

Date: 2<sup>nd</sup> February 2022

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, 10 February 2022 at 18:00**. You are requested to attend.

Yours faithfully,



Chief Executive

To:- **Labour Group**  
Councillor Pearson (Chair), Councillor Rhind (Vice-Chair) and  
Councillors Rhind, Richards, Southerd and Taylor.

**Conservative Group**  
Councillors Ackroyd, Bridgen, Lemmon, Redfern and Watson.

**Independent Group**  
Councillors Fitzpatrick and Roberts

**Non-Grouped**  
Councillor Wheelton



## **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:  
  
7th October 2021 **5 - 7**  
  
21st October 2021 **8 - 10**  
  
25th November 2021 **11 - 16**
- 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** RECRUITMENT OF BIKEABILITY CO-ORDINATOR **17 - 20**
- 8** RECRUITMENT OF ACTIVE SCHOOLS' PARTNERSHIP (ASP) **21 - 24**  
PHYSICAL EDUCATION (PE) AND SCHOOL SPORT COACH
- 9** GENERAL FUND CONSOLIDATED BUDGET REPORT 2022-23 AND **25 - 48**  
MEDIUM-TERM FINANCIAL PLAN TO 2026-27
- 10** CAPITAL BUDGET TO 2027 **49 - 58**
- 11** HOUSING REVENUE ACCOUNT BUDGET, FINANCIAL PLAN AND **59 - 74**  
PROPOSED RENT 2022-23

<b>12</b>	<b>TREASURY MANAGEMENT COUNTERPARTY LIMITS UPDATE</b>	<b>75 - 78</b>
<b>13</b>	<b>PROPOSED REVISED COUNCIL TAX REDUCTION SCHEME 2022 – 2023 &amp; CONSULTATION FEEDBACK</b>	<b>79 - 116</b>
<b>14</b>	<b>SUPPORTING ASPIRATIONS ACTION PLAN</b>	<b>117 - 122</b>
<b>15</b>	<b>COMMITTEE WORK PROGRAMME</b>	<b>123 - 129</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:  
7th October 2021  
21st October 2021  
25th November 2021
- 18** To receive any Exempt questions by Members of the Council pursuant to Council procedure Rule No. 11.
- 19** CONTINUATION OF TEMPORARY RESTRUCTURE DUE TO COVID19
- 20** ACQUISITION OF HOUSE IN LIEU OF COMMUTED SUM
- 21** SWADLINCOTE TOWN CENTRE GRANT SCHEME
- 22** EAST MIDLANDS FREEPORT
- 23** APPOINTMENT OF TREASURY MANAGEMENT ADVISORS

FINANCE AND MANAGEMENT COMMITTEE

7<sup>th</sup> October 2021

**PRESENT:**

**Labour Group**

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

**Conservative Group**

Councillors Ackroyd, Lemmon, Redfern and Watson

**Independent Group**

Councillor Fitzpatrick

FM/62 **APOLOGIES**

The Committee was informed that apologies had been received Councillor Bridgen (Conservative Group).

FM/63 **TO RECEIVE THE OPEN MINUTES OF THE FOLLOWING MEETINGS:**

The Open Minutes of meetings held on 7<sup>th</sup> January 2021, 11<sup>th</sup> February 2021, 18<sup>th</sup> March 2021 and 29<sup>th</sup> April 2021 were noted and approved as a true record and signed by the Chair.

FM/64 **DECLARATIONS OF INTEREST**

The Committee was informed that Councillor Richards declared a Personal Interest in item FM/75 by virtue of being a board member for the Freeport.

FM/65 **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/66 **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/67 **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/68 FREEDOM OF INFORMATION: POLICY AND PUBLICATION SCHEME**

The Strategic Director (Corporate Resources) presented the Report to the Committee that was before Members due to Audit recommendations which related to the training of staff and a Freedom of Information policy.

**RESOLVED:**

***The Committee approved the Freedom of Information Policy and Publication Scheme.***

**FM/69 DECARBONISATION OF THE COUNCIL'S HOUSING STOCK**

The Head of Housing presented the Report to the Committee outlining the key points within the appendices and sought approval for the financial aspect of the report.

Members discussed the the need to bring the housing stock up to standard in particular with the cost of electricity rising and that good communication with residents was vital.

The Head of Housing informed the Committee that the bid would include the engagement of residents, would ensure sustainability and that tenants would not be disadvantaged with utility costs.

**RESOLVED:**

- 1.1 The Committee approved the following recommendations which were agreed by the Housing and Community Services Committee on 30 September 2021.***
- 1.2 The outcome of a project which the Council commissioned Nottingham City Council to undertake to assess the energy performance of the Council's housing stock informs future reviews of the Council's Asset Management Strategy and will be reflected within future programmes for investment in the improvement of the Council's Housing Stock***
- 1.3 The Committee endorsed the Council bidding for funding of £1million from "Wave 1" of the Government's Social Housing Decarbonisation Grant fund informed by the Nottingham City report findings and in the event the bid was successful agreed to the Council contributing the required landlord contribution of 33% of the total cost of improvements that would be delivered by the scheme (approximately £500,000).***

FM/70 **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/71 **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 THE EXEMPT MINUTES OF THE FOLLOWING MEETINGS:**

*The Exempt Minutes of the Meetings held on 7<sup>th</sup> January 2021, 11<sup>th</sup> February 2021, 18<sup>th</sup> March 2021, 29<sup>th</sup> April 2021 were received.*

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

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

**PROVISION OF LOW CARBON HOUSING**

*The Committee approved the recommendations in the report.*

**EAST MIDLANDS FREEPORT: FINANCIAL UPDATE**

*The Committee approved the recommendations in the report.*

The meeting terminated at 18:45 hours.

COUNCILLOR PEARSON

CHAIR

FINANCE AND MANAGEMENT COMMITTEE (SPECIAL)

21<sup>st</sup> October 2021

**PRESENT:**

**Labour Group**

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

**Conservative Group**

Councillors Ackroyd, Bridgen, Redfern, Smith (substitute for Councillor Lemmon) and Watson.

**Independent Group**

Councillor Fitzpatrick.

FM/76 **APOLOGIES**

The Committee was informed that apologies had been received from Councillor Richards (Labour Group) and Councillor Lemmon (Conservative Group)

FM/77 **TO RECEIVE THE OPEN MINUTES OF THE FOLLOWING MEETINGS:**

The Open Minutes of meetings held on 8th October 2020 and 26<sup>th</sup> November 2020 were noted and approved as true record and signed by the Chair.

The Audit Sub-Committee Open Minutes held on 29<sup>th</sup> July 2020, 16<sup>th</sup> September 2020, 9<sup>th</sup> December 2020 and 24<sup>th</sup> March 2021 were received and approved.

FM/78 **DECLARATIONS OF INTEREST**

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

FM/79 **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/80 **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/81 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/82 DEVELOPING AND CONSULTING ON REVISED LOCAL COUNCIL TAX REDUCTION SCHEME 2022 – 2023: PROPOSED MODELS**

The Strategic Director (Corporate Resources) presented the report to the Committee which set out the proposals for consultation following the approval the by the Committee of a report in August 2021. The Strategic Director (Corporate Resources) outlined the two proposed models, the main changes that they would bring and who would be affected by the changes and explained how the cost of the scheme would be covered by the Collection Fund which would reduce the surplus. The Committee was informed that the statutory 12 week consultation period would be carried out online and via open days .and that an interim report would be brought back to the Committee in January 2022.

Members supported the report that would give certainty to lower income families but sort clarity regarding the 20% of claimants that would be affected negatively.

The Strategic Director (Corporate Resources) confirmed that those who with higher earnings but were in the benefits system may be considered for Hardship Fund assistance.

It was noted that Councillor Fitzpatrick requested that the Hardship Fund was kept easy to apply for.

**RESOLVED:**

- 1.1 *The Committee approved the proposal to consult on two draft Local Council Tax Reduction Scheme (LCTRS) options this autumn/winter. The two options were detailed within the document and at Appendix 1 of the report.***
- 1.2 *The Committee approved the consultation plan and consultation document as detailed in Appendices 5 and 6 of the report.***
- 1.3 *The Committee approved the updated timeline for the consultation and development of the proposed revised LCTRS as detailed at section 4.31 of the report.***

FM/83 **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/84 **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 THE EXEMPT MINUTES OF THE FOLLOWING MEETINGS:**

*The Exempt Minutes of the Meetings held on 8th October 2020 and 26<sup>th</sup> November 2020 were received.*

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

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

**FUTURE SERVICE DELIVERY AND EMPLOYMENT MODELS**

*The Committee approved the recommendations in the report.*

**CUSTOMER SERVICES PROVISION AT THE CIVIC OFFICES: TRIAL UPDATE**

*The Committee approved the recommendations in the report.*

**LAND AT SANDHOLES**

*The Committee approved the recommendations in the report.*

The meeting terminated at 19:40 hours.

FINANCE AND MANAGEMENT COMMITTEE

25<sup>th</sup> November 2021

**PRESENT:**

**Labour Group**

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

**Conservative Group**

Councillors Ackroyd, Bridgen, Lemmon, Redfern, and Watson.

**Independent Group**

Councillor Fitzpatrick.

**In Attendance**

Councillor Wheelton (Non-Grouped)

FM/90 **APOLOGIES**

The Committee was informed that apologies had been received from Councillor Singh (Labour Group)

FM/91 **TO RECEIVE THE OPEN MINUTES OF THE FOLLOWING MEETINGS:**

The Open Minutes of meetings held on 10<sup>th</sup> June 2021, 22<sup>nd</sup> July 2021, 3<sup>rd</sup> August 2021 and 26<sup>th</sup> August 2021 were noted and approved as true record and signed by the Chair.

FM/92 **DECLARATIONS OF INTEREST**

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

FM/93 **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/94 **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/95 **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/96 CORPORATE PLAN 2020-24: PERFORMANCE REPORT (2021-2022 QUARTER 2 – APRIL TO 30 SEPTEMBER)**

The Strategic Director (Corporate Resources) presented the report to the Committee and highlighted the two indicators in red which were the contact centre calls which had increased due to Covid and the rateable value which had been reduced, due a revaluation of town centre properties.. It was noted that the sickness absence days continued to go down and that the number of apprenticeships had increased to six.

Members raised queries regarding telephone calls to Customer Services. The Head of Customer Services informed the Committee that the increase in calls received were as a consequence of Covid-19.

**RESOLVED:**

***1.1 That 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.***

**FM/97 GENERAL FUND REVENUE MONITORING 2021-22**

The Head of Finance presented the report to the Committee highlighting the increased deficit due to a pending pay award that was being negotiated and the areas of risk including, business rates, a new recycling contract, vacancies, planning, land charges and benefit errors.

The Members raised queries regarding the Land Charges and Business Rates risks. The Strategic Director (Corporate Resources) confirmed that business rates was an area of concern due to the potential decline in economic conditions. The Chief Executive informed the Committee that there was concern regarding the Land Charges during the transition period of transferring into different systems but assured Members that the Council had been fast tracked by the Land Registry to resolve the issues as quickly as possible and noted that Land Charges would not, in the future, be a primary function of the Council and therefore reduced the liability.

The Chair requested an update report to come back to the Committee regarding Land Charges

Councillor Richards raised queries in relation to the possible increase of pay and the national living rise.

The Strategic Director (Corporate Resources) advised the Committee that if these were increased then the Council would have to amend the medium to long term plans but noted that an increase of the nation living wage could impact on all councils.

**RESOLVED:**

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

FM/98 **HOUSING REVENUE ACCOUNT REVENUE FINANCIAL MONITORING 2021-22**

The Head of Finance presented the report that had been separated out from General fund report and noted that the Housing Revenue Account could also be impacted by the potential pay rise and highlighted the risk regarding Careline.

Councillor Watson raised concern regarding the defect reported by the Fire Service and that the Council had placed tenants in unsafe properties. The Head of Finance clarified that this related to a particular set of circumstances regarding an individual and not particularly the property they were living in.

**RESOLVED:**

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

FM/99 **COLLECTION FUND 2021-22**

The Head of Finance presented the report which had been separated from General Fund report which included precept rates and parish council precepts and it was noted that the overall fund was expected to be in surplus at the end of the financial year.

**RESOLVED:**

***The Committee considered and approved the latest Collection Fund position as detailed in the report.***

FM/100 **CAPITAL FINANCIAL MONITORING 2021-22**

The Head of Finance presented the report to the Committee noting one overspend with the General Fund and that overall there were no concerns. The Strategic Director (Corporate Resources) informed the Committee the General Melbourne Sports Park overspend was due to contract variations.

The Chair and Councillor Richards raised queries regarding the Peartree Court Enforcement Notice that found in favour of the Council.

The Strategic Director (Service Delivery) informed the Committee that the courts found in favour of the Council regarding a claim made by the Contractor which meant that the settlement offer to the contractor would be reduced.

The Head of Legal and Democratic Services advised the Committee that it was an arbitrary claim and the amount included in the counter claim which was yet to be agreed by contractor

It was agreed that once resolved an exempt report would be brought back to the Committee.

Members enquired about the funding for the Melbourne Sports Park works and the Strategic Director (Service Delivery) confirmed that the works on the pitches would be funded from the Section 106 Agreements funding.

**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 noted the balance of S106 available for use by the Council for capital projects as detailed in Appendix 2 of the report.***
- 1.3 The Committee approved an increase in the General Fund contribution to works at Melbourne Sports Park of £4,558.***

FM/101 **TREASURY MANAGEMENT UPDATE 2021-22**

The Head of Finance presented the report that gave a detailed national picture regarding Covid-19 and Brexit and how that would affect the Council. The Committee was also informed that the Council does not budget for high interest returns and that the long-term property fund investment was still achieving around 4% return.

**RESOLVED:**

- 1.1 The Committee considered and approved the latest Treasury Management Update for quarter 2 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/102 **COMMENTS, COMPLIMENTS COMPLAINTS & FREEDOM OF INFORMATION REQUESTS 01 APRIL 2021 TO 30 SEPTEMBER 2021**

The Strategic Director (Corporate Resources) presented the report to the Committee outlining the increased number of complaints received during the previous 6 months and the delayed response times in relation to Freedom of Information Requests.

Members raised concerns regarding the increased complaints, the decrease in compliments and the statutory response times in relation to Freedom of Information Requests.

**RESOLVED:**

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

FM/103 **SOCIAL MOBILITY – SUPPORTING ASPIRATIONS ACTION PLAN**

The Head of Economic Growth presented the report to the Committee outlining the most salient points and explained how it linked in with the South Derbyshire Partnership and focused on healthy life styles.

Members raised queries regarding apprenticeships.

The Head of Economic Growth advised the Committee that the Council was promoting apprenticeships with employers in the District and the Chief Executive explained that he had insisted that a local contractor be used in relation to the demolition of the Bison factory and that it had been confirmed that a local contractor working with Burton College had been appointed.

**RESOLVED:**

***The Committee approved the development of a Supporting Aspirations Action Plan for South Derbyshire.***

FM/104 **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/105 **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 THE EXEMPT MINUTES OF THE FOLLOWING MEETINGS:**

*The Exempt Minutes of the Meetings held on 10<sup>th</sup> June 2021, 22<sup>nd</sup> July 2021, 3<sup>rd</sup> August 2021 and 26<sup>th</sup> August 2021 were received.*

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

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

**REGRADE OF POST – HOUSING PROJECT OFFICER (ELECTRICAL)**

*The Committee approved the recommendations in the report.*

**FUTURE SERVICE DELIVERY AND EMPLOYMENT MODELS UPDATE**

*The Committee approved the recommendations in the report.*

**HGV DRIVERS**

*The Committee approved the recommendations in the report.*

The meeting terminated at 20:05 hours.

COUNCILLOR PEARSON

CHAIR

<b>REPORT TO:</b>	<b>FINANCE AND MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM: 7</b>
<b>DATE OF MEETING:</b>	<b>10 FEBRUARY 2022</b>	<b>CATEGORY: RECOMMENDED</b>
<b>REPORT FROM:</b>	<b>STRATEGIC DIRECTOR - SERVICE DELIVERY</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>IAN GEE – 8751</b> <a href="mailto:ian.gee@southderbyshire.gov.uk">ian.gee@southderbyshire.gov.uk</a>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>RECRUITMENT OF BIKEABILITY CO-ORDINATOR</b>	
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE:</b>

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## **1. Recommendations**

- 1.1 That the Committee approves the recruitment of a Bikeability Co-ordinator, within the Active Communities and Health Unit of Cultural and Community Services. This new post will coordinate and deliver the South Derbyshire Active Schools Partnership's (SDASP) Bikeability programme.

## **2. Purpose of the Report**

- 2.1 To seek the Committee's approval to recruit a Bikeability Co-ordinator to organise and deliver the SDASP Bikeability programme. Subject to approval, it is anticipated that the role will commence during the Autumn term and will initially be required for the 2021/22 academic year. The report was considered and approved by the Housing and Community Services Committee on 18 November 2021.
- 2.2 To seek the Committee's approval to giving the Strategic Director – Service Delivery delegated authority for the post to be extended for further academic year(s), subject to continued and/or growing service demand and funding being secured.

## **3. Detail**

- 3.1 The Council has a strong and successful relationship with the SDASP, which it has hosted since 2012. There are several shared benefits in relation to the provision of play, physical activity, leisure and/or sport activities for school aged children across the District. This service is well received by local schools and positively promotes healthy, active lifestyles, along with life-skills that can be taken into adulthood.
- 3.2 The Active Schools Partnership (ASP) is a not-for-profit organisation and any investment made with the partnership goes directly on service delivery and the infrastructure of physical education, school sport and physical activity (PESSPA) within South Derbyshire.

- 3.3 All Infant, Junior and Primary schools nationally receive Physical Education (PE) and School Sport premium funding on an annual basis. The amount of funding given to each school is £16,000 plus £10 per pupil on roll in years 1 – 6. In South Derbyshire, the average amount of premium received by each school per year is c.£17,500.
- 3.4 Schools are expected to see an improvement against the following five key indicators (as of July 2017):
1. The engagement of all pupils in regular physical activity (30 minutes a day) – kick starting healthy active lifestyles
  2. The profile of PE and sport being raised across the school as a tool for whole school improvement
  3. Increased confidence, knowledge, and skills of all staff in teaching PE and sport
  4. Broader experience of a range of sports and activities offered to all pupils
  5. Increased participation in competitive sport
- 3.5 The SDASP over time has delivered a successful and high quality Bikeability programme to the schools of South Derbyshire, gradually increasing the number of participants engaged year on year. This is as a result of accessing additional funding to deliver the programme from both Bikeability Trust and South Derbyshire schools.

#### **4. Financial Implications**

- 4.1 The Bikeability Co-ordinator was submitted for job evaluation, to ascertain salary costs for the SDASP. The post has graded a grade 4.
- 4.2 The Bikeability Co-ordinator post will be a full-time post, initially aligning with the academic year, running through to 22 July 2022.
- 4.3 There will be no financial support needed from the general fund, as the costs will be fully met from external funding secured from Bikeability Trust and income generation from schools for the delivery of the Bikeability programme. In the unlikely event that income does not match the cost of the post any shortfall will be covered by the SDASP reserves.
- 4.4 Should the service demand not continue and/or grow the post will cease. If the post is in place for two years or more, it will become eligible for redundancy, and this will be subject to the length of the contract and how long the post holder has been working for the authority(ies). These costs would be picked up through the SDASP reserves.
- 4.5 The Fixed-Term (Prevention of Less Favourable Treatment) Regulations 2002 ensure that fixed-term employees are not treated less favourably than comparable permanent employees. The terms and conditions provided are in line with the NJC for Local Government Services and therefore the same as comparable permanent employees.
- 4.6 These Regulations also provide that the continued renewal of fixed-term contracts that result in four years continuous service for an employee should be on a permanent contract unless it can be objectively justified to remain on a fixed-term basis. It is noted that these extensions are directly linked to funding arrangements in

place, and this is the justification provided for continuing a fixed-term contract basis. As noted above, the Council does employ those on fixed contracts on comparable employment terms and will provide redundancy payments at the end of the fixed-term contract for any employee with two years continuous service.

## **5. Corporate Implications**

### **Employment Implications**

- 5.1 The Council has several employment policies in place that will be used to ensure that the proposals outlined in the report are implemented appropriately.

### **Legal Implications**

- 5.2 None directly arising from this report.

### **Corporate Plan Implications**

- 5.3 The proposal will support the Council to deliver services to the residents of South Derbyshire and fulfil projects across themes of the Corporate Plan, in particular:

- P1.1 Support and celebrate volunteering, community groups and voluntary sector
- P2.2 Promote the health and wellbeing across the District
- F1 Develop skills and careers.

### **Risk Impact**

- 5.4 The Corporate and Departmental risk registers will be updated with any risks identified if they arise from this report.

## **6. Community Impact**

### **Consultation**

- 6.1 The SDASP makes positive contributions to the Active South Derbyshire Physical Activity, Sport and Recreation Strategy 2017-2022. It also delivers across the key themes within the Sustainable Community Strategy – Children and Young People, Healthier Communities, Safer and Stronger Communities and Sustainable Development. These documents were developed in consultation with South Derbyshire residents and organisations.

### **Equality and Diversity Impact**

- 6.2 This service is offered and is available to all schools in the District and engages all participants.

### **Social Value Impact**

- 6.3 Physical inactivity costs the economy millions of pounds per year. By supporting the District's least active population to get and stay active, it will work to improve an individual's / community's health and wellbeing and potentially reduce wider costs to society such as the health service.

## **Environmental Sustainability**

- 6.4 Where appropriate, delivery of opportunities takes place within local communities to reduce the barrier of rural isolation but also to enable people to cycle and walk to opportunities locally, which will potentially reduce traffic congestion and pollution.

## **7. Conclusions**

- 7.1 The proposal for the recruitment of a Bikeability Co-ordinator to co-ordinate the Bikeability programme delivered by the South Derbyshire Active Schools Partnership will continue to improve the quality of delivery already established and the overall capacity of delivery. This will, therefore, be contributing to the sustainability of the SDASP in the future and the Council's Corporate Plan.

## **8. Background Papers**

- 8.1 None.

<b>REPORT TO:</b>	<b>FINANCE AND MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM: 8</b>
<b>DATE OF MEETING:</b>	<b>10 FEBRUARY 2022</b>	<b>CATEGORY: RECOMMENDED</b>
<b>REPORT FROM:</b>	<b>STRATEGIC DIRECTOR - SERVICE DELIVERY</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>IAN GEE – 8751 <a href="mailto:ian.gee@southderbyshire.gov.uk">ian.gee@southderbyshire.gov.uk</a></b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>RECRUITMENT OF ACTIVE SCHOOLS' PARTNERSHIP (ASP) PHYSICAL EDUCATION (PE) AND SCHOOL SPORT COACH</b>	
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE:</b>

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## **1. Recommendations**

- 1.1 That the Committee approves the recruitment of an Active Schools' Partnership (ASP) Physical Education (PE) and School Sport Coach, within the Active Communities and Health Team of Cultural and Community Services. This new post will support the delivery of the South Derbyshire ASP's (SDASP) PE and School Sport programme.
- 1.2 That the Committee approves the recruitment of additional ASP PE & School Sport Coaches subject to service demand of the SDASP PE and School Sport programme.
- 1.3 That the Committee gives the Strategic Director – Service Delivery delegated authority to extend the contracts of relevant ASP PE and School Sport Coaches subject to continued and/or growing service demand of the SDASP PE and School Sport programme and funding being secured.

## **2. Purpose of the Report**

- 2.1 To seek the Committee's approval to recruit an ASP PE and School Sport Coach to support the delivery of the SDASP PE and School Sport programme. Subject to approval, it is anticipated that the role will commence from half term, February 2022 and will initially be required for the remainder of 2021/22 academic year. The report has been previously considered and approved by the Housing and Community Services Committee on 27 January.

2.2 To seek the Committee's approval to giving the Strategic Director – Service Delivery delegated authority for the post to be extended for further academic year(s), subject to continued and/or growing service demand and funding being secured.

### **3. Detail**

3.1 Since 2012, the Council has a strong and successful track record hosting the SDASP. There are several shared benefits in relation to the provision of play, physical activity, leisure and/or sport activities for school aged children across the District. This service is well regarded and valued by local schools and positively promotes healthy, active lifestyles, along with life skills that can be taken into adulthood.

3.2 The ASP is a not-for-profit Partnership and any investment made with the Partnership goes directly on service delivery and the infrastructure of physical education, school sport and physical activity (PESSPA) within South Derbyshire.

3.3 All Infant, Junior and Primary schools nationally receive PE and School Sport premium funding on an annual basis. The amount of funding given to each school is £16,000 plus £10 per pupil on roll in years one to six. In South Derbyshire, the average amount of premium received by each school per year is around £17,500.

3.4 Schools are expected to see an improvement against the following five key indicators (as of July 2017):

1. The engagement of all pupils in regular physical activity (30 minutes a day) – kick starting healthy active lifestyles
2. The profile of PE and sport being raised across the school as a tool for whole school improvement
3. Increased confidence, knowledge, and skills of all staff in teaching PE and sport
4. Broader experience of a range of sports and activities offered to all pupils
5. Increased participation in competitive sport.

3.5 The SDASP over time has delivered a successful and high-quality PE and School Sport programme to the schools of South Derbyshire year- on-year. This is because of schools using their PE and School Sport Premium to fund the delivery of this programme within their School.

### **4. Financial Implications**

4.1 The ASP PE and School Sport Coach post will be a 37 hour a week (one Full-Time equivalent (FTE), term-time only post, initially aligning with the academic year, running through to 22 July 2022.

4.2 There is no financial support required from the general fund, as the costs will be fully met via external PE and School Sport Premium funding and/or the SDASP reserves.

- 4.3 Should the service demand not continue and/or grow, the contract will cease at the end of 2021/22 academic year. If the post is in place for two years or more, it will become eligible for redundancy, and this will be subject to the length of the contract and how long the post holder has been working for the authority(ies). These costs would be met through the SDASP reserves.
- 4.4 The Fixed-Term (Prevention of Less Favourable Treatment) Regulations 2002 ensure that fixed-term employees are not treated less favourably than comparable permanent employees. The terms and conditions provided are in line with the NJC for Local Government Services and therefore the same as comparable permanent employees.
- 4.5 These Regulations also provide that the continued renewal of fixed-term contracts that result in four years continuous service for an employee should be on a permanent contract unless it can be objectively justified to remain on a fixed-term basis. It is noted that these extensions are directly linked to funding arrangements in place, and this is the justification provided for continuing a fixed-term contract basis. As noted above, the Council does employ those on fixed contracts on comparable employment terms and will provide redundancy payments at the end of the fixed-term contract for any employee with two years continuous service.

## **5. Corporate Implications**

### **Employment Implications**

- 5.1 The Council has several employment policies in place that will be used to ensure that the proposals outlined in the report are implemented appropriately.

### **Legal Implications**

- 5.2 None directly arising from this report.

### **Corporate Plan Implications**

- 5.3 The proposals will support the Council to deliver services to the residents of South Derbyshire and fulfil projects across themes of the Corporate Plan, in particular:

- P1.1 Support and celebrate volunteering, community groups and voluntary sector
- P2.2 Promote health and wellbeing across the District
- F1 Develop Skills and careers.

### **Risk Impact**

- 5.4 The Corporate and Departmental risk registers will be updated with any risks identified if they arise from this report.

## **6. Community Impact**

### **Consultation**

- 6.1 The SDASP makes positive contributions to the Active South Derbyshire Physical Activity, Sport and Recreation Strategy 2017-2022. It also delivers across the key themes within the Sustainable Community Strategy – Children and Young People, Healthier Communities, Safer and Stronger Communities and Sustainable Development. These documents were developed in consultation with South Derbyshire residents and organisations.

### **Equality and Diversity Impact**

- 6.2 This service is offered and is available to all schools within the District and engages all school-aged participants.

### **Social Value Impact**

- 6.3 Nationally, physical inactivity costs the economy millions of pounds per year. By supporting the District's least active population to get and stay active, it will work to improve an individual's / community's health and wellbeing and potentially reduce wider costs to society such as the health service.

### **Environmental Sustainability**

- 6.4 Where appropriate, delivery of opportunities takes place within local communities to reduce the barrier of rural isolation but also to enable people to cycle and walk to opportunities locally, which will potentially reduce traffic congestion and pollution.

## **7. Conclusions**

- 7.1 The proposal for the recruitment of a PE & School Sport Coach to support the delivery of the SDASP PE and School Sport programme will contribute to the future sustainability of the SDASP and the Council's Corporate Plan.

## **8. Background Papers**

- 8.1 None.

<b>REPORT TO:</b>	<b>FINANCE AND MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM: 9</b>
<b>DATE OF MEETING:</b>	<b>10 FEBRUARY 2022</b>	<b>CATEGORY: RECOMMENDED</b>
<b>REPORT FROM:</b>	<b>STRATEGIC DIRECTOR (CORPORATE RESOURCES)</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>VICKI SUMMERFIELD</b> <a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a>	<b>DOC:</b> S/Finance/Committee/2021-22/Feb
<b>SUBJECT:</b>	<b>GENERAL FUND CONSOLIDATED BUDGET REPORT 2022/23 AND MEDIUM-TERM FINANCIAL PLAN TO 2026/27</b>	
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: FM 08</b>

## **1.0 Recommendations**

- 1.1 That the estimates of revenue income and expenditure on the General Fund for 2022/23 are considered and approved.
- 1.2 That consideration is given to a level of increase on grants to voluntary bodies and Parish Councils for concurrent functions.
- 1.3 That consideration is given to the rate of Council Tax for 2022/23.
- 1.4 That the updated five-year financial projection for the General Fund to 2026/27 as detailed in **Appendix 2**, and all the associated assumptions and risks as included in the report, is approved.
- 1.5 That the Council's National Non-Domestic Rates return (NNDR1) for 2021/22 showing retained business rates of £10,838,722 for 2022/23 is noted.

## **2.0 Purpose of the Report**

- 2.1 To detail the Council's financial position following a full review of current income and expenditure plus confirmation of the Local Government Financial Settlement for 2022/23.
- 2.2 The report is divided into four sections as follows:
  - The Council's financial position including the update to the Medium-Term Financial Plan (MTFP) to 2026/27
  - Detail of the Local Government Financial Settlement for 2022/23
  - Proposed base budget and consolidated expenditure for 2022/23
  - Financial risk analysis

## Appendices

- Appendix 1 – Council Tax Setting
- Appendix 2 – General Fund MTFP to 2026/27
- Appendix 3 – Proposed base budgets for Policy Committees

### 3.0 The Council's Financial Position

3.1 The MTFP was considered and approved by the Committee in November 2021 and this set out the forecasted revenue income and expenditure budget for the period 2021/22 to 2026/27. At this stage, the proposed budget for 2022/23 had not been finalised and detail on the Financial Settlement was unknown. The following table summarises the balances predicted on the General Reserve at that time.

MTFP November 2021	2021.22 £	2022.23 £	2023.24 £	2024.25 £	2025.26 £	2026.27 £
Projected Expenditure	14,250,484	14,894,743	15,488,547	15,779,593	16,199,947	16,657,195
Projected 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
Deficit	1,579,497	1,907,989	2,597,637	2,928,095	3,346,899	3,509,373
<b>PROJECTED RESERVE BALANCE</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>

3.2 At this stage, it had been assumed that expenditure would increase in line with inflation and that income would reduce due to changes to Government funding decisions. The projected balance at the end of 2025/26 was expected to be significantly below the minimum balance of £1.5m with the Council having no reserves to call on during 2026/27.

3.3 The main issue presented within the MTFP in November 2021 was the increasingly high deficit levels projected over the life of the plan. These deficits increased further due to the provision for a pay award in 2021/22 which had initially been removed due to the Chancellor announcing that pay would be “paused” for all public sector workers excluding the NHS in November 2020.

3.4 Although the balance in the General Reserve can be utilised to fund the projected deficits over the next few years, this is not a sustainable solution in the longer-term.

3.5 After the release of the Local Government Financial Settlement in December 2021 plus the finalised proposed revenue budget, an update to the MTFP has been completed and is attached at **Appendix 2**. A summary of the projected balances on the General Reserve are shown in the following table.

MTFP February 2022	2021.22 £	2022.23 £	2023.24 £	2024.25 £	2025.26 £	2026.27 £
Projected Expenditure	14,461,905	14,740,532	15,589,929	15,864,800	16,297,013	16,732,943
Projected Financing	-13,719,996	-13,768,402	-13,450,042	-13,423,861	-13,502,735	-13,806,899
Capital Contributions	1,049,208	517,000	516,000	515,000	521,500	528,000
Deficit	1,791,117	1,489,130	2,655,887	2,955,939	3,315,779	3,454,044
<b>PROJECTED RESERVE BALANCE</b>	<b>-11,402,407</b>	<b>-9,913,277</b>	<b>-7,257,390</b>	<b>-4,301,451</b>	<b>-985,672</b>	<b>2,468,372</b>

3.6 The General Fund balance has improved marginally due to an increase to projected funding as detailed in the following table.

	£
<b>Projected Reserve Balance (pre budget)</b>	<b>-833,408</b>
Increased New Homes Bonus	-1,895,661
Council Tax Increase	-562,864
Services Grant Allocation	-173,984
Council Tax Surplus Increase	-149,767
Business Rates Increase	-60,115
Increased Service Expenditure (Section 5)	340,865
Reduction in Lower Tier Services Grant	2,349,262
<b>Projected Reserve Balance 2025/26</b>	<b>-985,672</b>

3.7 Funding within the plan assumes an increase of 1.95% per annum on Council Tax, that Business Rates retention will remain at a set level over the life of the plan and that Government funding will reduce to the Council's Settlement Funding Assessment (SFA) of £2.5m as determined as part of the Settlement for 2013/14 after changes to Business Rate Retention. This was the last time that the funding system was fundamentally changed.

3.8 As noted above, Council Tax is assumed to increase by 1.95% over the life of the plan. The level of Council Tax is higher in 2022/23 than originally forecast in the November MTFP due to higher growth in new properties compared to the previous forecast. The impact of higher growth is detailed below.

	2022.23 £	2023.24 £	2024.25 £	2025.26 £
Forecast November 2021	6,158,100	6,412,322	6,687,869	6,980,282
Amended Forecast January 2022	6,284,747	6,554,928	6,833,257	7,128,505
<b>Revenue Increase</b>	<b>126,647</b>	<b>142,607</b>	<b>145,388</b>	<b>148,223</b>

3.9 The Council Tax Base as approved at Full Council in January was an increase of 1,484 equivalent Band D properties. The forecast in the MTFP included an increase of 744 properties.

3.10 The forecasted growth of the Tax Base was updated at the Budget round in 2021/22 to a lower number due to the assumed impact of the economic downturn as a result of the pandemic. The Tax Base is taken as at September and due to the significant growth between years, it is proposed to increase the estimated growth. The revised forecasted growth is detailed in the following table.

	2022.23	2023.24	2024.25	2025.26
Property Growth Nov 2021	744	768	846	893
Amended Property Growth Jan 2022	1,484	846	846	893
<b>Increase</b>	<b>740</b>	<b>77</b>	<b>0</b>	<b>0</b>

3.11 Overall, the impact of the increase in the Tax Base results in an increase of income from Council Tax of approximately £563k over the MTFP to 2025/26 (as shown in 3.6 and 3.8 above).

## Council Tax Setting

- 3.12 The Council can increase the Council Tax by up to £5 per Band D or 2%, whichever is the higher. It is also however able to opt for a lower increase or freeze the Council Tax.
- 3.13 There are a number of tables listed in Appendix 1 that give further detail of the impact to the General Fund balance should the Council decide to increase the Council Tax by anything outside of the 1.95% included within the MTFP.
- 3.14 In summary, if the Council was to increase the Council Tax by £5 per Band D in 2022/23, this would not put the Council back to the minimum balance by 2025/26, but it would certainly ensure a stronger position into the future. The balance would sit at approximately £1,255,623, an increase of £269,951.
- 3.15 A 1.95% increase already leaves the Council below £1m in balances by 2025/26 and opting for anything lower than a 1.95% increase will ensure that savings measures (without any other funding changes) will need to be implemented sooner for the Council to remain in a sustainable financial position into the future.
- 3.16 A summary of the approximate income loss and balance for a range of increase options is listed below.

	<b>Income (Gain) / Loss £</b>	<b>Reserve Balance 2025/26 £</b>
£5 or 2.98% Increase	-269,951	-1,255,623
2.5% Increase	-144,588	-1,130,260
1.5% Increase	118,300	-867,372
1.0% Increase	249,744	-735,928
Council Tax Freeze	512,632	-473,040

## **4.0 Detail of the Local Government Financial Settlement**

- 4.1 The Provisional Local Government Financial Settlement was released on 16 December 2021 and was a one-year settlement awaiting the outcome of the Fair Funding Review and Business Rates Retention reform which has been delayed for another year.

### **New Homes Bonus**

- 4.2 The New Homes Bonus allocation was higher than forecasted as it was assumed that New Homes Bonus would no longer be received as part of the Settlement going forwards. A legacy payment for 2019/20 totalling £1,122,625 is to be paid alongside an allocation of £1,895,865 for 2022/23 – this allocation was not included within the forecast.
- 4.3 It was also assumed that the new Lower Tier Services Grant (announced as part of the Settlement for 2021/22) would support losses of New Homes Bonus. The Council's allocation under this funding stream was £219,313 which is a net reduction in funding compared to the forecast for 2022/23 of £2,096,640.
- 4.4 In addition to the above funding streams, a one-off allocation of £173,984 entitled 'Services Grant' has also been allocated to the Council. This will not however be

included as part of the transitional arrangements once the Funding Reviews are complete.

- 4.5 After considering all of the above, the Council has received reduced funding of £26,795 for 2022/23 and a forecasted reduction of funding to 2025/26 of approximately £279,617 compared to the MTFP in November 2021. Although a reduction in funding was included within the MTFP, this was expected to be a worst-case scenario.
- 4.6 The expectation now after the last two financial settlements is that the Funding Reviews are likely to reduce the Council's Central support significantly, and the losses may well be far greater than forecast. The actual loss of Government funding from 2021/22 to 2022/23 totals £416,868.
- 4.7 The basis for the funding as set out in the MTFP assumes that no further New Homes Bonus will be received.
- 4.8 It has then been assumed that the Lower Tier Services Grant will continue, and that the Council's funding allocation overall will reduce by approximately 8% in 2023/24 and 10% in 2024/25 to take the funding down to the SFA as noted at 3.6.
- 4.9 The SFA was brought into being during the 2013/14 Settlement and makes up the overall Core Spending Power of all local authorities. It was determined by reviewing the likely baseline funding received through Business Rates retention then topping this up to bring the authority to a minimum balance. The Council's SFA is set at £2.5m, increases by RPI each year and was only supposed to be in place until 2020 but due to the delay on the funding reviews, this appears to have been pushed to 2023.
- 4.10 In the intervening years, the Council has been receiving larger allocations above its SFA due to extra New Homes Bonus and Business Rates growth, both of which are under pressure in the current Fair Funding reviews.

### **Business Rates**

- 4.11 The Council has always received more through Business Rates than the SFA because it has outperformed its Baseline. The Fair Funding Review has indicated that baselines could be reset to reflect this and therefore it would be safe to assume that the Council is unlikely to receive a greater balance of funding from the Government. This could be complicated further if the proposal to increase Business Rates retention at a local level, to 75% from 40% is put in place.
- 4.12 Business Rates has been assumed to remain the same over the life of the plan after being updated in 2022/23 for the NNDR1 return. It would not be prudent to assume that 75% retention will go ahead as this increase would probably mean a funding reduction elsewhere or additional expenditure responsibilities.
- 4.13 The multiplier for Business Rates has been frozen for 2022/23 therefore no increase to the baseline is anticipated across the country. The Council will receive additional funding through S31 grants for the loss of income due to the multiplier freeze which is incorporated within the Business Rates figure in the MTFP for 2022/23.

## **5.0 Proposed Base Budget and Consolidated Expenditure 2022/23**

- 5.1 All Policy Committees have considered their revenue income and expenditure budgets at meetings in early January and no specific issues or challenges were raised with proposed budgets generally in line with the MTFP.
- 5.2 Detail of the individual base budgets for the Policy Committees is attached in **Appendix 3**.

### **Basis of the Budget**

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

### **On-going Service Provision**

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

### **Changes in Pay**

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

### **Inflation**

- 5.9 The base budget for 2021/22 has been uplifted by 2% for inflation/indexation where this applies, for example contract obligations.
- 5.10 Some base costs will be subject to inflation during future years and in some cases, it will be unavoidable, for example employee costs, when national pay increases are approved.
- 5.11 Allowances for inflation based on various assumptions regarding price increases, etc. are calculated across the main spending heads at an average of 2%.

## Parish Concurrent Functions and Grants to Voluntary Bodies

- 5.12 As part of the budget approval process, Policy Committees are asked to consider and recommend increases to Parishes for concurrent functions and grants to voluntary bodies.
- 5.13 Housing and Community Services and Finance and Management Committees both recommended an increase of 2% in line with 2021/22.
- 5.14 The increase to the base budget of these proposals is approximately £11k and is included within the MTFP.

### Proposed Base Budgets 2022/23

- 5.15 A summary of the proposed base budgets and movements between 2021/22 and 2022/23 is included in the following table.

#### COMMITTEE SUMMARY - BUDGET SETTING 2022/23

##### Summary by Policy Committee

	Proposed Budget 2022/23 £	Approved Budget 21/22 £	Variance £
Environmental and Development Services	6,127,447	6,214,931	-87,485
Housing and Community Services	2,765,816	2,678,371	87,445
Finance and Management	6,167,461	6,057,605	109,856
<b>Net Service Expenditure</b>	<b>15,060,724</b>	<b>14,950,908</b>	<b>109,816</b>

- 5.16 The budget between years has increased by £109,816 although this includes depreciation which is an accounting adjustment and does not need considering by the Committee. A large proportion of the increases were expected and included in the MTFP in November. Detail of the proposed changes are listed below.

	EDS £'000	HCS £'000	F&M £'000	Total £'000
Employee Costs	84	17	20	120
Vehicle Costs	68	0	0	68
Subscriptions and Professional Fees	6	5	37	48
Computer Maintenance	0	2	38	40
Utilities	0	22	17	40
Insurance	25	4	4	33
Forestry England Contribution	0	20	0	20
Members Allowances	0	0	14	14
Investment Income	0	0	11	11
Bank Charges	0	0	10	10
Telephone Costs	0	0	8	8
Waste Management	3	4	0	7
Housing Benefit	0	0	3	3
Repairs and Tools	0	1	0	1
Business Rates	-13	1	8	-3
Cemetery Fee Income		-4	0	-4

Protective Clothing	0	0	-8	-8
Concessionary Fares	0	0	-9	-9
Canvas Reform	0	0	-12	-12
Printing, Postage, Books and Stationery	0	0	-13	-13
Earmarked Reserves	-72	24	20	-28
Grant Payments and Income	-10	-20	0	-30
HRA Recharge	-6	0	-34	-40
	<b>86</b>	<b>76</b>	<b>113</b>	<b>276</b>
Depreciation	-174	11	-4	-167
<b>Base Budget Increase</b>	<b>-87</b>	<b>87</b>	<b>110</b>	<b>109</b>

5.17 As noted previously, depreciation is an accounting adjustment totalling £167k. This decrease is due mainly for the aging vehicle fleet that are now fully depreciated. The actual base budget increase is £276k and a summary of the main movements are detailed in the following paragraphs.

### Employee Costs

5.18 There has been a large increase in Environmental and Development Services due mainly to the temporary posts recruited into the Planning team. These additional costs have however been offset by earmarked reserve drawdowns.

5.19 The budget has increased for incremental salary rises (£25k), regraded posts (£8k), the approved Housing restructure (£17k) and training (£9k). The MTFP included provision for all except the regraded posts.

5.20 Included within employee costs is an increase to medical fees of £5k to support employees through Occupational Health and counselling services when required. An increase in actual costs has been seen during the pandemic.

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

### Vehicle Costs

5.22 Due to the increase per litre of diesel during 2021/22, it is proposed to increase the expected cost for 2022/23. The budget is based on a price per litre of £1.16 (the Council pays a discounted rate in comparison to the forecourt) which is an increase of approximately £0.12 between years.

5.23 In addition, the usage of litres has been reduced by 10% in line with the approval to implement a route optimisation solution. Analysis on usage and cost will be completed quarterly and reported to Finance and Management Committee as part of the revenue monitoring cycle.

5.24 Spare parts have been increased in line with a provision included within the MTFP as costs were expected to increase as the vehicle fleet ages.

5.25 Vehicle hire increases were expected and reported within the Recycling report in August 2021 and were therefore included within the MTFP.

## **Subscriptions and Professional Fees**

- 5.26 An increase of £11k is proposed for Legal Services professional fees to enable external support where required. £5k of this additional budget has been transferred from Planning Services and reported to Environmental and Development Services Committee.
- 5.27 Additional handsets for Officers and Members of Soloprotect units costing £11k are included within the budget in 2022/23 to ensure safety when lone working.
- 5.28 The Council utilises Thomas Tests when recruiting to provide candidate profiles prior to interview. It is expected that recruitment will increase during 2022/23 and therefore the costs of this testing method is proposed to increase in line by £3k.
- 5.29 Internal Audit costs increase by inflation each year which is included within the MTFP. The proposed increased budget is £6k.
- 5.30 Vet and kennelling costs are expected to increase based on previous years activity and an increase of £7k has been included within the budget.
- 5.31 An increase of £4k has been proposed for the Route Optimisation software. Savings are expected from reduced litres of fuel but unfortunately this has been offset by the increased cost per litre of diesel.
- 5.32 Subscription increases are budgeted at an additional £12k for 2022/23. Of this, £3k relates to an additional subscription for Finance for forum and technical updates from CIPFA and £6k for the Homelessness service due to a specific agreement with Derby City Council for their Decent and Safe Homes (DASH). The inflationary increase for renewed subscriptions is included within the MTFP of £3k which is slightly less than the proposed budget.

## **Computer Maintenance**

- 5.33 A charge for complying with payment card industry regulations of £17k has now been included within the budget after being reported to the Committee in January 2021. This was expected and included within the MTFP reported in November.
- 5.34 Additional software has been purchased to keep a centralised record of all drivers using Council vehicles at a cost of £2k. This enables checks to reduce the risk of unqualified or disqualified drivers using Council vehicles.
- 5.35 Microsoft licence costs are expected to increase by approximately £28k between 2021/22 and 2022/23. After review on the budgets already in place, contingencies previously included have now been removed meaning the overall additional cost will be approximately £9k.
- 5.36 As part of the move to working from home, scanners required by the Elections team were not compatible with the new laptops issued or Windows 365. An additional licence was required from Microsoft to enable the scanners to work at an annual cost of £5k. The cost has been incurred in 2021/22 and will now be included within future budgets
- 5.37 Smaller inflationary increases have been updated within the budget of approximately £7k and these were expected and included within the MTFP in November.

## **Utilities**

- 5.38 The increase for utilities is in relation to the Leisure Centres (£19k) and Public Buildings (£11k).
- 5.39 The Council is not charged directly for the Leisure Centres but through a recharge mechanism from the Council's contractor, Active Nation. Contractually, the base line tariff and usage rates were set on commencement of the contract eleven years ago. Market conditions have seen the tariff charges increase and efficiencies of the contractor have seen a decrease in usage. The Council is subject to a charge if the contractor consumes less electricity and gas and is subject to a charge for any increase above the base tariff. The increase is a prudent assessment, and the actual costs are not expected to be this high.
- 5.40 Public Buildings costs are expected to increase due to the gas provider used by the Council going into administration. After a review of the marketplace the costs in this area appear to be significantly higher and therefore an increased budget is proposed.
- 5.41 An increase of £2k for inflation was included within the MTFP which is short of the proposed budget.

## **Insurance**

- 5.42 Insurance cover is an overall increase to the Council of £48k between 2021/22 and 2022/23. The General Fund increase is £33k. The increase is due to varying reasons across all policies held, the main one being vehicle insurance of £26k.

## **Investment Income**

- 5.43 The reduction expected on investment income is in line with the MTFP as reported in November and is due to interest rates falling and likely lower levels of cash. However, this will be kept under review in line with interest rate increases as potential additional investment income would be a benefit to the MTFP.

## **Member's Allowances**

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

## **Forestry England Contribution**

- 5.45 On transfer of Rosliston Forestry Centre to the Council from the previous contractor in 2018, Forestry England agreed to contribute £20k per annum towards the management of the site whilst the Council reviewed options.
- 5.46 Forestry England (FE) informed the Council earlier in 2021 that they were no longer going to continue providing any contribution towards the site and therefore the budget has now been removed. The impact of this decision will affect the current financial year as £20k was included as part of the budget process for 2021/22 and FE have agreed to pay a reduced sum of £6k. The reduction in income has been included in the MTFP for 2021/22

## HRA Recharges

5.47 The total impact of the increase in HRA recharges is £40k and after a full review of all charges, the following table details the movement by service area.

	<b>Movement £'000</b>
Head of Corporate Property	4
Head of Customer Services	-1
Head of Organisational Development & Performance	-2
Strategic Director (Corporate Resources)	-3
Head of Legal & Democratic	-6
Trade Waste	-6
Head of Business Change & ICT	-8
Head of Finance	-17
	<b>-40</b>

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

## Grant Payments and Income

5.49 A budget for grant payments in Planning Policy of £10k has been included for a number of years but has not actually been utilised since 2013. There are no plans to spend in 2022/23 and it is therefore proposed to remove this budget going forwards.

5.50 Affiliations with schools are expected to increase in 2022/23 and an increased budget of £20k is proposed. The increase in income is offset by the reduction in reserve funding and so is not a benefit overall to the General Fund.

## Earmarked Reserve Funding

5.51 As noted earlier in the report, an increase in the reserve drawdown has been budgeted for the Planning service to support the increase in temporary staffing costs approved by the Committee during 2021.

5.52 The main reduction in funding for Housing and Community Services is due to the increased grant receipt expected from the affiliation with schools as noted at 5.48.

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

## Printing, Postage, Stationery and Books

5.54 Printing is proposed to increase by £4k between years due to the additional requirement of the Communications team. This team has never previously had a budget for printing but there is always a level of expenditure incurred each year.

5.55 Postage is proposed to decrease by £9k in Customer Services after review of the costs incurred over the last two years. Additional postage for new properties receiving Council Tax bills has been considered in the budget but a reduction still appears likely.

5.56 Books are proposed to reduce by £4k mainly in Legal Services as publications are now online and updates are no longer paid for. Stationary costs have been reviewed over the last three years and are not expected to return to pre-covid levels due to staff not being in the offices full time so a reduction of £4k is proposed

### Canvas Reform

5.57 Due to the reform of canvassing requirements, the Council is no longer expected to send a registration form to every household annually if the residents are already registered for Elections purposes. This brings a saving on printing (£15k), postage (£10k) but also a grant income loss from the Cabinet Office (£10k).

## 6.0 Financial Risk Analysis

6.1 In addition to the cost pressures noted in section 5, as part of the base budget review, each Committee identified several risk areas. The main issues are detailed in the following table.

<b>Risk</b>	<b>Issue / Potential Effect</b>	<b>Mitigating Action</b>
Reduction in Income	Budgeted income from Planning, Licensing etc. totals £1.5m is not sustainable	Base budgets reflect actual income but remain prudent. This report contains detail on changes in anticipated income and is based on known marketplace conditions
Recycling	The service went out to tender in 2021/22 with a risk share contract being in place from October 2021. Collection of waste is now in-house.	An additional budget of £100k has been implemented for collection of waste with a further provision of £50k per annum being set-aside in the MTFP.
Transport	With the increase of the vehicle fleet due to the Recycling service being in-house, vehicle management arrangements for the Council's Operating licence may be inadequate	A review on the management process is underway and it is likely that an inspection pit costing approximately £60k is required. This is included as a provision in the MTFP.
Land Charges	The service is currently being managed by Lichfield District Council due to having no resource internally at a significantly larger cost than the savings on vacancies	At the Finance and Management Committee in November, it was proposed to create a provision of £100k for 2021/22 and 2022/23 in the MTFP whilst a plan is developed for longer-term management of the service.
Growth	The Council's MTFP identifies underlying cost pressures yet to surface as a risk due to pressure from residential development.	A provision for growth has been set-aside in the MTFP each year over the life of the Plan and this is kept under review. In addition, the Council can put some reliance on S106 maintenance contributions to meet additional costs
External Audit	Concern over audit resource and scope of auditing requirements	It is likely that the Council will have to fund at least an additional

	under accounting standards has resulted in a review by the Public Sector Audit Appointments	£20k per annum for external audit. This has been updated in the MTFP.
Parish Growth	Additional Concurrent Function claims may become payable if Parishes form a Meeting or Council	An update to the MTFP now includes provision for this into the future with a specific provision for Drakelow who have put forward a Precept request for the first time in 2022/23
External funding	As detailed in the report, several services are reliant on external contributions and reserve funding	Earmarked reserves to maintain spending over several years. These reserves are currently estimated to remain at £1.1m by 2023 but the reserve position is continually kept under review with service managers

6.2 Provisions for risks are made within the MTFP where the impact can be measured or estimated. A risk not included in the above analysis is included as a potential loss of income within the MTFP and is detailed below.

### **Factory Premises, Hearthcote Road**

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

6.4 Rental income of £196k per annum is currently paid by the tenant and the potential loss of income has been included in the MTFP.

## **7.0 Financial Implications**

7.1 Detailed in the report.

## **8.0 Corporate Implications**

### **Employment Implications**

8.1 None.

### **Legal Implications**

8.2 None.

### **Corporate Plan Implications**

8.3 The proposed budgets and spending provide the financial resources to enable many of the on-going services and Council priorities to be delivered.

## **Risk Impact**

- 8.4 The Financial Risk Register is detailed within the Medium-Term Financial Plan, but individual Committee risks are listed in Section 6.

## **9.0 Community Impact**

### **Consultation**

- 9.1 The Council is statutorily required to consult on its budget proposals, prior to setting the annual Council Tax rate, with the local business and community sector. The Council has an established process in place to meet this requirement. Consultation takes place for approximately four weeks following approval of the draft budget proposals by Finance and Management Committee in January each year. Any feedback is reported to the Council as part of the final approval process.
- 9.2 There is no statutory requirement to consult with residents or other stakeholders, although it is considered good practice to do so. Traditionally, the Council has disseminated proposals through Area/Community Forums and via a presentation at the South Derbyshire Partnership Board. Many authorities do consult formally regarding their budget proposals and medium-term financial plans prior to setting budgets, using panels, representative groups, etc. as a way of fully engaging local people.

### **Equality and Diversity Impact**

- 9.3 None.

### **Social Value Impact**

- 9.4 None.

### **Environmental Sustainability**

- 9.5 None.

## **10.0 Conclusions**

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

## **11.0 Background Papers**

- 11.1 None

**COUNCIL TAX SETTING**

**APPENDIX 1**

	2022.23 £	2023.24 £	2024.25 £	2025.26 £	2026.27 £
Council Tax @ 1.95% Increase	-6,284,747	-6,554,928	-6,833,257	-7,128,505	-7,432,669
Council Tax @ £5 Increase in 2022/23	-6,348,049	-6,620,951	-6,902,083	-7,200,305	-7,507,533
<b>Revenue Increase</b>	<b>-63,301</b>	<b>-66,023</b>	<b>-68,826</b>	<b>-71,800</b>	<b>-74,864</b>

<b>General Reserve Balance</b>	<b>-9,976,578</b>	<b>-7,386,714</b>	<b>-4,499,601</b>	<b>-1,255,623</b>	2,123,558
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	2022.23 £	2023.24 £	2024.25 £	2025.26 £	2026.27 £
Council Tax @ 1.95% Increase	-6,284,747	-6,554,928	-6,833,257	-7,128,505	-7,432,669
Council Tax @ 2.5% Increase in 2022/23	-6,318,652	-6,590,291	-6,870,121	-7,166,962	-7,472,767
<b>Revenue Increase</b>	<b>-33,905</b>	<b>-35,363</b>	<b>-36,864</b>	<b>-38,457</b>	<b>-40,098</b>

<b>General Reserve Balance</b>	<b>-9,947,182</b>	<b>-7,326,657</b>	<b>-4,407,582</b>	<b>-1,130,260</b>	2,283,686
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	2022.23 £	2023.24 £	2024.25 £	2025.26 £	2026.27 £
Council Tax @ 1.95% Increase	-6,284,747	-6,554,928	-6,833,257	-7,128,505	-7,432,669
Council Tax @ 1.5% Increase in 2022/23	-6,257,007	-6,525,995	-6,803,095	-7,097,040	-7,399,862
<b>Revenue Reduction</b>	<b>27,740</b>	<b>28,933</b>	<b>30,162</b>	<b>31,465</b>	<b>32,807</b>

<b>General Reserve Balance</b>	<b>-9,885,536</b>	<b>-7,200,716</b>	<b>-4,214,616</b>	<b>-867,372</b>	2,619,479
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	2022.23 £	2023.24 £	2024.25 £	2025.26 £	2026.27 £
Council Tax @ 1.95% Increase	-6,284,747	-6,554,928	-6,833,257	-7,128,505	-7,432,669
Council Tax @ 1.0% Increase in 2022/23	-6,226,184	-6,493,848	-6,769,583	-7,062,080	-7,363,410
<b>Revenue Reduction</b>	<b>58,563</b>	<b>61,081</b>	<b>63,674</b>	<b>66,426</b>	<b>69,260</b>

<b>General Reserve Balance</b>	<b>-9,854,714</b>	<b>-7,137,746</b>	<b>-4,118,133</b>	<b>-735,928</b>	2,787,376
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	2022.23 £	2023.24 £	2024.25 £	2025.26 £	2026.27 £
Council Tax @ 1.95% Increase	-6,284,747	-6,554,928	-6,833,257	-7,128,505	-7,432,669
Council Tax Freeze in 2022/23	-6,164,539	-6,429,552	-6,702,557	-6,992,158	-7,290,505
<b>Revenue Reduction</b>	<b>120,209</b>	<b>125,376</b>	<b>130,700</b>	<b>136,347</b>	<b>142,165</b>

<b>General Reserve Balance</b>	<b>-9,793,068</b>	<b>-7,011,805</b>	<b>-3,925,166</b>	<b>-473,040</b>	3,123,169
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**GENERAL FUND MEDIUM TERM FINANCIAL PLAN  
BUDGET & PROJECTION as at FEBRUARY 2022**

	Approved Budget £ 2021.22	Proposed Budget £ 2022.23	Projection £ 2023.24	Projection £ 2024.25	Projection £ 2025.26	Projection £ 2026.27
<b>BASE BUDGET</b>						
Environmental & Development	6,227,089	6,127,447	6,459,707	6,648,845	6,841,902	7,042,482
Housing & Community	2,650,462	2,765,816	2,871,210	2,924,361	2,978,079	3,048,401
Finance & Management	6,038,722	6,167,461	6,307,621	6,475,909	6,645,992	6,818,113
<b>Net Service Expenditure</b>	<b>14,916,273</b>	<b>15,060,724</b>	<b>15,638,538</b>	<b>16,049,115</b>	<b>16,465,973</b>	<b>16,908,996</b>
<b>Accounting Adjustments</b>						
Reverse out Depreciation	-1,435,413	-1,268,382	-1,268,382	-1,268,382	-1,268,382	-1,268,382
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>13,987,551</b>	<b>14,558,379</b>	<b>14,943,334</b>	<b>15,352,114</b>	<b>15,788,956</b>
<b>Add: Known Variations</b>						
Vehicle Maintenance Plan (Tyres and Spare Parts)	0	0	25,000	30,000	40,000	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
Land Charges Service Review Provision	100,000	100,000	0	0	0	0
Public Sector Audit Appointments - Additional External Audit Fees	20,000	20,000	20,000	20,000	20,000	20,000
Drakelow Concurrent Functions	0	2,185	2,229	2,273	2,319	2,365
Operating Licence Inspection Pit	60,000	0	0	0	0	0
Income Loss - Forestry England Reported January 2022	14,000	0	0	0	0	0
Licensing Posts Regrade - approved July 2021	2,445	0	0	0	0	0
PCI Compliance Reported January 2021	17,235	0	0	0	0	0
Parish Concurrent Functions and Grants to Voluntary Bodies	13,488	10,452	10,661	10,874	11,092	11,313
Driver and Mechanic Incentive Payment	33,350	33,350	0	0	0	0
Route Optimisation Potential Project Delay	0	43,235	0	0	0	0
Local Plan Review	15,000	15,000	0	0	0	0
Potential Pay Award	151,173	156,385	160,295	164,302	168,410	172,620
Incremental Salary Increases	0	0	18,425	6,671	2,253	0
Investment Income	0	0	51,000	68,040	70,000	70,000
Administration of Childcare Vouchers	1,750	1,750	1,750	1,750	1,750	1,750
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	0	196,500	196,500	196,500	196,500
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>14,369,275</b>	<b>14,520,532</b>	<b>15,422,429</b>	<b>15,656,546</b>	<b>16,083,869</b>	<b>16,544,799</b>

## GENERAL FUND MEDIUM TERM FINANCIAL PLAN BUDGET & PROJECTION as at FEBRUARY 2022

	Approved Budget £ 2021.22	Proposed Budget £ 2022.23	Projection £ 2023.24	Projection £ 2024.25	Projection £ 2025.26	Projection £ 2026.27
<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
New Parishes - Concurrent Functions	0	0	2,500	5,000	10,000	15,000
Waste and Recycling	50,000	50,000	50,000	50,000	50,000	50,000
<b>TOTAL PROJECTED SPENDING</b>	<b>14,461,905</b>	<b>14,740,532</b>	<b>15,589,929</b>	<b>15,864,800</b>	<b>16,297,013</b>	<b>16,732,943</b>
<b>FINANCING</b>						
Business Rates Retention	-3,779,996	-3,795,025	-3,795,025	-3,795,025	-3,795,025	-3,795,025
Services Grant Allocation	0	-173,984	0	0	0	0
Lower Tier Services Grant Allocation	-519,414	-291,393	-3,045,089	-2,740,580	-2,524,205	-2,524,205
New Homes Bonus	-3,381,317	-3,018,486	0	0	0	0
Council Tax Income	-5,915,215	-6,284,747	-6,554,928	-6,833,257	-7,128,505	-7,432,669
<b>Core Spending Power</b>	<b>-13,595,942</b>	<b>-13,563,635</b>	<b>-13,395,042</b>	<b>-13,368,861</b>	<b>-13,447,735</b>	<b>-13,751,899</b>
Add Estimated Collection Fund Surplus - Council Tax	-124,054	-204,767	-55,000	-55,000	-55,000	-55,000
<b>TOTAL FINANCING</b>	<b>-13,719,996</b>	<b>-13,768,402</b>	<b>-13,450,042</b>	<b>-13,423,861</b>	<b>-13,502,735</b>	<b>-13,806,899</b>
<b>Revenue Surplus (-) / Deficit</b>	<b>741,909</b>	<b>972,130</b>	<b>2,139,887</b>	<b>2,440,939</b>	<b>2,794,279</b>	<b>2,926,044</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>1,791,117</b>	<b>1,489,130</b>	<b>2,655,887</b>	<b>2,955,939</b>	<b>3,315,779</b>	<b>3,454,044</b>
<b>GENERAL FUND RESERVE BALANCE</b>						
Balance b/fwd	-13,193,524	-11,402,407	-9,913,277	-7,257,390	-4,301,451	-985,672
Revenue Surplus (-) / Deficit	741,909	972,130	2,139,887	2,440,939	2,794,279	2,926,044
Capital Contributions	1,049,208	517,000	516,000	515,000	521,500	528,000
<b>Balance c/fwd</b>	<b>-11,402,407</b>	<b>-9,913,277</b>	<b>-7,257,390</b>	<b>-4,301,451</b>	<b>-985,672</b>	<b>2,468,372</b>

**ENVIRONMENTAL & DEVELOPMENT SERVICES - BUDGET SETTING 2022/23**

	<b>Proposed Budget 2022/23 £</b>	<b>Approved Budget 2021/22 £</b>	<b>Change £</b>	<b>Comments</b>
Tourism Policy, Marketing & Development	72,915	67,746	5,169	Increased staff costs £4k, insurance £1k
Promotion and Marketing of the Area	266,007	273,252	-7,245	Reduction in grants to cover costs of VIC
Community Development	10,000	10,027	-27	
<b>ECONOMIC DEVELOPMENT</b>	<b>348,922</b>	<b>351,025</b>	<b>-2,103</b>	
Food Safety	63,821	68,606	-4,785	Reduced staff costs £1k, prof fees £4k
Pollution Reduction	385,974	410,289	-24,315	Reduced staff costs £26k; increased prof fees £2k
Pest Control	15,955	15,752	203	
Public Health	0	0	0	
Public Conveniences	25,113	30,367	-5,253	Reduced NNDR £7k; increased depreciation £2k
Community Safety (Safety Services)	190,379	173,485	16,893	Increased staff costs £11k, vet fees £6k
Environmental Education	96,157	95,721	436	
Welfare Services	1,800	1,800	0	
<b>ENVIRONMENTAL SERVICES</b>	<b>779,199</b>	<b>796,020</b>	<b>-16,822</b>	
Environmental Maintenance (Other Roads)	-70,557	-70,557	0	
Public Transport	29,302	29,001	301	
Off-Street Parking	97,251	103,357	-6,106	Reduced NNDR
<b>HIGHWAYS &amp; PARKING</b>	<b>55,996</b>	<b>61,801</b>	<b>-5,805</b>	
Local Land Charges	6	-3,539	3,545	Reduced staff costs £2k; increased comp licence £4k, prof fees £2k
Licensing	10,277	5,773	4,504	Increased staff costs £2k, comp licence £2k
<b>LICENSING &amp; LAND CHARGES</b>	<b>10,282</b>	<b>2,234</b>	<b>8,049</b>	
Emergency Planning and Works	16,000	16,000	0	
Building Regulations	35,200	35,200	0	
Dealing with Development Control Applications	274,891	281,178	-6,287	Increased staff costs £81k; reduced insurance £1k, legal budget trf to F&M £5k, increased reserve drawdown £81k

Structure and Local Planning	305,250	313,807	-8,557	Removed grant pays £10k, increased training £2k
Street Name & Numbering	-6,986	-7,556	570	
<b>PLANNING</b>	<b>624,354</b>	<b>638,628</b>	<b>-14,274</b>	
Grounds Maintenance	674,977	653,399	21,578	Reduced staff costs £2k; increased depreciation £18k, HRA recharge reduction £6k
Street Cleansing (not chargeable to highways)	531,284	540,678	-9,394	Increased staff costs £5k, tools £1k; increased income £2k, reduced depreciation £14k
<b>STREET SCENE</b>	<b>1,206,261</b>	<b>1,194,076</b>	<b>12,185</b>	
Household Waste Collection	1,581,052	1,745,163	-164,111	Increased staff costs £12k, bins £5k, waste disposal £32k; reduced depreciation £178k, insurance £3k, increased DCC income £34k
Trade Waste Collection	-98,559	-99,563	1,004	Increased internal recharges £14k, increased waste disposal costs £15k
Recycling	429,938	417,249	12,689	Increased vehicle hire £8k, disposal costs £8k, insurance £11k, contract income increase £22k, reduced reserve funding £8k
Direct Services Central Admin	346,843	347,325	-482	
Transport Services	843,159	760,974	82,185	Increased fuel £37k, spare parts £23k, insurance £18k, subscription £4k
<b>WASTE &amp; TRANSPORT</b>	<b>3,102,433</b>	<b>3,171,147</b>	<b>-68,714</b>	
	<b>6,127,447</b>	<b>6,214,931</b>	<b>-87,485</b>	

## HOUSING & COMMUNITY SERVICES - BUDGET SETTING 2022/23

	Proposed Budget 2022/23	Approved Budget 2021/22	Movement	Comments
General Grants, Bequests & Donations	305,653	305,714	-62	
Community Centres	207,127	210,725	-3,598	Increased staff costs £1k, NNDR costs £1k; reduced depreciation £6k
Community Safety (Crime Reduction)	130,521	129,952	569	Reduced reserve funding
Defences Against Flooding	56,142	56,237	-95	
Market Undertakings	2,138	878	1,260	Trade waste recharge
Village Halls	0	0	0	
<b>COMMUNITY DEVELOPMENT &amp; SUPPORT</b>	<b>701,581</b>	<b>703,506</b>	<b>-1,925</b>	
Arts Development & Support	15,040	15,040	0	
Events Management	116,237	115,668	570	
Midway Community Centre	34,256	13,066	21,190	Increased utilities £2k, depreciation £19k
Stenson Fields Community Centre	6,988	9,216	-2,228	Increased trade waste recharge £1k; reduced NNDR cost £2k, ext refuse collection £1k
<b>RECREATIONAL ACTIVITIES</b>	<b>172,521</b>	<b>152,990</b>	<b>19,531</b>	
Melbourne Assembly Rooms	32,460	-1,668	34,128	Increased depreciation
Get Active in the Forest	31,292	31,175	116	Reduced staff costs £3k; reduced reserve drawdown £3k
Sports Development & Community Recreation	171,988	171,118	870	Reduced staff costs £3k, mileage £2k; reduced reserve drawdown £4k, increased insurance £1k
Indoor Sports & Recreation Facilities	497,336	537,233	-39,896	Increased utilities £19k; reduced depreciation £56k, increased income £3k
Outdoor Sports & Recreation Facilities (SSP)	0	0	0	Increased staff costs £5k, reserve drawdown £15k; increased grant income £20k
Play schemes	20,004	19,950	55	Reduced staff costs £8k, tools £4k; reduced reserve drawdown £12k
<b>LEISURE CENTRES &amp; COMMUNITY FACILITIES</b>	<b>753,081</b>	<b>757,807</b>	<b>-4,727</b>	

Allotments	-799	-1,091	292	
Rosliston Forestry Centre	297,213	263,450	33,763	Increased repairs £3k, NNDR cost £2k, depreciation £6k, insurance £2k, utilities £1k, loss of income Forestry England £20k
Cemeteries	17,086	18,950	-1,863	Increased repairs £2k; increased fees £4k
Closed Churchyards	7,608	7,241	366	
Parks and Open Spaces	317,369	303,035	14,334	Increased depreciation £14k, insurance £1k, trade waste recharge £1k, reduced income £3k; reserve drawdown £4k
<b>PARKS &amp; OPEN SPACES</b>	<b>638,477</b>	<b>591,585</b>	<b>46,892</b>	
Housing Standards	94,453	93,369	1,084	Increased staff costs £2k; reduced prof fees £1k
Housing Strategy	95,959	97,880	-1,921	Reduced staff costs £1k, subs £1k
Administration of Renovation & Improvement Grants	52,119	50,298	1,821	Software maintenance
Bed / Breakfast Accommodation	6,500	6,500	0	
Pre-tenancy Services	216,660	190,421	26,238	Increased staff costs £26k, subs £7k; reserve drawdown £7k
Other Housing Support Costs (GF)	34,466	34,014	451	
<b>PRIVATE SECTOR HOUSING</b>	<b>500,156</b>	<b>472,482</b>	<b>27,674</b>	
	<b>2,765,816</b>	<b>2,678,371</b>	<b>87,445</b>	

## FINANCE & MANAGEMENT - BUDGET SETTING 2022/23

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

Admin Offices & Depot	660,702	632,236	28,466	Increased staff costs £25k, utilities £17, insurance £3k; reduced depreciation £16k
Protective Clothing	29,809	37,819	-8,010	Reduced requirement
Procurement	12,349	12,149	200	
<b>CENTRAL SUPPORT SERVICES</b>	<b>4,178,558</b>	<b>4,086,049</b>	<b>92,509</b>	
Democratic Representation & Management	85,361	85,473	-112	
Corporate Management	65,951	64,458	1,493	Subscriptions £1k
Corporate Finance Management	37,969	37,437	531	Increased prof fees £1k
Elected Members	354,789	347,401	7,388	Increased allowances £13k; increased HRA recharge £4k, reduced training £2k
<b>CORPORATE &amp; DEMOCRATIC COSTS</b>	<b>544,070</b>	<b>534,770</b>	<b>9,300</b>	
Registration of Electors	44,271	56,531	-12,261	Canvas reform
Conducting Elections	178,432	171,893	6,539	Increased staff costs £2k, tools £5k
<b>ELECTIONS &amp; REGISTRATION</b>	<b>222,703</b>	<b>228,425</b>	<b>-5,721</b>	
Funded Pension Schemes	280,298	280,072	226	
Increase/Decrease in Provision for Bad or Doubtful Debts	175,000	175,000	0	
Planning Agreements	0	0	0	
Parish Councils	426,407	425,801	606	Increased insurance
Interest & Investment Income (GF)	-136,229	-147,585	11,356	Reduced investment income
External Interest Payable (GF)	500	500	0	
<b>PARISHES, INTEREST, S106 RECEIPTS &amp; PROVISIONS</b>	<b>745,976</b>	<b>733,788</b>	<b>12,188</b>	
Estate Management	-248,364	-245,318	-3,046	Increased training £6k, NNDR £8k, reduced HRA recharge £4k; reduced staff costs £22k
<b>ESTATE MANAGEMENT</b>	<b>-248,364</b>	<b>-245,318</b>	<b>-3,046</b>	
Council Tax Collection	118,286	116,327	1,958	Increase staff costs £1k, advertising £1k
Non Domestic Rates Collection	-87,500	-84,500	-3,000	Prof fees (now in-house)
Revenues & Benefits Support & Management	343,977	136,633	207,344	Increased staff costs £5k, income budget trf to HB Admin £200k, reduced reserve drawdown £12k; reduced software costs £10k
Rent Allowances Paid	37,005	53,047	-16,042	Reduced benefit claims reduces costs
Net cost of Rent Rebates Paid	80,882	81,999	-1,118	Reduced benefit claims reduces costs
Corporate Fraud	48,150	45,474	2,676	Reduced reserve drawdown

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

<b>REPORT TO:</b>	<b>FINANCE AND MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM: 10</b>
<b>DATE OF MEETING:</b>	<b>10 FEBRUARY 2022</b>	<b>CATEGORY: RECOMMENDED</b>
<b>REPORT FROM:</b>	<b>STRATEGIC DIRECTOR (CORPORATE RESOURCES)</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>VICKI SUMMERFIELD</b> <a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a>	<b>DOC:</b> s/finance/committee/2021-22/Feb
<b>SUBJECT:</b>	<b>CAPITAL BUDGET TO 2027</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: FM 08</b>

## **1.0 Recommendations**

- 1.1 That capital programme expenditure and funding to 2027 is considered and approved.
- 1.2 That the current Fleet Management Strategy and Vehicle Replacement Plan is reviewed in 2022/23 and is realigned to the level of resources currently available and that the outcome is reported back to this Committee.

## **2.0 Purpose of the Report**

- 2.1 To detail the Council's proposed capital expenditure and funding for the five-year planning period to 2027.
- 2.2 The proposals included within the report are in relation to capital expenditure and funding for both the General Fund and Housing Revenue Account (HRA). The full programme is listed in **Appendix 1**.
- 2.3 Detail of the Council's capital reserves are covered in Section 4.

## **3.0 Detail**

### **General Fund**

- 3.1 General Fund projects are developed in line with strategies reported to policy committees and are funded through Section 106 receipts, grant income, General Fund contributions and capital receipts generated from General Fund asset sales.
- 3.2 A summary of the proposed five-year General Fund capital programme is listed in the following table.

## GENERAL FUND CAPITAL BUDGET

	2021.22 £	2022.23 £	2023.24 £	2024.25 £	2025.26 £	2026.27 £
Private Sector Housing	1,827,495	1,253,655	400,000	485,000	400,000	400,000
Cultural and Community Services	492,299	2,975,003	301,473	162,628	0	0
Environmental Services	524,550	420,000	0	0	0	0
Corporate Assets	765,988	687,465	426,420	1,084,814	1,516,760	449,211
<b>Total Expenditure</b>	<b>3,610,332</b>	<b>5,336,123</b>	<b>1,127,893</b>	<b>1,732,442</b>	<b>1,916,760</b>	<b>849,211</b>

- 3.3 Private Sector Housing capital projects are in the main funded through the Better Care Fund allocation received from Derbyshire County Council. Full detail of these projects was reported to Housing and Community Services Committee and this Committee in August 2021.
- 3.4 Cultural and Community Services projects consist of projects previously approved, the main projects being the Community Partnership Scheme and drainage works at Melbourne Sports Park plus projects included within the capital bidding round in October 2020.
- 3.5 Environmental Services has two projects as a result of the capital bidding round mentioned previously plus capital grant funded projects for Green Homes and Property Flooding Resilience.
- 3.6 Corporate Assets includes numerous different projects relating to the asset base of the Council. The main projects are for vehicle replacements, the ICT Strategy and development of public buildings and community centres.

### HRA

- 3.7 HRA projects mainly consist of refurbishment of council housing, new build and acquisition of council dwellings, disabled adaptations for council house tenants and vehicle replacements.
- 3.8 A summary of the five-year HRA capital programme is listed in the following table.

## HRA CAPITAL BUDGET

	2021.22 £	2022.23 £	2023.24 £	2024.25 £	2025.26 £	2026.27 £
Major Capital Repairs	2,383,000	2,320,000	2,083,000	2,577,000	2,616,000	2,197,000
New Build and Acquisition	225,030	280,000	0	0	0	0
Vehicle Replacements	36,673	0	49,186	0	227,503	0
Disabled Adaptations	300,000	300,000	300,000	300,000	300,000	300,000
<b>Total Expenditure</b>	<b>2,944,703</b>	<b>2,900,000</b>	<b>2,432,186</b>	<b>2,877,000</b>	<b>3,143,503</b>	<b>2,497,000</b>

- 3.9 The Major Repairs budget is in line with the stock condition survey that was undertaken in 2018/19. It is likely that the budget for 2021/22 will be fully spent in year with a potential overspend. Any overspend however can be funded from the Major Repairs Reserve which has money set-aside from previous years underspends.
- 3.10 New Build and Acquisition of new council dwellings are reported separately to Housing and Community Services Committee as opportunities that offer value for money are identified. Budgeted Acquisitions currently included are for Acresford Road, Overseal and Orchard Street, Newhall.

- 3.11 The Disabled Adaptations budget of £300k has been reviewed and will remain the same over the life of the plan.
- 3.12 Vehicle Replacements are in line with the vehicle replacement schedule reported to Environmental and Development Services Committee in January 2020.

#### 4.0 Capital Reserves

##### General Fund

- 4.1 Capital receipts are generated through land and property sales and the receipts are available for one-off projects that will result in no longer-term revenue burden.
- 4.2 Often, General Fund capital projects are funded through grant income, General Fund contributions and S106 contributions with capital receipts being utilised on specific projects selected through a capital bidding evaluation process.
- 4.3 The current Capital Receipts Reserve and projected balance over the five-year period is listed in the following table.

#### GENERAL FUND CAPITAL RECEIPTS RESERVE

	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27
	£	£	£	£	£	£
Balance B/fwd	2,569,462	2,538,138	979,259	790,798	543,170	-56,830
Drainage Easement at Woodville	107,911	0	0	0	0	0
Collaboration Agreement - Oversetts Road	420,783	278,475	0	0	0	0
<b>Total Receipts</b>	<b>528,694</b>	<b>278,475</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Vehicle Replacements	0	0	0	0	-600,000	0
Capital Bids 2020	-225,286	-1,796,979	-188,461	-162,628	0	0
Costs Associated to Land Sales	-20,000	0	0	0	0	0
Midway Community Centre	-250,000	0	0	0	0	0
Repairs to Village Halls and Community Facilities	-6,700	-2,375	0	0	0	0
Public Buildings Maintenance	-58,032	0	0	0	0	0
Strategic Housing Market Assessment	0	0	0	-25,000	0	0
Private Sector Stock Condition Survey	0	0	0	-60,000	0	0
Empty Property Grants	0	-38,000	0	0	0	0
<b>Committed Expenditure</b>	<b>-560,018</b>	<b>-1,837,354</b>	<b>-188,461</b>	<b>-247,628</b>	<b>-600,000</b>	<b>0</b>
<b>Reserve C/fwd</b>	<b>2,538,138</b>	<b>979,259</b>	<b>790,798</b>	<b>543,170</b>	<b>-56,830</b>	<b>-56,830</b>

- 4.4 The Council is receiving capital receipts from a collaboration agreement for land at Oversetts Road. The forecasted sum has now reduced which has led to a potential over commitment of resources.
- 4.5 It is likely that the Council will receive some additional receipts that are pending but not currently finalised from further land sales.
- 4.6 The capital bidding round was reported to the Committee in October 2020 and £2.6m has been allocated to projects across the District which are all included in Appendix 1.

4.7 A vehicle replacement schedule was reported to Environmental and Development Services in January 2020. The current reserve balance and sums set-aside annually will not be enough to cover the replacements of vehicles due in 2025/26. A sum of £600,000 was included in the Capital Forecast in February 2020 to cover the shortfall but this is no longer viable. Prior to any commitment to drawdown funds, rescheduling and extending asset life must be explored.

## HRA

4.8 The HRA capital reserves are established from transfers from the HRA General Reserve and through Right to Buy receipts. Council policy is to reinvest all housing receipts from the sale of council houses and land into the housing stock and for new build and acquisition.

4.9 Transfers from the HRA General Reserve are for additional capital works to council dwellings required from stock condition surveys and for debt repayment.

4.10 A summary of the projected capital reserves for the HRA is listed in the table below.

<b>HRA CAPITAL RESERVES</b>						
	<b>2021.22</b>	<b>2022.23</b>	<b>2023.24</b>	<b>2024.25</b>	<b>2025.26</b>	<b>2026.27</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Debt Repayment Reserve	1,600,000	5,693,000	14,000	3,218,000	6,160,000	48,000
Major Repairs Reserve	5,291,949	5,991,949	6,541,949	7,141,949	7,741,949	7,991,949
New Build Reserve	1,860,815	2,581,763	3,196,514	3,808,133	4,419,753	5,031,372
<b>HRA PROJECTED CAPITAL RESERVES</b>	<b>8,752,764</b>	<b>14,266,712</b>	<b>9,752,463</b>	<b>14,168,082</b>	<b>18,321,702</b>	<b>13,071,321</b>

4.11 The New Build and Acquisition Reserve is topped up by Right to Buy receipts. The following table shows the projected level of sales of dwellings included within the Reserve projection.

	<b>2021.22</b>	<b>2022.23</b>	<b>2023.24</b>	<b>2024.25</b>	<b>2025.26</b>	<b>2026.27</b>
Projected Council Dwelling Disposals	20	20	18	18	18	18

4.12 The balance on reserve will fluctuate based on the actual number of dwellings disposed of in year. Approved expenditure against this reserve is covered comfortably due to the large bought forward balance of £1.6m at the start of 2021/22.

4.13 Phased repayment of the HRA £57.4m loans taken out as part of self-financing starts in 2021/22 with a £10.0m capital repayment. Sums are being set-aside each year for the repayments in the Debt Repayment Reserve. The scheduled repayment profile of debt is shown in the following table.

<b>Date due</b>	<b>£</b>
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

**57,423,000** Page 52 of 129

4.14 The Major Repairs Reserve is to be topped up by any underspends in year on the capital programme with additional contributions being made to ensure there is enough set-aside in future years when potential peaks in major capital refurbishment are anticipated.

## **5.0 Financial Implications**

5.1 As detailed in the report.

## **6.0 Corporate Implications**

### **Employment Implications**

6.1 None.

### **Legal Implications**

6.2 None.

### **Corporate Plan Implications**

6.3 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**

6.4 None.

## **7.0 Community Impact**

### **Consultation**

7.1 None.

### **Equality and Diversity Impact**

7.2 None.

### **Social Value Impact**

7.3 None.

### **Environmental Sustainability**

7.4 None.

## **8.0 Background Papers**

8.1 None.

## CAPITAL BUDGET AND FIVE-YEAR PROJECTION

	2021.22			2022.23	2023.24	2024.25	2025.26	2026.27
	Approved Budget £	Changes £	Revised Budget £	Projection £	Projection £	Projection £	Projection £	Projection £
<b>GENERAL FUND</b>								
<b>Private Sector Housing</b>								
Major Disabled Facilities Grant (Private)	664,293		664,293	400,000	400,000	400,000	400,000	400,000
Empty Property Grants	38,000	-38,000	0	38,000	0	0	0	0
Strategic Housing Market Assessment	0	0	0	0	0	25,000	0	0
Private Sector Stock Condition Survey	0	0	0	0	0	60,000	0	0
Discretionary Top up Grants for under 18s	100,000	0	100,000	50,000	0	0	0	0
Healthy Homes Project	50,000		50,000	50,000	0	0	0	0
Appointment of a dedicated Mental Health Worker	40,000	0	40,000	40,000	0	0	0	0
Ongoing cost of Funding additional Technical Officer	40,000	0	40,000	40,000	0	0	0	0
Relocation Grant	100,000	0	100,000	50,000	0	0	0	0
Dementia Friendly Homes Grant	30,000	0	30,000	15,000	0	0	0	0
Domestic Violence Crisis Prevention	65,000	0	65,000	65,000	0	0	0	0
Hospital Discharge Grant	30,000	0	30,000	30,000	0	0	0	0
Healthy Homes Assistance Fund	340,929	0	340,929	100,000	0	0	0	0
Pilot Schemes	129,593	0	129,593	11,610	0	0	0	0
Capital One-off Projects	32,680	0	32,680	117,320	0	0	0	0
Stay Active and Independent for Longer	60,000	0	60,000	51,725	0	0	0	0
Temporary Health and Housing Co-ordinator	45,000	0	45,000	45,000	0	0	0	0
Temporary Public Health Officer	45,000	0	45,000	45,000	0	0	0	0
Temporary Occupational Therapist	55,000	0	55,000	55,000	0	0	0	0
Fuel Poverty	50,000	-50,000	0	50,000	0	0	0	0
<b>Expenditure</b>	<b>1,915,495</b>	<b>-88,000</b>	<b>1,827,495</b>	<b>1,253,655</b>	<b>400,000</b>	<b>485,000</b>	<b>400,000</b>	<b>400,000</b>
Derbyshire County Council - Better Care Fund	1,877,495	-50,000	1,827,495	1,215,655	400,000	400,000	400,000	400,000
Capital Receipts Reserve	38,000	-38,000	0	38,000	0	85,000	0	0
<b>Funding</b>	<b>1,915,495</b>	<b>-88,000</b>	<b>1,827,495</b>	<b>1,253,655</b>	<b>400,000</b>	<b>485,000</b>	<b>400,000</b>	<b>400,000</b>

	2021.22			2022.23	2023.24	2024.25	2025.26	2026.27
	Approved Budget £	Changes £	Revised Budget £	Projection £	Projection £	Projection £	Projection £	Projection £
<b>Cultural and Community</b>								
Community Partnership Scheme (2017 & 2019)	264,853	-239,853	25,000	239,853	0	0	0	0
Melbourne Sports Park - Drainage Works	166,020	0	166,020	0	0	0	0	0
Revitalising Rosliston Forestry Centre	344,834	-239,000	105,834	376,372	121,473	162,628	0	0
Oversetts Road Football Facility	1,188,159	-1,188,159	0	1,188,159	0	0	0	0
SUDS Improvements	20,000	-8,000	12,000	58,000	50,000	0	0	0
Paradise Garden	30,000	-30,000	0	30,000	0	0	0	0
CCTV Town Centre	9,445	0	9,445		0	0	0	0
Improvements to Play Areas	153,965	-145,965	8,000	152,000	120,000	0	0	0
Miners Memorial Eureka Park	185,000	-169,000	16,000	169,000	0	0	0	0
Urban Park - William Nadin Way	860,000	-710,000	150,000	691,619	0	0	0	0
Improvements to Swad Woodlands	30,000	-30,000	0	30,000	10,000	0	0	0
Eureka Park Bowling Green	40,000	-40,000	0	40,000	0	0	0	0

**Expenditure**

<b>3,292,276</b>	<b>-2,799,977</b>	<b>492,299</b>	<b>2,975,003</b>	<b>301,473</b>	<b>162,628</b>	<b>0</b>	<b>0</b>
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Section 106 Contributions	1,038,440	-1,038,440	0	1,038,440	110,000		0	0
Earmarked Reserves	136,790	-29,456	107,334	79,456	3,012		0	0
Capital Receipts Reserve	1,686,173	-1,492,228	193,945	1,567,254	188,461	162,628	0	0
General Fund Contribution	430,873	-239,853	191,020	289,853			0	0

**Funding**

<b>3,292,276</b>	<b>-2,799,977</b>	<b>492,299</b>	<b>2,975,003</b>	<b>301,473</b>	<b>162,628</b>	<b>0</b>	<b>0</b>
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**Environmental**

Fly Tipping & Surveillance	28,500	0	28,500	0	0	0	0	0
Carbon Reduction	0	0	0	50,000	0	0	0	0
Property Flood Resilience Recovery Grant	91,500		91,500	0	0	0	0	0
Green Homes Grant	774,550	-370,000	404,550	370,000	0	0	0	0

**Expenditure**

<b>894,550</b>	<b>-370,000</b>	<b>524,550</b>	<b>420,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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Capital Receipts Reserve	28,500		28,500	50,000	0	0	0	0
External Contributions	866,050	-370,000	496,050	370,000	0	0	0	0

**Funding**

<b>894,550</b>	<b>-370,000</b>	<b>524,550</b>	<b>420,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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	2021.22			2022.23	2023.24	2024.25	2025.26	2026.27
	Approved Budget £	Changes £	Revised Budget £	Projection £	Projection £	Projection £	Projection £	Projection £
<b>Corporate Assets</b>								
Vehicle Replacements	77,896		77,896	0	180,420	839,814	1,265,260	191,211
Route Optimisation	65,000		65,000	0	0	0	0	0
ICT Strategy	166,000		166,000	160,000	160,000	160,000	166,500	173,000
Public Buildings Repairs and Renewals	146,032		146,032	87,000	86,000	85,000	85,000	85,000
Repairs to Village Halls and Community Facilities	6,700		6,700	2,375	0	0	0	0
Midway Community Centre Extension	250,000		250,000	0	0	0	0	0
Town Centre Regeneration	298,365	-258,365	40,000	258,365		0	0	0
Repairs to Melbourne Assembly Rooms	100,000	-97,159	2,841	131,725	0	0	0	0
Purchase of Chamber Building	11,519		11,519	0	0	0	0	0
Extension to Martson on Dove Cemetery	48,000	-48,000	0	48,000	0	0	0	0

**Expenditure**

**1,169,512    -403,524    765,988    687,465    426,420    1,084,814    1,516,760    449,211**

Earmarked Reserves	330,549	-214,030	116,519	214,030		539,814	365,260	
Capital Receipts Reserve	462,732	-145,159	317,573	182,100			600,000	
Growth Provision Contribution	30,000	0	30,000	0	30,000	30,000	30,000	30,000
General Fund Contribution	346,231	-44,335	301,896	291,335	396,420	515,000	521,500	419,211

**Funding**

**1,169,512    -403,524    765,988    687,465    426,420    1,084,814    1,516,760    449,211**

<b>GENERAL FUND CAPITAL EXPENDITURE</b>	<b>7,271,833</b>	<b>-3,661,501</b>	<b>3,610,332</b>	<b>5,336,123</b>	<b>1,127,893</b>	<b>1,732,442</b>	<b>1,916,760</b>	<b>849,211</b>
<b>GENERAL FUND CAPITAL FUNDING</b>	<b>7,271,833</b>	<b>-3,661,501</b>	<b>3,610,332</b>	<b>5,336,123</b>	<b>1,127,893</b>	<b>1,732,442</b>	<b>1,916,760</b>	<b>849,211</b>

	2021.22			2022.23	2023.24	2024.25	2025.26	2026.27
	Approved Budget £	Changes £	Revised Budget £	Projection £	Projection £	Projection £	Projection £	Projection £
<b>HRA</b>								
Major Capital Repairs	2,383,000	0	2,383,000	2,320,000	2,083,000	2,577,000	2,616,000	2,197,000
New Build - Orchard Street, Newhall	280,000	-280,000	0	280,000	0	0	0	0
New Build - Acresford Road, Overseal	225,030	0	225,030	0	0	0	0	0
Vehicle Replacements	36,673	0	36,673	0	49,186	0	227,503	0
Disabled Adaptations	300,000	0	300,000	300,000	300,000	300,000	300,000	300,000

**Expenditure**

**3,224,703   -280,000   2,944,703   2,900,000   2,432,186   2,877,000   3,143,503   2,497,000**

Earmarked Reserves					4,186		182,504	
HRA Revenue Contribution	2,719,673	0	2,719,673	2,620,000	2,428,000	2,877,000	2,960,999	2,497,000
S106 Contributions	0		0	0	0	0	0	0
New Build Capital Reserve	505,030	-280,000	225,030	280,000	0	0	0	0

**Funding**

**3,224,703   -280,000   2,944,703   2,900,000   2,432,186   2,877,000   3,143,503   2,497,000**



<b>REPORT TO:</b>	<b>FINANCE AND MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM: 11</b>
<b>DATE OF MEETING:</b>	<b>10 FEBRUARY 2022</b>	<b>CATEGORY: RECOMMENDED</b>
<b>REPORT FROM:</b>	<b>STRATEGIC DIRECTOR (CORPORATE RESOURCES)</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>VICKI SUMMERFIELD</b> <a href="mailto:victoria.summerfield@southderbyshire.gov.uk">victoria.summerfield@southderbyshire.gov.uk</a>	<b>DOC:</b> s/finance/committee/2021-22/Feb/budget
<b>SUBJECT:</b>	<b>HOUSING REVENUE ACCOUNT BUDGET, FINANCIAL PLAN AND PROPOSED RENT 2022-23</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: HC 01</b>

## **1.0 Recommendations**

- 1.1 That the proposed revenue income and expenditure for 2022/23, together with the 10-year Financial Plan for the Housing Revenue Account (HRA) as detailed in **Appendix 1**, is approved.
- 1.2 That the HRA is kept under review and measures identified to mitigate the financial risks detailed in the report and to maintain a sustainable financial position.

## **2.0 Purpose of the Report**

- 2.1 The base budget for 2022/23 and financial plan of the HRA was considered in detail by the Housing and Community Services Committee on 6 January 2022. This included an increase in rents of 4.1% for council tenants in 2022/23.
- 2.2 As part of the annual budget cycle, this report summarises the key changes between 2021/22 and 2022/23, an update to the MTFP plus financial risks associated with the HRA.

## **3.0 Detail**

### **The Position Entering the 2022/23 Budget Round**

- 3.1 During the current financial year, the financial position of the HRA has been reviewed and updated to reflect changes to the structure plus the budget out-turn position for 2020/21.

- 3.2 The latest position reported in November 2021, estimated a large deficit on the HRA in 2021/22 of £1.7m, decreasing the HRA's General Reserve to approximately £6.7m.

### **Formulating the 2022/23 Base Budget**

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

### **On-going Service Provision**

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

### **Base Budget 2022/23**

- 3.7 The HRA's Base Budget and longer-term financial projection up to 2031/32 is detailed in **Appendix 1**. A projection of this length is required for the HRA to ensure that future debt repayments and capital expenditure are affordable for the longer-term sustainability of the Council's housing stock.
- 3.8 The following table provides an overall summary of the HRA's Net Operating Income position with a comparison to the approved 2021/22 budget.

## HOUSING REVENUE ACCOUNT - BUDGET SETTING 2022/23

	Proposed Budget 2022/23 £'000	Approved Budget 2021/22 £'000	Movement £'000
Rental Income	-12,893	-12,385	-508
Non-Dwelling Income	-124	-127	3
Supporting People Grant	-130	-130	0
Other Income	-177	-177	0
General Management	2,053	1,848	205
Supporting People	900	951	-51
Responsive	1,674	1,406	268
Planned Maintenance	1,785	1,975	-190
Bad Debt Provision	125	125	0
Interest Payable & Receivable	1,456	1,738	-282
Depreciation	4,213	4,127	86
<b>Net Operating Income</b>	<b>-1,118</b>	<b>-649</b>	<b>-469</b>
Reversal of Depreciation	-4,213	-4,127	-86
Capital Expenditure	1,620	1,683	-63
Disabled Adaptations	300	300	0
Asbestos and Health & Safety Surveys	100	100	0
Debt Repayment	1,593	1,444	149
Major Repairs Reserve	600	600	0
Asset Replacement Earmarked Reserve	45	45	0
Additional Debt Repayment Transfer	2,500	2,150	350
Capital works non-traditional properties	100	100	0
Potential Pay Award	28	27	1
ICT Upgrades	0	30	-30
Rent Loss Provision	65	0	65
<b>HRA DEFICIT</b>	<b>1,620</b>	<b>1,703</b>	<b>-83</b>

3.9 The above table shows that the HRA's deficit is budgeted to marginally reduce from 2021/22 to 2022/23. There are a number of movements on each of the lines, further detail of which is listed in the report.

3.10 The main variances are summarised in the following table.

	<b>Movement £'000</b>
Debt Repayment Contribution	499
Computer Maintenance	51
Repairs and Maintenance	50
Compensation Payments	45
General Fund Recharges	28
Service Charges	20
Council Tax	17
Insurance	14
Trade Waste Recharge	12
Utilities	9
Employee Costs	-41
Capital Expenditure	-63
Interest Charges	-282
Rental Income	-443
<b>Budget Reduction</b>	<b>-83</b>

### **Council House Rents**

- 3.11 The overall change between 2021/22 and 2022/23 is an estimated increase of £443k. This is due mainly to the application of the CPI plus 1% increase to rents as confirmed in the Rent Standard 2020.
- 3.12 The Medium-Term Financial Plan (MTFP) includes an increase of 4.1% for rental income in 2022/23 in line with Government guidance of CPI as at September 2021 of 3.1% plus 1%.
- 3.13 The initial forecast in the MTFP reported in November included an increase in 2022/23 of 2.25%.
- 3.14 The General reserve balance has been impacted by the loss of Careline income from 2023/24 which has resulted in nearly £1.2m deduction to the reserve. Although the loss of income is under review, at this stage the increased rental income included in the MTFP has covered the impact.
- 3.15 In addition to the rental increase, a provision of 0.5% for losses in income due to voids has been included in the MTFP. Void losses have been significant in 2021/22 after a 0.15% increase in the budget for 2021/22. Work is underway to control the losses, but it is prudent to account for the potential risk over the Plan.
- 3.16 Right to Buy (RTB) losses forecasted have remained in line with the budget round in 2021/22 with 20 in 2022/23 reducing to 18 from 2023/24.

### **Capital Expenditure and Debt Repayment**

- 3.17 Proposed capital expenditure is based on stock condition survey data and the fluctuation in required expenditure year-on-year and is included within the MTFP.

3.18 The contribution to the Debt Repayment Reserve is profiled in line with capital expenditure to not only ensure that the HRA General Reserve does not fall below the statutory £1m but to also have available funds to repay debts as they become due. The contribution and repayment of debt is included within the MTFP.

### Staffing Costs

3.19 A pay award is not included within the Base Budget at this stage as no official notification has been submitted to the Council. The National Employers are currently in negotiation regarding a proposed pay award for 2021/22 after the Chancellor's original announcement in November 2020 to 'pause' public sector pay (excluding NHS workers).

3.20 The MTFP was updated in November 2021 to include a pay award for 2021/22 and also includes a provision for a potential pay award increase of 2.5% per year for all employees from 2022/23.

3.21 A review of pay grades is currently underway with the Direct Labour Organisation (DLO). The outcome of this will be reported to a future Committee and no costs are yet included within the MTFP.

3.22 Incremental salary increases are included within the MTFP each year and are expected ahead of the Budget round.

3.23 Base salary costs have decreased between years due to staff approved as part of the Housing restructure in 2020 being included as costs in the HRA as opposed to the General Fund. The budgets have now been corrected although the actual charges in year are sitting within the correct fund. This is just a correction of an over budgeted amount in the HRA.

### General Fund Recharges

3.24 The total impact of the increase in HRA recharges is £28k and after a full review of all charges, the following table details the movement by General Fund service area.

	Movement £'000
Head of Finance	17
Head of Business Change & ICT	8
Head of Legal & Democratic	6
Strategic Director (Corporate Resources)	3
Head of Organisational Development & Performance	2
Head of Customer Services	1
Head of Corporate Property	-4
Head of Operational Services	-6
	<b>28</b>

3.25 The main increase is for direct support from Finance which is based on transactional volumes and cash responsibility.

3.26 There has also been an increase in the Trade Waste recharge (£12k) which is due to disposal of waste for Housing from the Depot. This has been reported to Environmental and Development Services Committee during the budget round.

### **Repairs and Maintenance**

3.27 Repairs and Maintenance costs have been increased in line with the planned maintenance schedule.

### **Interest Payable**

3.28 The reduction of £282k expected in interest is due to repayment of the first scheduled debt amount of £10m taken out as part of self-financing.

### **Insurance**

3.29 The overall proposed insurance budget has increased the cost to the Council by £48k but this is split over a number of individual policies. The increased cost to the HRA is £14k which is due mainly to material damage to housing properties (£12k). This insurance cost is based on the value of the assets which have increased between the years.

### **Computer Maintenance Agreements**

3.30 Increases to licence and maintenance fees were expected and included within the MTFP due to the upgrade to housing software in 2021.

### **Compensation**

3.31 It is proposed to increase the budget for compensation and home loss claims due to the significant expenditure over the last two years. Compensation claims have been made and reported to the Committee for disrepair and claims have seen an increasing trend.

3.32 It is not foreseen that there will be any further home loss payments but there are potential concerns with subsidence and damp and a tenant cannot remain in the property whilst works of this nature are undertaken. Any planned works will be reported to the Committee by the Head of Housing.

### **Void Dwellings**

3.33 The impact of void properties not only effects the income losses as noted earlier in the report, but also costs the HRA. When dwellings become void, they are subject to Council Tax and charges are higher than budget in 2021/22 due to the high levels of voids but there is also a cost of utilities to not only keep the properties in reasonable condition whilst empty, but also for the workforce when refurbishing.

## **Service Charges**

- 3.34 It is proposed to include a budget for service charges for the Careline service being based at Oaklands Village in Swadlincote. As part of the contract to reside in the premises, the Council is subject to charges from Trident Housing for overheads such as utilities.
- 3.35 To-date, only one invoice has been received by the Council from 2013 to 2015 but this is in dispute and has not yet been settled. The Finance team accrue expected costs for Careline and so these are already taken account of, but a formal budget is required.

## **Other Factors**

- 3.36 The following detail is for information on the HRA position and are not variances between budgeted years.

## **Depreciation**

- 3.37 The increase is due to the revaluation of all Council dwellings in March 2021 which will be depreciated in accordance with accounting practice.
- 3.38 Depreciation is calculated on the existing use value and age of each property in the HRA. This is designed to ensure that the Council sets-aside sufficient resources to maintain and replace properties in future years.
- 3.39 The Council has an on-going capital programme and properties generally have a substantial useful life if maintained properly. Although the depreciation charge is included as a cost charged in the net operating income of the HRA, it is reversed out when calculating the overall surplus or deficit on the HRA.
- 3.40 However, under accounting regulations, the annual amount of capital expenditure, plus sums set-aside to repay debt, need to be equal to or greater than the depreciation charge for the year. This is effectively testing that the Council is properly maintaining and financing the liabilities associated with its housing stock.
- 3.41 Where the depreciation charge is lower than actual capital expenditure/debt repayment, the HRA would be charged with the difference in that particular year. For 2022/23, expenditure is in excess of depreciation.

## **The Longer-term Financial Projection**

- 3.42 Following the introduction of the self-financing framework for the HRA in 2012, this generated a surplus for the HRA as the Council was no longer required to pay a proportion (approximately 40%) of its rental income to the Government in accordance with a national redistribution framework.
- 3.43 This released resources, which in the early years of the Housing Business Plan, were available for capital investment in the existing stock, together with

resources for New Build. Surpluses in later years are to be used to repay the debt that the Council inherited in return for becoming “self-financing” and to continue a programme of capital maintenance in future years.

3.44 The HRA budget and projection is based on the principles that the HRA will carry a minimum unallocated contingency of at least £1m as a working balance and that sufficient resources are set-aside in an earmarked reserve to repay debt as instalments become due.

### HRA Reserves

3.45 The HRA has 5 separate reserves as detailed in the following table.

<b>General Reserve</b>	Held as a contingency with a minimum balance of at least £1m.
<b>New Build Reserve (Capital Receipts Reserve)</b>	Accumulated Capital Receipts pending expenditure on building new properties/acquisition of properties. The financial model assumes that these are drawn down each year to finance new build or acquisition ahead of any further borrowing. The carrying balance from year to year remains low.
<b>Debt Repayment Reserve</b>	Sums set-aside to repay debt; contributions to the Reserve started from 2016/17 in accordance with the debt repayment profile.
<b>Major Repairs Reserve</b>	A Capital Reserve with sums set-aside each year for future programmed major repairs on the housing stock. A large balance is accruing in this reserve to be utilised against future capital and environmental works.
<b>Earmarked Reserve</b>	Sums set-aside for future replacement of vehicles for the Direct Labour Organisation.

### The Updated Financial Position

3.46 Following the base budget review, the 10-year Financial Plan for the HRA has been reviewed and updated. This is detailed in **Appendix 1**. The overall position has improved compared to the previous forecast due to the increased income projections.

3.47 The General Reserve remains above the statutory £1m for the duration of the 10-year projection.

3.48 After review of the capital programme, sums are being set-aside in the Major Repairs Reserve to ensure that future capital improvements can be funded. A revised stock condition survey has been completed and an update regarding profiling of the works over the next 30 years was reported during 2019/20.

3.49 There are a number of sites approved for acquisition, but the Capital Receipts Reserve is set to increase each year due to receipts from the sale of houses

under the Right to Buy Scheme. The reserve has increased in line with the expected losses of properties through RTB noted earlier in the report.

### **Debt Repayments and Borrowing**

3.50 The Council took on the management of debt valued at £58m in 2012. No additional borrowing has been required.

3.51 The following debt repayments are due over the life of the current financial plan:

- 2021/22 - £10m
- 2023/24 - £10m
- 2026/27 - £10m

3.52 The financial projection to 2030/31 shows that these repayments can be met. The next repayments are not then due until beyond 2031.

### **Key Variables and Assumptions**

3.53 The Financial Plan is based on certain assumptions in future years regarding what are considered to be the key variables. These are summarised in the following table.

<b>Cost inflation</b>	2.5% per year. This is lower than the current level of inflation and economic forecasts predict that a level of 2.4% will be seen as an average across the current year. A provision of 2.5% in the short-term is considered prudent to reflect that prices for materials in the building industry tend to rise quicker than average inflation.
<b>Annual rent increases</b>	CPI + 1% giving a 4.1% increase in 2022/23, 2.75% in 2023/24 and 3% per year thereafter.
<b>Council house sales – “Right to Buys”</b>	20 in 2021/22 and 22/23 reducing to 18 in 2023/24 and going forwards. Targets set by the Government in calculating the self-financing settlement expect sales of 10 per annum.
<b>Interest Rates</b>	Fixed after the first tranche of £10m due in 2021/22.

### **Financial Risks**

3.54 The main risks to the HRA are considered to be those as detailed in the following sections.

#### **Future Rent Levels**

3.55 The biggest risk in the Financial Plan is considered to be future rent levels. The rent level has been confirmed as CPI plus 1% which will increase rent levels by 4.1% in 2022/23.

3.56 The HRA is dependent on rental income (currently £12.8m per year) for its resources. Even small variations in rent changes can have significant implications in monetary terms for the Financial Plan over the longer-term.

## **Right to Buys**

- 3.57 A decrease in current properties from sales is built into the Budget and Financial Plan and this reflects the current level of sales. Therefore, the HRA will continue to generate resources for further new build and acquisition in the future, although on-going rental income is lost.
- 3.58 The main risk relates to a sudden surge in sales which has been apparent in recent years; although this generates capital, the loss in on-going rental income could have a much more adverse impact on the HRA which has now been built into the MTFP at a higher level.

## **Supporting People**

- 3.59 It has been confirmed that Derbyshire County Council will no longer support the Careline service past March 2023.
- 3.60 The MTFP included a contribution of £130k per annum over the life of the Plan which has now been removed. Service provision is currently under review and a new working model will be reported to the Committee during 2022.
- 3.61 In addition to the loss of income, there are likely to be significant costs incurred for the transfer of the service from analogue to digital. The estimated costs are still unknown but further detail will be included in a report to the Committee during 2022.

## **Impairment**

- 3.62 Impairment is an accounting adjustment that reflects a sudden reduction in the value of an asset. An asset becomes impaired where a one-off event (e.g. fire, vandalism, etc.) causes significant damage or there is a significant change in market conditions, which reduces the value of the asset.
- 3.63 In accordance with accounting regulations, provision has to be made in an organisation's accounts for the loss in an asset's value through impairment. However, as with depreciation, this is purely an accounting exercise for local authorities. Impairment charges are reversed out of revenue accounts to ensure that it does not affect the "bottom line" and Rent (in the HRA's case) payable by Council Tenants.
- 3.64 The Government has been reviewing this accounting treatment to bring local authorities into line with other organisations in accordance with International Reporting Standards. This has been challenged by the relevant professional bodies.
- 3.65 Large impairment adjustments are rare. In addition, impairment needs to affect the wider asset base. For example, damage to one property would not affect the overall value of the Council's stock, which is currently valued at £130m in total.

3.66 If there was a wider event affecting many properties however, this would lead to an impairment charge. It is considered that the most likely scenario is a sudden fall in property values as this would affect the overall valuation of the stock. The potential for impairment charges could have serious implications for all housing authorities and this is why it has been challenged.

### **Changes in Central Government Policy**

3.67 Although the HRA continues to operate under a self-financing framework, Central Government retain the power to change policy in many areas which can impact upon the Financial Projection.

### **Universal Credit (UC)**

3.68 A greater number of Council tenants (668) are now receiving Universal Credit and not Housing Benefit, following the implementation of UC in South Derbyshire for all working age new claimants during 2018. There has been concern amongst housing professionals that changes will see a reduction in payment of rent and an increase in arrears.

3.69 Housing Benefit is paid directly to a tenant's Rent Account where this is due. In a system of Universal Credit, the benefit element is effectively paid direct to the Tenant and this gives the potential for tenants to default on their rent payments and increases rent arrears.

3.70 The rebate directly received from Housing Benefit by the HRA has noticeably reduced during 2021/22 compared to 2020/21 and the debt position at this stage is higher than in last financial year. Rent arrears were just over £696k at end of November 2021, an increase of £70k since March 2021. This is being kept under review.

### **Rent Levels**

3.71 As part of Welfare Reform, rent charges from Registered Providers have been scrutinised and a standard format of charges has been updated within the Rent Standard 2020.

3.72 The Council is currently reviewing the impact of the Rent Standard and will report to Committee with an updated Rent Policy during 2022.

### **Proposed Rent Levels 2022/23**

3.73 In accordance with the statutory provisions, current rents will be increased by CPI of 3.1% as at September 2021 plus 1%.

### **Effect on Individual Tenants**

3.74 Having calculated rents for individual tenants, the average rent level for existing council tenants residing in any form of dwelling (temporary, new build, sheltered

or general needs) will increase from £81.24 per week in 2021/22 to £84.37 in 2022/23, an average increase of £3.32 per week.

#### **4.0 Financial Implications**

4.1 As detailed in the report.

#### **5.0 Corporate Implications**

##### **Employment Implications**

5.1 None.

##### **Legal Implications**

5.2 None.

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

5.3 The proposed budgets and spending included in the HRA provides the financial resources to enable on-going services and Council priorities.

##### **Risk Impact**

5.4 The Financial Risk Register is detailed in the Medium-Term Financial Plan and financial risks specific to the HRA are detailed in Section 3.

#### **6.0 Community Impact**

##### **Consultation**

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

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

6.2 None.

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

6.3 None.

## **Environmental Sustainability**

6.4 None.

### **7.0 Conclusions**

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

### **8.0 Background Papers**

8.1 None.

## HOUSING REVENUE ACCOUNT FINANCIAL PROJECTION - JANUARY 2022

	2021.22 Approved Budget £'000	2022.23 Proposed Budget £'000	2023.24 Forecast £'000	2024.25 Forecast £'000	2025.26 Forecast £'000	2026.27 Forecast £'000	2027.28 Forecast £'000	2028.29 Forecast £'000	2029.30 Forecast £'000	2030.31 Forecast £'000	2031.32 Forecast £'000
<b>INCOME</b>											
Rental Income	-12,385	-12,893	-13,124	-13,433	-13,749	-14,073	-14,403	-14,740	-15,085	-15,437	-15,797
Non-Dwelling Income	-127	-124	-127	-130	-133	-137	-140	-144	-148	-151	-155
Supporting People Grant	-130	-130	0	0	0	0	0	0	0	0	0
Other Income	-177	-177	-177	-177	-177	-177	-177	-177	-177	-177	-177
<b>Total Income</b>	<b>-12,819</b>	<b>-13,324</b>	<b>-13,428</b>	<b>-13,740</b>	<b>-14,059</b>	<b>-14,387</b>	<b>-14,720</b>	<b>-15,061</b>	<b>-15,410</b>	<b>-15,765</b>	<b>-16,129</b>
<b>EXPENDITURE</b>											
General Management	1,848	2,053	2,098	2,145	2,192	2,241	2,291	2,342	2,394	2,447	2,502
Supporting People	951	900	925	950	976	1,004	1,032	1,062	1,094	1,126	1,161
Responsive	1,406	1,674	1,714	1,755	1,797	1,840	1,884	1,928	1,974	2,021	2,070
Planned Maintenance	1,975	1,785	1,828	1,873	1,918	1,965	2,013	2,062	2,113	2,164	2,217
Bad Debt Provision	125	125	131	134	137	140	144	147	150	154	158
Interest Payable & Receivable	1,738	1,456	1,456	1,186	1,186	1,186	885	886	886	886	886
Depreciation	4,127	4,213	4,504	4,481	4,458	4,435	4,413	4,390	4,368	4,345	4,323
<b>Net Operating Income</b>	<b>-649</b>	<b>-1,118</b>	<b>-772</b>	<b>-1,216</b>	<b>-1,395</b>	<b>-1,576</b>	<b>-2,058</b>	<b>-2,244</b>	<b>-2,431</b>	<b>-2,622</b>	<b>-2,812</b>
<b>Known variations:</b>											
Reversal of Depreciation	-4,127	-4,213	-4,504	-4,481	-4,458	-4,435	-4,413	-4,390	-4,368	-4,345	-4,323
Capital Expenditure	1,683	1,620	1,433	1,877	1,916	1,847	2,182	2,261	2,489	2,403	1,805
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	1,593	2,221	1,704	1,642	2,038	1,281	1,179	979	1,042	1,618
Major Repairs Reserve	600	600	550	600	600	250	650	650	600	600	600
Asset Replacement Earmarked Reserve	45	45	45	45	45	45	45	45	45	45	50

## HOUSING REVENUE ACCOUNT FINANCIAL PROJECTION - JANUARY 2022

	2021.22 Approved Budget £'000	2022.23 Forecast £'000	2023.24 Forecast £'000	2024.25 Forecast £'000	2025.26 Forecast £'000	2026.27 Forecast £'000	2027.28 Forecast £'000	2028.29 Forecast £'000	2029.30 Forecast £'000	2030.31 Forecast £'000	2031.32 Forecast £'000
Additional Debt Repayment Transfer	2,150	2,500	2,100	1,500	1,300	1,850	750	750	750	1,000	800
Investment Income	0	0	25	25	25	25	25	25	25	25	25
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	0	0	0	0	0	0	200	0	0	0
Rent Loss Provision	0	65	66	68	69	71	73	74	76	78	80
Incremental Salary Increases	0	0	5	5	5	5	6	6	6	6	6
<b>HRA Surplus (-) / Deficit</b>	<b>1,703</b>	<b>1,620</b>	<b>1,598</b>	<b>556</b>	<b>180</b>	<b>552</b>	<b>-1,028</b>	<b>-1,012</b>	<b>-1,396</b>	<b>-1,334</b>	<b>-1,717</b>
<b>HRA General Reserve</b>											
HRA Reserve B/fwd	-8,430	-6,727	-5,107	-3,509	-2,952	-2,772	-2,221	-3,249	-4,261	-5,657	-6,991
(Surplus) / Deficit for year	1,703	1,620	1,598	556	180	552	-1,028	-1,012	-1,396	-1,334	-1,717
<b>HRA Reserve C/fwd</b>	<b>-6,727</b>	<b>-5,107</b>	<b>-3,509</b>	<b>-2,952</b>	<b>-2,772</b>	<b>-2,221</b>	<b>-3,249</b>	<b>-4,261</b>	<b>-5,657</b>	<b>-6,991</b>	<b>-8,708</b>
<b>RESERVES</b>											
<b>Debt Repayment Reserve</b>											
Balance B/fwd	-8,006	-1,600	-5,693	-14	-3,218	-6,160	-48	-2,079	-4,008	-5,737	-7,779
Depreciation balance	-1,444	-1,593	-2,221	-1,704	-1,642	-2,038	-1,281	-1,179	-979	-1,042	-1,618
Transfers to reserve	-2,150	-2,500	-2,100	-1,500	-1,300	-1,850	-750	-750	-750	-1,000	-800
Repayment of loan	10000	0	10,000	0	0	10,000	0	0	0	0	10,000
<b>Reserve C/fwd</b>	<b>-1,600</b>	<b>-5,693</b>	<b>-14</b>	<b>-3,218</b>	<b>-6,160</b>	<b>-48</b>	<b>-2,079</b>	<b>-4,008</b>	<b>-5,737</b>	<b>-7,779</b>	<b>-197</b>
<b>Earmarked Reserve</b>											
Balance B/fwd	-401	-401	-298	-298	-73	-118	-163	-208	-253	-298	-63
Vehicle Replacement Transfer to Reserve	-45	-45	-45	-45	-45	-45	-45	-45	-45	-45	-50
Software Upgrade	45	148	45	0	0	0	0	0	0	0	0
Asset Replacement	0	0	0	270	0	0	0	0	0	280	0
<b>Reserve C/fwd</b>	<b>-401</b>	<b>-298</b>	<b>-298</b>	<b>-73</b>	<b>-118</b>	<b>-163</b>	<b>-208</b>	<b>-253</b>	<b>-298</b>	<b>-63</b>	<b>-113</b>

## HOUSING REVENUE ACCOUNT FINANCIAL PROJECTION - JANUARY 2022

	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	Forecast								
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Major Repairs Reserve</b>											
Balance B/fwd	-4,592	-5,292	-5,992	-6,542	-7,142	-7,742	-7,992	-8,642	-9,292	-9,892	-10,492
Transfers to reserve	-600	-600	-550	-600	-600	-250	-650	-650	-600	-600	-600
Earmarked non-traditional properties	-100	-100	0	0	0	0	0	0	0	0	0
<b>Reserve C/fwd</b>	<b>-5,292</b>	<b>-5,992</b>	<b>-6,542</b>	<b>-7,142</b>	<b>-7,742</b>	<b>-7,992</b>	<b>-8,642</b>	<b>-9,292</b>	<b>-9,892</b>	<b>-10,492</b>	<b>-11,092</b>
<b>New Build Reserve</b>											
Capital Receipts B/fwd	-1,642	-1,861	-2,582	-3,197	-3,808	-4,420	-5,031	-5,643	-6,255	-6,866	-7,478
Acquisitions in year	505	0	0	0	0	0	0	0	0	0	0
RTB Receipts in year	-724	-721	-615	-612	-612	-612	-612	-612	-612	-612	-612
Borrowing in year	0	0	0	0	0	0	0	0	0	0	0
<b>Balance c/fwd</b>	<b>-1,861</b>	<b>-2,582</b>	<b>-3,197</b>	<b>-3,808</b>	<b>-4,420</b>	<b>-5,031</b>	<b>-5,643</b>	<b>-6,255</b>	<b>-6,866</b>	<b>-7,478</b>	<b>-8,089</b>

<b>REPORT TO:</b>	<b>FINANCE AND MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM:12</b>
<b>DATE OF MEETING:</b>	<b>10 FEBRUARY 2022</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> <a href="mailto:victoria.summerfield@southderbyshire.gov.uk">victoria.summerfield@southderbyshire.gov.uk</a>	<b>DOC:</b> s/finance/committee/21-22/Feb
<b>SUBJECT:</b>	<b>TREASURY MANAGEMENT COUNTERPARTY LIMITS UPDATE</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 updated Counterparty List for investments and bank deposits as detailed in **Appendix 1** is approved.

## **2.0 Purpose of the Report**

- 2.1 To request an increase to the approved Counterparty limits for the Council's investments and deposits to ensure no breach of the limits occurs.

## **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, a set of investment limits detailing the financial institutions that the Council can work with must be approved by the Committee.
- 3.3 It is requested that an increase of £5m is approved for investments with the Government's Debt Management Office (DMO) and that work can be undertaken to review options regarding opening an additional Money Market Fund for investments of up to £2m.
- 3.4 Due to the high levels of cash receipts that the Council is currently seeing from Government grants in relation to the pandemic plus capital grants and Section 106, timing of expenditure is not in line with the significant levels of cash income.
- 3.5 The Council was very close to breaching the current approved Counterparty limits in January 2022 therefore an increase is essential to prevent further concerns.

- 3.6 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.
- 3.7 Appendix 1 has been updated to increase the DMO limit to £25m and the Money Market limit to £16m.

#### **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)

**COUNTERPARTY LIST 2021/22**  
(as at January 2022)

**Treasury investment counterparties and limits**

<b>Sector</b>	<b>Counterparty Limit</b>	<b>Time Limit</b>	<b>Sector Limit</b>
The UK Government	£25m	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	£16m
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.

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<b>REPORT TO:</b>	<b>FINANCE AND MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM: 13</b>
<b>DATE OF MEETING:</b>	<b>10 FEBRUARY 2022</b>	<b>CATEGORY: RECOMMENDED</b>
<b>REPORT FROM:</b>	<b>STRATEGIC DIRECTOR (CORPORATE RESOURCES)</b>	
<b>MEMBERS' CONTACT POINT:</b>	<b>ELIZABETH BARTON</b> <a href="mailto:elizabeth.barton@southderbyshire.gov.uk">elizabeth.barton@southderbyshire.gov.uk</a>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>PROPOSED REVISED COUNCIL TAX REDUCTION SCHEME 2022 – 2023 &amp; CONSULTATION FEEDBACK</b>	<b>REF:</b>
<b>WARD (S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: FM12</b>

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## **1.0 Recommendations**

- 1.1 The Committee notes the consultation activity carried out in relation to proposed changes to South Derbyshire's Local Council Tax Reduction Scheme for working-age residents.
- 1.2 The Committee supports the adoption of a banded scheme, as well as all other changes proposed as part of the consultation, including:
- The introduction of a banded scheme.
  - The removal of the baseline, so those on the lowest incomes would no longer need to pay 8.5% or 10% towards their Council Tax.
  - The removal of second adult rebate.
  - The introduction of a standard £5 non-dependent deduction.
  - The treating of Universal Credit claims as a claim for council tax support.
  - The introduction of a minimum award.
  - Changes to bring the scheme into line with recent changes to other welfare benefits.
- 1.3 The Committee recommends to Full Council on 23 February 2022 the adoption of a banded scheme and all other changes as proposed in 1.2 above.
- 1.4 The Committee recommends that £20,000 of the Welfare Reform Fund is set aside for hardship cases that may arise as a result of the implementation of the proposed changes in 2022/2023.

## **2.0 Purpose of Report**

- 2.1 To provide members of the committee with the outcome and analysis of the consultation activity carried out to date in relation to proposed changes to South Derbyshire's Local Council Tax Reduction Scheme. The proposed changes are outlined in detail in Appendix 1 - Consultation booklet.

2.2 To recommend to committee that it adopts a banded scheme and all other changes included in the consultation based on feedback gathered as part of the consultation.

### **3.0 Executive Summary**

3.1 South Derbyshire District Council has consulted widely on proposed changes to its Local Council Tax Reduction Scheme for working-age claimants. The purpose of the proposed changes is to make the scheme:

**Better for residents** Greater Council Tax reductions for residents on the lowest incomes, fairer distribution of support to the most financially vulnerable residents, less paperwork and confusion, more financial stability, and greater customer satisfaction.

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

3.2 A detailed summary of the proposed changes is included at Appendix 1 – Consultation booklet.

### **Summary of feedback**

3.3 The feedback gathered as part of the consultation included views from precepting authorities, parish councils, local partners, elected members, local residents, housing tenants and current claimants.

3.4 **Precepting authority feedback:** Derbyshire County Council, which is the largest preceptor and will support the changes to the largest extent, has indicated it is supportive. Derbyshire Police and Fire has not submitted an objection.

3.5 **Parish council feedback:** All parish councils were consulted on the proposed changes. No parish council submitted an objection.

3.6 **Local partner feedback:** Local partners were consulted via the CVS networks and the EDI Steering Group. Partners were invited to attend two workshops or to contact the Council for individual support. No objections were received.

3.7 **Elected member feedback:** All members were consulted on the changes. Members were invited to two workshops. They were also invited to contact the team for individual support. No objections were received.

3.8 **Customer feedback:** Current claimants, housing tenants and wider residents were all invited to give their views on the scheme. This included:

- An easy-to-read guide to help residents find out about the proposed changes [www.southderbyshire.gov.uk/cctrschanges](http://www.southderbyshire.gov.uk/cctrschanges) (see Appendix 1).
- An online modelling tool so claimants could see how the changes would affect their claim.
- An online survey at [www.southderbyshire.gov.uk/cctrschanges](http://www.southderbyshire.gov.uk/cctrschanges).
- Social media campaign to encourage people to give their views.
- Letter to all current claimants to ask them to give views.
- Text message to all housing tenants to ask them to give views.
- Face-to-face and telephone support sessions to customers.

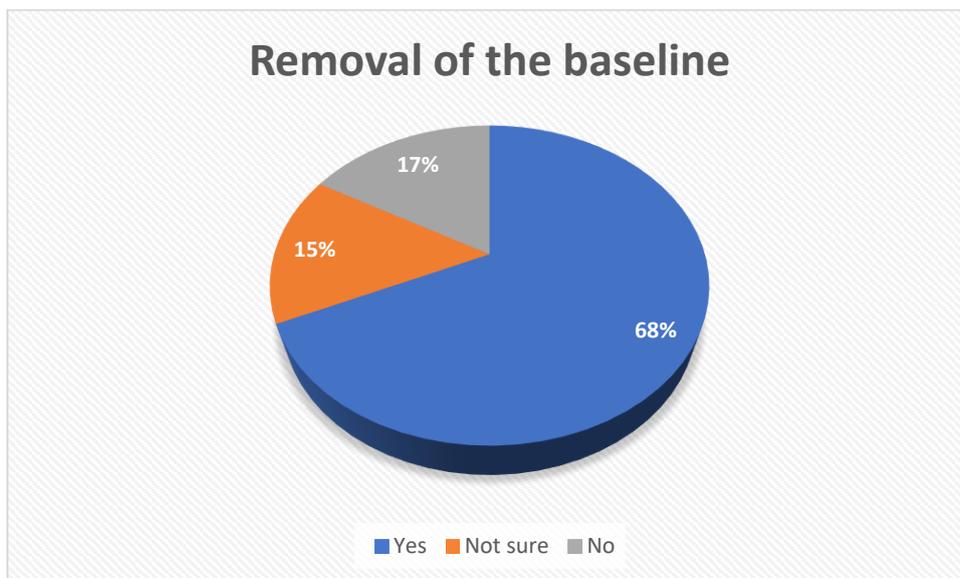
#### 4.0 Feedback in detail

4.1 This section details the responses given as part of the online and paper survey. In total 66 formal responses were received.

4.2 The number of residents who engaged in the consultation process was however higher, with customers regularly contacting [ctrs-consultation@suthderbyshire.gov.uk](mailto:ctrs-consultation@suthderbyshire.gov.uk) and customer services throughout the consultation for guidance and advice on the changes.

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

*View Appendix 1 for a detailed description of this change.*



**The majority of respondents were in favour of removing the baseline (68%).**

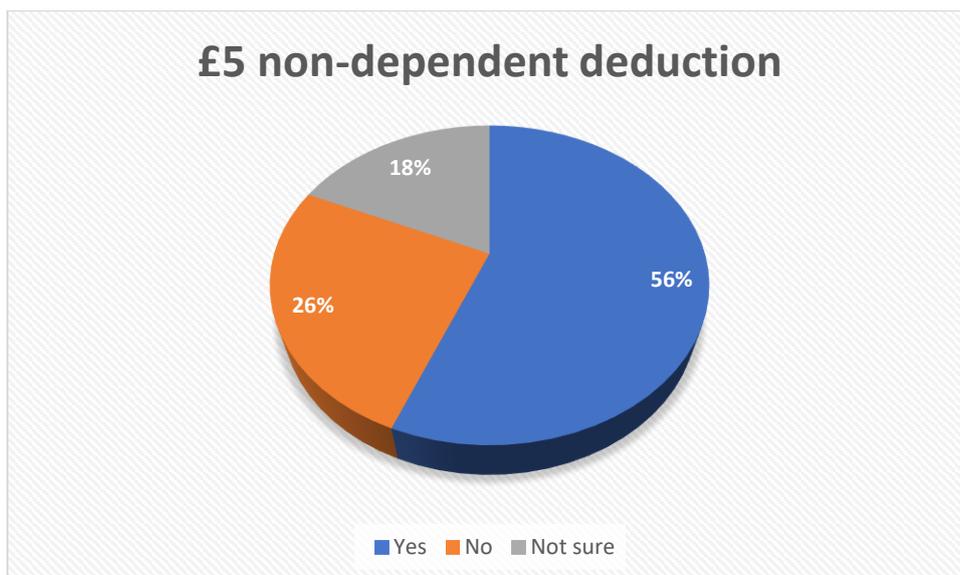
#### **Analysis:**

- Ten residents gave a range of responses detailing how this proposal would help them and others on low incomes.
- Some concern that such a change could 'open the door' to more negative changes.
- Negative comments in relation to reduced incentive to work and increased costs to the Council (see section 5.0).

<b>Positive comments</b>
This is a great help to residents on a low income.
I am on ESA support group and not having to pay any council tax is very helpful so I can ensure I pay necessary utility bills plus heating, electric payments.
Finding even the baseline payment each month was extremely difficult. Surviving on our income is already impossible. No charges would be gratefully received.
I currently can't pay my council tax due to low wages and it keeps being changed each month due to my UC going up and down.
I am on UC and only have £325 per month to live on and pay all my bills. I have an injury and have had to turn my heating down to 14 degrees and sit with a throw over me, so I desperately agree with this ( <i>comment edited to remove information that could identify respondent</i> ).

<b>Positive comments</b> continued
I am 65 years old and can only work part time due to fatigue levels. It is a struggle to pay for rent and council tax from my life income.
Council tax is so high for working parents any reduction would be welcome.
Excellent idea for people who are on a low income.
Would be very helpful and supportive to those on very low incomes struggling financially.
I would find this very useful as I wouldn't have to worry about paying for another bill and could use the money to pay towards a debt.
I've been struggling to pay my council tax off even though I've made it clear I have no disposable income. This would benefit a lot of people. I also think that wiping people's bill to zero before this happens would help many people.
<b>Neutral comments</b>
Both myself and my partner are both on benefits and yet don't get any reduction because we have a small amount of savings. Is it to be based on income alone ( <i>comment included in neutral as scheme allows residents to have up to £16,000 savings</i> )?
With gas and electric bills going up, it's more expense and we are not getting any more benefits to help pay towards it.
If this will work for everyone, I think it will be a good idea but if you're going to give it with one hand and take it away with another there is no point changing it, perhaps it would be better to make council tax more equal for everyone.
While I fully support claimants getting 100% discount as this makes those in financial hardship not having to be concerned with potentially getting a priority debt if they are unable to pay it, I am concerned that the wording of this opens the door in which the Council could then abuse the system by implementing other percentage payments that aren't on what the Council may consider to not be on the "very lowest incomes". I am well aware of the differences to what the Council and/or government consider to be a basic cost of living and actual cost of living.
Need more information as I have a live in carer and am vulnerable.
<b>Negative comments</b>
No incentive to work and save money.
We need as much money for services as possible. Those on low income are often compensated by benefits, whilst people on low incomes without benefits are forgotten and forced to foot the bill for benefit claimants.
As a single resident, I pay 75% of my council tax. If someone else lived here, we would quite rightly pay 100% or 50% each. Why, as a single resident why do I only get a 25% reduction and not a 50% reduction? Effectively means I'm paying 150%. I'm being punished for living alone.
This will adversely affect income into the Council and what is paid in UC I would presume. It would seem that this cost should then be reclaimed by charging other residents higher amounts. Not in favour of this at all. Other people should not be penalised for people already receiving significant discounts

**Question 2: Should the Council introduce a standard £5 non-dependent deduction**  
*View Appendix 1 for a detailed description of this change.*



**The majority of respondents were in favour of introducing a £5 non-dependent deduction (56%).**

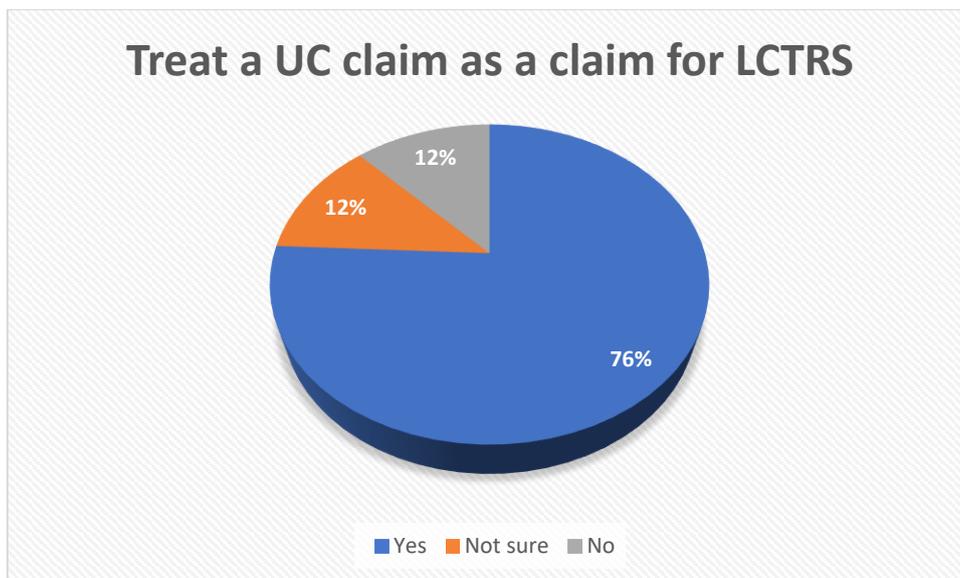
**Analysis:**

- Positive comments include fairness and encouragement to work.
- Some concern raised about residents having to pay more council tax on behalf of a non-dependent and the need to review the wider system.

<b>Positive comments</b>
Seems fair and proportionate.
Good idea as gives incentive to work.
None as I don't have a dependent. But I'm sure it will be a good thing.
<b>Neutral comments</b>
Again, provided it's solely income based and doesn't take any savings into account.
It does seem fairer for couples who live together.
I live on my own.
I am widowed and live on my own.
<b>Negative comments</b>
I find the whole system of reductions and eligibility needs to be changed and this equalising by introducing a standard reduction is a plaster to the problem, not a solution.
It increases cost for those on £4.05, but what happens to the cost of those on £12.45 per week dropping to £5. Where is this made up for? Again, others should not be penalised. Not in favour.
This would mean a joint tenant would have to pay some of the other joint tenants' council tax liability, this is totally unfair.
The poorest are disproportionately impacted. Why not make the standard £4.05 and increase in line with inflation until £5 is met? It achieves the goal of reducing the complexity for circa £3k extra.

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

*View Appendix 1 for a detailed description of this change.*



**The majority of respondents were in favour of treating a claim for Universal Credit as a claim for council tax reduction (76%).**

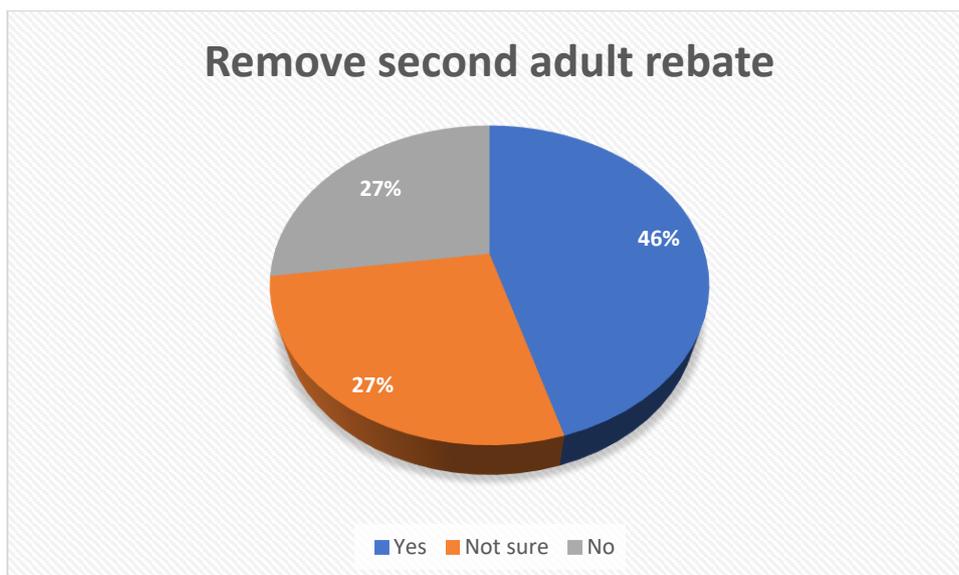
**Analysis:**

- A range of positive comments about removing unnecessary paperwork and making claiming easier.
- Surprise expressed that this is not already in place.

<b>Positive comments</b>
Very strongly agree. Far too many unnecessary forms at present, many of which duplicate information. More cohesion needed between departments.
UC is very low on financial support so they would surely benefit from this change.
I have no issue with a UC claim triggering a CT reduction claim.
Makes claiming easier.
It would make it easier for UC claimants to be aware of what help is available to them.
<b>Neutral comments</b>
Honestly this is news to me in the first place, I thought Universal Credit included Council Tax Support (where applicable) already. This needs to be made more publicly aware as many of those who are on legacy benefits and currently claiming LCTR will eventually be transferred to Universal Credit, which involves cancelling the current claim of the legacy benefit and starting a new claim for UC, which will cause confusion as to whether they need to cancel, continue or reapply for LCTR and/or Housing Benefit from the council.
This should apply to current as well as new UC claimants as many have been put off by the volumes of forms to complete and the intrusive nature of the forms
<b>Negative comments</b>
Making it easy gives no incentive to move on.

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

View Appendix 1 for a detailed description of this change.



**The largest group of respondents was supportive of this change (46% in favour). Those who did not support the change and those who were unsure represented the majority of respondents (54%).**

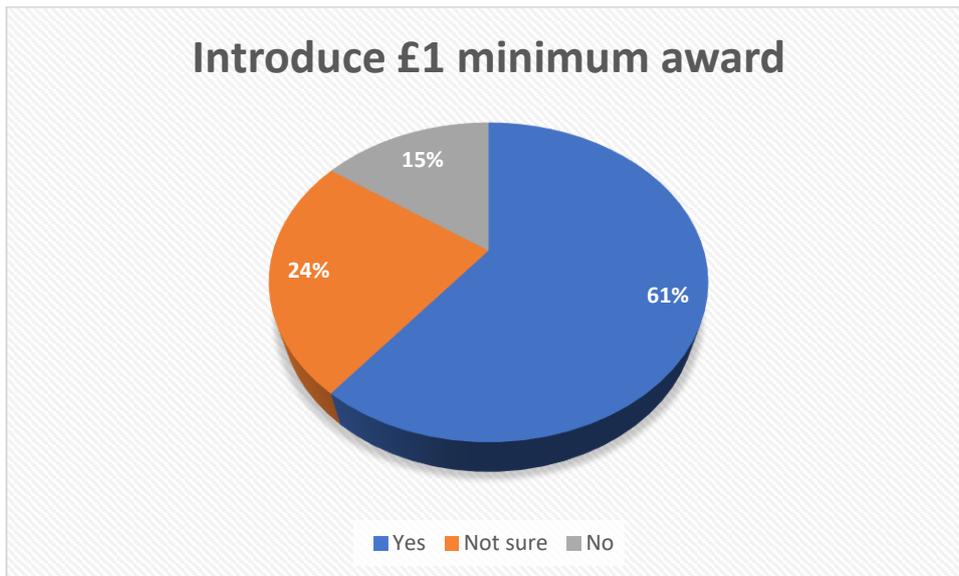
**Analysis:**

- Majority of neutral comments are addressed in below table.
- Concerns this would disadvantage people with second adults living in their homes, and the expectation that the second adult would be required to contribute towards council tax.

<b>Positive comments</b>
It's not a means-tested benefit so should be discontinued.
Lowest paid are captured by council tax reduction so unaffected.
<b>Neutral comments</b>
There is still an argument that a single person in one household uses less services. However, believe, if workable, salary should be used to distinguish payment levels. But won't this introduce more work!
This doesn't affect my situation, so I'm not sure what's the right answer.
I live alone so if I lose payments, I would be very much worse off <i>(comment included in neutral as proposal doesn't affect single occupiers)</i> .
The reason I am unsure is I feel this is unclear for households with one adult only resident. Regardless of high or low earners. I feel this would penalise those homeowners who are maybe single parents, or lone adult residents. Why should a single adult be penalised? This rebate must stay for single household adults regardless of income status <i>(comment included in neutral as proposal doesn't affect single occupiers or those with children under 18+ who can claim Single Person Discount)</i> .
I live alone.
Even with income but some savings this is a great help to many <i>(comment included in neutral as doesn't appear to relate to the question)</i> .
I feel that this could apply for those sole council taxpayers on higher incomes but not on those who are on lesser incomes, it would offer them that bit more support <i>(comment included in neutral as if a Council Taxpayer is on a low income, they will still be entitled to Council Tax reduction based on their own financial circumstances)</i> .

Negative comments
If there is a second adult on a low income, then they are already having a higher council tax bill due to not having the 25% reduction for being a single occupant as there are two adults. Furthermore, this system and the attempt to remove it is indicative of a failure to investigate the income of the other adult and finding out if they are actually on a low income, a high income, or actually eligible for council tax reduction if they were paying it instead.
38 residents and you do a survey? Bureaucracy at its finest. What a complete waste of resources. This survey question has probably cost more than the money you'd gain. Pointless.

Question 5: **Should the Council introduce a £1 minimum award?**  
 View Appendix 1 for a detailed description of this change.



**The majority of respondents were in favour of introducing a £1 minimum award (61%).**

**Analysis:**

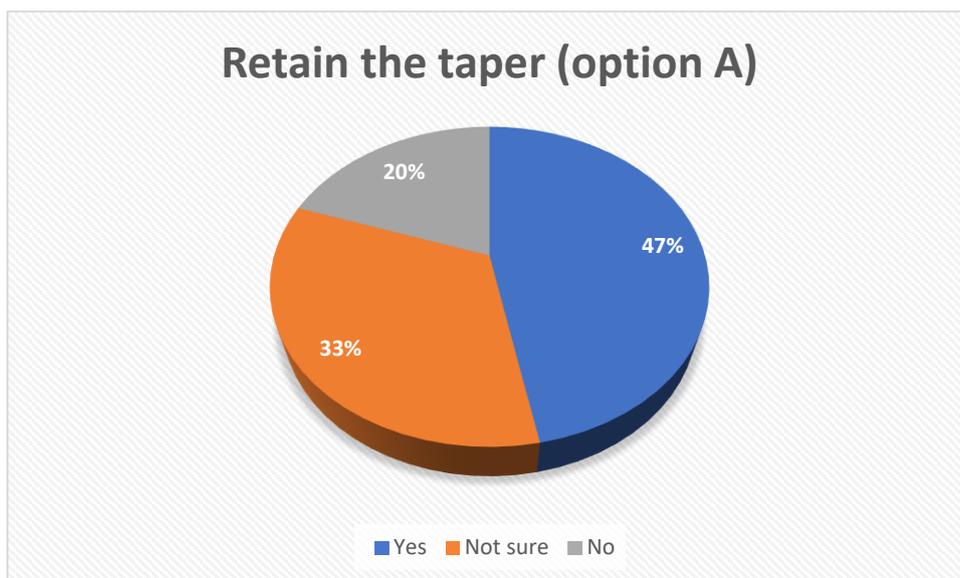
- A range of positive comments about removing unnecessary administration and making the system more equal.
- Some questions about the true administrative saving, given the scale of residents affected. Some concerns that even a small amount of money is vital to those on the lowest incomes.

Positive comments
It should be higher, the time and cost to the Council for offering such low rewards will be significantly higher than this.
I received an award of 10p one month. This caused my council tax to be reassessed and my payments change not in time for my DD so fell another month behind.
Maybe make it £2.50 which virtually no one would miss, cautionary with children, and would raise some funds.
Definitely agree. Far too much unnecessary admin for very little money input.
Yes, common sense approach.
Everyone will be treated equal.
Tentative Yes, if it is a pound then it only affects 18 people is that much time really being saved?

<b>Neutral comments</b>
Council tax benefit can be abused for the extra benefits people can receive from receiving it, for example added to PDSA vets. It's possible to claim council tax benefit at such a low rate just to get free/subsidised care etc, why should the Council pay out (even if it's a few pence here and there let household) just so claimants get cheaper get bills.
Don't understand all this.
I guess it would reduce admin costs it would depend on the ratio of positive change being higher that those who would lose out negatively.
<b>Negative comments</b>
I have mixed feelings about this. Firstly, why would someone be claiming for a few pence per week, this seems ridiculous so in that regard I support it however, what is to stop you then increasing that to £2, £5, £10.... I mean if costly to administer in terms of staff time, then you could easily use that as a justification every time the minimum wage goes up.
Even if it's only a few quid extra a month a person gets, this could go towards a child's savings account, their savings or debts or other essentials like food, essential supplements etc, every bit does help.
Again, what a joke of a question. 18 residents?

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

*View Appendix 1 for a detailed description of this change.*



**47% of respondents favoured this model.**

**Analysis:**

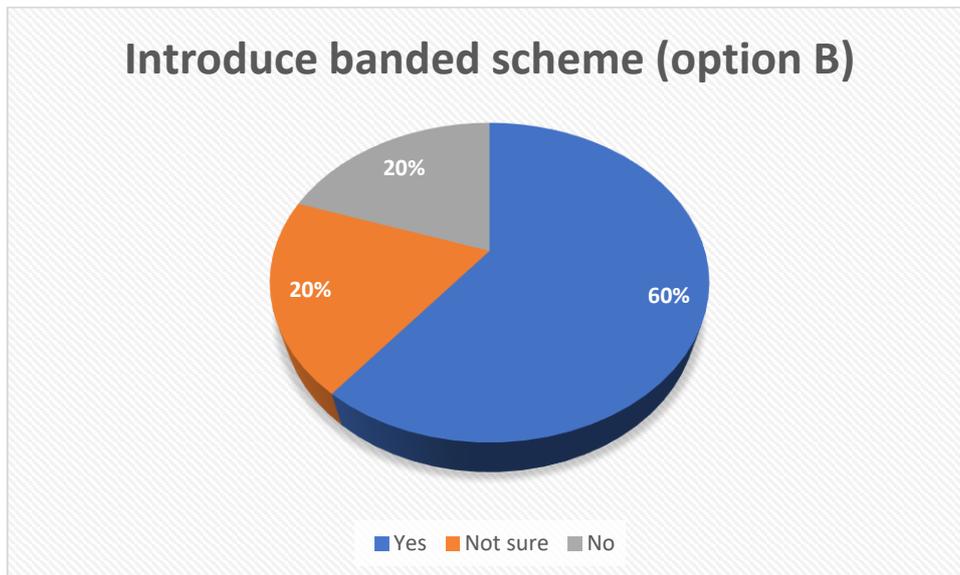
- Concerns about how council tax reduction is calculated.

<b>Positive comments</b>
Sensible approach.
I'm leaning towards this option.
<b>Neutral comments</b>
It might help universal credit claimants but my own circumstances being on long term sick, might have a negative impact ( <i>comment included in neutral as proposal doesn't disproportionately affect someone on long-term sick</i> ).
I am not sure.
You have asked me to state a preference for option A before I have seen other options - stupid way to capture information. I may prefer this but need to access the other options coming up in this survey I presume. <a href="#">Page 87 of 129</a>

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

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

*View Appendix 1 for a detailed description of this change.*



**60% of respondents favoured this model.**

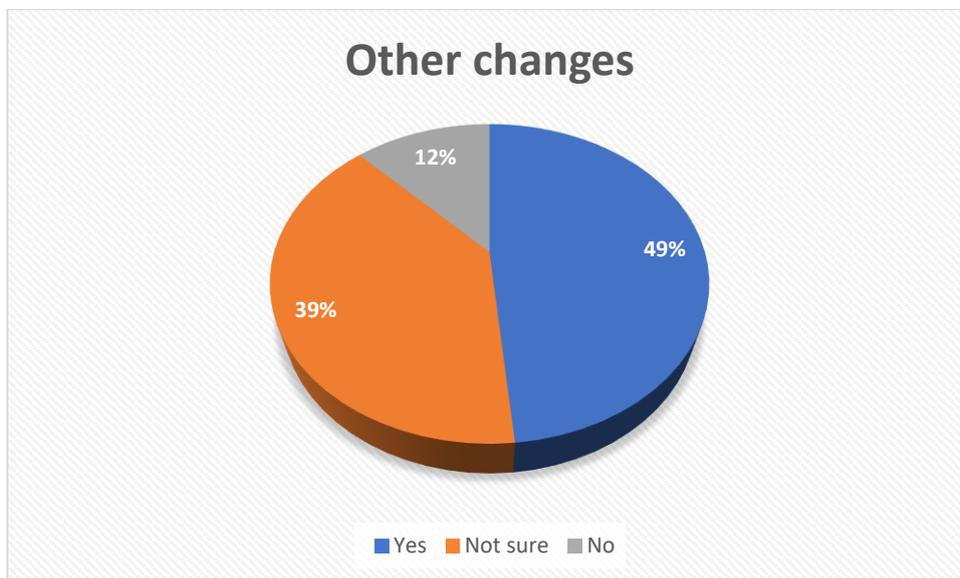
**Analysis:**

- Example of how current system impacts on claimant's financial circumstances included in positive comments.
- Some concerns about how realistic/practical the banded scheme is.

Positive comments
Good idea.
If someone's income increases by over £100 then surely, they can pay their council tax.
Again, seems a sensible approach.
I am currently 3 months behind with my council tax due to a job loss, my UC award changing each month which has an effect on my discount (this month they have included 2 months wages, so I got £0) with nothing to live on for December. Had to use the discretion fund twice recently.

<b>Neutral comments</b>
Yes, but not the 100%.
<b>Negative comments</b>
So, people who try and work a bit more to get out of a rut, get punished for it. That's a real clever idea. How about all the extra income SDDC receive from the countless new housing estates going up? Why isn't our council tax going down?
This doesn't resolve the problem only creates more work creating a system that effectively has the same problem where constant recalculations have to be made where pennies can alter what someone is paying. Realistically wages change based on hours worked and the tax paid on it, this is not something that changes in pennies for the majority of people.
I am never going to favour anything that increases anyone's tax at any point.
Also don't agree with spare bedroom tax as once children leave home it's impossible to find a smaller place at any cheaper price.

Question 8: **Should the Council bring the scheme into line with other welfare changes?** *View Appendix 1 for a detailed description of this change.*



**The largest group of respondents was supportive of these changes (49% in favour). Those who did not support the change and those who were unsure represented the majority of respondents (51%).**

**Analysis:**

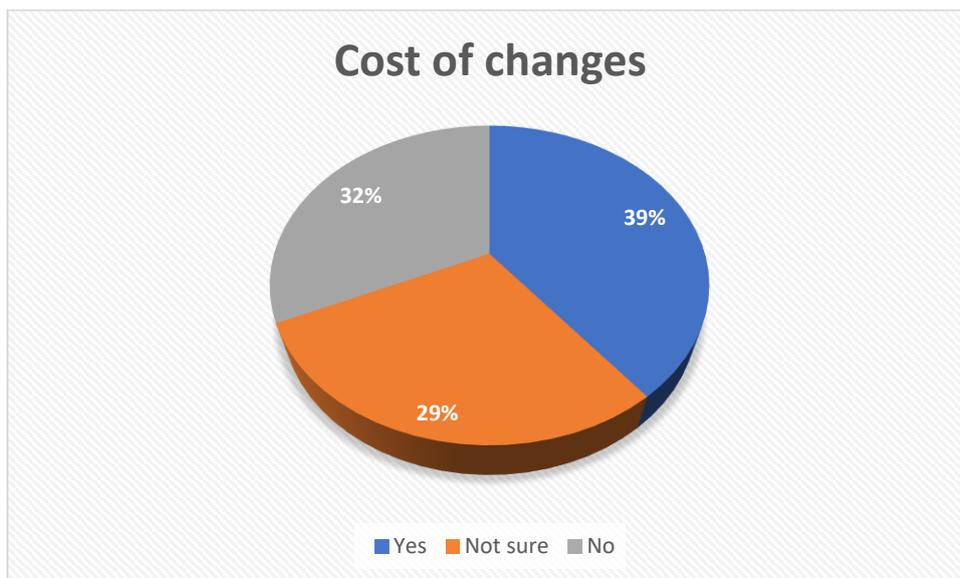
- Major concern relates to rules in relation to mixed-age couples which is now embedded in other national benefits systems.

<b>Positive comments</b>
People's savings shouldn't be taken into account as usually they are saved to be able to live when times are hard. It's like making them pay for being conservative with their hard-earned money.
Appears fair and proportionate.
Two child limit - yes, having children is a choice, while nobody can control unexpected situations like being made redundant, there are people who keep having children to keep having benefits.
Looks like it may simplify the rules.

Neutral comments
I do not understand these planned changes.
The other things I am not really aware of or how they work.
None of this now applies if you have any savings. This is a false economy. If people are forced to use savings to pay bills such as this sooner or later savings will be gone then even more support ( <i>comment included in neutral as scheme allows residents to have up to £16,000 savings</i> ).
Negative comments
Mixed Age Couples - NO, by this you are depriving what someone is entitled to by age for the sake of them being with someone younger, instead you should be calculating it as one of pension age (and the benefits there of) and one of earning age.
I need more detail on some of the points above to give you a full answer. Again, anything that raises people's tax or pushes people tax to increase the tax on higher earners is unfair. I would not be in favour but cannot fully judge this from information above.
I don't agree with the first two key changes based upon what I read from those two sentences. If a person reaches pension age then they should be fully entitled to pensioner benefits regardless of the age of their spouse, this would be unfair and unjust in my opinion.

**Question 9: Do you support the extra costs of the proposed changes?**

*View Appendix 1 and 5.0 for a detailed description of this change and impact of the change on the Council and other precepting authorities.*



**The largest group of respondents was supportive of these changes (39% in favour). Those who do not support the change and those who are unsure represented the majority of respondents (61%).**

**Analysis:**

- Positive comments highlight the changes helping the most vulnerable.
- Major concerns relate to whether this will increase council tax, whether it will impact local service delivery, whether admin costs will go up and the high cost of the changes.

<b>Positive comments</b>
As long as the services the Council supports carry on benefiting, I guess that's a good thing.
As long as in the long term those who are poorest and most vulnerable have their needs better met this is acceptable. However if this ends up being wasteful then money could have been given to those, especially children going hungry.
If the cost increase is due to providing more support to those who need it then great, no point changing things if the cost increase is administrative.
<b>Neutral comments</b>
You say the new schemes will save administrative time and money so the new schemes should be paid from the savings you say you will make with the changes ( <i>comment included in neutral as increased costs are to provide additional support to residents, not administrative costs</i> ).
Seems extraordinarily high. Does that mean higher council tax ( <i>comment included in neutral as proposal will not increase council tax</i> )?
Surely reducing the administrative burden should come with a reduction in cost, not an increase. This doesn't feel particularly lean or efficient if its leading to a cost increase ( <i>comment included in neutral as increased costs are to provide additional support to residents, not administrative costs</i> ).
Expensive for smaller councils should be split pro rate per population base ( <i>comment included in neutral as costs are shared pro-rata based on council tax base</i> ).
<b>Negative comments</b>
It's ludicrous to even suggest taking money from these crucial agencies as expectations of what services they offer will remain the same.
Why on earth would keeping things as they are (option a) increase the cost of the scheme by so much let alone the same as changing to a new model for the scheme? This is absurd and someone is frankly having a laugh with the calculations.

## Summary analysis

4.3 The consultation responses show that overall, all the proposed changes were either supported by the majority of respondents or have the highest levels of support from a single group of residents, as shown in the below table.

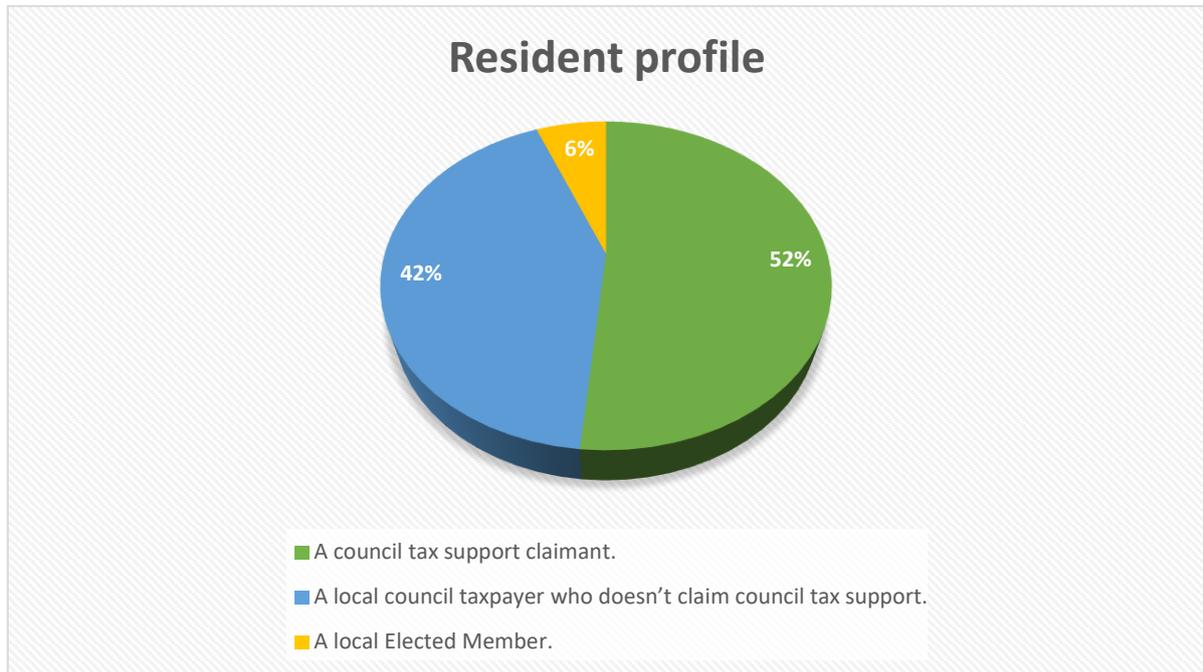
<b>Proposed change</b>	<b>In favour</b>	<b>Not sure</b>	<b>Against</b>
Treat a UC claim as a claim for LCTRS	76%	12%	12%
Remove the baseline	68%	17%	15%
Introduce £1 minimum award	61%	15%	24%
£5 non-dependent deduction	58%	18%	26%
Other changes to bring scheme into line with national welfare benefits	49%	12%	39%
Remove second adult rebate	46%	27%	27%
Cost of changes	39%	32%	29%

4.4 Where percentages are marked in green in the above table, more than 50% of respondents supported the proposed change. Where percentages are marked in orange, less than 50% supported the change, however the percentage that supported the proposed change is higher than those who did not support it in all such cases.

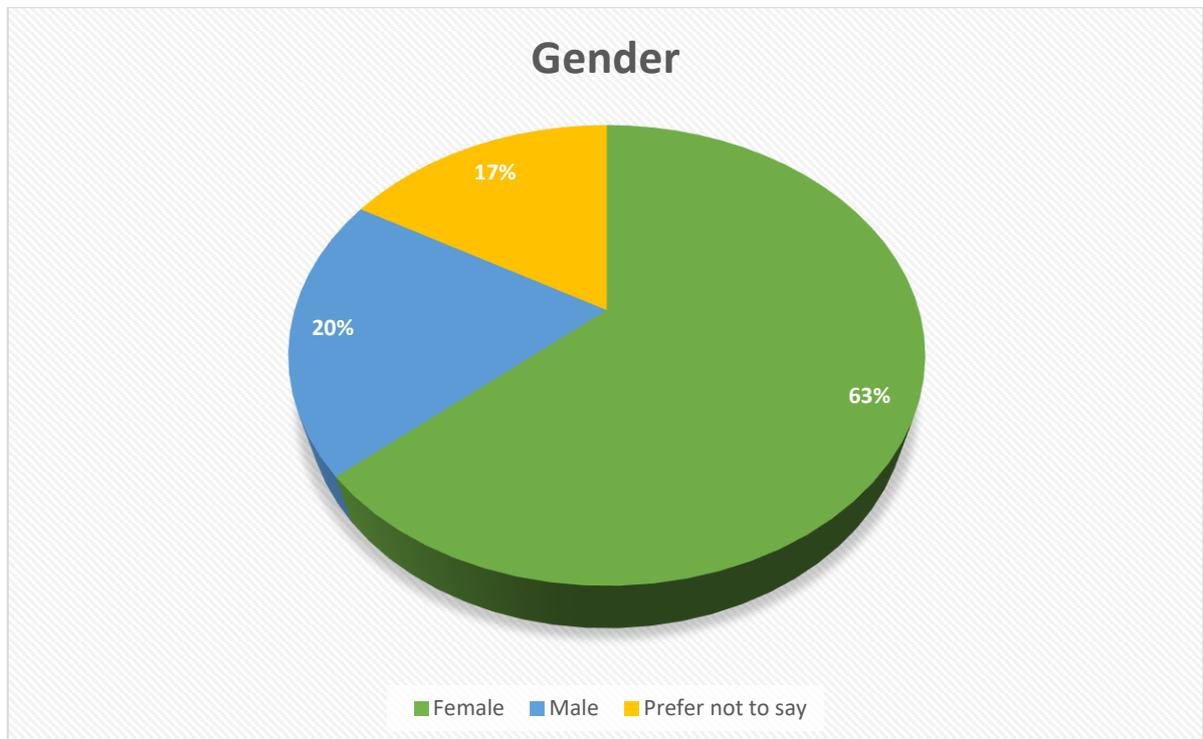
4.5 With regards to the choice between the existing tapered scheme or introducing a banded scheme, 60% favoured the introduction of a banded scheme, whereas 47% favoured the retention of the existing tapered scheme. As such the banded scheme is recommended as part of this report.

## About the respondents

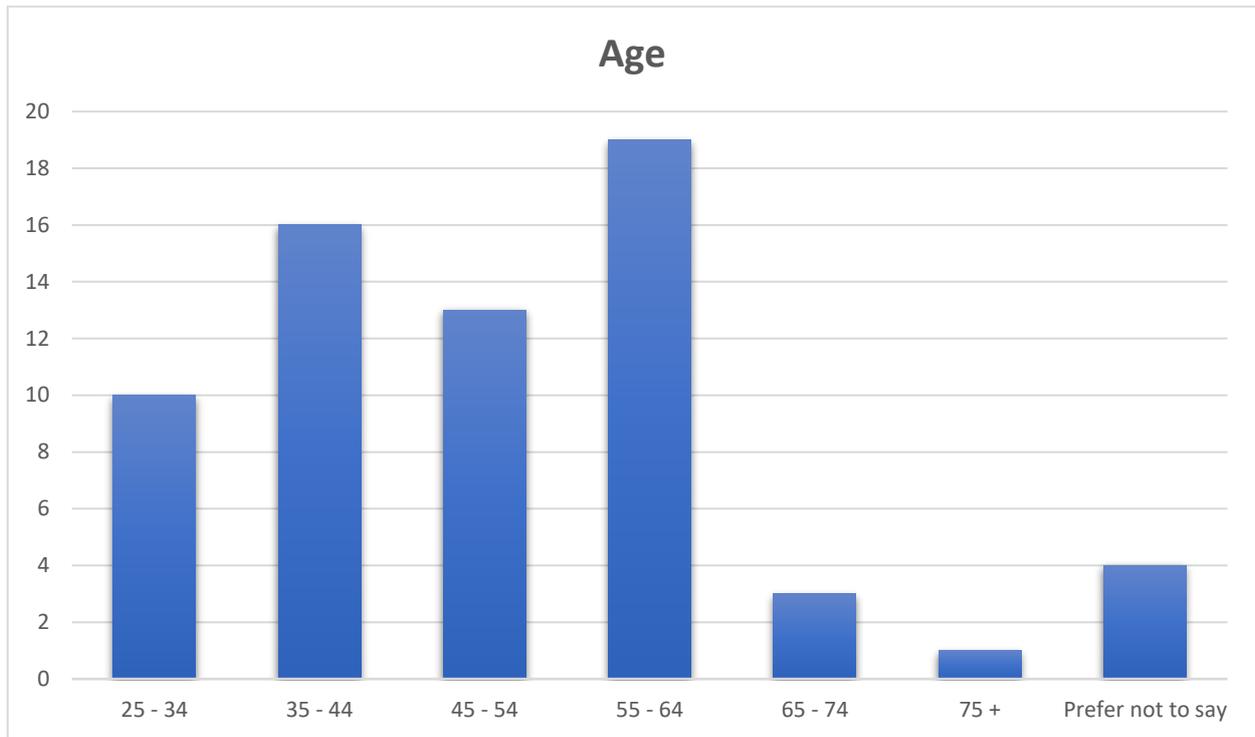
4.6 The graphs on the following pages provide an overview of those who responded to the consultation.



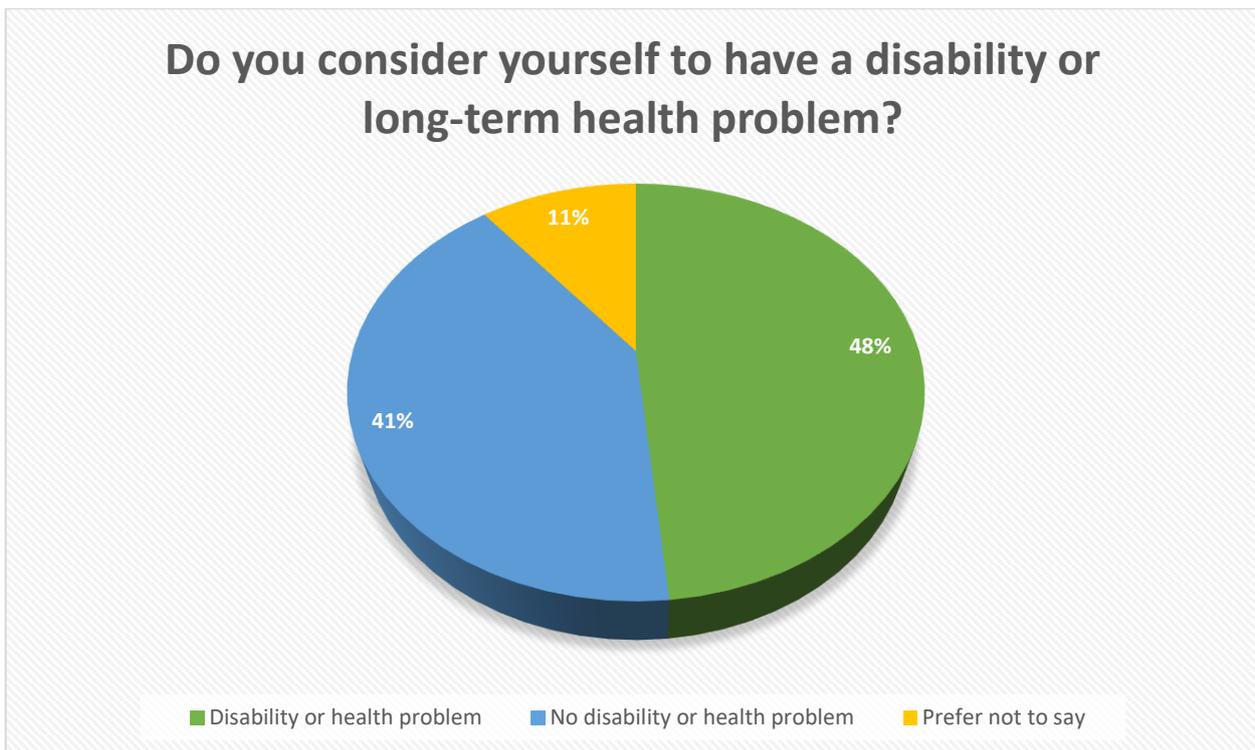
**Analysis:** The majority of respondents are council tax support claimants, but a significant number of residents who do not claim also responded. Elected members also responded.



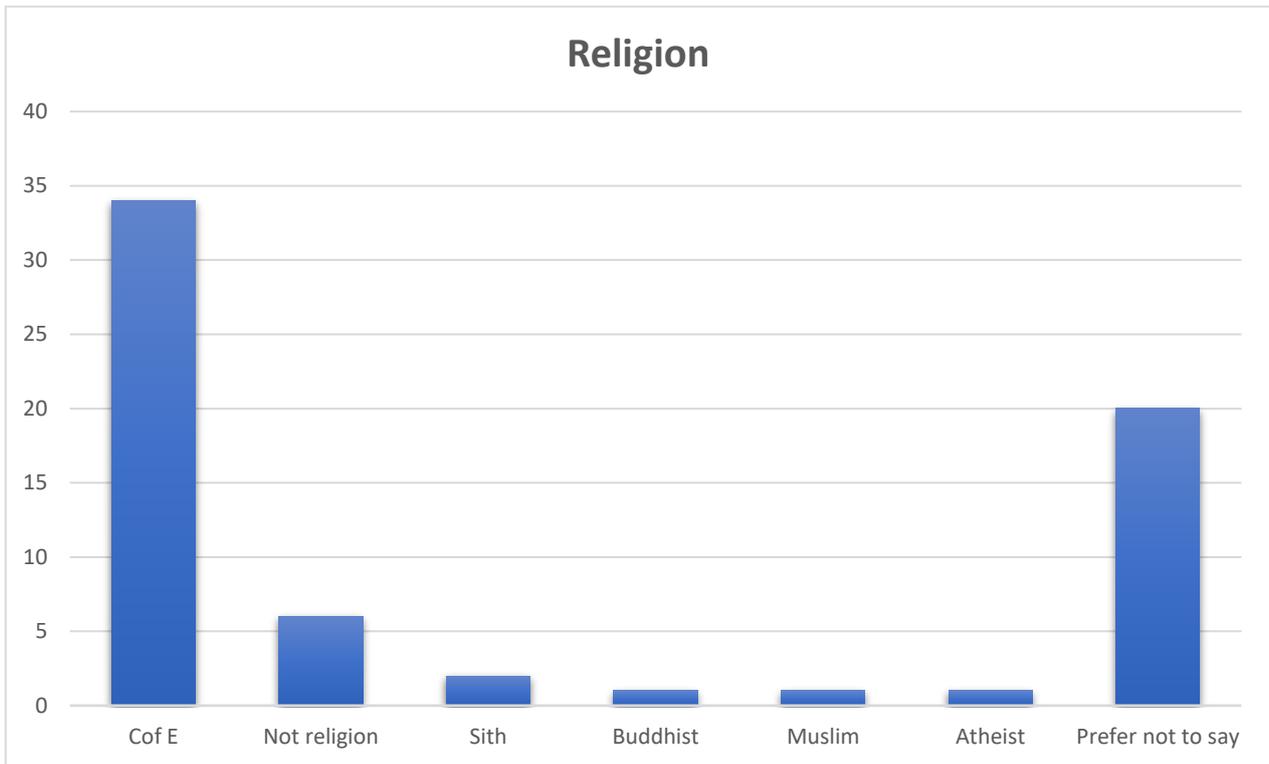
**Analysis:** The majority (63%) of respondents were female.



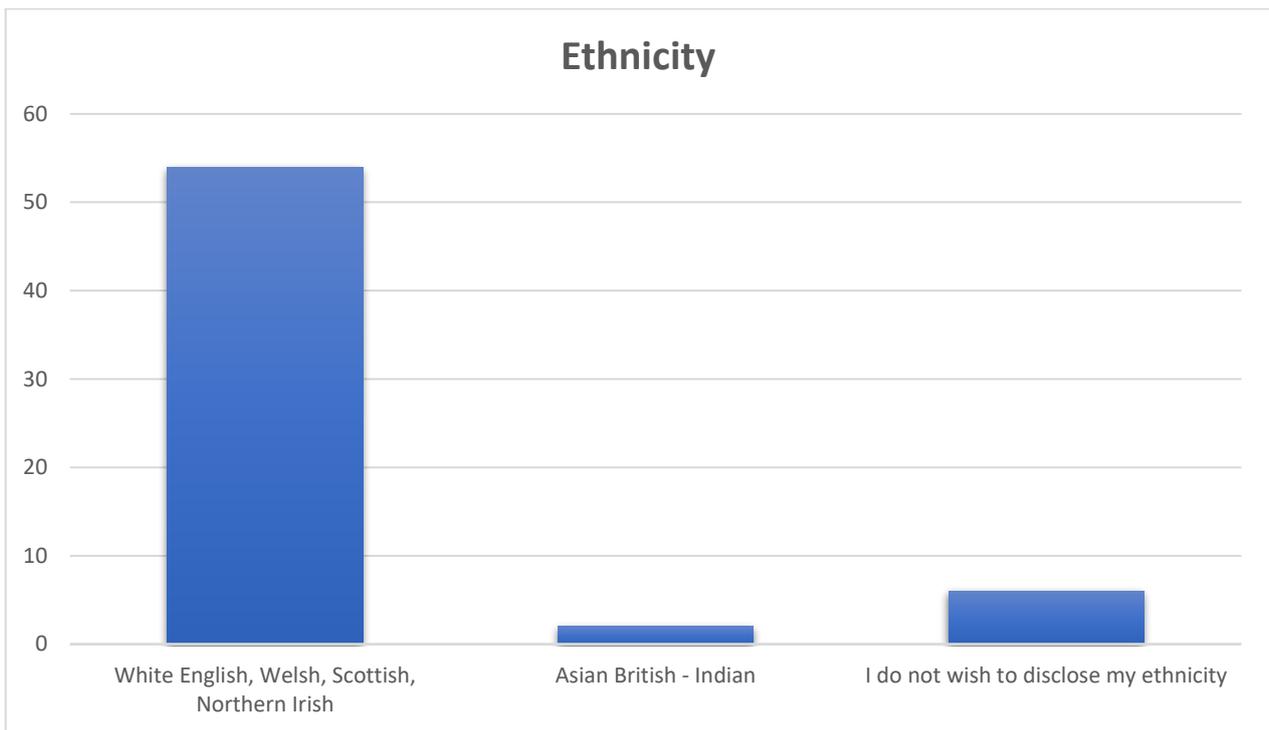
**Analysis:** There were no respondents in the under 16, 16 – 17 or 18 – 24 age categories. The largest response was from those in the 55 – 64 age category.



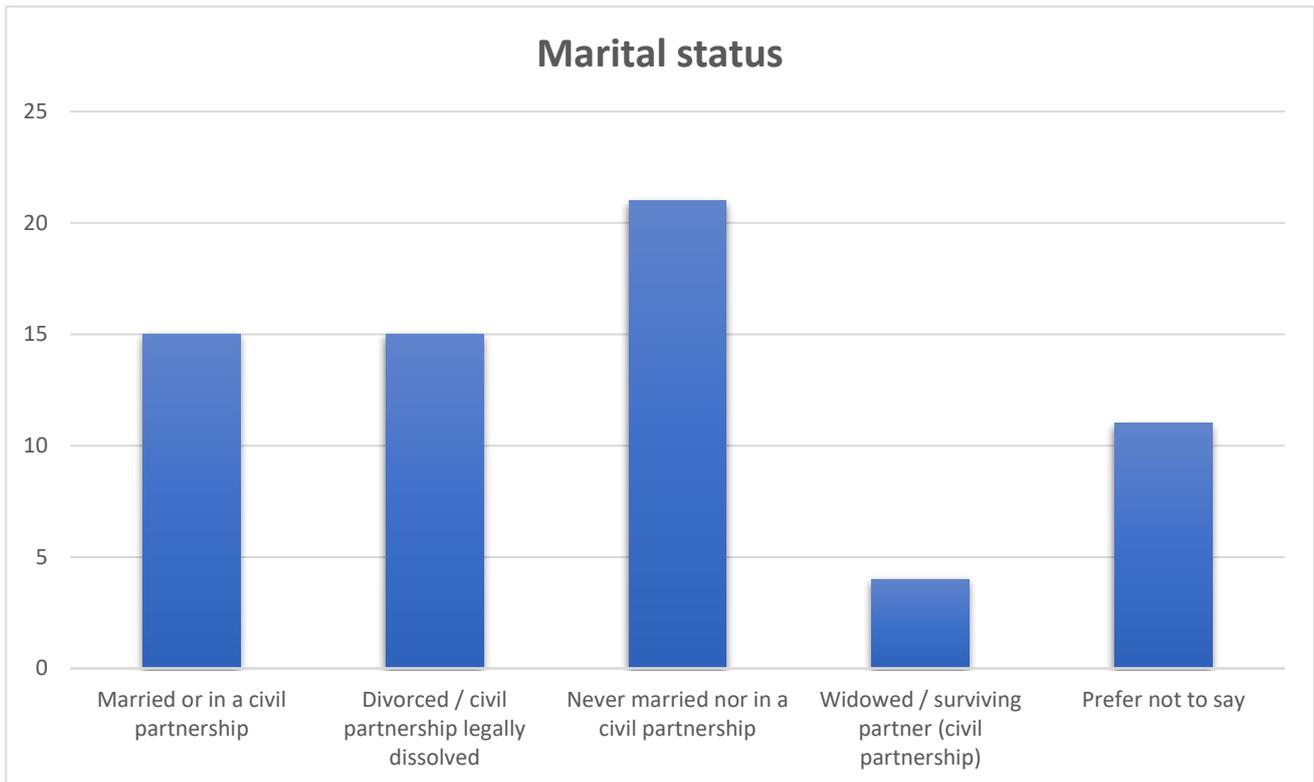
**Analysis:** The majority of respondents who gave a detailed answer (48%) have a disability or long-term health condition.



**Analysis:** Respondents with a range of religious backgrounds participated.



**Analysis:** The majority of respondents were White English, Welsh, Scottish, Northern Irish. Two respondents were Asian British – Indian. Six respondents chose not to disclose their ethnicity.



**Analysis:** A range of residents responded, with the largest response from residents who have never been married or in a civil partnership.

### Next steps

4.7 If committee approves the adoption of the banded scheme and all changes included in the consultation as listed below:

- The removal of the baseline, so those on the lowest incomes would no longer need to pay 8.5% or 10% towards their Council Tax.
- The removal of second adult rebate.
- The introduction of a standard £5 non-dependent deduction.
- The treating of Universal Credit claims as a claim for council tax support.
- The introduction of a minimum award.
- Changes to bring the scheme into line with recent changes to other welfare benefits.

The proposed timeline is as follows:

Date	Activity
<b>23 February 2022</b>	Finance and Management Committee recommends proposed new Council Tax Reduction Scheme and new regulations to Full Council
<b>11 March 2022</b>	New regulations and parameters set on Council Tax billing system. Regulations to be published no later than 11 March 2022.
<b>April 2022</b>	New scheme launched and reflected in 2022 – 2023 billing.

## 5.0 Financial Implications

5.1 The banded scheme and proposed changes are likely to increase the cost of the scheme by approximately £100,000 - £120,000 per annum as shown below:

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

5.2 The additional cost (except for the hardship fund) will be borne by all precepting authorities in accordance with their share of the council tax collected by the Council. This is because the schemes mean the Council has to collect less council tax from fewer residents, so the cost of the scheme manifests as income forgone. As such, the £3m cost of the current scheme and any increase in cost of the new scheme, would be borne by all precepting authorities as follows:

- South Derbyshire District Council (9%)
- Derbyshire County Council (74%)
- Police (13%)
- Fire (4%)
- Parish councils (nil)

5.3 The banded scheme represents approximately a 4% increase to the overall costs of the scheme, which would need to be borne across any growth or change in caseload. It should be noted that the additional cost is not material in proportion to the overall amount of council tax currently collected, i.e. £55 million per year. In addition, due to growth, the Collection Fund carries an annual surplus each year which is distributed amongst the preceptors. In practice, the additional cost will only reduce the surplus that is transferred as a 'bonus' each year to the preceptors. It is considered that the amount involved is immaterial to each of the preceptors.

5.4 There will also be additional costs as a result of the banded scheme being implemented. These include:

Cost	System	Required or optional
<b>£10,000 per annum</b>	Banded scheme software costs	Required
<b>£8,000 per annum</b>	Online decision form that prevents ineligible cases from being submitted	Optional – would only implement if it would generate equivalent annual savings.

- 5.5 Most councils increase their discretionary hardship fund to support the introduction of a banded scheme to provide financial additional assistance to anyone who faces undue hardship whilst the scheme is embedded. It is recommended that an additional £20,000 is transferred to the hardship fund from the Council's Welfare Reform Fund in 2022/2023 to support any residents who may be disproportionately negatively affected by the changes.
- 5.6 The banded scheme will deliver significant service efficiencies and help to generate time and resource savings in the long-term, and these will be mapped and recorded over time.

## **6.0 Corporate Implications**

### **Employment implications**

- 6.1 There are no employment implications arising from the changes detailed in this report.

### **Legal implications**

- 6.2 There are no legal implications arising from the changes detailed in this report.

### **Corporate Plan Implications**

- 6.3 The changes will support the Council's Corporate Plan in the following ways:

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

### **Risk Impact**

- 6.4 Appropriate risk assessments will be completed as part of the roll-out of the proposed changes.

## **7.0. Community Implications**

### **Consultation**

- 7.1 The community has been consulted on the proposals as detailed in this report. The changes will affect some residents negatively and some residents positively, as detailed at Appendix 1. Additional funding will be placed into the Council's hardship fund to support any residents who are disproportionately negatively affected by the changes in 2022/23 and future years as required, subject to ongoing approval by F&M Committee as part of the annual review and approval of the scheme.

## Equality & Diversity and Social Value Impact

72 An Equality Impact Assessment on the proposed models has been presented to the Equality, Diversity & Inclusion (EDI) Steering Group and is available at [www.southderbyshire.gov.uk/ctrschanges](http://www.southderbyshire.gov.uk/ctrschanges). It is also included at Appendix 2.

7.3 The proposed changes have been assessed against protected characteristic groups, as set out the Equalities Act, detailed below:

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

## 8.0 Conclusions

8.1 That Finance & Management Committee recommends the banded scheme and all changes included in the consultation to Full Council for approval. This is based on the fact that the banded scheme was the favoured scheme. The consultation also showed majority support for four of the proposed changes, and the largest groups of respondents also supported the remaining changes. It is also based on the findings of the Equality Impact Assessment. The report also concludes that Finance and Management Committee should recommend that £20,000 of the Welfare Reform Fund is set aside in 2022/2023 for hardship cases, and that this provision is reviewed ongoing.

## 9.0 Background Papers

- Appendix 1 – Consultation booklet.
- Appendix 2 – Equality impact assessment.

**Notes:**

- \* Category – Please see the Committee Terms Of Reference in [Responsibility for Functions - Committees](#). This shows which committee is responsible for each function and whether it has delegated authority to make a decision, or needs to refer it elsewhere with a recommendation.
- \*\* Open/Exempt - All reports should be considered in the open section of the meeting, unless it is likely that exempt information would be disclosed. Please see the [Access to Information Procedure Rules](#) for more guidance.
- \*\*\* Committee Terms Of Reference in [Responsibility for Functions - Committees](#).

**PLEASE GIVE US YOUR VIEWS**

# **Proposed changes to our local council tax reduction scheme**



**WE WANT YOUR  
FEEDBACK**

**YOUR  
OPINION  
MATTERS**

**This consultation ends on  
14 January 2022 at 5pm.**

**Thank you for taking part.**

[www.southderbyshire.gov.uk/ctrschanges](http://www.southderbyshire.gov.uk/ctrschanges)

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**South  
Derbyshire  
District Council**

# PLEASE GIVE US YOUR VIEWS

## Proposed changes to our local council tax reduction scheme

**South Derbyshire District Council is considering making changes to its local council tax reduction scheme. This scheme relates to those of working age. The council tax support scheme for those of pension age is a national scheme and is not affected by these proposals.**

The scheme supports working age residents who are on a low income by reducing the amount of council tax they have to pay in line with their income.

The Council's current scheme was introduced in 2013. As such, the Council is keen to explore changes to the scheme to modernise it, ensure it distributes support to those in need more effectively, and to reduce the amount it costs to deliver.

Before the Council can make any changes to its current scheme, it is important that it consults widely with residents and partners.

This document is part of that consultation. It sets out the proposed changes and alternatives, and links to a modelling tool where residents who currently claim a council tax reduction can find out what the changes would mean for them.

If you currently claim a council tax reduction, find out what the changes would mean to you by using our modelling tool at [www.southderbyshire.gov.uk/ctrsmodels](http://www.southderbyshire.gov.uk/ctrsmodels)

To give your views on the proposed changes, please visit the Council's online survey at [www.southderbyshire.gov.uk/ctrchanges](http://www.southderbyshire.gov.uk/ctrchanges)

**You don't need to be claiming a council tax reduction to take part. We would like to hear everyone's views. The deadline to give your views is 14 January at 5pm.**

**The deadline to give your views is 14 January at 5pm.**

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# THE PROPOSED CHANGES

**The Council has developed two models it would like people to give their views on. Changes 1 – 5 are included in both models.**

## 1. The baseline reduction

Currently residents on the lowest incomes have to pay 8.5% or 10% towards their council tax. This means those who are financially vulnerable may have to choose between paying their council tax and other vital bills. The Council also invests significant time and energy in working with these customers when they can't pay, including carrying out debt recovery activity.

Both models propose revising the scheme, so that those on the very lowest incomes will no longer have to pay this minimum toward their council tax. In both proposed models, where residents have no excess income, they could receive up to 100% discount on their council tax bill.

### Who would this affect?

Any claimant with no excess income would benefit from this proposed change and would receive up to 100% council tax discount, depending on other circumstances (for example whether they have a non-dependent living with them). No council tax support claimants would be negatively impacted.

## Your views

**Do you agree with this proposal?**

- Yes**       **No**       **Not sure**

**Your comments**

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## 2. Introduce a standard £5 non-dependent deduction

A non-dependent is an adult who lives with a council taxpayer on a low income but who is not their partner. Under the current scheme, a deduction is taken from the support the council taxpayer receives which differs depending on the income of the non-dependent adult – between £4.05 and £12.45 per week (based on 2021/2022 rates).

Introducing a standard deduction (regardless of the income of the non-dependent) would significantly simplify administration, reduce administrative costs, and speed up other areas of processing which would ultimately benefit all claimants.

### Who would this affect?

Anyone who currently receives the lowest non-dependent deduction (£4.05 a week) would receive 95p less council tax support each week per non-dependent living with them. Based on current caseload, approximately 73 cases would be negatively affected, 64 of which would be by 95p per week.

Anyone who currently receives the highest non-dependent deduction (£12.45 a week) would receive up to £7.45 more council tax support each week. Based on the data extract, 78 cases would be positively affected by between £0.40 and £14.90 a week, with the average being £4.86 per week.

Approximately 150 claimants who have a non-dependent living with them would have a deduction for the first time. This includes any with a non-dependent who is under 25 who is working under 16 hours a week, receiving Universal Credit or is a pensioner.

**Claimants who are exempt from non-dependent charges, including people who have someone living with them to support their registered needs, such as those who receive the care element of the Personal Independence Payment (or PIP) and those who are registered blind, would not be affected as they would continue to be exempt from the non-dependent deduction.**

### Your views

Do you agree with this proposal?

Yes       No       Not sure

#### Your comments

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# INTRODUCE A BANDED SCHEME OR RETAIN THE EXISTING TAPER?

**Please let us know which one you prefer.**

**The Council also wants to consider introducing a banded scheme based on excess income.**

The benefits of a banded scheme are that they give claimants more certainty about what happens to their council tax support award if they earn a little more or less income.

Banded schemes also help to reduce administration costs.

The alternative is to retain the current taper scheme.

**These two models are detailed overleaf – please let us know which one you prefer.**

## WHAT IS EXCESS INCOME?

**It's the amount of money people earn/receive above the minimum amount (the applicable amount) the government says we all need to live on.**

**When calculating excess income, we don't consider money people get for things like disabilities or vulnerabilities.**

# Retain the existing taper (option a)

The Council's current scheme reduces the amount of council tax support someone can claim based on their excess income (i.e., the amount above what the government says someone needs to live on).

When looking at excess income, the Council does not take into consideration income such as Personal Independence Payments (PIP) or Disability Living Allowance (DLA), so vulnerable groups are protected.

## The way the taper works is:

Maximum potential council tax support award:	Amount of excess income:	20% of £18:	Amount of council tax a resident pays:
£30 per week	£18	£3.60	£3.60 (£30 - £3.60 = £24.60 reduction)

The issue with the current taper is that when a residents income changes (even by pennies) their council tax reduction has to be recalculated. This means residents are never sure how much support they are going to get, are regularly sent letters about their revised award, and understandably get confused by so many changes. The scheme is also costly for the council to deliver as cases have to be reassessed so regularly, even if people's income changes very minimally.

## Who would this affect?

Retaining the taper would not negatively impact any resident more than the current scheme does. That said, it would not deliver the benefits of the banded scheme in relation to any increases or decreases in income.

If this option is chosen, the Council can introduce a £15 a week, equivalent to £65 a month, tolerance on Universal Credit (UC) claims only. This would mean if someone who claims UC has a change in their income by less than £15 per week their award would not change – a bit like the banded scheme. This could not be extended to non-UC claimants due to software limitations.

## The alternative is to introduce a banded scheme – see page 10.

## Your views on option a (the taper)

Do you prefer this option?

- Yes       No       Not sure

### Your comments

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# Introduce a banded scheme (option b)

Many councils have introduced a banded scheme. The Council has selected a banded scheme that works out how much council tax discount claimants will get (as a percentage of the total charge) by putting a claimant's excess income into one of ten bands.

Band	Amount of excess income you have per week		How much discount you get on your council tax bill
	Lower limit	Upper limit	
1	£0	£5	100%
2	£5.01	£20	90%
3	£20.01	£35	78%
4	£35.01	£50	66%
5	£50.01	£65	54%
6	£65.01	£80	42%
7	£80.01	£95	30%
8	£95.01	£110	18%
9	£110.01	£140	10%
10	£140.01	or higher	No discount

If a claimant's excess income goes up or down beyond the band limits – for example they normally have £53 excess income a week but running up to Christmas for example they work a few more hours and earn £105 excess income a week, the amount of council tax discount they will get will reduce from 54% to 18%. We would reassess their claim at this point and write to them to explain the changes.

However, if one week they just did a few extra hours and their excess income only went up slightly – for example from £53 to £62 the amount of council tax discount they will get won't change, as their income will have stayed within the same band. We know that most changes in income are within the £15 band limits, so most claimants whose income fluctuates a little will know week-to-week how much discount they are going to get.

## Who would this affect?

Everyone who claims council tax support would be impacted by this change, and all future claimants.

Based on current caseload, around 71% of claimants would see an increase or no change in their council tax support, whereas 29% of claimants would see a decrease.

Continued overleaf...

The claimants who would benefit the most are those in the lower excess income brackets. Those that would lose the most are in the higher excess income brackets, in particular those in higher band properties with excess income of more than £140 per week (around 30 residents).

A hardship fund would be created to support any claimants who are disproportionately affected.

**The alternative is to retain the existing tapered scheme – see page 9.**

## Your views on option b (the banded scheme)

**Do you prefer this option?**

**Yes**       **No**       **Not sure**

### Your comments

## Other changes

In addition to the proposed key changes to the schemes outlined elsewhere in the booklet, the Council also aims to simplify its council tax reduction scheme regulations so they are easier to understand and remove outdated legislation, so that the scheme aligns with other welfare benefits. Key changes include:

- **Mixed aged couples.** This would bring the regulations into line with legislation for other welfare benefits, where a couple would be considered of pension age when the youngest of the couple reaches pension age, not the oldest.
- **Two child limit.** This would bring the regulations into line with legislation for other welfare benefits, where support would be allowed for up to 2 children.
- **Notional income is income that could be available to someone if they apply for it.** It is proposed this is not included in the scheme from April 2022.
- **Notional capital and deprivation of capital concerns capital that could be available to someone if they apply for it, or had not given it away, or spent it to increase entitlement to benefit.** It is proposed this is not included in the scheme from April 2022.
- **Diminishing capital and diminishing notional capital.** These are complex calculations that would not be required if notional and deprivation capital rules are not included in our scheme from April 2022.

**Do you support these changes?**

**Yes**       **No**       **Not sure**

Continued overleaf...

## Your comments

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## Cost of the changes

Both of the models proposed are likely to increase the cost of the scheme by approximately £100,000 - £120,000 per annum. The additional cost would be shared across all precepting authorities in accordance with their share of the council tax collected - South Derbyshire District Council (9%), Derbyshire County Council (74%), police (13%) and fire (4%) and parish councils.

**Do you support the extra costs of the proposed schemes?**

Yes       No       Not sure

## Your comments

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## Any other comments?

Please use this space to give us any other comments you may have.

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## ABOUT YOU

We would be pleased if you can complete these questions. This is so we can understand your responses better and ensure that we do not discriminate against any group of individuals or communities unfairly. This data will be held anonymously and securely, not shared with external organisations, and will only be used for this stated purpose.

### Are you?

- A council tax support claimant.
  - A local council taxpayer who doesn't claim council tax support.
  - A community group representative.
  - A local Elected Member.
  - A member of council staff.
  - Other, please describe:
- 

### What is your postcode?:

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### What age bracket do you fall into?

- Under 16       16 - 17       18 - 24
- 25 - 34       35 - 44       45 - 54
- 55 - 64       65 - 74       75+
- Prefer not to say

### Do you consider yourself to have a disability or health problem which has lasted or is expected to last at least 12-months, and which limits your day-to-day activities?

- Yes     No     Prefer not to say

### Are you?

- No religion
  - Christian (including CofE, Catholic, Protestant and all other Christian denominations)
  - Buddhist       Hindu       Jewish
  - Muslim       Sikh
  - Prefer not to say
  - Any other religion or belief, please describe:
- 

### Are you?

#### White

- English/Welsh/Scottish/  
Northern Irish/British
  - Irish       Gypsy or Irish Traveller
  - Any other white background,  
please describe:
- 

#### African/Caribbean/Black British

- African       Caribbean
  - Black British
  - Any other Black/African/Caribbean  
background, please describe:
- 

#### Asian/Asian British

- Indian       Pakistani
  - Bangladeshi       Chinese
  - Any other Asian background,  
please describe:
- 

#### Mixed or multiple ethnic groups

- Black Caribbean and White
  - Black African and White
  - Asian and White
  - Any other mixed or multiple ethnic  
background, please describe:
- 

#### Other ethnic groups

- Arab
  - Any other mixed or multiple ethnic  
background, please describe:
- 

### Are you?

- Never married nor in a civil partnership
  - Married or in a civil partnership
  - Separated
  - Divorced / civil partnership  
legally dissolved
  - Widowed / surviving partner  
(civil partnership)
  - Prefer not to say
-

# HOW TO GIVE YOUR VIEWS

You can give your views a number of ways.

**The deadline to  
give your views is  
14 January at 5pm.**

## Fill in this questionnaire

Please fill in this questionnaire and send it to:  
Council tax reduction scheme views, South Derbyshire District Council,  
Civic Offices, Civic Way, Swadlincote, DE11 0AH.

## Fill this questionnaire in online

To fill this questionnaire in online, please visit  
[www.southderbyshire.gov.uk/ctrschanges](http://www.southderbyshire.gov.uk/ctrschanges)

## Come to a drop in session

We are holding drop-in sessions at Civic Offices, Civic Way,  
Swadlincote, DE11 0AH on Wednesday 27 October, Friday 3 December,  
and Friday 7 January. If you would like to book a slot at a drop-in session,  
please email [ctrs-consultation@southderbyshire.gov.uk](mailto:ctrs-consultation@southderbyshire.gov.uk)

## Email your views

To email us your views, please email [ctrs-consultation@southderbyshire.gov.uk](mailto:ctrs-consultation@southderbyshire.gov.uk)

## Deadline for giving your views

This consultation ends on 14 January 2022 at 5pm. Thank you for taking part.

## Need help?

If you need us to call you to explain the changes in more detail, need this information in a different format, or need support giving your views, please **call our customer services team on 01283 595795**, Monday – Friday 9am – 4pm **or email [ctrs-consultation@southderbyshire.gov.uk](mailto:ctrs-consultation@southderbyshire.gov.uk)** and request a call back from the consultation team.

## Find out how the model would affect you

If you currently claim council tax support,  
find out what the changes would mean  
to you by using our modelling tool at  
[www.southderbyshire.gov.uk/ctrsmodels](http://www.southderbyshire.gov.uk/ctrsmodels)



**South  
Derbyshire**  
District Council

## Equality Impact Assessment - Preliminary Assessment Form

<i>Title of the strategy, policy, service or project:</i>	Consultation on proposed changes to South Derbyshire District Council's Local Council Tax Reduction Scheme
<i>Service Area:</i>	Customer Services
<i>Lead Officer:</i>	Elizabeth Barton
<i>Date of assessment:</i>	04/10/2021
<i>Is the strategy, policy, service (procedure) or project:</i>	
<i>Changed</i>	<input checked="" type="checkbox"/>
<i>New</i>	<input type="checkbox"/>

### Section 1 – Clear aims and objectives

#### 1. What is the aim of the strategy, policy, procedure or project?

The project seeks to consult with residents and partners on changes to the Council's Local Council Tax Reduction Scheme.

The potential benefits of a revised LCTRS scheme include:

- **Benefits for residents** include fairer distribution of support to the most financially vulnerable residents, less paperwork and confusion, more financial stability, and greater customer satisfaction.
- **Benefits for the Council** include more streamlined administration, less debt recovery carried out with vulnerable residents, update of the scheme in line with changes introduced by welfare reform and Universal Credit (UC).

The purpose of the consultation is to gain views on two potential models and a series of possible changes that will deliver the above benefits.

#### 2. Who is intended to benefit from the strategy, policy, procedure or project and how?

The alterations to the scheme (if approved) would affect all claimants (both current and future). Any proposed alterations could impact the level of financial support they receive, either positively or negatively.

#### 3. What outcomes do you want to achieve?

Residents, partners, stakeholders, Elected Members and staff views on the proposed potential changes so that a final proposed scheme can be brought to Committee in early February for consideration.



## Section 2 – What is the impact?

**4. Summary of anticipated impacts.** *Please tick at least one option per protected characteristic. Think about barriers people may experience in accessing services, how the policy is likely to affect the promotion of equality, knowledge of customer experiences to date. You may need to think about sub-groups within categories e.g. older people, younger people, people with hearing impairment etc. [Hyperlinks to supporting information about the protected characteristics listed below can be found here.](#)*

	Potentially positive impact	Potentially negative impact	No disproportionate impact
Age - The schemes only apply to working age claimants and not to pensioners or children. The proposed models do not affect or alter the applicable ages.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disability and long-term conditions - Both proposed models disregard incomes awarded for disabilities and vulnerabilities and consider a household's circumstances before determining the excess income amount (for example disabled claimants).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gender reassignment - The scheme/proposed models do not discriminate against people who have undergone gender reassignment.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Marriage or civil partnership - The scheme/proposed models do not discriminate against people based on their marital or civil partnership status. Civil partners are recognised as dependents.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pregnant women and people on parental leave - The scheme/proposed models do not discriminate against pregnant women or people on parental leave	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sexual orientation - The scheme/proposed models do not discriminate against people of any particular sex.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Race - The scheme/proposed models do not discriminate against people based on their race.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Religion or belief - The scheme/proposed models do not discriminate against people based on their religion or belief.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sex (Gender) - The scheme/proposed models do not discriminate against people of any particular sex.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>



### Section 3 – Recommendations and monitoring

If you have answered that the strategy, policy, procedure or project could potentially have a negative impact on any of the above characteristics then a full Equality Impact Assessment will be required.

#### 5. Should a full EIA be completed for this strategy, policy, procedure or project?

Yes       No

Please explain the reasons for this decision:

For the reasons detailed in Section 4, we do not believe that the consultation requires a full EIA to be carried out. That said, we do believe we need to revisit this decision before the final proposed scheme is presented to Committee and reconsider then whether a full EIA on the final proposed scheme is required.

### Section 4 – Approval

Please note the assessment should be reviewed and approved by the appropriate Head of Service **before** the Committee report (if required) is produced.

Reviewed by Head of Service

Name: Elizabeth Barton

Date: 04/10/2021

If further information regarding this assessment is required, please contact the Lead Officer for this assessment (outlined in Section 1.)



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<b>REPORT TO:</b>	<b>FINANCE AND MANAGEMENT</b>	<b>AGENDA ITEM: 14</b>
<b>DATE OF MEETING:</b>	<b>10 FEBRUARY 2022</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) frank.mcardle@southderbyshire.gov.uk</b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>SUPPORTING ASPIRATIONS ACTION PLAN</b>	
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: FM05</b>

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## **1.0 Recommendations**

1.1 To endorse the Supporting Aspirations Action Plan.

## **2.0 Purpose of the Report:**

2.1 To propose a range of actions that will support disadvantaged young people in the District to realise their aspirations. This will focus on activities that the District Council can take forward, and that will make a positive contribution to the South Derbyshire Partnership's proposed aims to enhance Social Mobility in the District.

## **3.0 Detail**

### **Introduction**

3.1 A report to Finance and Management Committee on 25 November 2021 approved that the District Council should develop a cross-departmental action plan to support the realisation of the aspirations of disadvantaged young people in South Derbyshire.

3.2 The following areas were highlighted to support disadvantaged young people in the District:

- 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 among disadvantaged 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.

*(\*NB. The Kickstart Scheme currently offers job start dates up until 31 March 2022).*

### **Supporting Aspirations Action Plan**

3.3 The proposed Action Plan contributes directly to the Corporate Plan aim to:

*Support social mobility to ensure people have the opportunity to access skilled jobs, higher and further education. (Our People: Working with communities and meeting the future needs of the District - Supporting and safeguarding the most vulnerable).*

It also contributes to the ongoing work of the South Derbyshire Partnership to address wider Social Mobility challenges.

- 3.4 The Action Plan encompasses existing activities undertaken by the District Council, and the development of these, together with activities undertaken collaboratively through the South Derbyshire Partnership. Key to this will be to ensure that barriers to engagement by disadvantaged groups, principally defined by eligibility for Free School Meals, are addressed wherever possible.
- 3.5 The Action Plan is structured to align with the ‘Gatsby Benchmarks of Good Career Guidance’. 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.
- 3.6 The eight Benchmarks serve as a framework for improvement in careers provision and have been adopted by the Government’s Careers Strategy and statutory guidance for schools and colleges. The Careers & Enterprise Company now supports the implementation of the Benchmarks in schools and colleges with a national network of support, resources and targeted funding. In South Derbyshire, the progress of secondary schools towards the achievement of the benchmarks is monitored by the D2N2 Local Enterprise Partnership.
- 3.7 There are four Benchmarks that the District Council can directly contribute towards – number two, four, five and six - with the remainder relating more closely to schools, colleges and other members of the South Derbyshire Partnership (Figure 1).

Figure 1: Gatsby Benchmarks



3.8 Table 1 sets out the activities with respect to the identified Gatsby Benchmarks and the District Council's role:

- as an employer;
- working with other local employers; and,
- working with partner organisations.

3.9 Progress is monitored through the performance management arrangements for the Equality, Diversity and Inclusion (EDI) Action Plan reporting to the EDI Steering Group, and the South Derbyshire Partnership (SDP) Theme Action Plans reporting to the SDP Board.

Table 1: Supporting aspirations activities

Bench mark	Aim	SDDC as an employer	SDDC working with other local employers	SDDC working with partner organisations through the South Derbyshire Partnership
2	<p><b>Learning from career and labour market information</b> Every pupil, and their parents, should have access to good-quality information about future study options and labour market opportunities. They will need the support of an informed adviser to make best use of available information.</p>	<ul style="list-style-type: none"> <li>Equality, diversity and inclusion monitoring of the workforce and community</li> </ul>	<ul style="list-style-type: none"> <li>Research and present local labour market information</li> </ul>	<ul style="list-style-type: none"> <li>Support social mobility work of the South Derbyshire Partnership</li> </ul>
4	<p><b>Linking curriculum learning to careers</b> All teachers should link curriculum learning with careers. For example, STEM subject teachers should highlight the relevance of STEM subjects for a wide range of future career paths.</p>	<ul style="list-style-type: none"> <li>Exhibit at careers events</li> <li>Offer staff to participate in mock interviews</li> <li>Establish links with academic centres to raise the profile of local government as an employer</li> </ul>	<ul style="list-style-type: none"> <li>Support careers events promoting employment, self-employment, training and volunteering</li> <li>Encourage local employers to participate in mock interviews</li> </ul>	<ul style="list-style-type: none"> <li>Promote healthy, active lifestyles amongst young people, through involvement in physical and cultural activities in their local communities that will be engaging and inspirational eg Locality Childrens Partnership Action Plan; Healthier Communities Action Plan; Active Schools Partnership leaders and volunteers; Environmental Education Project.</li> <li>Support applications for funding that create new opportunities eg Safer Neighbourhoods Funding; Active South Derbyshire Sports Pass and grant scheme; Community and Environment Partnership Scheme</li> </ul>
5	<p><b>Encounters with employers and employees</b> Every pupil should have multiple opportunities to learn from employers about work, employment and the skills that are valued in the workplace. This can be through a range of enrichment activities including visiting speakers, mentoring and enterprise schemes.</p>	<ul style="list-style-type: none"> <li>Offer staff to take part in career talks to local schools/colleges</li> <li>Establish links with career leads in academic centres</li> </ul>	<ul style="list-style-type: none"> <li>Encourage local employers to take part in career talks</li> <li>Support enterprise activity</li> </ul>	<ul style="list-style-type: none"> <li>Support SDP Skills and Employment Group, building links between local schools and employers</li> </ul>
6	<p><b>Experiences of workplaces</b> Every pupil should have first-hand experiences of the workplace through work visits, work shadowing and/or work experience to help their exploration of career opportunities, and expand their networks.</p>	<ul style="list-style-type: none"> <li>Offer work visits/experience opportunities</li> <li>Ensure processes proactively encourage diversity when recruiting</li> <li>Support apprenticeships and other national and local schemes to provide employment opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Encourage local employers to offer work visits/experience, apprenticeships and other opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Support travel initiatives eg Wheels to Work; Airway9 bus link to East Midlands Airport/Gateway</li> <li>Support digital access – skills and equipment eg Digital Learning Project</li> </ul>

## **4.0 Financial Implications**

4.1 There are no financial implications arising from this report.

## **5.0 Corporate Implications**

### **Employment Implications**

5.1 Consideration will need to be given to ensuring that any employee working with young persons as part of a placement or work experience scheme has the requisite checks in place as required either by the placement centre or internal procedures.

### **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**

None

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<b>REPORT TO:</b>	<b>FINANCE AND MANAGEMENT COMMITTEE (SPECIAL – BUDGET)</b>	<b>AGENDA ITEM: 15</b>
<b>DATE OF MEETING:</b>	<b>10<sup>th</sup> FEBRUARY 2022</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> <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 10<sup>th</sup> February 2022  
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) <a href="mailto:Fiona.pittam@southderbyshire.gov.uk">Fiona.pittam@southderbyshire.gov.uk</a> (01283 595735)
Corporate Plan Performance Monitoring 2020/21: Quarter 4	10 <sup>th</sup> June 2021	Fiona Pittam (Head of Organisational Development & Performance) <a href="mailto:Fiona.pittam@southderbyshire.gov.uk">Fiona.pittam@southderbyshire.gov.uk</a> (01283 595735)
Compliments, Comments, Complaints and FOI Requests	10 <sup>th</sup> June 2021	Kevin Stackhouse (Strategic Director) <a href="mailto:Kevin.stackhouse@southderbyshire.gov.uk">Kevin.stackhouse@southderbyshire.gov.uk</a> (01283 595811)
Complaints Policy and Procedure	10 <sup>th</sup> June 2021	Kevin Stackhouse (Strategic Director) <a href="mailto:Kevin.stackhouse@southderbyshire.gov.uk">Kevin.stackhouse@southderbyshire.gov.uk</a> (01283 595811)
Climate Emergency Action Planning	10 <sup>th</sup> June 2021	Matthew Holford, (Head of Environmental Services) <a href="mailto:matthew.holford@southderbyshire.gov.uk">matthew.holford@southderbyshire.gov.uk</a> , 01283 595856
Final Revenue Budget Outturn 2020/21	22 <sup>nd</sup> July 2021	Victoria Summerfield (Head of Finance) <a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a> (01283 595939)

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

Treasury Update 2021/22	26 <sup>th</sup> August.2021	Victoria Summerfield (Head of Finance) <a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a> (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) <a href="mailto:Elizabeth.barton@southderbyshire.gov.uk">Elizabeth.barton@southderbyshire.gov.uk</a> (01283 595779)
Freedom of Information Policy & Publication Scheme	7 <sup>th</sup> October 2021	Kevin Stackhouse (Strategic Director – Corporate Resources) <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) <a href="mailto:Elizabeth.barton@southderbyshire.gov.uk">Elizabeth.barton@southderbyshire.gov.uk</a> (01283 595779)
Corporate Plan Performance Monitoring 2021/22: Quarter 2	25 <sup>th</sup> November 2021	Fiona Pittam (Head of Organisational Development & Performance) <a href="mailto:Fiona.pittam@southderbyshire.gov.uk">Fiona.pittam@southderbyshire.gov.uk</a> (01283 595735)
General Fund Revenue Monitoring 2021/22	25 <sup>th</sup> November 2021	Victoria Summerfield (Head of Finance) <a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a> (01283 595939)
HRA Financial Monitoring 2021/22	25 <sup>th</sup> November 2021	Victoria Summerfield (Head of Finance) <a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a> (01283 595939)
Collection Fund Position 2021/22	25 <sup>th</sup> November 2021	Victoria Summerfield (Head of Finance) <a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a> (01283 595939)

Capital Financial Monitoring 2021/22	25 <sup>th</sup> November 2021	Victoria Summerfield (Head of Finance) <a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a> (01283 595939)
Treasury Update 2021/22	25 <sup>th</sup> November 2021	Victoria Summerfield (Head of Finance) <a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a> (01283 595939)
Compliments, Comments, Complaints and FOI Requests	25 <sup>th</sup> November 2021	Kevin Stackhouse (Strategic Director) <a href="mailto:Kevin.stackhouse@southderbyshire.gov.uk">Kevin.stackhouse@southderbyshire.gov.uk</a> (01283 595811)
Service Base Budgets 2022/23	13 <sup>th</sup> January 2022	Victoria Summerfield (Head of Finance) <a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a> (01283 595939)
Council Tax and Surplus 2022/23	13 <sup>th</sup> January 2022	Victoria Summerfield (Head of Finance) <a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a> (01283 595939)
Annual Training Report	13 <sup>th</sup> January 2022	David Clamp (Human Resources Manager) <a href="mailto:David.clamp@southderbyshire.gov.uk">David.clamp@southderbyshire.gov.uk</a> 07841 533977
Proposed Local Council Tax Support Scheme 2022/23	13 <sup>th</sup> January 2022	Lizzie Barton (Head of Customer Services) <a href="mailto:Elizabeth.barton@southderbyshire.gov.uk">Elizabeth.barton@southderbyshire.gov.uk</a> (01283 595779)
General Fund Consolidated Budget 2022/23 and MTFP to 2027	10 February 2022	Victoria Summerfield (Head of Finance) <a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a> (01283 595939)

Housing Revenue Account Budget 2022/23 and Financial Plan to 2032	10 February 2022	Victoria Summerfield (Head of Finance) <a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a> (01283 595939)
Capital Budget 2022 to 2027	10 February 2022	Victoria Summerfield (Head of Finance) <a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a> (01283 595939)
Treasury Management Counterparty Limits	10 February 2022	Victoria Summerfield (Head of Finance) <a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a> (01283 595939)
Proposed Local Council Tax Support Scheme 2022/23	10 February 2022	Lizzie Barton (Head of Customer Services) <a href="mailto:Elizabeth.barton@southderbyshire.gov.uk">Elizabeth.barton@southderbyshire.gov.uk</a> (01283 595779)
Supporting Aspirations Action Plan	10 February 2022	Mike Roylance (Head of Economic Development and Growth) <a href="mailto:Mike.Roylance@southderbyshire.gov.uk">Mike.Roylance@southderbyshire.gov.uk</a> (01283 595725)
Bikeability Co-Ordinator	10 February 2022	Ian Gee Active Schools Partnership Officer <a href="mailto:ian.gee@southderbyshire.gov.uk">ian.gee@southderbyshire.gov.uk</a> (01283 228751)
Schools' Partnership PE and School Sport Coach	10 February 2022	Ian Gee Active Schools Partnership Officer <a href="mailto:ian.gee@southderbyshire.gov.uk">ian.gee@southderbyshire.gov.uk</a> (01283 228751)
Annual Report of the Section 151 Officer	17 March 2022	Kevin Stackhouse (Strategic Director) <a href="mailto:Kevin.stackhouse@southderbyshire.gov.uk">Kevin.stackhouse@southderbyshire.gov.uk</a> (01283 595811)

Annual Statement of Accounts 2020/21	17 March 2022	Victoria Summerfield (Head of Finance) <a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a> (01283 595939)
Corporate Plan Performance Monitoring 2021/22: Quarter 3	17 March 2022	Fiona Pittam (Head of Organisational Development & Performance) <a href="mailto:Fiona.pittam@southderbyshire.gov.uk">Fiona.pittam@southderbyshire.gov.uk</a> (01283 595735)
General Fund Financial Monitoring 2021/22	17 March 2022	Victoria Summerfield (Head of Finance) <a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a> (01283 595939)
HRA Financial Monitoring 2021/22	17 March 2022	Victoria Summerfield (Head of Finance) <a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a> (01283 595939)
Collection Fund Position 2021/22	17 March 2022	Victoria Summerfield (Head of Finance) <a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a> (01283 595939)
Capital Financial Monitoring 2021/22	17 March 2022	Victoria Summerfield (Head of Finance) <a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a> (01283 595939)
Treasury Update 2021/22	17 March 2022	Victoria Summerfield (Head of Finance) <a href="mailto:Victoria.summerfield@southderbyshire.gov.uk">Victoria.summerfield@southderbyshire.gov.uk</a> (01283 595939)