

Dear Councillor,

Finance and Management Committee

A Meeting of the **Finance and Management Committee** will be held in the **Council Chamber**, on **Thursday, 03 May 2018 at 18:00**. You are requested to attend.

Yours faithfully,



Chief Executive

To:- **Conservative Group**
Councillor Harrison (Chairman), Councillor Mrs Plenderleith (Vice-Chairman) and
Councillors Mrs Coyle, Ford, Hewlett, Smith, Swann, Watson and Wheeler

Labour Group
Councillors Rhind, Richards, Southerd and Wilkins

AGENDA

Open to Public and Press

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

Finance and Management Committee 15th February 2018 Open Minutes **4 - 9**

Finance and Management Committee 15th March 2018 Open Minutes **10 - 14**

Audit Sub-Committee 21st March 2018 Open Minutes **15 - 19**
- 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** 100% BUSINESS RATES RETENTION **20 - 23**
- 8** COMMITTEE WORK PROGRAMME **24 - 28**

Exclusion of the Public and Press:

- 9** 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.

- 10** To receive the Exempt Minutes of the following Meetings:
Finance and Management Committee 15th February 2018 Exempt Minutes
Finance and Management Committee 15th March 2018 Exempt Minutes
Audit Sub-Committee 21st March 2018 Exempt Minutes
- 11** To receive any Exempt questions by Members of the Council pursuant to Council procedure Rule No. 11.
- 12** ELECTORAL SERVICES ASSISTANT
- 13** THE FUTURE OF BUILDING CONTROL
- 14** PROPERTY IN CASTLE GRESLEY

FINANCE AND MANAGEMENT COMMITTEE

15th February 2018

PRESENT:-

Conservative Group

Councillor Harrison (Chairman), Councillor Mrs Plenderleith (Vice-Chairman) and Councillors Mrs Coe, Coe (substituting for Councillor Hewlett), Mrs Coyle, Watson and Wheeler

Labour Group

Councillors Rhind, Richards, Southerd and Wilkins

In attendance

Councillors Billings (Conservative Group) and Taylor (Labour Group)

FM/119 **APOLOGIES**

Apologies were received from Councillors Ford, Hewlett and Smith (Conservative Group)

FM/120 **MINUTES**

The Open Minutes of the Meeting held on 30th November 2017 were taken as read, approved as a true record and signed by the Chairman.

FM/121 **DECLARATIONS OF INTEREST**

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

FM/122 **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/123 **QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO 11**

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

MATTERS DELEGATED TO COMMITTEE

FM/124 **AUDIT SUB-COMMITTEE**

The Open Minutes of the Audit Sub-Committee Meeting held on 13th December 2017 were submitted.

RESOLVED:-

That the Open Minutes of the above Audit Sub-Committee Meeting be received and any recommendations contained therein approved.

FM/125 **DISCRETIONARY BUSINESS RATES REVALUATION RELIEF SCHEME**

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

RESOLVED:

1.1 Members approved the updated Discretionary Business Rate Revaluation Relief Scheme for 2017/18 to support local businesses in South Derbyshire adversely affected by the 2017 Rating Revaluation List.

1.2 That relief is awarded to a business based on the following scheme criteria:

- ***Its RV is less than £200,000.***
- ***Its Business Rates payable in 2017/18 has increased by 5% or greater when compared to 2016/17.***
- ***The business does not qualify for any other relief, excluding the "Support for Pubs Scheme" in 2017/18.***
- ***The business is not part of a national chain or group of companies, i.e. it is a local business in the District.***
- ***Relief is limited to 90% of the total increase in rates payable between 2016/17 and 2017/18.***

1.3 That the updated scheme for 2017/18 is rolled forward to 2018/19 based on the same criteria except that Relief is limited to 45% of the total increase in rates payable between 2016/17 (the base year) and 2018/19.

FM/126 **COUNCIL TAX PREMIUM ON LONG-TERM EMPTY PROPERTIES**

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

Councillor Southerd sought clarification regarding the exclusion of properties that have been repossessed, expressing a view that the bank or building society, as owners, should be liable to a charge. The Strategic Director stated that this was a statutory exemption and undertook to provide further details for later circulation.

Councillor Richards queried what action was taken to ensure the values applied to properties, as proof of being actively marketed, were reasonable.

The Strategic Director stated that, where required, a referral could be made to the District Valuer.

RESOLVED:

- 1.1 Members granted approval to increase the Council Tax Premium from 50% to 100% on properties that remain empty for longer than two years.***
- 1.2 That the increased Premium of 100% be effective from the financial year 2018/19.***
- 1.3 That properties which have been actively marketed for sale or let are considered exempt from the Premium under the Council's Discretionary Policy.***
- 1.4 That the Council Tax exemption from the premium for properties undergoing significant structural repairs is increased from 12 months to two years.***

FM/127 **ENVIRONMENTAL EDUCATION SERVICE: SERVICE DEVELOPMENT PROPOSAL**

RESOLVED:

- 1.1 Members approved a grant offer from Veolia UK of £55,890 towards the cost of £69,862 for a project to install dipping platforms and science related play facilities at Rosliston Forestry Centre.***
- 1.2 That the applications to finance the funding shortfall are supported.***

FM/128 **TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS 2018/19**

RESOLVED:

- 1.1 Members approved the Treasury Management Strategy for 2018/19.***
- 1.2 Members approved the Prudential Indicators and Limits for 2018/19 to 2022/23.***
- 1.3 Members approved the Investment Policy for 2018/19 including the associated counterparty (lending) list.***

Councillor Billings joined the Meeting at 6.20pm.

FM/129 **REPORTS OF THE OVERVIEW AND SCRUTINY COMMITTEE**

Councillor Billings, in his capacity as Chairman of the Overview and Scrutiny Committee, delivered a verbal update, confirming that the Committee had scrutinised this year's budgets, finding them to be satisfactory. The Councillor further added that the Committee had reviewed a partial report on waste and

cleansing services, looking to make recommendations after the March 2018 meeting, at which further information will be considered. Reference was made to the implementation of Universal Credit, a matter that will be monitored as the year progresses, along with attendance at a tenancy workshop to evaluate the information being relayed to tenants.

Councillor Richards queried what preparations the Council was taking in relation to the Universal Credit roll-out. Councillor Billings referred to the actions being undertaken, including briefings, the direct debit campaign and the provision of additional computers to assist for the on-line only application process.

FM/130 **FINAL BUDGET PROPOSALS 2018/2019 and FINANCIAL PLAN to 2023**

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

Councillor Richards referenced the Community Partnership Scheme, querying the £75,925 sum shown as outstanding. The Strategic Director confirmed that this figure related to previous awards, committed funds yet to be allocated, often the result of delays in match-funding arrangements. It was further emphasised that allocations from the recently announced figure of £250,000 were subject to the prior approval of the criteria and procedures at committee meetings in March 2018.

RESOLVED:

- 1.1 That a Council Tax increase for 2018/19 of 1.95% is recommended to Full Council on 26th February 2018.***
- 1.2 That estimated net General Fund Revenue Expenditure totalling £11,949,397 for 2018/19 is recommended to Full Council on 26th February 2018.***
- 1.3 Members approved the Medium-term Financial Plan to 2023 on the Council's General Fund Revenue Account, as detailed in Appendix 1 to the report.***
- 1.4 That a strategy and action plan is drawn up to generate budget savings on the General Fund ahead of 2019/20.***
- 1.5 Members approved the Financial Plan for the Housing Revenue Account (HRA) to 2028, as detailed in Appendix 2 to the report.***
- 1.6 Members approved the 5-year capital investment and financing plan to 2023, as detailed in Appendix 3 to the report.***
- 1.7 Members noted the Council's National Non-Domestic Rate Return (NNDR 1) for 2018/19, showing retained business rates of £13,123,996 for 2018/19 and £9,727,674 for 2017/18.***

1.8 Members noted the report of the Council's Section 151 (Chief Finance) Officer under Section 25 of the Local Government Act 2003.

FM/131 **COMMITTEE WORK PROGRAMME**

RESOLVED:

The Committee considered and approved the updated work programme.

FM/132 **LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)**

RESOLVED:-

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

MINUTES

The Exempt Minutes of the Meeting held on 30th November 2017 and of the Audit Sub-Committee meeting held on 13th December 2017 were received.

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

The Committee was informed that no questions had been received.

SERVICE ASSISTANT (EVENTS) (Paragraph 1)

Members approved the recommendation in the report.

PLANNING SERVICE REVIEW (Paragraph 1)

Members approved the recommendations in the report.

LAND IN SWADLINCOTE (Paragraph 3)

Members approved the recommendation in the report.

ACCOUNTS SUBMITTED FOR WRITE-OFF AND APPLICATION FOR HARSHIP RELIEF (Paragraph 1)

Members approved the recommendations in the report.

The meeting terminated at 6.50pm.

COUNCILLOR J HARRISON

CHAIRMAN

FINANCE AND MANAGEMENT COMMITTEE

15th March 2018

PRESENT:-

Conservative Group

Councillor Harrison (Chairman), Councillor Mrs Plenderleith (Vice-Chairman) and Councillors Mrs Coe (substituting for Councillor Swann), Mrs Coyle, Ford, Hewlett, Smith and Wheeler

Labour Group

Councillors Rhind, Richards, Southerd and Taylor (substituting for Councillor Wilkins)

FM/140 **APOLOGIES**

Apologies were received from Councillors Swann, Watson (Conservative Group) and Wilkins (Labour Group)

FM/141 **MINUTES**

The Open Minutes of the Meeting held on 11th January 2018 were taken as read, approved as a true record and signed by the Chairman.

FM/142 **DECLARATIONS OF INTEREST**

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

FM/143 **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/144 **QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO 11**

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

FM/145 **REPORTS OF OVERVIEW AND SCRUTINY COMMITTEE**

The Committee was informed that no reports had been received.

MATTERS DELEGATED TO COMMITTEEFM/146 **CORPORATE PLAN 2016-21: PERFORMANCE REPORT (1 OCTOBER – 31 DECEMBER 2017)**

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

Councillors Mrs Coyle and Southerd raised queries in relation to the figures associated with mandatory training and the action taken in relation to those who do not attend. The Strategic Director clarified how the figures were calculated and how attendance was monitored.

Councillor Richards made reference to General Data Protection Regulations (GDPR), queried preparedness and the revised retention requirements. The Strategic Director confirmed that plans were well advanced, with reports due to be submitted to Council in April, then this Committee thereafter. The Chief Executive further stated that the matter would be discussed with the Group Leaders shortly.

RESOLVED:

Members noted progress against the performance targets.

FM/147 **BUDGET AND FINANCIAL MONITORING 2017/18**

The Strategic Director (Corporate Resources) presented the report to Committee, highlighting various elements from the report, including the General Fund, the continuing increase in Council Tax revenue, HRA savings, Capital expenditure, Council house sales and Treasury Management matters.

RESOLVED:

Members considered and approved the latest budget and financial position for 2017/18 as detailed in the report.

FM/148 **STREET SCENE RESOURCES AND IMPROVEMENTS**

The Strategic Director (Corporate Resources) presented the report to Committee. The Chief Executive added that the report not only gave a statement of what the Council does, but also an indication of what it aims to add in terms of enhancing the quality of service.

RESOLVED:

1.1 Members approved an increase to the Establishment of one new Cleansing Operative post and two new Grounds Maintenance Operative posts to help respond to increasing demand for service due to continual growth within the District.

1.2 Members agreed to increase the Council's vehicle fleet by one additional compact sweeper, one additional ride on mower and one

additional van/pick-up to help respond to increasing demand for service due to continual growth within the District.

1.3 Members approved the purchase of other ancillary equipment including strimmers, blowers, fuel, spare parts, etc to help respond to increasing demand for service due to continual growth within the District.

1.4 Members approved an increase to the Establishment of four new Grounds Maintenance Operative posts to improve the maintenance standards within the District.

1.5 Members agreed to increase the Council's vehicle fleet by one additional van/pick-up to improve the maintenance standards within the District.

1.6 Members approved the purchase of other ancillary equipment including strimmers, blowers, fuel, spare parts etc. to improve the maintenance standards within the District.

FM/149 **SWADLINCOTE TOURIST INFORMATION CENTRE**

The Chief Executive presented the report to Committee, detailing the recommendations. The Chairman requested that a report be submitted to the next Committee meeting, confirming the outcomes.

Councillor Richards queried whether this award could set a precedent in relation to other voluntary bodies, the end use of the funds and the fact that financial assistance was still being requested. The Chief Executive stated that no precedent was being made, this being a separate claim, judged on its own merits. The Service Level Agreement dictated that the funds were purely for the Tourism Information Centre and the Centre was now at break-even, with other income opportunities being pursued.

RESOLVED:

1.1 Members approved an increase of £3,000 per year in the Grant to Sharpe's Pottery Heritage & Arts Trust for the operation of the Tourist Information Centre.

1.2 That the increase is subject to the satisfactory completion of the Service Level Agreement between the Council and the Trust.

1.3 That the increase is applied from 2018/19 onwards.

1.4 That a retrospective contribution of £1,500 is made to the Trust in 2017/18 to cover increased costs of operating the Tourist Information Centre.

FM/150 APPLICATION FOR EUROPEAN STRUCTURAL & INVESTMENT FUNDS

The Strategic Director (Corporate Resources) presented the report to Committee, adding further detail in relation to the Grants Panel, involving the Council, CVS, Job Centre Plus, YMCA and the County Council, the aim being to tackle welfare reform issues, with the potential to bring another £500k into the District.

Councillor Southerd expressed some disquiet with the potential for bidding bodies also being on the panel. The Chief Executive undertook to investigate the specifications further and report his findings.

Other Members speculated on the likely bids from certain organisations, for example, for computer purchases and training, to assist with individual on-line applications.

RESOLVED:

- 1.1 Members approved an application for a two and half year European Structural & Investment Fund Project that will enable voluntary and community sector organisations to apply for the proposed South Derbyshire Employability Grants Fund to deliver ‘back to work’ projects and programmes across the District.***
- 1.2 That a post of Grants and Monitoring Officer, fully funded through the Investment Fund, is added to the Council’s Establishment and is employed on a fixed-term contract to co-ordinate the delivery of the Grants Fund.***
- 1.3 That the Council becomes the Accountable Body for the Project and the Project is delivered in accordance with the relevant policies and procedures of the Council.***
- 1.4 To note that the Council will utilise current resources in Finance, Economic Development and Housing as match funding to discharge its accountabilities as the Accountable Body and to support the Project.***
- 1.5 That any opportunities for the Council to utilise the Grants Fund directly with matched funding from within existing budgets is kept under review, to support Council Tenants and other residents with the implementation of Universal Credit.***

FM/151 COMMITTEE WORK PROGRAMME**RESOLVED:**

The Committee considered and approved the updated work programme.

FM/152 LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)

RESOLVED:-

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

MINUTES

The Exempt Minutes of the Meeting held on 11th January 2018 were received.

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

The Committee was informed that no questions had been received.

ESTABLISH A NEW SUPPORT POST IN THE ICT UNIT (Paragraph 2)

Members approved the recommendations in the report.

COMMUNITIES TEAM – SERVICE ASSISTANT (Paragraph 1)

Members approved the recommendations in the report.

PREMISES IN SWADLINCOTE (Paragraph 3)

Members approved the recommendations in the report.

ROSLISTON FORESTRY CENTRE (Paragraphs 2 & 3)

Members approved the recommendations in the report.

The meeting terminated at 7.05pm.

COUNCILLOR J HARRISON

CHAIRMAN

AUDIT SUB-COMMITTEE

21st March 2018

PRESENT:-

Conservative Group

Councillor Grant (Chairman) and Councillor Atkin (Vice-Chairman)

Labour Group

Councillors Dunn and Shepherd

AS/38 **APOLOGIES**

Apologies were received from Councillor MacPherson (Conservative Group)

AS/39 **MINUTES**

The Open Minutes of the Meeting held on 13th December 2017 were taken as read, approved as a true record and signed by the Chairman.

In relation to Minute No.AS/34 Councillor Dunn queried the current position in relation to the dry waste recycling contract. The Strategic Director (Corporate Resources) confirmed that the contract remained unsigned, but that it was being operated satisfactorily. Whilst not the ideal situation, the Sub-Committee was informed that in the circumstances, implied terms and conditions could be enforced and if the contractor wished to cease the contract, they would still need to invoke the break clause. It was acknowledged that this case did not represent good practice and that the process relating to contracts had been re-affirmed with the relevant staff. It was confirmed that the likely risks had been accommodated, it being deemed that greater risks could be encountered if legal action was taken to enforce the contract or its terms.

With regard to the same Minute No. the Strategic Director provided an update on the Waste Less, Save More matter, in that the Monitoring Officer was progressing investigations into the issues raised. Councillor Dunn queried the length of time this was taking and the Chairman requested that a definitive response be issued before the next meeting of the Sub-Committee.

AS/40 **DECLARATIONS OF INTEREST**

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

AS/41 **TO RECEIVE ANY QUESTIONS FROM MEMBERS OF THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE NO.10**

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

AS/42 **TO RECEIVE ANY QUESTIONS FROM MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO.11**

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

MATTERS DELEGATED TO SUB-COMMITTEE

AS/43 **LOCAL GOVERNMENT AUDIT COMMITTEE BRIEFING**

The external auditor presented the report to the Sub-Committee.

The Strategic Director (Corporate Resources) outlined responses to the Key Questions listed in the report:-

- The Council had considered the enhanced Council Tax flexibilities during the 2018/19 budget round, but had opted to retain a sub 2% increase.
- The Council was now part of the Derbyshire-wide Business Rates Retention Pool Pilot for 2018/19 and this was being considered in the medium-term financial plan.
- The collapse of Carillion Plc had had no known effect on the Council.
- Increases in employee pay in excess of 1% had been budgeted for.
- The potential impact of Financial Instrument Standard IFRS 15 was being monitored.
- Preparations within the Council had been made in readiness for the early closure of the 2017/18 accounts.
- In relation to the General Data Protection Regulation (GDPR), preparations were on schedule to meet the new legal requirements. A report was due to be submitted to Council on the 12th April 2018.

Councillor Dunn queried whether a wages cap was still applicable and what had prompted the earlier accounts closure, both matters addressed by the Strategic Director.

RESOLVED:-

Members considered the key questions posed by the Council's External Auditors contained in their latest sector update.

AS/44 **CERTIFICATION OF CLAIMS AND RETURNS REPORT 2016/17**

The external auditor presented the report to the Sub-Committee, stating that whilst there was still a qualified response, there were more positive outcomes.

In relation to benefits processing, the Chairman commended the reducing error rate, but enquired whether there were any recurring errors. The external auditor confirmed that whilst there were, much of this was down to the complexity of the benefit system and the information provided by claimants. He also noted that due to additional training there was evidence of an improving situation and a commitment to progress.

Councillor Dunn made reference to a resident who had received a benefit overpayment letter and queried where the responsibility lay. The external auditor confirmed that the onus was on the claimant to notify the Council of any changes in their circumstances and that the claim form contained several guidance notes to this effect.

Councillor Atkin queried how errors came to light. The external auditor confirmed that this depended on the circumstances of the case, that errors could be initially identified by the DWP, HMRC, notification of new details, fraud enquiries and/or tip-off's. He added that Audit undertake prescriptive tests to check the accuracy of claims processing and to identify errors.

Councillor Shepherd queried the appointment of a separate reporting accountant from 2018/19. The external auditor confirmed that this a requirement of the Housing Benefit Assurance Process being established by the DWP relating to the certification of housing benefit subsidy claims.

RESOLVED:-

Members considered the Claims and Returns Report for 2016/17 and noted the recommendations, together with management actions as detailed in Section 5 of the Auditor's Report.

AS/45 **INTERNAL AUDIT PROGRESS REPORT**

The internal auditor presented the report to the Sub-Committee, stating that their work on reviewing the 32 recommendations identified in the whistleblowing investigation was due to commence imminently, held until officers were appointed to the vacant posts in Housing. As regards other Audits, attention was also drawn to the 17 recommendations for which the agreed implementation date had passed and the opportunity this gave for the Sub-Committee to call managers before them.

Members raised comment or queries relating to implementation delays, audit activity, fraud resources, responses to recommendations and risks.

Councillor Shepherd made reference to two items under People Management, namely version controls and information relating to allegations of harassment and bullying. With regard to the latter, some concern was expressed relating to the details provided and the Chairman asked that the matter be returned to Management for further comment.

RESOLVED:-

Members considered the report of the Audit Manager and agreed that any issues identified are referred to the Finance and Management Committee or subject to a follow-up report as appropriate.

AS/46 **AUDIT PLANNING REPORT FOR THE YEAR ENDING 31st MARCH 2018**

The external auditor presented the report to the Sub-Committee.

Councillor Dunn queried the projected drop in General Fund Reserves. The Strategic Director (Corporate Resources) explained that the decrease was due to such issues as the anticipated impact of the withdrawal of the Revenue Support Grant, continued growth in the District together with a provision for inflation which were both projected to increase costs in the medium-term..

Councillor Atkin questioned the pensions situation given that the Derbyshire Pension Fund was now part of a combined pool. The external auditor expressed a view that this development should have no impact, as the Derbyshire Pension Fund will still need to report to its members.

RESOLVED:-

Members considered the proposed Audit Plan for the year ending 31st March 2018 and approved the proposed approach to undertaking audit work for the year.

AS/47 **PROPOSED INTERNAL AUDIT PLAN 2018-19 and AUDIT CHARTER**

The internal auditor presented the report to the Sub-Committee.

Councillor Dunn raised IT related comments, querying the password requirements, capacity limits, attachments, etc, of the current iPads. The Strategic Director (Corporate Resources) assured Members that the new tablets were of a better, more comprehensive specification. Delays encountered in the procurement process were also outlined.

RESOLVED:-

1.1 Members considered the proposed Internal Audit Plan for 2018-19 and approved its implementation, subject to any changes agreed by the Committee.

1.2 Members approved the Audit Charter.

AS/48 **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 paragraph of Part I of the Schedule 12A of the Act indicated in the header to each report on the Agenda.

MINUTES

The Exempt Minutes of the Meeting held on 13th December 2017 were received.

EXEMPT QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO.11

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

The Meeting terminated at 5.30pm.

COUNCILLOR J GRANT

CHAIRMAN

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 7
DATE OF MEETING:	3rd MAY 2018	CATEGORY: OPEN DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR OF CORPORATE RESOURCES	
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (01283 595811) kevin.stackhouse@south-derbys.gov.uk	DOC: u/ks/business rates/100% pilot/provisional gain – FM Cttee May 2018
SUBJECT:	100% BUSINESS RATES RETENTION	REF:
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 08

1.0 Recommendations

- 1.1 That the provisional financial implications of the 100% Derbyshire Business Rates Retention Pilot on the Council's Budget are noted.
- 1.2 That the additional resources are set-aside in 2018/19 for capital expenditure and that proposals for investment are drawn up in accordance with Government expectations; namely that resources are:
 - Reinvested to deal with the impact of growth.
 - To create further business growth.
 - To create and enable economic regeneration and employment.

2.0 Purpose of Report

- 2.1 To provide an update on the financial implications following a detailed assessment of the 100% Business Rates Retention Pilot on the Council's Budget for 2018/19.

3.0 Detail

- 3.1 In October 2017 the Council agreed, along with all other Derbyshire authorities, to make an application to the Government to become a pilot area for trialling 100% Business Rates Retention. Following the submission of an outline business case, the application was approved by the Government in February 2018 alongside the Financial Settlement for 2018/19.
- 3.2 Financially, this means that all authorities forego their Revenue Support Grant and any other general grants, but are allowed to maintain all Business Rates generated in the County, together with all growth.

- 3.3 In particular, this means that the 50% of business rates income paid to the Government across the County remains in Derbyshire. In addition, there is no “levy” payment to the Government from growth.
- 3.4 Within the operational arrangements for the Pilot, the Government will guarantee a minimum funding requirement to ensure that no authority is worse off compared to what they would have been outside of the Pilot. Although the Pilot retains all rates and growth, it also inherits a greater risk associated with income collection such as appeals against rating valuations.
- 3.5 In October 2017, initial estimates suggested that an additional £21m would be available for distribution across the County. Following submission of the estimated business rates for 2018/19 by each authority, together with a more detailed assessment of the figures, this is now expected to be approximately £28m in this financial year.
- 3.6 Each authority has signed a Memorandum of Understanding which has been submitted to the Government. As provisionally agreed in the application, the net gains will be broadly split as follows:
- County, Derby City, Fire and Rescue Service – 50% (combined)
 - Strategic Investment Fund – 30%
 - Districts/Boroughs – 20% (combined)
- 3.7 The split has to ensure that all authorities are no worse off, that the County Council are compensated as they lose their top-up grant from the Government, but the split also recognises those authorities that generate the greatest growth.
- 3.8 The Council’s share of the £28m is estimated at £1.1m and is one of the largest amongst the Districts and Boroughs in Derbyshire. These are additional resources over and above the current financing received from within the RSG/Tariff System.
- 3.9 As with the Derbyshire Business Rates Pool, Derby City Council has agreed to act as the lead authority and take responsibility for administering the Pilot. They will be paid £50,000 (effectively top-sliced from overall income) to compensate them for this responsibility.

Strategic Investment Fund

- 3.10 A requirement of the application to become a Pilot was that some of the gain should be re-invested across the Pilot area and not returned to individual authorities. The Government expected that a fairly significant proportion of the gain should be invested strategically and Derbyshire’s application pitched this proportion at 30%.
- 3.11 As detailed in the application, it is planned that the Derby and Derbyshire Joint Committee for Economic Prosperity will be the decision-making body for the allocation of the “central share”. Based on the estimated figures, approximately

£8m will be available in 2018/19 to support business growth and employment across the County.

4.0 Financial Implications

- 4.1 As highlighted above, approximately £1.1m of additional money is available to the Council, over and above that built into the base budget for 2018/19. Additional resources may also be generated in the Business Rates Account during the year, but this will depend on collection rates and the outcome of appeals, etc.
- 4.2 As previously reported, the Collection Fund (Business Rates element) is still in deficit (£1.5m) due to the large incidence of valuation appeals in recent years. This deficit will need to be financed in 2018/19 and in later years if necessary. The Council's estimated proportion (£300k) has been budgeted for in the Council's Base Budget.
- 4.3 Unless there is a dramatic or significant event during the year, the modelling demonstrates that sizeable gains are likely to be made compared to the current system. However, it should be noted that these are estimated figures at this stage and final figures will not be known until May 2019 following out-turn performance for the year.
- 4.4 Based on this, Derbyshire Financial (Section 151) Officers have recommended that only 75% of the estimated central share is made available during 2018/19 pending final figures next year. It is recommended that this plan is also adopted by the Council.

Use of Additional Resources

- 4.5 The Council has complete flexibility how to utilise these resources generated locally, including alleviating current pressure on services and to finance budget deficits, etc.
- 4.6 However, it is considered that the 100% retention system is designed in order to deliver additional resources that are reinvested to deal with the impact of growth, to create further business growth and to create /enable economic regeneration and employment.
- 4.7 Given the potential size of the gain to the Council in 2018/19, it is recommended that the resources are set-aside for this purpose and utilised as "one-off" capital investment.
- 4.8 As reported during the budget-round for 2018/19, the Council's General Fund is relatively healthy and is considered sustainable. The MTFP highlights potential budget deficits in future years, but as planned, they should be addressed by on-going budget savings or income generation, which are more sustainable compared to one-off windfalls.
- 4.9 As previously reported, the General Fund Reserve is significantly above the minimum level of £1.5. Although it is planned to draw down this Reserve over

the next 5-years, the minimum level will still be exceeded in 2022/23 based on current spending plans and budget assumptions.

Beyond 2018/19

- 4.10 The Pilot is currently for 1 year only; whether it continues beyond 2018/19 is subject to wider matters being considered by the Government regarding the overall funding of local government in future years.
- 4.11 Nationally, it is being estimated that the “net cost” to the Government of all Pilots in 2018/19 is approximately £870m. The gain to the Council could be considered a “windfall” as there are no additional requirements being placed upon its current services, perhaps only an expectation of how the gain is spent.
- 4.12 The Council’s MTFP currently assumes that from 2019/20, it will fall back to the current system or to the system being considered, i.e. 75% retention for all authorities from 2019/20. The situation will be kept under review.

5.0 Corporate Implications

- 5.1 The additional resources could be applied to further the aims of the Corporate Plan, in particular under the themes of Place and Progress.

6.0 Community Implications

- 6.1 As detailed in the report, the Pilot should generate additional resources in 2018/19 that would allow investment into growth, economic regeneration and employment.

7.0 Background Papers

- 7.1 None

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 8
DATE OF MEETING:	3rd MAY 2018	CATEGORY: DELEGATED
REPORT FROM:	DIRECTOR OF FINANCE AND CORPORATE SERVICES	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (EXT 5811)	DOC:
SUBJECT:	COMMITTEE WORK PROGRAMME	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: G

1.0 Recommendations

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

2.0 Purpose of Report

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

3.0 Detail

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

4.0 Financial Implications

4.1 None arising directly from this report.

5.0 Background Papers

5.1 Work Programme.

**Finance and Management Committee – 3rd May 2018
Work Programme**

Work Programme Area	Date of Committee meetings	Contact Officer (Contact details)
Reports Previously Considered By Last 3 Committees		
Implications Of The Homelessness Reduction Act 2017	11 th January 2018	Eileen Jackson Strategic Housing Manager (01283) 595763
Lone Worker Device	11 th January 2018	Tony Guest Health And Safety Officer (01283) 595872
Service Base Budgets 2018/19	11 th January 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Budget Report 2018/19 Incorporating the Consolidated Budget Proposals and Medium Term Financial Plan to 2023	11 th January 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Discretionary Business Rates Revaluation Relief Scheme	15 th February 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Council Tax Premium on Long-Term Empty Properties	15 th February 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811

Environmental Education Service: Service Development Proposal	15 th February 2018	Kate Allies Environmental Development Manager (01283) 535039
Treasury Management Strategy 2018/19 and Prudential Indicators 2018/19	15 th February 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Final Budget Proposals 2018/2019 and Financial Plan to 2023	15 th February 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Corporate Plan 2016-21: Performance Report (1 October – 31 December 2017)	15 th March 2018	Keith Bull Head of Communications (01283) 598705
Budget and Financial Monitoring 2017/18	15 th March 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Street Scene Resources and Improvements	15 th March 2018	Adrian Lowery Direct Services Manager (01283) 595764
Swadlincote Tourist Information Centre	15 th March 2018	Mike Roylance Economic Development Manager (01283) 595725
Application for European Structural and Investment Funds	15 th March 2018	Mike Roylance Economic Development Manager (01283) 595725

Provisional Programme of Reports to be considered by Committee		
100% Business Rates Retention	3 rd May 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Corporate Plan 2016-21: Performance Report (1 January – 31 March 2018)	14 th June 2018	Keith Bull Head of Communications (01283) 598705
Data Quality Strategy and Annual Report 2017/18	14 th June 2018	Keith Bull Head of Communications (01283) 598705
Annual Equalities and Safeguarding Report 2017/18	14 th June 2018	Keith Bull Head of Communications (01283) 598705
Annual Training and Development Report 2017/18	14 th June 2018	Loyd Baker Service Lead HR and Training (01283) 228770
Annual Health and Safety Report 2017/18	14 th June 2018	Tony Guest Health and Safety Officer (01283) 595872
Absence Management Report 2017/18	14 th June 2018	David Clamp Head of Organisational Development (01283) 595729

Annual Consultation Report 2017/18	14 th June 2018	Keith Bull Head of Communications (01283) 598705
Annual Communications Report 2017/18	14 th June 2018	Keith Bull Head of Communications (01283) 598705
Compliments, Complaints and Freedom of Information Requests October 2017 to March 2018	14 th June 2018	Kevin Stackhouse Strategic Director Corporate Resources (01283) 595811
Final Budget Out-turn 2017/18	26 th July 2018	Kevin Stackhouse Strategic Director Corporate Resources (01283) 595811
Treasury Management Annual Report 2017/18	26 th July 2018	Kevin Stackhouse Strategic Director Corporate Resources (01283) 595811
Annual Accounts and Financial Statements 2017/18	26 th July 2018	Kevin Stackhouse Strategic Director Corporate Resources (01283) 595811
Corporate Plan 2016-21: Performance Report (1 April 2018 – 30 June 2018)	30 th August 2018	Keith Bull Head of Communications (01283) 598705
Budget and Financial Monitoring 2018/19	30 th August 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811