualifications including English and Maths) | Attainment 8 disadvantaged pupils (Eligible for FSM) | Absence | Persistent absence | In education or employed for 2 terms after KS4 (2017 school leavers) - disadvantaged pupils | Average Level 3 result (eg A level) |
|--------------------------------------|-----------------------------|---|---|---|---|--|---------|--------------------|---|-------------------------------------|
| Burton and SD College                | Good (2017)                 | N/A   | N/A   | N/A   | N/A   | N/A  | N/K     | N/K                | N/A   | 27.71                               |
| Granville Academy                    | Requires Improvement (2015) | -0.16 (Average)   | -0.45   | 67%   | 43.0  | 35.2   | 6.8%    | 18.5%              | 90%   | N/A                                 |
| The Pingle Academy                   | Requires Improvement (2015) | 0.11 (Average)  | -0.33   | 65%   | 43.1  | 31.4   | 6%      | 14.9%              | 92%   | 28.86                               |
| William Allitt School                | Requires Improvement (2018) | -0.58 (Well below average)                                  | -0.97   | 58%   | 40.2  | 29.8   | 5.7%    | 12.3%              | 87%   | N/A                                 |
| England state funded schools average |                             |   | 0.13  | 65%   | 46.7  | 50.3   | 5.5%    | 13.7%              | 96%   | 30.16                               |

*Ofsted, 2018/19 unless stated*

### Action

Aim: Schools in the area to have raised attainment to exceed the England average, especially for disadvantaged pupils.

Target: Key age groups for intervention – pre-school and early years of secondary school

*Do you agree with this assessment of the educational issues in South Derbyshire? What age groups do you think should be the target for intervention? Is this support already being provided or are additional actions needed to raise educational attainment?*

## ASPIRATION

### Issue

Research undertaken by the Social Mobility Commission has highlighted that:

- The years following school are critical for Social Mobility – this is when young people make key choices about their life; Those who struggle to make the transition from school to work often face lifelong difficulties.
- Rural isolation limits access to Further/Higher Education and a range of inspiration and support activities from employers, universities and charities; And restricts choice for low-income youngsters who wish to live at home while studying.
- Key factors include: Availability of good careers support – disadvantaged pupils have lesser access to informal networks and work experience; Access to higher level apprenticeships and larger employers, and so entry level jobs; Labour market preparation at school; and, Pursuing higher qualifications which typically lead to greater job security and Social Mobility.
- Higher barriers face youngsters in older industrial towns, especially deprived mining and manufacturing communities, leading to narrower aspirations.

The South Derbyshire Partnership worked with the University of Derby to undertake an attitudinal survey in 2019. Year 7 pupils (Aged 11-12) at The Pingle Academy completed a questionnaire to elicit their views. The findings included the following:

- a slightly higher number of girls than boys felt they were motivated to attend and work hard at school, and that GCSEs were important to their future;
- a higher proportion of boys than girls felt that their parents thought it was important they performed well in their GCSEs;
- whilst the vast majority were keen to get a job, results were less strong with respect to the type of job;
- a significant proportion were uncertain who they could talk to about careers and jobs;
- a significantly higher proportion of girls than boys were keen to continue into sixth form, college and university; A greater proportion of boys placed more importance on earning money; and,
- family members and celebrities were the main influences.

Children and young people can benefit from access to opportunities that could help them grow in confidence, expand their understanding of the wider world, and develop both their career aspirations and understanding of how to realise them. A lack of “social capital” can have a number of consequences, including disengagement from education, low confidence and social alienation, and may be reflected in higher than average unauthorised absence rates among children. This can be addressed by, for example, providing students with diverse and engaging extra curricular activities and greater engagement with employers.

Every young person needs high quality career guidance to make informed decisions about their future. Good career guidance is a necessity for Social Mobility: those young people without significant social capital or home support to draw upon have the most to gain from high quality career guidance. The ‘Gatsby Benchmarks’ serve as a framework for improvement in careers provision and have been adopted as part of the Government’s careers strategy and statutory guidance for schools and colleges. In addition, the Careers and Enterprise Company now supports the implementation of the Benchmarks in schools and colleges with a national network of support, resources and targeted funding.

### Measure

There are eight Benchmarks of good career guidance, against which the progress of secondary schools is assessed. Activities during the pandemic have been significantly restricted.

|    | <b>Gatsby Benchmark</b>                            | <b>Progress towards Benchmarks at November 2020 for South Derbyshire (five schools)</b> |
|----|--|---|
| 1. | A stable careers programme                         | 20%   |
| 2. | Learning from career and labour market information | 40%   |
| 3. | Addressing the needs of each pupil                 | 0%  |
| 4. | Linking curriculum learning to careers             | 20%   |
| 5. | Encounters with employers and employees            | 40%   |
| 6. | Experience of workplaces                           | 40%   |
| 7. | Encounters with Further and Higher Education       | 40%   |
| 8. | Personal guidance                                  | 80%   |

*Data from D2N2 Local Enterprise Partnership*

In 2016/17, the proportion of obese children at Year 6 (Ages 10 – 11) was 18.6% for South Derbyshire, compared with 19.1% for England. Figures for some of the Electoral Divisions covering the Swadlincote urban core are above the national average whilst others are below.

### Action

Aim: Career provision in the area is performing at a level above the national average, with a particular focus on disadvantaged pupils.

*Do you agree with this assessment of the aspirational issues in South Derbyshire? What age groups do you think should be the target for intervention? Is this support already being provided or are additional actions needed to raise aspirations?*

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## ADVOCATION

### Issue

In 2021 South Derbyshire CVS undertook an ethnographic study on behalf of the South Derbyshire Partnership, engaging with the parents of children on Free School Meals in the DE11 postcode area. Ethnography is a practice that recognises that where we live and who we live with shapes us and that much of what contributes to the challenges of individual people can only be observed and explained through stories of lived experience - rather than measured or quantified. It is about having detailed conversations with people in the contexts of their lives, in ways that value their unique perspectives and experiences to help us to better understand problems and solutions faced by them and others in their communities.

Families were approached through South Derbyshire CVS contacts, secondary schools and requests from local service providers/agencies. In total nine adults responsible for 29 children who were/would be eligible for Free School Meals actively participated. The key findings of the study are outlined below.

Participants have high aspirations for their children:

- this included 'doing better than me' in work and education, being healthy and happy;
- participants wanted to help make things better and fairer for their children; Access, trust and mutuality can be learnt about through the framework and process;
- there are some features of Social Mobility specific to boys/men; This may take some significant resource and culture change for schools and related organisations to reduce the disparity; and,
- employment practice is one element of the solution and may provide inter-generational change.

Participants experience multiple barriers to Social Mobility:

- this includes being victims of serious violent crime or, domestic abuse and/or childhood trauma;
- there is also bereavement, chronic illness/pain and disability, and for some being a relative of a substance abuser; This reduces social capital and precipitates relocation, anxiety or stress and damaged self-confidence;
- access to good services is a barrier: Access physically and meeting referral criteria, and/or meriting support; Access to good and basic information about university and college is important.
- schools are a trusted support agency and signpost to other services;
- participants have not/are not obtaining the services they merit receiving;

- disadvantage in families as a result of their parents' lives has penalties that are financial, as well as emotional;
- disadvantage financially is also a result of unpaid caring responsibilities and the benefit cap impacts some; and,
- participants are connected out of county; The geographical boundaries of services and councils are not the boundaries that participants recognise.

More access to employment, and encounters with employers are needed to broaden the horizons of children and to broaden the options of boys:

- 'soft services' like youth work may begin this; and,
- aspirations for siblings are differentiated; There is a perceived difference for boys that merits a focus because of the potential bind of predecessors.

Stakeholders should work to tackle this together:

- there are new ways that could be developed, including partnerships among schools and the operation of stakeholders in their own workplaces; and,
- consideration specifically could be made for the support for families after trauma such as domestic abuse and the resulting experience of mental ill health or lack of self-confidence.

In assessing Social Mobility, disadvantaged pupils are identified by their status as coming from low-income households (based on Free School Meal eligibility). However, in many cases the ethnographic research revealed that the challenges the households faced were not due to economic circumstances alone. This aligns with evidence that South Derbyshire has a relatively strong economy. Despite job opportunities being available, parents in the household often faced multiple barriers to improving their economic circumstances. It is often a much more complex picture that also includes issues relating to, for example, physical/mental health, crime, bereavement and caring responsibilities - and frequently several of these issues combined. In many cases, unless these issues are addressed it will be difficult to raise the Social Mobility of the children in the household.

The situation is exacerbated by some of these households not accessing the range of support services available from the public and voluntary/community sector. This may be due to a lack of awareness or confidence, believing that others are more needy or deserving, eligibility or accessibility challenges. There may also be a fear of discussing the issues they face with public bodies.

For some households, there may be a need for a family 'advocate' to engage with them on a one-to-one basis. The role of an advocate is to offer independent support to those who feel they are not being heard and to ensure they are taken seriously and that their rights are respected. It is also to assist people to access and understand appropriate information and services. An advocate can ensure a person has the tools to make an informed decision; It is not about making the decision for the person. An advocate amplifies the views of the person they are supporting, and should empower the person to advocate for themselves wherever possible. An advocate is not an advice worker but will support the person to gather, understand and process the information and advice they are given by others.

The research undertaken by the CVS highlighted the need to offer the opportunity to communicate about aspirations and reflect back what is said, both with pupils and especially male family leads. Also, to offer and find space to listen to parents and their emotional journey of children leaving home to study/train. The report recommendations include: To assume nothing about what a parent already knows; To give definitions of words and use appropriate language that will aid understanding and may be just as important as approachability; To offer multiple methods to engage; To offer several reasons for a telephone conversation with people you want to engage; To note that many parents begin interacting with school or university ready to be belittled; and, To take feedback seriously from this group - participants were unlikely to be critical unless asked specifically - their threshold for needing help is high.

### **Measure**

In 2018, 1,233 young people were eligible for Free School Meals in South Derbyshire, a rate of 10.5% (England average 14.1%). In the Electoral Divisions covering the Swadlincote urban core, rates are closer to or above the national average. Further, to consider the proportion of these disadvantaged households that are engaged with appropriate support services.

### **Action**

Aim: Households with disadvantaged pupils have access to the support that they need.

*Do you agree with this assessment of the issues affecting disadvantaged households with school-age children in South Derbyshire? What do you think should be the focus for intervention? Is this support already being provided or are additional actions needed?*

Please email your completed form to the South Derbyshire Partnership at: [economic.development@southderbyshire.gov.uk](mailto:economic.development@southderbyshire.gov.uk)

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|--------------------------------|--|------------------------------|
| <b>REPORT TO:</b>              | <b>FINANCE AND MANAGEMENT COMMITTEE</b>  | <b>AGENDA ITEM: 15</b>       |
| <b>DATE OF MEETING:</b>        | <b>25<sup>th</sup> NOVEMBER 2021</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><br><a href="mailto:kevin.stackhouse@southderbyshire.gov.uk">kevin.stackhouse@southderbyshire.gov.uk</a> | <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 – Next F&M Committee 25th November 2021  
Work Programme for the Municipal Year 2021/22**

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

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

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

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| Capital Financial Monitoring 2021/22                              | 25 <sup>th</sup> November 2021 | Victoria Summerfield (Head of Finance)<br><a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a><br>(01283 595939) |
| Treasury Update 2021/22   | 25 <sup>th</sup> November 2021 | Victoria Summerfield (Head of Finance)<br><a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a><br>(01283 595939) |
| Compliments, Comments, Complaints and FOI Requests                | 25 <sup>th</sup> November 2021 | Kevin Stackhouse (Strategic Director)<br><a href="mailto:Kevin.stackhouse@southderbyshire.gov.uk">Kevin.stackhouse@southderbyshire.gov.uk</a><br>(01283 595811)          |
| Annual Statement of Accounts 2020/21                              | 6 <sup>th</sup> January 2022   | Victoria Summerfield (Head of Finance)<br><a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a><br>(01283 595939) |
| Service Base Budgets 2022/23                                      | 6 <sup>th</sup> January 2022   | Victoria Summerfield (Head of Finance)<br><a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a><br>(01283 595939) |
| Proposed Local Council Tax Support Scheme 2022/23                 | 6 <sup>th</sup> January 2022   | Lizzie Barton (Head of Customer Services)<br><a href="mailto:Elizabeth.barton@southderbyshire.gov.uk">Elizabeth.barton@southderbyshire.gov.uk</a><br>(01283 595779)      |
| General Fund Consolidated Budget 2022/23 and MTFP to 2027         | 10 <sup>th</sup> February 2022 | Victoria Summerfield (Head of Finance)<br><a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a><br>(01283 595939) |
| Housing Revenue Account Budget 2022/23 and Financial Plan to 2032 | 10 <sup>th</sup> February 2022 | Victoria Summerfield (Head of Finance)<br><a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a><br>(01283 595939) |

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| Capital Budget to 2022 to 2027                           | 10 <sup>th</sup> February 2022 | Victoria Summerfield (Head of Finance)<br><a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a><br>(01283 595939)          |
| Annual Report of the Section 151 Officer                 | 10 <sup>th</sup> February 2022 | Kevin Stackhouse (Strategic Director)<br><a href="mailto:Kevin.stackhouse@southderbyshire.gov.uk">Kevin.stackhouse@southderbyshire.gov.uk</a><br>(01283 595811)                   |
| Proposed Local Council Tax Support Scheme 2022/23        | 10 <sup>th</sup> February 2022 | Lizzie Barton (Head of Customer Services)<br><a href="mailto:Elizabeth.barton@southderbyshire.gov.uk">Elizabeth.barton@southderbyshire.gov.uk</a><br>(01283 595779)               |
| Corporate Plan Performance Monitoring 2021/22: Quarter 3 | 17 <sup>th</sup> March 2022    | Fiona Pittam (Head of Organisational Development & Performance)<br><a href="mailto:Fiona.pittam@southderbyshire.gov.uk">Fiona.pittam@southderbyshire.gov.uk</a><br>(01283 595735) |
| General Fund Financial Monitoring 2021/22                | 17 <sup>th</sup> March 2022    | Victoria Summerfield (Head of Finance)<br><a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a><br>(01283 595939)          |
| HRA Financial Monitoring 2021/22                         | 17 <sup>th</sup> March 2022    | Victoria Summerfield (Head of Finance)<br><a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a><br>(01283 595939)          |
| Collection Fund Position 2021/22                         | 17 <sup>th</sup> March 2022    | Victoria Summerfield (Head of Finance)<br><a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a><br>(01283 595939)          |
| Capital Financial Monitoring 2021/22                     | 17 <sup>th</sup> March 2022    | Victoria Summerfield (Head of Finance)<br><a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a><br>(01283 595939)          |

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| Treasury Update 2021/22 | 17 <sup>th</sup> March 2022 | Victoria Summerfield (Head of Finance)<br><a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a><br>(01283 595939) |
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