

Please ask for: Democratic Services

Phone: (01283) 595722 / 595848

Minicom: (01283) 595849

DX 23912 Swadlincote

Email :

democraticservices@south-derbys.gov.uk

Date: 26 August 2015

Dear Councillor,

Finance and Management Committee

A Meeting of the **Finance and Management Committee** will be held in the **Council Chamber**, on **Thursday, 03 September 2015 at 18:00**. You are requested to attend.

Yours faithfully,



Chief Executive

To:- **Conservative Group**

Councillor Harrison (Chairman), Councillor Mrs. Plenderleith (Vice-Chairman) and Councillors Billings, Mrs. Coyle, Hewlett, MacPherson, Smith, Watson and Wheeler.

Labour Group

Councillors Rhind, Richards, Southerd and Wilkins.

AGENDA

Open to Public and Press

- | | | |
|-----------|---|----------------|
| 1 | Apologies and to note any Substitutes appointed for the Meeting. | |
| 2 | To receive the Open Minutes of the Meetings held on 18.06.2015 and 25.06.2015. | |
| | 18th June 2015 | 4 - 7 |
| | 25th June 2015 | 8 - 11 |
| 3 | To note any declarations of interest arising from any items on the Agenda | |
| 4 | To receive any questions by members of the public pursuant to Council Procedure Rule No.10. | |
| 5 | To receive any questions by Members of the Council pursuant to Council procedure Rule No. 11. | |
| 6 | Reports of Overview and Scrutiny Committee | |
| 7 | CORPORATE SERVICES PERFORMANCE MONITORING 2015-16
QUARTER 1 TO JUNE 2015 | 12 - 23 |
| 8 | BUDGET AND FINANCIAL MONITORING 2015-16 | 24 - 42 |
| 9 | CORPORATE PLAN UPDATE | 43 - 44 |
| 10 | MELBOURNE ASSEMBLY ROOMS | 45 - 56 |

Exclusion of the Public and Press:

- 11** The Chairman may therefore move:-
That in accordance with Section 100 (A) of the Local Government Act

1972 the press and public be excluded from the remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraph of Part I of the Schedule 12A of the Act indicated in the header to each report on the Agenda.

- 12 To receive the Exempt Minutes of the Meetings held on 18.06.2015 and 25.06.2015.
18th June 2015
25th June 2015
- 13 To receive any Exempt questions by Members of the Council pursuant to Council procedure Rule No. 11.
- 14 FINANCIAL SERVICES REVISED SERVICE DELIVERY STRUCTURE
- 15 LAND AND PREMISES IN SWADLINCOTE
- 16 PREMISES IN MELBOURNE



INVESTOR IN PEOPLE



Page 3 of 56



FINANCE AND MANAGEMENT COMMITTEE

18th June 2015

PRESENT:-

Conservative Group

Councillor Harrison (Chairman), Councillor Mrs Plenderleith (Vice-Chairman) and Councillors Atkin (substituting for Councillor MacPherson), Billings, Mrs Coyle, Smith, Watson and Wheeler.

Labour Group

Councillors Rhind, Richards, Southerd and Wilkins

In Attendance

Councillor Mrs Farrington.

FM/1 **APOLOGIES**

Apologies for absence from the Meeting were received from Councillors Hewlett and MacPherson (Conservative Group).

FM/2 **MINUTES**

The Open minutes of the Meeting held on 23rd April 2015 were taken as read, approved as a true record and signed by the Chairman.

FM/3 **DECLARATIONS OF INTEREST**

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

FM/4 **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/5 **QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO 11**

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

FM/6 **REPORTS OF THE OVERVIEW AND SCRUTINY COMMITTEE**

There were no reports of the Overview & Scrutiny Committee to consider.

MATTERS DELEGATED TO COMMITTEE

FM/7 CORPORATE PLAN 2014/15 PERFORMANCE MANAGEMENT

The Director of Finance and Corporate Services presented the report to Committee.

RESOLVED:

That Members considered the progress against performance targets and approved the final out-turn for the financial year 2014/15.

FM/8 CONSULTATION ANNUAL REPORT 2014/15

The Director of Finance and Corporate Services delivered the report to Committee.

RESOLVED:

That Members noted the key consultation achievements for 2014/15.

FM/9 COMMUNICATION ANNUAL REPORT 2014/15 AND ACTION PLAN 2015/16

The Director of Finance and Corporate Services presented the report to Committee, drawing particular attention to plans for a major overhaul of the Council's website. Queries and comments raised by Members relating to access to Planning services and comparisons to other local authority websites were noted and responded to.

RESOLVED:

- 1.1 That Members considered the Corporate Communications Annual Report and key achievements for 2014/15.*
- 1.2 That performance against the Communications Action Plan for 2014/15 be noted.*
- 1.3 That the Council's revised Communications Action Plan for 2015/16 be agreed.*
- 1.4 That the proposed publicity/communication campaigns 2015/16 be approved.*

FM/10 DATA QUALITY STRATEGY ANNUAL REPORT 2014/15 AND ACTION PLAN 2015/16

The Director of Finance and Corporate Services presented the report to Committee.

RESOLVED:

- 1.1 That Members noted the progress made against the Data Quality Strategy Action Plan 2014/15.*
- 1.2 That Members approved the Action Plan for 2015/16.*

FM/11 CORPORATE EQUALITIES AND SAFEGUARDING ANNUAL REPORT 2014/15 AND ACTION PLAN 2015/16

The Director of Finance and Corporate Services delivered the report to Committee, making reference to the advances achieved in safeguarding training and awareness. Councillor Atkin requested that Members be kept up to date with developments.

RESOLVED:

- 1.1 That Members approved the Corporate Equalities & Safeguarding Annual Report for 2014/15 for publication.***
- 1.2 That progress made against the 2014/15 Corporate Equalities & Safeguarding Action Plan be noted.***
- 1.3 That the Corporate Equalities & Safeguarding Action Plan for 2015/16 be approved.***

FM/12 ANNUAL HEALTH AND SAFETY REPORT 2014/15 AND ACTION PLAN 2015/16

The Director of Finance and Corporate Services presented the report to Committee, drawing particular attention to the low accident rate requiring referral to the Health and Safety Executive. A decline in health and safety course attendance was reported, an issue that is being addressed.

RESOLVED:

That Members reviewed the key health and safety achievements and performance for the year ending March 2015 and endorsed the health and safety action plan for 2015/16.

FM/13 COMPLAINTS, COMPLIMENTS AND FREEDOM OF INFORMATION REQUESTS 1ST OCTOBER 2014 TO 31ST MARCH 2015

The Director of Finance and Corporate Services presented the report to Committee.

RESOLVED:

That Members considered and noted the report detailing complaints and Freedom of Information requests.

FM/14 ANNUAL TRAINING REPORT 2014/15 AND PRIORITIES FOR 2015/16

The Director of Finance and Corporate Services presented the report to Committee. The Chief Executive referred to the reduced Council establishment and the need to train and develop employees, not only to maintain / improve the services provided to the public, but also to aid retention.

Queries raised by Members relating to the training outcomes, the take up of mandatory training courses for employees and Members alike, as well as training timescales were noted and responded to, the Chief Executive

reassuring the Committee that all mandatory training for employees had been accommodated within the given timeframes, with no effect on operational undertakings. Councillor Richards proposed that a Register of Member Training be created and maintained, an amendment agreed by all Members.

RESOLVED:

- 1.1 That Members approved the priority areas for training and development during 2015/16.***
- 1.2 That the range of training activities and actions provided during 2014/15 be noted.***
- 1.3 That a register of Member Training be created and maintained.***

FM/15 **LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)**

RESOLVED:-

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

MINUTES

The Exempt Minutes of the Meeting held on 23rd April were received.

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

The Committee was informed that no questions had been received.

REVIEW OF THE LAND CHARGES FUNCTION (Paragraph 1)

The Committee agreed proposals for changes in the Land Charges Function.

REVIEW OF ELECTORAL SERVICES (Paragraph 1)

The Committee approved the recommendations relating to changes in the structure of the Electoral Services section.

The meeting terminated at 6.50pm.

COUNCILLOR J HARRISON

FINANCE AND MANAGEMENT COMMITTEE

25th June 2015

PRESENT:-

Conservative Group

Councillor Harrison (Chairman), Councillor Mrs Plenderleith (Vice-Chairman) and Councillors Atkin (substituting for Councillor Smith), Billings, Mrs Coe (substituting for Councillor Watson), Mrs Coyle, Hewlett and Stanton (substituting for Councillor Wheeler).

Labour Group

Councillors Rhind, Richards, Southerd and Wilkins

FM/20 **APOLOGIES**

Apologies for absence from the Meeting were received from Councillors MacPherson, Smith, Watson and Wheeler (Conservative Group).

FM/21 **DECLARATIONS OF INTEREST**

The Chairman declared a prejudicial interest in Item 8 by reason of being the Chairman of the Melbourne Sporting Partnership.

FM/22 **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/23 **QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO 11**

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

FM/24 **REPORTS OF THE OVERVIEW AND SCRUTINY COMMITTEE**

There were no reports of the Overview & Scrutiny Committee to consider.

MATTERS DELEGATED TO COMMITTEE

FM/25 **TREASURY MANAGEMENT ANNUAL REPORT 2014/15**

The Director of Finance and Corporate Services presented the report to Committee, drawing particular attention to the early repayment of a loan and the sums currently being held on deposit.

RESOLVED:

- 1.1 That the Treasury Management Annual Report for 2014/15 be approved.**
- 1.2 That the Treasury Management Stewardship Report and Prudential Indicators for 2014/15 and that the Council complied fully with all requirements be noted.**
- 1.3 That the Statement on the Minimum Revenue Provision for 2014/15 be recommended for Council approval.**

FM/26 BUDGET OUT-TURN AND FINAL ACCOUNTS 2014/15

The Director of Finance and Corporate Services delivered a short presentation in support of the report.

Councillor Atkin queried the personal searches element of the report, to which the Director clarified the verification exercises that have been undertaken to ensure the validity of the claims.

RESOLVED:

- 1.1 To approve the final out-turn position for:**
- **The General Fund Revenue Account 2014/15**
 - **The Housing Revenue Account 2014/15**
 - **Capital Expenditure and Financing 2014/15**
 - **The Collection Fund 2014/15**
 - **The Balance of Reserves and Provisions at 31st March 2015.**
- 1.2 That a net appropriation of £328,000 in 2014/15 be made from the General Fund Reserve to other Earmarked Reserves.**
- 1.3 That the following contributions be made to Bad Debt Provisions in 2014/15:**

Sundry Debtors	£66,040	General Fund
Bed and Breakfast Charges	£49,375	General Fund
Housing Benefit Overpayments	£28,139	General Fund
Council Tax Arrears	£396,309	Collection Fund
Business Rates Arrears	£64,452	Collection Fund
Business Rates Appeals	£54,180	Collection Fund
Housing Rent Arrears	£9,610	Housing Revenue Account

- 1.4 That the following Provisions be increased in accordance with Accounting Standards and charged to the General Fund in 2014/15:**

Planning Appeals	£122,000
Personal Search Refunds	£56,000

The Chairman left the Chamber at 6.20pm, due to his declared interest in the next Item.

FM/27 MELBOURNE SPORTING PARTNERSHIP

The Director of Finance and Corporate Services presented the report, the matter having been referred to this Committee by the Housing and Community Services Committee.

Queries raised by Members relating the level of risk involved and the make-up of the funding were noted and responded to.

RESOLVED:

That the provision of £213,000 from the General Fund Reserve in lieu of identified Section 106 funds towards the construction of the Cockshut Lane Recreation Ground Clubhouse and ancillary facilities be approved.

The Chairman returned to the Chamber at 6.25pm.

FM/28 LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)**RESOLVED:-**

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

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

The Committee was informed that no questions had been received.

THE SINGLE FRAUD INVESTIGATION SERVICE (Paragraph 2)

The Committee agreed proposals for changes in the Single Fraud Investigation Service.

The Democratic Services Officer left the Chamber at 6.30pm, due to the content of the following Item.

PAY AND GRADING REVIEW: APPOINTMENT OF AN EXTERNAL FACILITATOR (Paragraph 3)

The Committee approved the recommendations relating to the appointment of an external facilitator.

The meeting terminated at 6.35pm.

COUNCILLOR J HARRISON

CHAIRMAN

REPORT TO:	FINANCE and MANAGEMENT COMMITTEE	AGENDA ITEM: 7
DATE OF MEETING:	3rd SEPTEMBER 2015	CATEGORY: DELEGATED
REPORT FROM:	DIRECTOR OF FINANCE & CORPORATE SERVICES	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (01283 595811) Kevin.stackhouse@south-derbys.gov.uk	DOC: u/ks/corporate planning/monitoring 201516/corporate services performance monitoring – Qtr 1 June 2015
SUBJECT:	CORPORATE SERVICES PERFORMANCE MONITORING 2015/16: QUARTER 1 TO JUNE 2015	
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 08

1.0 Recommendations

- 1.1 That progress against performance targets is considered and noted.

2.0 Purpose of Report

- 2.1 To report progress against targets during the period April to June 2015 in relation to Corporate Services. Following completion of work in the Corporate Plan, which was approved by the Committee in June, this report reviews progress against on-going indicators and targets contained in the Management Plan for this service area.
- 2.2 When a new Corporate Plan is approved, the relevant targets and projects relating to this Committee will be added into future quarterly reports.

3.0 Detail

- 3.1 During the period in which the Corporate Plan is being reviewed, it is important that the Committee continues overseeing performance in benefits processing and customer services contact, together with collection rates and updates on key developments in Corporate Services that have previously been approved.
- 3.2 These indicators are designed to help measure value for money and the way in which the Council delivers services to its residents. In addition, the Committee remains responsible for reviewing health/safety and absence management performance, together with the Council's strategic risk register.

- 3.3 The targets set are based on benchmark standards and are regularly compared with other councils.

Collection Rates for Council Tax and Business Rates (NNDR)

- 3.4 The collection rates for Council Tax, Business Rates and Sundry Debtors are shown in the following table.

Collection Rates	Annual Volumes	Actual 2013/14	Actual 2014/15	Target	Projection 2015/16	
Council Tax in-year Collection	£47.2m	97.80%	98.10%	97.40%	98.50%	GREEN
Council Tax Arrears Collection	£4.4m	22.10%	18.50%	26.70%	18.10%	RED
Business Rates Collection	£24.1m	98.10%	98.40%	96.10%	98.50%	GREEN
Recovery of Housing Benefit Overpayments	£1.4m	37.50%	40.10%	34.20%	39.20%	GREEN
Sundry Debtor Collection (incl. Arrears)	£4.6m	84.20%	90.10%	82.60%	89.60%	GREEN

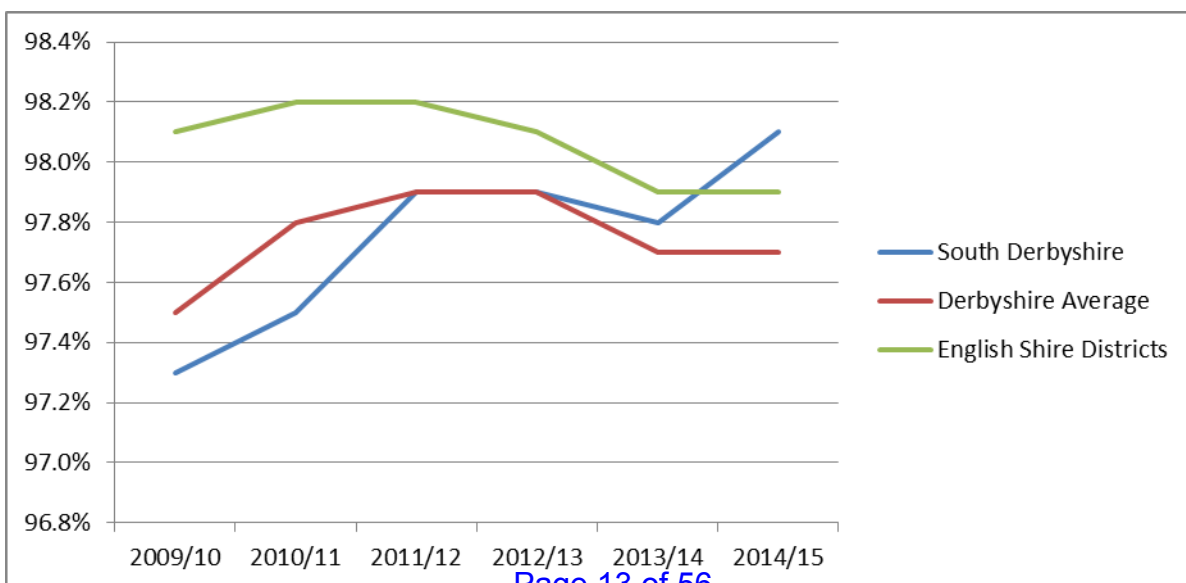
- 3.5 The table shows that all collection targets are being exceeded, apart from Council Tax arrears. The targets are those set in the contract for Corporate Services.

- 3.6 The service provider (Northgate) is incentivised to maximise collection as much as possible, as they can gain a share of additional income. If overall collection falls below target, then they are required to make up any shortfall in cash collected.

Comparative Performance – Council Tax

- 3.7 The Council's performance compared to other authorities in Derbyshire and all Shire Districts across England is shown in the following bar chart.

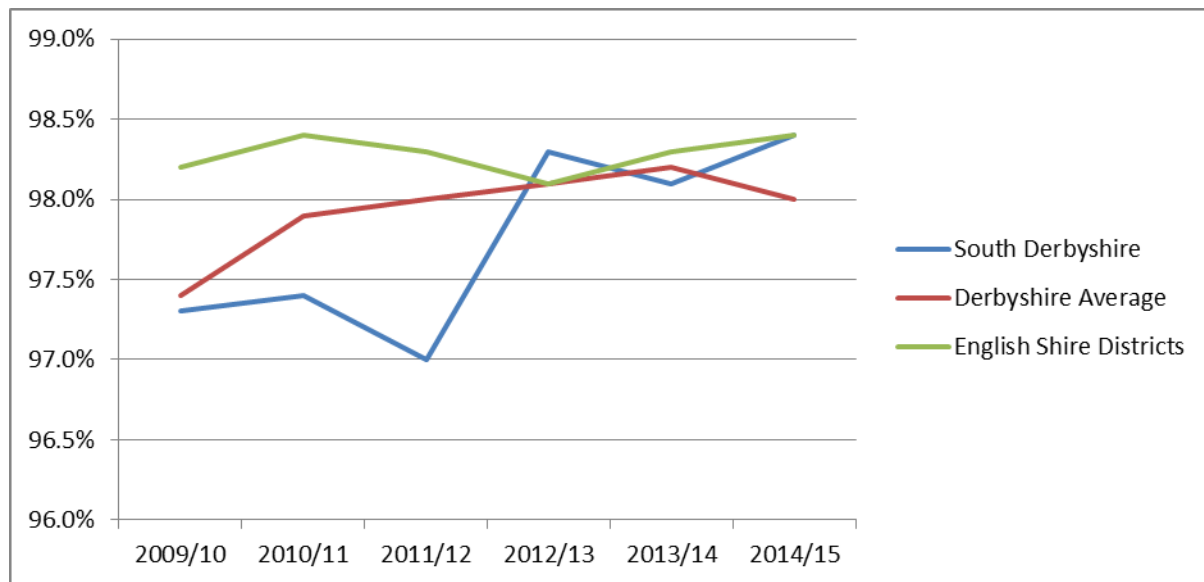
Council Tax – Collection Rates



- 3.8 The chart shows that the Council's performance has steadily improved and now exceeds the average for other Derbyshire authorities and all shire districts in England. The Council's performance also contradicts the trend nationally, with performance being downward nationally, compared to the upward trend for the Council.
- 3.9 The Council's strategy is to concentrate resources on in-year collection to prevent arrears in the longer-term. The Council's performance on arrears collection will bring the overall performance back; the 18.5% rate achieved in 2014/15 compares with 22% nationally for all councils.
- 3.10 However, this is a very broad figure; no data is calculated which results in an overall collection figure for class of authority or for individual councils, which would enable a meaningful comparison to be made.

Comparative Performance – Business Rates

- 3.11 The Council's performance compared to other authorities in Derbyshire and all Shire Districts across England is shown in the following bar chart.



- 3.12 Similar to Council Tax collection, the Council's performance on Business Rates Collection has shown an upward trend and is currently on a par with the average of all shire districts. However, the chart shows how volatile the trend can be between years in Business Rates.

Benefits Processing

3.13 This is summarised in the following table.

Benefits Processing (Average Time)	Annual Volumes	Actual 2013/14	Actual 2014/15	Target	Projection 2015/16	
Processing New Claims	1,000	17 Days	40 Days	18 Days	17 Days	GREEN
Processing Change of Circumstances	14,000	14 Days	28 Days	8 Days	8 Days	GREEN

3.14 As previously reported in 2014/15, performance in benefits processing slipped dramatically. This was partly due to changes brought about from the Government's Welfare Reform programme.

3.15 During the year, various system and process improvements were implemented, financed by the Council from Government funding. This included the implementation of a Risk Based Verification Framework in May 2015. The Committee also agreed to continue funding one additional post to support the service provider.

3.16 These improvements and investment of resources, has resulted in processing being brought back within target, with performance as at June 2015, reflecting the projection for the year.

3.17 Comparatively, in 2014/15, the average processing times for new claims for Shire Districts was 22 days and 5 days for change of circumstances. In Derbyshire, this was better at 20 days and 4 days respectively.

Customer Services

3.18 Performance is summarised in the following table.

Customer Services	Annual Volumes	Actual 2013/14	Actual 2014/15	Target	Projection 2015/16	
Telephone calls answered within 20 seconds	135,000	81%	77%	80%	79%	RED
Customer Satisfaction (face to face enquiries)	34,000	95%	94%	90%	95%	GREEN

3.19 As previously reported, call volumes and visitor numbers continue to remain high. Including peak periods, telephone calls are answered on average, in around 50 seconds.

3.20 The Committee have previously agreed to relax the targets until further improvements are implemented later in the year. As approved, the position will be reviewed following the half-yearly results.

Payment of Invoices

3.21 This is summarised in the following table.

	Annual Volumes	Actual 2013/14	Actual 2014/15	Target	Projection 2015/16	
Percentage of Invoices paid within 30-days	6,600	96.40%	97.24%	97.50%	98.00%	GREEN
Percentage of Invoices paid within 10-days	6,600	69.10%	74.64%	65.00%	80.00%	GREEN
Number of Payments made Electronically	32,500	98.30%	99.40%	90.00%	99.00%	GREEN

Projects and Service Improvements

3.22 An update on the main projects is provided in the following sections

Installation of Payment Machines

3.23 These are due to be installed and will become operational later in September. On-going publicity and communication with the public has been on-going for several months.

3.24 In addition, new “self-service” computer terminals are due to be installed to enable visitors to deal with their Council Tax and Benefits Account on-line. These terminals will also be used for the introduction of Universal Credit into South Derbyshire, which will now take place on 26th October 2015.

ICT Upgrades

3.25 During the first quarter, wireless connectivity was extended to all parts of the Civic Offices. A major network upgrade is currently taking place and is being tested.

3.26 This will be live by December 2015. This will increase the speed of communications internally and externally, together with strengthening resilience and security features to protect the Council’s data and IT infrastructure.

3.27 Several servers are being replaced to meet the Government’s Public Services Network requirements. This will result in most servers in the Council’s IT estate being at the latest specification level.

Web site

3.28 A few changes have been made to the Council’s current web site to make it easier for visitors to navigate to certain parts, for example, to pay or make amendments to their Council Tax account. This was in response to an analysis of web site hits, to ascertain why and how frequently people used, or wanted to use the web site.

3.29 This is part of the strategy that enables those customers who are willing and able, to use the web site in their dealings with the Council. A project to redevelop the web site, following that of the internal intranet, is currently in the planning stage.

Health and Safety Overview

3.30 The accident statistics for April to June 2015 are detailed in **Appendix 1**.

Sickness Absence Data

3.31 Following deteriorating performance on sickness absence in 2013/14, the Council's absence rate during 2014/15 steadily improved. For 2014/15, there was an average of 9.9 days lost per employee for the year, which compared with 12.4 days in 2013/14.

3.32 The rate can be disproportionately affected by the number of long term absences, which occur for various reasons and which are not always work related.

3.33 The Council aspires to be at least below the local government average of around 8 days lost per employee.

3.34 Absence data for previous years, including 2015/16 year to–date (April to June 2015) is detailed in the following table.

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of Days Lost in the Year	2,684.2	2,580.0	2,684.0	3,075.0	2,535.0	580.0
Number of Full Time Equivalents in the Year	292.7	259.3	262.4	250.5	253.8	253.6
Total Days Lost per Person	9.2	9.9	10.2	12.3	10.0	2.3
Average Number of People Absent Per Month	41	36	39	33	34	27

Note: 2015/16 is April to June 2015 (first quarter)

3.35 Based on a straight line projection the out-turn for 2015/16 would be just over 9 days.

3.36 In June, 230 days were lost in total; 121 of these days were due to 6 long term absences, of which one case was work related.

Risk Register

3.37 An updated corporate risk register is detailed in **Appendix 2**. This shows, what are considered to be, the key corporate risks to the Council, together with the mitigating action that is currently in place to address these risks. The key risks are:

- Reductions in Government funding
- The current national economic position
- Keeping pace with technology, including security requirements
- Business continuity
- Capacity and resilience
- Working with the community and voluntary sector

3.38 Operational and service risks are detailed in Departmental Service Plans with a separate financial risk register contained in the Medium Term Financial Plan.

4.0 Financial Implications

4.1 None directly

5.0 Corporate Implications

5.1 None directly

6.0 Community Implications

6.1 None directly

7.0 Background Papers

Gov.UK – Council Tax and Business Rates Collection

<https://www.gov.uk/government/collections/council-tax-statistics#collection-rates-for-council-tax-and-non-domestic-rates>

Gov.UK – Processing of Housing Benefit Claims

<https://www.gov.uk/government/statistics/housing-benefit-statistics-on-speed-of-processing-2014-to-2015>

ACCIDENT STATISTICS**Purpose of the Report**

This report provides an overview of the number of accidents that have occurred during the period 1 April to 30 June 2015 within the Council.

Background

The Health & Safety Officer provides advice and training on health and safety matters across the Council. This Officer is also responsible for producing management information on the number of accidents. These are collated on a regular basis and are reported to the joint Health & Safety Committee. This Committee reviews the accidents and makes recommendations or learning that needs to be implemented.

Accident Statistics

The Council's accident statistics are broken down into reportable and non-reportable accidents.

Reportable accidents are those covered by RIDDOR (Reporting of Injuries, Diseases & Dangerous Occurrences Regulations, 1995). These accidents have to be reported to the Health and Safety Executive and include:

- Where a member of staff has been required to stay in hospital for 24 hours after an accident;
- Where a member of the public was taken to hospital for treatment after the accident;
- If the accident results in the member of staff being off work for 7 days after the date of the accident,

During the first quarter of 2015/16 there were 19 accidents/near misses in total.

Employees

8 accidents involved employees, including 3 near misses; none of these were reportable.

Members of the Public

There were 11 accidents involving members of the public, including 1 near miss; 2 of the 11 accidents were reportable.

All of the accidents are detailed in the following table, which shows accident type and category.

Table: Accident Cause Statistics – (for the 1st Quarter - 1 April to 30 June 2015) and Year to Date: Comparative Accident Cause Statistics for the previous year (2014/15)

Accident Cause	Quarter 1 (1April – 30 June 2015)					Current Year To Date (2015/16) Actual				Previous Year (2014/15) Actual			
	Non Reportable		Reportable		Total	Non Reportable		Reportable		Non Reportable		Reportable	
	Employees	Public	Employees	Public		Employees	Public	Employees	Public	Employees	Public	Employees	Public
Manual handling	2	-	-	-	2	2	-	-	-	3	2	-	-
Contact Fixed Objects (e.g. sharps)	1	3	-	-	4	1	3	-	-	6	2	-	-
Struck by Moving Vehicles RTA's	-	-	-	-	-	-	-	-	-	-	-	-	-
Struck by Moving Objects – others	1	2	-	-	3	1	2	-	-	7	4	2	-
Slips / Trips / Falls	1	2	-	2	5	1	2	-	2	10	14	1	-
Violence – Physical such as dog bites	-	-	-	-	-	-	-	-	-	-	-	-	-
Violence - Verbal	-	-	-	-	-	-	-	-	-	-	-	-	-
Near Miss	3	1	-	-	4	3	1	-	-	8	2	-	-
Other, such as cuts.	-	1	-	-	1	-	1	-	-	5	3	1	1
Total	8	9	-	2	19	8	9	-	2	39	27	4	1

Source: SDDC Accident Statistics

CORPORATE RISK REGISTER as at JUNE 2015

	Risk Action	Risk Rating Likelihood/ Impact	Mitigating Action
Reductions in Government Funding <ul style="list-style-type: none"> The Council is aware of reductions over the period 2016/17 to 2019/20; this was confirmed in the 2015 Budget. <p>(Chief Officer Responsible – Director of Finance and Corporate Services)</p>	Treat the Risk	Remains High	<ul style="list-style-type: none"> The Medium-term Financial Plan assumes an overall reduction in funding. Budgets considered prudent with provisions for inflation and growth. Current reserves are healthy and will help to sustain further reductions in the short-term allowing time for more sustainable action. As a growth area, overall reduction in core funding could be mitigated through the New Homes Bonus, Retained Business Rates and additional service income. <p><i>It is considered that the risk will remain high until the detailed implications of the 2015 spending review are known (December 2015) and action can be taken to protect the Council's financial position.</i></p>
Economic Situation <ul style="list-style-type: none"> Although nationally there are indications to suggest that the economic situation is improving, many analysts are still unsure how sustainable and consistent this is. As a Growth area, the economic cycle has a relatively greater impact on the Council. Locally, the amount of people claiming benefit has levelled off and has slightly reduced. However, Council Tax and Housing Rent arrears have slightly increased. New development and regeneration locally continues although it is slower and less frequent compared to pre 2010 as many businesses are still taking a cautionary approach. <p>(Chief Officers Responsible – Director of Finance and Corporate Services and Director of Community and Planning Services)</p>	Tolerate the Risk	Remains Medium	<ul style="list-style-type: none"> Budgets for income streams and specific grant allocations are assumed at current minimum levels; service provision is based on this. Supporting voluntary and community groups to help people in need, including through the Derbyshire Financial Inclusion Partnership and with the CAB/CVS. Measures in place to maximise benefit subsidy and fraud is proactively being pursued with successful prosecutions. The Asset Management Plan has focused on ensuring the Council's assets are being positioned to react to an economic upturn. This includes land assembly and possible joint venture arrangements. On-going dialogue with developers and housing providers to look at alternative options for regeneration. <p><i>The risk remains Medium, but it is considered that the Council is undertaking as much action as reasonably possible to mitigate influencing factors.</i></p>

	Risk Action	Risk Rating Likelihood/ Impact	Mitigating Action
Keeping pace with Technology <ul style="list-style-type: none"> The Council's IT infrastructure needs to keep pace with existing and emerging technologies. Stricter regulations for managing and exchanging information in electronic form through the Public Services Network <p>(Chief Officer Responsible – Director of Finance and Corporate Services)</p>	Treat the Risk	Remains Medium	<ul style="list-style-type: none"> The IT strategy has identified some key projects that are currently being actioned, with the server infrastructure upgraded during 2013 and 2014. The network for data flow is currently being upgraded to make it faster and more resilient. Network and wireless points recently upgraded. E-mail archiving/storage system, desktop virtualisation and Microsoft upgrade completed. Remote access also upgraded in 2014. Disaster Recovery solution being strengthened at an independent location and business continuity for IT being reviewed. The Council undertakes an annual independent health check to ensure that the Council is compliant with the Government's Security Standard (Public Services Network – PSN). The Council achieved compliance with new regulations in April 2015. Annual internal audit review tests robustness of systems and infrastructure – recommendations for improvement are monitored by the Audit Sub-Committee. <p><i>Although the risk remains Medium, current investment and positive actions over the coming year should lower this risk in the longer-term.</i></p>
Business Continuity and in particular the loss of the main Civic Offices. <ul style="list-style-type: none"> Council services are predominantly managed from one Administrative Building. There is no alternative building to accommodate an IT facility which is crucial to enable many services to operate. <p>(Chief Officer Responsible – Director of Finance and Corporate Services)</p>	Treat the Risk	Remains High	<ul style="list-style-type: none"> Disaster Recovery solution now being upgraded off-site (as above). Relocation of infrastructure into a Data Centre under review. All data backed up and stored in a secure offsite facility outside of the Region. Maintain relationships with other agencies and partners to secure alternative accommodation on a reciprocal basis if required. Could take advantage of spare capacity in private sector market although this would depend on timing. <p><i>Although the likelihood of occurrence is low, the potential impact of this risk is high. However, current investment into the off-site facility to provide a disaster recovery solution should lower this risk in the longer-term.</i></p>
Capacity and Resilience in Service Provision <ul style="list-style-type: none"> Reducing staff and budget resources could lower capacity and resilience within council services. 	Treat the Risk	Remains Medium	<ul style="list-style-type: none"> Training and development programme being implemented for senior and aspiring managers. Recent restructures becoming mature and bedding in.

	Risk Action	Risk Rating Likelihood/ Impact	Mitigating Action
(Chief Officer Responsible – Chief Executive Officer)			
Partners and Voluntary Sector <ul style="list-style-type: none"> Financial pressures on partners who deliver services with or on behalf of the Council, including voluntary organisations. (Chief Officer Responsible – Director of Community and Planning Services)	Tolerate the Risk	Remains Medium	<ul style="list-style-type: none"> Current grant funding is being maintained and increased in 2015/16 for all supported organisations. Spending can be refocused to meet external funding requirements and is project based rather than on-going. Dedicated officer time to support the voluntary sector and local organisations. <p><i>The risk remains Medium, but it is considered that the Council is undertaking as much action as reasonably possible to mitigate the risk.</i></p>

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 8
DATE OF MEETING:	3rd SEPTEMBER 2015	CATEGORY: DELEGATED
REPORT FROM:	DIRECTOR OF FINANCE AND CORPORATE SERVICES	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (01283 595811) Kevin.stackhouse@south-derbys.gov.uk	DOC: u/ks/financial monitoring reports/2015/2 September
SUBJECT:	BUDGET and FINANCIAL MONITORING 2015/16	REF
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 08

1.0 Recommendation

- 1.1 That the latest budget and financial monitoring figures for 2015/16 are considered and approved.

2.0 Purpose of the Report

- 2.1 In accordance with its financial management framework, the Council monitors income and expenditure against its budgets on a regular basis throughout the year. This is undertaken on at least a monthly basis.
- 2.2 Financial information is available directly on the Council's Financial Management System to enable day-to-day monitoring within services. Formal monitoring involves budget managers together with their service accountant, meeting and reviewing performance against their particular budgets. This is intended to identify any variances as early as possible to enable remedial and timely action to be taken.
- 2.3 Overall financial performance and the major budget variances are reported to this Committee throughout the year. In accordance with its Treasury Management Strategy, the Council monitors its lending and borrowing on a regular basis.
- 2.4 The Council's cash flow is monitored and actioned on a daily basis, with monthly reports summarising activity provided to the Chief Finance Officer. Again, overall performance is reported to this Committee throughout the year.
- 2.5 This is the first substantive monitoring report for the financial year 2015/16. It details performance up to 30th June 2015, unless otherwise stated.

3.0 Detail

GENERAL FUND REVENUE ACCOUNT

- 3.1 Apart from Council Housing, day to day income and expenditure is accounted for through the General Fund. The net expenditure is financed from Government Grant and Council Tax, with any deficit being financed from the Council's General Reserve.
- 3.2 The original budget, which was approved in February 2015, estimated a budget surplus of £91,189 for 2015/16. As in previous years, the Budget includes contingent sums set-aside for inflation, growth and the implementation of the local pay and grading review.
- 3.3 The Budget is summarised in the following table.

Net Expenditure on Services	£10,944,858
Depreciation and Capital Charges (in above)	-£645,650
Minimum / Voluntary Revenue Provisions	£342,444
Contingent Sums	£354,704
Total Estimated Spending	£10,996,356
Financing	-£11,087,545
Estimated Surplus	-£91,189

Position as at June 2015

- 3.4 **Appendix 1** details the projected out-turn in respect of the Net Expenditure on Services for 2015/16, compared to the Budget, based on financial performance and known variations during the first quarter.
- 3.5 The variances reflect the latest situation and although projected to out-turn at this level, could change during the remainder of the year. Areas of projected overspend are kept under review in order to mitigate the effects on the overall budget.
- 3.6 A summary of services by each policy committee is shown in the following table.

Projected Net Expenditure 2015/16

Policy Area / Committee	Budget £	Projected £	Variance £
Environmental and Development Services	3,563,422	3,417,715	-145,707
Housing and Community Services	2,365,821	2,336,683	-29,138
Finance and Management Services	5,015,615	4,996,067	-19,548
Total General Fund Projected Out-turn 2015/16	10,944,858	10,750,465	-194,393

- 3.7 The above table shows that based on current spending, there is a projected decrease in net expenditure of £194,393 compared to the Budget for the year.

Overview of Spending To-date

- 3.8 The main reason for this variance is the continuing increase in planning fee income compared to the Budget; this follows the large increase in 2014/15.
- 3.9 The Budget for the year is £600,000, with actual fees generated and known to-date of approximately £360,000. The current projection is £740,000 for the year, an increase of £140,000.
- 3.10 At this stage, there are no other major variances to report. Generally, most areas are projected to be within budget with extra income currently being achieved in Environmental Health and Estate Management.
- 3.11 Overall, the costs of Direct Services (Waste, Street Cleansing, Grounds Maintenance, etc.) are currently operating within budget. There is expected to be an increase in transport and plant maintenance, although not at the level incurred in 2014/15.
- 3.12 Expenditure on tyre replacements, repairs and maintenance, together with fuel and vehicle replacements, will be subject to procurement exercises over the remainder of the financial year.
- 3.13 Although several spending areas and those relating to maintenance of facilities in particular, are currently below their profiled budget, there may be pressure to incur expenditure over the remainder of the year.
- 3.14 It is expected that staffing and support costs in Planning will increase due to demand and the Local Plan; these costs will be met from earmarked reserves set up over the last two years (as approved).
- 3.15 In addition, a major upgrade of the IT network is currently taking place. Any costs that cannot be met from the in-year IT Budget will be met from the ICT Reserve.

Procurement Savings

- 3.16 During the first quarter, the following procurement savings were achieved:

Contract	Budget £	Price £	Savings £
Provision of Christmas Lights	31,300	22,725	-8,575
Gulley Cleaning Services	107,000	72,700	-34,300
			<u>-42,875</u>

- 3.17 These savings will be on-going. In addition, a one-off saving of £6,300 has been made following the replacement of print room equipment.

Future Contracts

- 3.18 There are some fairly significant services and contracts that will be subject to procurement exercises in 2015/16 and 2016/17. These are listed in the following table.

Contract	Budget £
ICT Hardware	150,000
ICT Maintenance Agreements	150,000
ICT Licences	45,000
ICT Software	40,000
Telecommunications	87,000
Mobile Phones	20,500
Energy - Gas	56,000
Energy - Electricity	157,000
Fuel (Diesel)	200,000
Refuse Vehicles	720,000
Vans	100,000
Sweepers	130,000
Dog Control	20,000
Advertising	43,700
Scaffolding	14,000
Tyres	41,500
Market Management	25,000

- 3.19 The 5-year contract for the provision of insurance premiums, valued at approximately £300,000 per year, has recently been retendered. Responses are currently being evaluated with a new contract to be let on 1st October.

Other Costs

- 3.20 In March 2015, it was reported that additional costs of £30,000 would need to be incurred to remove a dangerous structure, i.e. the Church Gresley Memorial Club.
- 3.21 Following a tendering exercise, the cost of the works was £20,500, plus some additional security costs of around £2,500. As there is no separate budget for these works, as previously reported, they will be financed from the General Fund Reserve.

Efficiency Dividend

- 3.22 This was paid in July 2015 as planned. As reported in the Budget Out-turn Report (June 2015) the total cost of £270,000 was accounted for in the Council's Accounts for 2014/15.

Contingent Sums

- 3.23 The Budget includes the following contingent sums totaling £354,700

Contingent Sums	£
Pay and Grading Review	165,000
Inflation/Provisions	89,700
Growth	100,000
Total	354,700

Pay and Grading

- 3.24 Following the Committee's approval in February 2015, Job Evaluation has commenced with an implementation date of April 2016. Therefore, the contingent sum to meet on-going pay costs arising out of the review will not be required in 2015/16.

Inflation

- 3.25 The contingent sum for inflation does not include pay. The pay award approved nationally in January 2015, which will run until March 2016, was included in the Base Budget.

Provisions

- 3.26 The following provisions were made in the Council's accounts in 2014/15 for liabilities due in 2015/16.

Provision For	Provision Made
Refund of Personal Searches	£156,000
Business Rates Appeals	£272,00
Planning Appeal	£172,000
TOTAL PROVISIONS	£600,000

- 3.27 The final costs for business rates and planning appeals are still to be determined. Payments for the refund of personal searches are being made and the overall figure of £156,000 (including fees) has been confirmed.

General and Specific Grants Receivable 2015/16

- 3.28 The following grants have been confirmed for the year.

	Estimate £	Actual £	Variance £
General Grants			
New Homes Bonus (NHB)	2,322,405	2,322,404	-1
NHB – Additional Funding	0	7,420	7,420
Revenue Support Grant	1,811,467	1,811,467	0
Council Tax Freeze Grant	50,794	50,018	-776
Total General Grants	4,184,666	4,191,309	6,643

Specific Grants			
Business Rate Reliefs (Section 31)	0	414,822	414,822
Welfare Reform – New Burdens	0	19,057	19,057
Individual Electoral Registration	0	22,391	22,391
Total Specific Grants	0	456,270	456,270

Business Rate Reliefs – Section 31 Grant

- 3.29 The figure for Business Rate Relief is confirmed after the Budget has been set. This is based on those businesses qualifying for the various concessions under the Government's Scheme to support small businesses and to bring empty units back into use. The various reliefs are broken down as follows:

£	
Cost of 2% cap on 2015/16 Rates Multiplier	37,798
Cost of Doubling Small Business Rate Relief	288,227
New Empty Property Relief	8,493
Long Term Empty Property Relief	12,906
Retail Relief	67,398
	<u>414,822</u>

- 3.30 The Grant is paid to reimburse councils who, by granting relief, lose income in the Collection Fund. It is paid so as to ensure that the Billing Authority is no worse off overall.
- 3.31 The Grant is only temporary and the Government's Scheme will end on 31st March 2016. Following approval by the Committee in April 2015, local businesses currently qualifying for these reliefs, have been given notice of the Scheme ending.

Other Specific Grants

- 3.32 Specific grants are not budgeted for as they vary from year to year and are used to fund one-off expenditure. They are set-aside to deal with additional costs of implementing Government proposals under the "New Burdens Doctrine."
- 3.33 Anything not spent in the year is transferred to an earmarked reserve to meet future costs associated with each area. The funding received for Welfare Reform and Individual Electoral Registration is likely to be used during the year.

Overall General Fund Position

- 3.34 After allowing for all variances and adjustments, the projected overall position on the General Fund for 2015/16, compared to the Budget, is shown in the following table.

£'000	
Lower Net Expenditure	-194
Use of Contingent Sums Lower	-165
Procurement Savings	-42
Demolition Costs – Dangerous Structure	23
Lower General Fund Grants	6
Projected Reduction in Net Expenditure	<u>-372</u>

- 3.35 This position is subject to change, although at this stage, there is likely to be an overall reduction in net expenditure for 2015/16.
- 3.36 However, it is recommended that this is not assumed or included in the MTFP until it is certain and reported in the Budget Out-turn for the year. This is in accordance with the financial policy followed in previous years.

The Medium-Term Financial Plan (MTFP)

- 3.37 A full review of the MTFP position will be reported to the Committee at its meeting in October 2015. This will include the possible impact of changes arising from the Government's Budget in July 2015.
- 3.38 The current MTFP for 2015 to 2020 was approved in February 2015. This showed that the unallocated General Fund Reserve was forecast to be £2.160m by March 2020. This compares to a minimum level of £1m.
- 3.39 Following the Budget out-turn for 2014/15, the balance on the Reserve stood at over £6m. However, some of this the Reserve shows it being utilised over the planning period to meet anticipated reductions in Government funding and other capital commitments, such as vehicle replacements.
- 3.40 Since then, additional spending has been approved by the Committee and the Budget out-turn for 2014/15 has been confirmed. The following table shows the overall impact on the General Fund Reserve as it currently stands.

Projected General Fund Reserve Balance

	£'000
Projected Balance as at 2020	2,160
Add: Increase in Reserve - 2014/15 Accounts	277
Purchase of Town Centre Land	-230
Restructure in Electoral Services	-58
Melbourne Sporting Partnership (Section 106)	-213
External Facilitator - Pay and Grading Review	-100
Projected Balance as at 2020 - Updated	<u>1,836</u>

Budget 2015

- 3.41 The main changes likely to have an impact on the General Fund, arising from the Government's Emergency Budget in July 2015, are set out in the following table. A more detailed assessment will be reported as part of the MTFP review in October.

National Budget Proposal	Assumptions in Current MTFP	Possible Impact
To extend the period for reducing the national budget deficit by 1 year.	Assumes reductions in overall government funding to 2020.	This could spread the impact of reductions, although this will depend on the expenditure limit set for the DCLG. However, the impact on local government could be more severe as some government departments will remain "protected." The detailed impact will not be known before December 2015.
Welfare Changes	No direct impact; reductions are met by benefit claimants.	There may be implications for the Local Council Tax Support Scheme in that more claimants may become eligible or fall out of protection as other entitlements, such as tax credits, are reduced. Any additional cost may not be affordable, and the Local Scheme may need to be reviewed. This may be offset by a reduction in the "backdating period" together with the implementation of the National Living Wage – this may reduce the cost of the Local Scheme. In addition, the Government is due to set-aside a greater amount nationally for Discretionary Housing Payments. As the effects are known, this will be reported to the Committee later in the year. Any changes to the Local Scheme may need to be subject to consultation.
Business Rates Review	Assumes that the current Rates Retention System remains in place.	Not known. A separate report is due from the Government later in the year. Whether any changes will affect the funding system for councils is not known.
Introduction of a National Living Wage of £7.20 per hour, rising to £9.00 per hour by 2020.	Introduction of the current "Living Wage" was subject to the Pay and Grading Review currently taking place.	There are around 12 part-time posts currently earning slightly less than 7.20. There are a further 10 posts earning less than £9. Although the cost initially will be small (£1,200 in 2016/17) this will rise cumulatively by 2020 to a cost currently estimated at £14,000 per year. Cumulatively, between 2016 and 2020, the cost is estimated at approximately £32,000.

1% Public Sector Pay rises	2.5% increase per year on the pay bill from 2016/17.	The local government pay award is subject to annual negotiation. However, the 1% policy direction will be a key factor in negotiations. If say the MTFP assumption is reduced to 1.5% per year, this will <u>increase</u> projected resources in the General Fund by approximately £70,000 per year
----------------------------	--	---

Note: these are the possible changes on the General Fund. Other changes affecting the Housing Revenue Account (HRA) are detailed later in the report.

THE COLLECTION FUND

- 3.42 The Collection Fund is the statutory account that records the collection of Council Tax and Business Rates and shows how that income has been distributed to the Government and Preceptors on the Fund, including this Council.
- 3.43 Any surplus or deficit on the Fund is transferred to the General Funds of the Preceptors, in proportion to precepts levied each year. The projected position on the Fund for 2015/16, based on transactions up to 30th June 2015, is detailed in **Appendix 2**.
- 3.44 The projected position on the Fund as at 31st March 2016 is currently £142,000 for Council Tax and £470,000 for Business Rates. Based on these amounts, the Council's share is approximately £15,000 Council Tax (11.2%) and £188,000 for Business Rates (40%).
- 3.45 The actual surplus to be declared on the Fund for 2015/16 will be included in the budget setting for 2016/17. This will then be paid to the Preceptors.

Business Rates Pool

- 3.46 The position for Business Rates will also be subject to the Derbyshire wide pooling arrangements, the first year of the Pool. It is likely that this will be positive for the Council as it will benefit from a share of the growth in Business Rates across the County, in addition to any surplus on the Fund declared above.
- 3.47 An estimate of the amount involved should be available following the first half-year analysis for 2015/16. This will be provided by the Administering Authority (Derby City Council).

Council Tax

- 3.48 The Council declared a surplus on the Collection Fund in 2014/15 of £500,000 and this is being repaid to the Preceptors, including £57,000 to the Council, in 2015/16. Depending on the number of new properties in the remainder of 2015/16, the current projected surplus of the Fund by March 2016 of £142,000 could increase further.

- 3.49 The cost of the Local Council Tax Support Scheme continues to reduce, although it has started to level off. In 2013/14, it reduced from £4.95m to £4.65m and was £4.5m in 2014/15. It is currently forecast to be approximately £4.45 in 2015/16.

Business Rates

- 3.50 The figures for Business Rates are based on the statutory return to the Government; this reports estimated figures in January 2015.
- 3.51 The current rates being collected is in excess of the £21.98m shown in Appendix 2. However, the estimated figure allows for some large premises becoming vacant and the relocation of another large business in the area.
- 3.52 This will reduce the amount of Business Rates collectable. In April 2015, the Committee agreed to support the business involved in by granting discretionary relief in accordance with Rating Regulations.

HOUSING REVENUE ACCOUNT (HRA)

- 3.53 The Council is required to account separately for income and expenditure in providing Council Housing.
- 3.54 The approved HRA Budget for 2015/16 was set to achieve a surplus of £188,000. Performance on the HRA as at June 2015 is summarised in the following table.

Summary HRA 2015/16	Budget £'000	Projected Out-turn £'000	Projected Variance £'000
Rent and Other Income	-13,039	-13,018	21
Contribution to Major Repairs	5,075	5,075	0
Responsive and Cyclical Maintenance	3,395	3,359	-36
Supervision and Management	2,417	2,429	12
Interest on Debt	1,677	1,677	0
Contribution to New Build	287	287	0
Surplus (-) / Deficit	-188	-191	-3

- 3.55 The table shows that overall the HRA is currently within Budget.
- 3.56 A reduction in rent income is forecast due to the amount of council house sales possibly exceeding that estimated; to-date there have been 7 sales compared to an estimate of 8 for the year (*the estimate being based on Government assumptions set following the implementation of self-financing*).

Budget 2015 - HRA

3.57 The main changes likely to have an impact on the HRA, arising from the Government's Emergency Budget in July 2015, are set out in the following table. A more detailed assessment will be reported as part of the MTFP review in October.

National Budget Proposal	Current Business Plan	Possible Impact
Reduction in social rents of 1% for 4 years	Is based on an <u>increase</u> in rents of 1% per year in accordance with the Government's rent policy that existed before the budget.	This could have a significant impact on the HRA's Plan. Moving from a 1% increase to a 1% reduction, effectively a 2% shift per year over 4 years, would reduce available resources (cumulatively) by approximately £1.4m by 2020; the base position for future years would also be much lower. Although details of how the policy will apply are awaited, this could have a severe impact on current investment plans in the HRA.
Tenants earning over £30,000 per year to pay market rents	Not recognised.	No direct impact expected on the HRA as the additional rent will be transferred over to the Government. However, additional administration involved could incur some costs.
Welfare Changes	No direct impact; reductions are met by benefit claimants.	Where affordability for individual tenants becomes an issue, this may increase rent arrears. However, the Government intends to increase the Discretionary Housing Payments (DHP) Budget nationally, to support those in greatest need. Overall, the effect on the HRA is considered to be less significant.
Introduction of a National Living Wage of £7.20 per hour, rising to £9.00 per hour by 2020.	Introduction of the previous "Living Wage" was subject to the Pay and Grading Review currently taking place.	There are 2 part-time posts in the HRA currently earning slightly less than 7.20. There are a further 5 posts earning just less than £9. The overall cost to the HRA is negligible and is estimated at £7,000 per year by 2020.
1% Public Sector Pay rises	2.5% increase per year on the pay bill from 2016/17.	The local government pay award is subject to annual negotiation. However, the 1% policy direction will be a key factor in negotiations. If say the MTFP assumption is reduced to 1.5% per year, this will increase projected resources in the HRA by approximately £16,000 per year.

CAPITAL EXPENDITURE and FINANCING 2015/16

3.58 Progress in 2015/16 to-date is summarised in the following table.

Capital Spending 2015/16 (as at June 2015)	Approved Budget £	Actual £
Council House Improvements	11,030,869	1,573,886
Private Sector Housing and DFGs	471,436	54,770
Leisure and Community Development	3,343,154	126,947
Vehicles, Property and Plant	1,249,191	157,183
Total	16,094,650	1,912,786

Council House Improvements

3.59 The budget includes £5.2m for major improvements in accordance with contracts let in the previous year, 2014/15. In addition, it includes £5.4m for New Build to provide 50 homes. As the main contracts have recently commenced, expenditure will be incurred over the remainder of the year.

3.60 The remainder of the budget (approximately £400,000) is for Disabled Facility improvements.

Leisure Schemes

3.61 The main schemes in 2015/16 are shown in the following table:

Melbourne Sporting Partnership (MSP)	£1.365m
Grove Hall Redevelopment	£0.5m
Community Partnership Scheme	£0.3m
Etwell Leisure Centre – Fitness Suite	£0.3m

3.62 The amounts in the above table are the Council's contributions towards the projects. The budget for the MSP includes an additional amount of £213,000 as approved by the Committee in June. The main contract has been let and the main site works have commenced.

3.63 This is also the case with the other schemes and significant expenditure will be incurred over the remainder of the year.

Vehicles, Property and Plant

3.64 The budget includes an amount of approximately £900,000 for vehicle replacements which are due to take place later in the year. It also includes an amount £230,000 for the purchase of town centre land as approved by the Committee in April.

Capital Receipts

- 3.65 As highlighted earlier in the report, there were 7 council house sales in the first quarter of 2015/16. These generated gross receipts of £336,515, of which £104,793 was pooled. The net amount retained of approximately £231,000 has been transferred to the New Build Reserve.

Council House New Build

- 3.66 Including the amount brought forward from 2014/15 (£2.05m) the accumulated balance on this Reserve is now approximately £2.3m.

Financial Target

- 3.67 Under an agreement with the Government, which allows a greater share of HRA asset sales to be retained locally, the following New Build targets (in financial terms) need to be achieved otherwise retained sums would be reclaimed by the Treasury.

New Build Targets

Sep-15	£191,058
Dec-15	£324,056
Mar-16	£628,347
Jun-16	£628,347
Sep-16	£686,430
Dec-16	£1,112,561
Mar-17	£1,112,561
Jun-17	£1,296,447
Sep-17	£1,550,961
Dec-17	£1,594,226
Mar-18	£1,594,226

- 3.68 The Council is currently ahead of these targets, with Phase 1 of the New Build programme underway. Expenditure on the 3 schemes approved is estimated to be in excess of £3m by March 2016 and £5.4m by March 2018.

General Fund Receipts

- 3.69 No receipts have so far been generated in 2015/16. The next receipt due is associated with the sale of the second phase of land for the William Nadin Way development.

TREASURY MANAGEMENT

3.70 An analysis of the Council's borrowing and bank deposits is summarised in the tables, below. These show the position at 31st July 2015.

3.71 Debt outstanding is split between the HRA and the General Fund and this represents the "two pool" approach adopted for debt management.

	01/04/15 £'000	31/07/15 £'000	Change £'000
Housing Revenue Account			
Debt Outstanding (Average Rate 2.7%)	57,423	57,423	0
Capital Financing Requirement (CFR)	61,584	61,584	0
Statutory Debt Cap	66,853	66,853	0
Borrowing Capacity (Cap Less Debt o/s)	9,430	9,430	0
General Fund			
Debt Outstanding	0	0	0
Capital Financing Requirement (CFR)	6,532	6,532	0
Borrowing Capacity (CFR Less Debt o/s)	6,532	6,532	0
Temporary Deposits and Short Term Borrowing			
Temporary Bank and other Deposits	12,000	15,500	3,500
Less Parish Council Deposits	-28	-28	0
Total - Short-term Cash Position	11,972	15,472	3,500
Average Interest Rate Earned (Cumulative)	0.31%	0.35%	0.04%
Target – Average 7-Day Money Market Rate	0.50%	0.53%	0.03%

Short-term Deposits

3.72 The deposits of £15.5m are currently invested as follows:

Debt Management Office (DMO)	£7.5m	0.25%
Other Local Authorities	£8.0m	0.44%

3.73 Money on deposit with other local authorities tends to be for longer periods of up to 6 months; deposits with the DMO are for shorter periods to manage cash flow and to avoid the need for short-term borrowing.

3.74 Total interest earned is forecast to be around £50,000 for the year. This compares with a budget estimate of £39,000.

Lending Policy and Counterparty List

3.75 No changes are required to the approved list. The credit ratings of parties within the Council's Policy have remained stable and unchanged in the year to-date.

4.0 Financial Implications

4.1 As detailed in the report.

5.0 Corporate Implications

5.1 None directly

6.0 Community Implications

6.1 None directly

7.0 Background Papers

7.1 None

APPENDIX 1

General Fund - Projected Out-turn 2015/16 (compared to Budget) as at June 2015

(Figures in red denote income or net surplus / reduction in variances)

Environmental and Development Services	Budget £	Projected £	Variance £
Transport Services	855,557	857,572	2,015
Tourism Policy, Marketing & Development	56,624	55,549	-1,075
Promotion and Marketing of the Area	180,013	173,041	-6,972
Environmental Education	69,104	69,104	0
Food Safety	47,453	52,582	5,129
Pollution Reduction	303,139	290,933	-12,206
Pest Control	12,015	11,688	-327
Public Conveniences	35,129	32,836	-2,293
Community Safety (Wardens)	114,295	112,278	-2,017
Welfare Services	1,800	1,350	-450
Environmental Maintenance (Other Roads)	-26,242	-29,636	-3,394
Bus Station and Town Centre Maintenance	31,589	29,225	-2,364
Local Land Charges	-21,921	-26,947	-5,026
Licensing	-43,350	-39,571	3,779
Building Regulations	55,035	54,356	-679
Other Building Control Work	-10,000	-12,794	-2,794
Dealing with Development Control Applications	-74,971	-200,702	-125,731
Structure and Local Planning	352,398	344,129	-8,269
Off-Street Parking	58,617	64,399	5,782
Street Cleansing (not chargeable to highways)	280,717	279,006	-1,711
Household Waste Collection	1,252,875	1,267,105	14,230
Trade Waste Collection	-134,646	-135,887	-1,241
Recycling	168,193	168,100	-93
Total - Environmental and Development Services	3,563,422	3,417,715	-145,707

Housing and Community Services	Budget £	Projected £	Variance £
General Grants in Aid	248,269	247,391	-878
Community Centres	76,001	75,712	-289
Community Safety (Crime Reduction)	109,992	109,992	0
Defences Against Flooding	56,772	56,799	27
Market Undertakings	-11,943	-12,147	-204
Community Development	160,521	160,521	0
Village Halls	7,000	8,145	1,145
Arts Development & Support	21,320	21,227	-93
Festival of Leisure and Christmas Lights	135,233	128,564	-6,669
Sports Development & Community Recreation	120,499	120,499	0
Indoor Sports & Recreation Facilities	316,714	324,297	7,583
Outdoor Sports & Recreation Facilities (SSP)	8,060	8,060	0
Melbourne Assembly Rooms	1,100	2,917	1,817
Get Active in the Forest	26,050	26,050	0
Playschemes	14,365	14,365	0
Ground Maintenance	392,890	366,657	-26,233

Countryside Recreation & Management	11,990	11,560	-430
Allotments	-655	485	1,140
Rosliston Forestry Centre	96,188	84,828	-11,360
Cemeteries	2,617	2,994	377
Closed Churchyards	4,100	6,864	2,764
Community Parks & Open Spaces	191,689	184,589	-7,100
Housing Standards	36,339	33,822	-2,517
Housing Strategy	121,195	123,584	2,389
Housing Advice	53,354	53,414	60
Other Housing Support Costs (GF)	61,843	62,040	197
Administration of Improvement Grants	31,870	30,468	-1,402
Bed / Breakfast Accommodation	0	7,609	7,609
Homelessness Administration	87,911	90,884	2,973
Travellers' Sites	-15,464	-15,508	-44
Total - Housing and Community Services	2,365,821	2,336,683	-29,138

	Budget £	Projected £	Variance £
Finance and Management Services			
Senior Management	454,739	453,485	-1,254
Reprographic/Print Room	71,992	71,785	-207
Financial Services	290,880	300,412	9,532
Internal Audit	103,115	103,115	0
Merchant Banking Services	45,935	46,394	459
ICT Support	651,783	659,476	7,693
Legal Services	133,865	139,374	5,509
Personnel/HR	235,916	244,737	8,821
Policy & Communications	239,103	240,062	959
Customer Services	535,600	535,448	-152
Health & Safety	35,218	35,208	-10
Civic Offices & Depot	317,412	316,910	-502
Procurement Unit	103,437	101,595	-1,842
Caretaking and Cleaning	92,122	89,658	-2,464
Democratic Representation & Management	94,229	91,663	-2,566
Elected Members	330,391	323,700	-6,691
Corporate Management	75,400	75,508	108
Corporate Finance Management	64,459	65,080	621
Debt Recovery Costs	125,707	125,471	-236
Registration of Electors	20,122	8,866	-11,256
Conducting Elections	255,981	257,287	1,306
Parish Councils (Concurrent Functions)	324,340	324,340	0
Funded Pension Schemes	241,505	241,317	-188
Interest & Investment Income (GF)	-37,185	-45,485	-8,300
External Interest Payable (GF)	1,500	1,875	375
Estate Management	-150,153	-168,925	-18,772
Council Tax Collection	-66,652	-56,386	10,266
Non Domestic Rates Collection	29,361	29,063	-298
Net Cost of Rent Allowances Paid	214,195	212,640	-1,555
Net Cost of Rent Rebates Paid	56,015	56,015	0
Housing Benefits Administration	129,284	116,380	-8,904
Total - Finance and Management Services	5,015,615	4,996,067	-19,548

COLLECTION FUND MONITORING 2015/16

	Actual 2014/15	Projected 2015/16	
	£'000	£'000	
COUNCIL TAX - INCOME & EXPENDITURE			
INCOME			
Council Tax Collectable	45,729	47,425	<i>Estimated Debit as at June 2015</i>
EXPENDITURE			
County Council Precept	32,657	34,295	<i>Actual amount due as set in March 15</i>
Police and Crime Commissioner Precept	5,059	5,370	<i>As above</i>
Fire and Rescue Authority Precept	2,034	2,136	<i>As above</i>
SDDC Precept	4,466	4,599	<i>As above</i>
SDDC Parish Precepts	606	668	<i>As above</i>
Increase in Bad Debts Provision	396	411	<i>0.87% of Council Tax Collectable</i>
Total Expenditure	45,218	47,479	
Surplus for the Year	511	-54	
COUNCIL TAX BALANCE			
Opening Balance 1st April 2014	358	696	<i>As per final accounts</i>
Share of Previous Surplus to County Council	-126	-364	<i>Actual amount approved in Jan 2015</i>
Share of Previous Surplus to Police	-19	-56	<i>As above</i>
Share of Previous Surplus to Fire Authority	-8	-23	<i>As above</i>
Share of Previous Surplus to SDDC	-20	-57	<i>As above</i>
Surplus for Year (as above)	511	-54	<i>As above</i>
Closing Balance as at 31st March 2015	696	142	

BUSINESS RATES - INCOME & EXPENDITURE			
INCOME			
Business Rates Collectable	22,737	21,980	<i>Estimate in January 2015</i>
EXPENDITURE			
Central Government Precept	10,540	10,990	<i>Fixed - 50% of estimate in 2015/16</i>
SDDC Precept	8,332	8,792	<i>Fixed - 40% of estimate in 2015/16</i>
Derbyshire County Council Precept	1,897	1,978	<i>Fixed - 9% of estimate in 2015/16</i>
Fire and Rescue Service Precept	211	220	<i>Fixed - 1% of estimate in 2015/16</i>
Cost of Collection	91	92	<i>Amount approved by the Government</i>
Increase in Bad Debts Provision	64	50	<i>Estimate</i>
Provision for Appeals	54	50	<i>Estimate</i>
Total Expenditure	21,189	22,172	
Surplus / Deficit (-)	1,548	-192	

BUSINESS RATES BALANCE

Opening Balance 1st April 2014	-886	662
Share of Previous Deficit to Government	0	0
Share of Previous Deficit to SDDC	0	0
Share of Previous Deficit to County Council	0	0
Share of Previous Deficit to Fire Authority	0	0
Surplus / Deficit (-) for the Year as above	1,548	-192
Closing Balance as at 31st March 2015	662	470

REPORT TO:	FINANCE and MANAGEMENT COMMITTEE	AGENDA ITEM: 9
DATE OF MEETING:	3rd SEPTEMBER 2015	CATEGORY: DELEGATED
REPORT FROM:	CHIEF EXECUTIVE	OPEN
MEMBERS' CONTACT POINT:	FRANK MCARDLE (01283 595700) frank.mcardle@south-derbys.gov.uk	DOC:
SUBJECT: WARD (S)	CORPORATE PLAN UPDATE	TERMS OF REFERENCE: FM08
AFFECTED:	ALL	

1.0 Recommendations

- 1.1 That the process to review and update the Council's Corporate Plan is considered and approved by Elected Members.

2.0 Purpose of Report

- 2.1 To note the summary of the Corporate Plan 2009/15, its importance in guiding the direction of the Council and the steps being taken to set a vision and strategy for the next five years.

3.0 Detail

- 3.1 The Corporate Plan sets out our values and vision for South Derbyshire and defines our priorities for delivering services. It describes how we will work with partners to improve the quality of life of residents, community groups and businesses.
- 3.2 Our most current Plan, underpinned by a detailed evidence base, ran from 2009/14 before being extended by an additional year. It has provided direction and a sense of purpose for making South Derbyshire a better place to live, work and visit.
- 3.3 During these six years, we have been guided by four themes, with our budget prioritised to help deliver in these areas:
- Theme 1 - Sustainable growth and opportunity
 - Theme 2 - Safe and secure
 - Theme 3 - Lifestyle choices
 - Theme 4 - Value for money
- 3.4 Progress against performance measures and projects sitting under each of these headings is reported to Elected Members on a quarterly basis, with the Corporate Plan refreshed and updated annually to ensure it remains current.

- 3.5 There have been notable successes within the themes, including enhancing the vitality of the District's Town Centre and villages (sustainable growth and opportunity), reducing crime levels (safe and secure), improved leisure facilities (lifestyle choices) and efficiency measures such as the Paperlite Strategy (Value for Money).
- 3.6 At the end of the 2014/15 financial year, there were 26 projects and 41 measures to guide us. Of the projects, 19 were achieved, 4 failed and 3 were no longer applicable or abandoned. In terms of measurables, 19 were achieved, 9 failed, 10 were proxy and 3 were no longer applicable.
- 3.7 There were a variety of reasons why projects and measures were abandoned or no longer applicable, from data not being available to deferrals pending the outcome of business cases to being dependent on other factors. This is reflective of the changing nature of Local Government and this is something we need to consider moving forwards.
- 3.8 Now is a natural time to take stock of our achievements. The Corporate Plan has offered a strong foundation upon which to build during austere times. It is important that we continue with a strong strategic direction and it is recommended that we move towards adopting our blueprint and the things we want to be known for over the next five years.
- 3.9 Initial ideas put forward by Lead Members and Officers indicate that the four themes currently used are still relevant and offer a starting point upon which to build.
- 3.10 Background evidence will now be collated before four workshops, one for each theme, are held towards the end of September to allow Elected Members and Officers to consider how performance targets are offset against the opportunities/challenges ahead. Consultation will be considered during this part of the process.
- 3.11 To coincide with this, our External Auditors, the Central Midlands Audit Partnership, are set to conduct a review to identify that suitable governance arrangements are in place for the successful management and monitoring of data quality throughout the Authority. This will ensure robust processes and adequate quality checks are in place.
- 3.12 The new look Corporate Plan will be presented to the Finance and Management Committee by the end of the year. In the meantime, it should be noted that progress for Quarters One and Two will be measured against performance targets set in the Council's Corporate Plan for period 2009 –2015.

4.0 Financial Implications

- 4.1 None directly

5.0 Corporate Implications

- 5.1 The Corporate Plan sets out the Council's strategic objectives, priorities, measures and targets, along with key actions we will take to implement the key aims. The Plan provides a framework for us to develop service plans and for allocation of resources through the budget process.

6.0 Community Implications

- 6.1 All activities contained within the Corporate Plan complement our vision of making 'South Derbyshire a better place to live, work and visit'.

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 10
DATE OF MEETING:	3rd SEPTEMBER 2015	CATEGORY: RECOMMENDED
REPORT FROM:	DIRECTOR OF COMMUNITY AND PLANNING SERVICES	OPEN
MEMBERS' CONTACT POINT:	STUART BATCHELOR (EXT5820)	DOC:
SUBJECT:	MELBOURNE ASSEMBLY ROOMS	REF:
WARD(S) AFFECTED:	MELBOURNE	TERMS OF REFERENCE: FM01

1.0 Recommendation

- 1.1 That approval is given to utilise remaining monies (£76,600) allocated to Melbourne Assembly Rooms from the sale of Bretby Crematorium in line with the Melbourne Assembly Rooms Board's latest strategic plan.

2.0 Purpose of Report

- 2.1 This report seeks approval to utilise the remaining monies (£76,600) allocated to Melbourne Assembly Rooms from the sale of Bretby Crematorium in line with the Melbourne Assembly Rooms Limited Board's latest strategic plan.

3.0 Detail

- 3.1 Melbourne Assembly Rooms Limited (MARL) currently leases the premises previously known as Melbourne Leisure Centre for a term of 5 years from May 2012 with the tenant responsible for management and internal repairs. MARL offered to take over responsibility for the site from Melbourne Parish Council following a surge in community interest and a belief they could improve its use and make it a hub of Melbourne life.
- 3.2 Changing circumstances mean the MARL Board are now in discussions with the Council to obtain a seven year lease which will allow MARL to continue a programme of improvements and secure match funding from various grant funds.
- 3.3 The requirement for a 7 year lease is based upon a review by the MARL Board of their original strategy for the Centre and, in particular, the most effective means of spending the remaining monies allocated to this project from the sale of Bretby Crematorium. The strategic review paper is attached as Appendix 1.
- 3.4 In 2011 the Council allocated £125,000 from the sale of Bretby Crematorium to what was then Melbourne Leisure Centre. The day-to-day management of the centre was since handed over to MARL, the Centres name was changed to Melbourne Assembly Rooms and to date expenditure of £48,400 has been sanctioned and spent on the

replacement of boilers, insulation, controls and other urgent heating work, leaving a balance of £76,600 from the original Bretby allocation.

- 3.5 The initial intention was to utilise the Bretby monies to help match fund large scale bids to the Heritage Lottery Fund and Landfill operators. However unsuccessful bids, a change in MARS Board personnel and skill sets and a subsequent review of priorities means the Board now believe a slightly different strategy is the best way forward.
- 3.6 The intention now is to commence on a staged plan of improvements using the Bretby monies and smaller matched funds with a view to submitting an HLF bid within 3 years. The planned improvements as detailed in Appendix 1 include further heating works, renovations to the kitchen and foyer and significant infrastructure improvements to doors and blinds etc.
- 3.7 The Board believe they have the human and financial resources to submit an HLF Stage 1 bid which is a necessary precursor to a full application. This remains a significant strategic aim but in a revised timescale and format to that originally envisaged.
- 3.8 Approval to release the remaining Bretby monies of £76,600 in line with MARL's strategic review will enable the immediate phased improvements. This in turn will build on MARL's successes to date and inspire further community confidence that benefits to the community promised by the change in management are being delivered.

4.0 **Legal Implications**

- 4.1 None

5.0 **Financial Implications**

- 5.1 The Council has already earmarked the Bretby monies for this project. The recommendation doesn't change this nor the intended end result of the investment, i.e. a robust and vibrant community facility although it does affect the timing and nature of initial plans re matched funding.

6.0 **Corporate Implications**

- 6.1 Property services and Cultural services have worked together and in conjunction with MARL to consider the best option to spend the remaining Bretby monies and generally progress the successful transfer of this community asset.

7.0 **Community Implications**

- 7.1 The approval to spend the remaining Bretby monies in line with MARL's strategic review will empower this Community Group to demonstrate continued progress to Melbourne residents and fulfil their short, medium and long term ambitions for the site. The transfer of this asset to the community and their success in managing its development is an effective illustration of the localism agenda in practice.

8.0 Conclusion

- 8.1 The approval to spend the remaining Bretby monies in line with MARL's strategic review will empower them to demonstrate continued progress to Melbourne residents and fulfil their short, medium and long term ambitions for the site. It will also demonstrate the Council's ongoing commitment to community asset transfer and the localism agenda.

9.0 Background Paper

Appendix 1 – MARL Strategic Review Paper

MARL Strategic Review Paper

MELBOURNE ASSEMBLY ROOMS Ltd.

EXECUTIVE SUMMARY

In August 2011 SDDC approved capital funding (£125K) as part of the development plan of the Melbourne Assembly Rooms (MARS). A significant portion has been used alongside other available capital, (Growth Point funds), to replace the ancient and grossly inefficient boilers and to install new radiators in the Main Hall and the front of the building along with a sophisticated control system. The balance of the capital, some £80K remains and this submission is to seek approval to release those funds to support essential planned improvements.

The 2011 funding assumed match funds would be attracted up to a total of £325K to support a major bid to the Heritage Lottery Fund (HLF). The reason approval is sought is that the HLF bid has been delayed as the key resource, Philip Heath, is no longer able to devote any unpaid time to the bid process. Although the board of MARS is committed to the HLF bid and despite the significant enhancements already made to the facilities, it believes the public deserve to see visible improvements in the structure and appearance of MARS now and not in 3 years' time, the realistic timescale for HLF approval and implementation.

The aims of the Phase 1 Development are:

- To dramatically improve the 'look and feel' of the centre away from 'the old school' to a welcoming community centre.
- To create a reception space where all visitors can sit and get a drink or snack whilst waiting for an event or delivering children. The room is unlikely to be available for hire but will release potential for improved services throughout the centre; e.g. as a bar during a performance interval.
- To create an Information Hub in the east foyer to complement the Library. This will include National Forest, Community Care, local history and community event information.

This will be achieved by:

- Implement phase 2 of the heating project, a heating upgrade to the Melbourne Room, a large room at the back of the building used by many groups, particularly mothers and toddlers. This will make this under-used room much improved and attractive to new customers. Cost £8,500.
- Installation of blinds to the roof windows in the Main Hall to allow cinema evenings, (and other events that require darkness), to take place during light evenings. Cost £4,000.
- Reinstate double doors from the Main Hall into the current store room and the current kitchen. This is to enable large items to be moved easily depending on function. In particular it will allow the raised seating trolley, currently stored in the east foyer, to be re-located. Cost £5,000.
- Renovate the east foyer by the Library entrance to create a well-lit, welcoming area for local information and small exhibitions. Cost: £8,000.
- Renovate the kitchen to provide a kitchen/bar/reception area in line with our long-term plan. Cost: £50,000.
- Install new fit-for-purpose moveable kitchen equipment to dramatically improve the catering capability of the centre. The current equipment is old and useless. Cost £12,000.

MATCH FUNDING

The original grant was part of a funding plan, which combined with a bid to the Heritage Lottery Fund, would attract other match funders. As detailed in this report the HLF bid has been delayed and the major match funds from the landfill grant providers has not, so far, been successful. The funding plan for the renovation and renewal of MARS has not, however, changed. What has changed is that instead of a 'Big Bang' approach with all the funds becoming available in a single shot, the board now wishes to implement the plan in stages. An over-riding consideration is to demonstrate to the public and SDDC, who provide annual revenue support, that progress on the strategic plan is being made.

The current position on the HLF is that MARS is able to fund and resource the bid for Phase 1 of the HLF process. HLF recognise that most organisations cannot self-fund the full (Phase 2) bidding process. The Phase 1 bid, if successful, will fund this work. We have 90% of the work done and are confident we can complete the balance in a few months.

The match funding for the work described above will come from:

- MARS Reserve Fund 2014/15: £8500.
- MARS Reserve Fund 2015/16: £8500.
- Awards for All: £10,000.
- Paul Hamlyn Foundation: £5,000.
- Local fundraising: £5,000.

In addition, a bid is being prepared to the current SDDC Community Partnership programme for £33,500.

In view of the recent awards of Section 106 money towards Open Space and Leisure in housing development bids, it is also anticipated that a strong case may be made for contributions to Built Facilities under this heading from any future planning approvals.

CURRENT POSITION

In the Capital Investment Business Case Appraisal produced by the Head of Community and Planning – August 2011, the aim of the investment was defined.

To provide the people of Melbourne and the surrounding areas with a high quality, multi-purpose community centre.

The priorities were also stated.

Phase 1 will be to renovate the north end of the building that faces the road and car park. This will provide:

- Fully equipped kitchen facilities.

- Foyer space that will greatly improve the appeal of the building leading people to existing and new services.

- A changed layout that will enable different areas of the building to be used independently of each other, accessed from the front rather than through the main hall.

It is also important to bring the tenanted property to modern standards which will ensure that the property can be let to generate revenue income in support of the business plan. This building will require upgrading, which is the responsibility of the District Council as land owner.

Additional phases will:

- Improve sound insulation between areas and general improvements to the acoustics.

- Restore glazing internally to improve natural lighting within the building.

- Create additional community meeting space and

- Upgrade the areas that are not directly impacted upon by the proposed physical changes to the building.

As is shown below, significant improvements to the centre have been made following successful grant applications, local fund-raising, improved financial management and voluntary support. What has not been possible is to implement the major changes despite strenuous efforts to raise the significant funds necessary. Capital funds are held by SDDC that the board hoped could be matched against these capital grants. The board has now concluded that we need to apply the SDDC held funds to meet the aspirations of the people of Melbourne and to implement a number of development priorities.

GRANTS, INVESTMENTS & FUNDRAISING

2012: LEAF Energy Grant for £3,933 to conduct an energy audit and run community engagement sessions. This provided the basis for replacement of the old boiler and radiators in the Main Hall and front, north end, of the building.

Awards for All for £9,876 to install a hearing loop system and an open broadband connection. These developments dramatically improved the services available.

A Youth Action Grant of £1,000 to provide coaching and equipment to promote squash and table tennis. We now have a thriving table tennis club and bookings for the squash court have also increased.

A Derbyshire County Council bid for £135,668 for the Phase 1 capital works outlined above was applied for. Despite being fully compliant it was not successful.

2013: A landfill grant application to Lafarge for £18,000 to improve the entrance and reception foyer was refused because “Melbourne is not directly impacted. For the same reasons of eligibility, applications to Biffa and Veolia were begun but not submitted. There may be an opportunity in the future, but the chances of success are slim.

An SDDC community fund granted £1,278 toward acoustic improvements in the Main Hall costing circa £8,000. The balance was raised by fund-raising and a private donation. This has hugely improved the environment for concerts, plays and cinema nights.

£45,374 of the DCC capital grant from 2012 was used replace the old boiler and the radiators in the Main Hall, which together with a modern, flexible control system should yield significant savings.

2014: Significant progress has been made on the Heritage Lottery bid and the feedback is positive. However, from the middle of 2014 work ceased because of the inability of the key resource, Philip Heath, to continue working on it. The board still plans to proceed but access to skilled resource is key.

£19,500 has been invested in tiered seating, £11,000 for flexible staging plus £10,500 for acoustic panelling and curtaining, all of which has made the centre a superb venue for the performing arts. This was funded by donations from the local amateur dramatics group, St Michael's Players and the local mixed choir, A'Choir'd Taste. This was installed in time for a superb production of Oh What a Lovely War.

Efficiency savings have funded a £1,020 installation of an emergency lighting system resulting from the comprehensive Health & Safety survey completed in 2014.

Efficiency savings have also funded a £1,730 upgrade to the internal and external signage. For a relatively small amount of money this has had a dramatic impact on the public's perception of the centre.

It should be noted that the Board has submitted all these bids and made all these improvements itself, without recourse to consultants.

CURRENT BOARD

When the original business plan was approved, part of the 'package' was the calibre of the team presenting the plan. This consisted of 5 local people. Since then the board has been increased in size and the consequent range of skills available to manage both the operational activities and the capital projects is as good as any major commercial or government organisation.

Phil Dobby – Chairman

A professional life spent in computing and telecoms running companies and projects. He started the Melbourne Festival in 2005 and is still the Chairman. He was a member of the original team that presented the business plan to run the centre. He is also a trustee of Melbourne Community Care.

John Robinson - Director

John is a Chartered Mechanical Engineer and an Associate Member of the Institute of Building Services Engineers. His experience includes design of advanced facilities for food manufacture, drug manufacture and bio-technology research. He has extensive experience of project management of design & construction of new facilities in the UK and overseas. John had overall control of the specification of the new boiler and heating system and managed the installation. John was a member of the original planning group.

Frank Hughes - Director

Frank is a retired civil servant who held senior positions managing huge teams of staff and large budgets. He is associated locally with St Michaels Players, A'Choir'd Taste (the mixed voice choir), Fit Fat Blokes (the local circuit training club), The Village Voice, Melbourne Festival and Royal British Legion. He has organised a range of events, including the regular comedy night, choir concerts, youth rock nights, social nights. Replacing the old stage was his idea and he involved people and groups to ensure the stage would meet the needs of a range of groups and that it would get funded.

David Carpenter – Parish Council Representative

He was elected to the Melbourne Parish Council in 2011 and became Vice-Chair of the Leisure Centre Committee, during the latter stages of its transfer from the Parish Council's control. He is a Chartered Fellow of The Geological Society of London specialising in coal and near-surface geophysics working in a consultative capacity for a small number of clients.

Joanne Rost - Director

Jo is a secondary school Arts teacher in a Derby 11 - 18 school. In Melbourne she has been involved in the Melbourne Festival since it began giving her superb links to visual arts organisations. She was a volunteer at the Athenaeum Youth Centre for many years. She is also a Milliner and has got to know a range of local people through her hat making.

Margaret Gildea - Director

Margaret was the Director of Human Resources at Rolls-Royce plc, in which position she was awarded the OBE. Subsequently she led the Bombardier task force for the government. She currently runs her own business consultancy. She has lived in Melbourne for 30 years and has been a school governor at the Infants and Chellaston schools. She has also co-written rock musicals for local youngsters and raised money for local schools and charities. She has been part of the team who helped to buy the new stage and raised seating.

Jane Carroll - Director

Jane has a strong commitment to the local community. She has served as a District Councillor for Melbourne and has a wide knowledge of committee work and local government. She is currently a Parish Councillor and has recently been the Chair. She was for many years the Practice Nurse for the local GP Surgery and is the Secretary for Melbourne Community Care. She is also the current agent for the Labour Party in South Derbyshire. Everybody in Melbourne knows and respects Jane Carroll.

STRATEGY SUMMARY

The strategy includes the following themes:

A Sustainable Centre:

We wish to see the Assembly Rooms retain the character of a village hall, whilst preserving the rich heritage of the building. We aim for it to be safe, welcoming, legal and compliant with regulations required of a modern public meeting space. We wish to see investment in the building not just to maintain its character but to bring as many of the facilities as is affordable up to modern standards.

We wish to secure MARS on a financially sound and sustainable basis for use by our community for the long term which includes agreeing with SDDC the strategic direction and business plan for the centre.

The Assembly Rooms must aim to be financially viable. The present sources of funding include a district council grant, leasing from the rental property and lettings. The prices were increased in 2014 and will be further reviewed in 2015 with the aim of having a competitive room rate comparable with other local venues. Longer term the centre needs to find other revenue streams for running costs and to create a surplus of income over costs to spend on the building to prevent further dilapidation of the heritage building and to make improvements.

Potential strategic elements to achieve sustainability include:

- o Review revenue streams and determine growth potential.
- o Review physical changes to evaluate contribution to increased revenue.
- o Realign the Development Manager's focus towards development work, including networking with potential and future partners.
- o Energise the membership to support the Development Manager and activities and events.

Community Engagement:

The proposed strategic action to position the Assembly Rooms at the centre of our community relates to the user survey of 2011 and its completion. The user survey of 2011 informed and supported the transfer of ownership from the Parish Council and there is a need to update this information, and consult again with the members to ascertain what our users want from the centre (members and users are overlapping groups, but are not really the same) and secure their active engagement in it. The background of the governing board is representative of a number of local areas of interest, but further engagement of the wider community is essential to shape the direction.

A further strategic element of community engagement is to make the Assembly Rooms a meeting point for people. This will combine the elements of a foyer with information and displays, the library, the reception with seating and possibly refreshments and, of course, good toilets.

Agencies and Service Providers

There is a need to create links and partnerships with other agencies and service providers to enable the centre to be a focus of delivery for services to the community. In the past three years there has been some development in this direction but we need to explore and deliver further in this area. In particular we wish to forge closer links in the following community areas:

- a. Workshops and events for disability groups.
- b. 'Back to work' seminars.
- c. Business networking events.
- d. Health.
- e. Isolation (especially of the elderly)

Local Businesses

Whilst we do have some local businesses making use of the centre, (e.g. Amalfi White staff training course), we wish to promote closer and stronger ties to local businesses to ensure they are aware of the opportunities the centre offers. We wish to upgrade our facilities to a sufficient standard to encourage local business use; this will also benefit local community activities where these facilities can also be used by them.

Indoor Sport and Fitness

Indoor sport and fitness activity is integral to the activities in the centre and we shall continue to encourage and promote a range of sporting activities. Some of the facilities are under-used despite efforts to attract additional occupancy (squash and racquetball). Other activities have been attracted (table tennis) and the key appears to be a clear delineation of the spaces which are suitable for sporting activity and a close alignment to the specific needs, (e.g. storage; regular availability).

It is recognised that the Melbourne Sporting Partnership facilities and the proximity to commercial gym activities will continue to be challenging competition for sporting customers and investment in improved facilities would not be a high priority whilst the future remains so uncertain. There are a number of areas we would wish to explore to see whether additional use can be made of the centre, including, for example, indoor bowling.

We do, however, wish to secure and encourage the existing use of our facilities for sporting and fitness activities by providing a basic standard that includes secure segregated changing rooms with locker storage, showers and storage for equipment.

Community, Civic and Cultural Events

The venue's overarching role is as a community centre, and has a vital part to play in ensuring a wide range of cultural and popular events take place in the village. This has been a major success in the past two years with events as diverse as wrestling and opera taking place. Local film nights have provided unique opportunities for the less mobile to see current release films.

Our aspiration is to provide a venue which can promote and host theatrical and musical productions, live performances and exhibitions. With the provision of a stage, lights, backdrop and acoustic curtains, and acoustic treatment on the walls, there have been some impressive changes to the style and quality of production in the main hall. Unlike most other similar facilities, our building lends itself to being able to host two significant events simultaneously (through the use of the Assembly Hall and Melbourne Room). We wish to develop this capability by investment in each hall and its supporting areas to provide greater use of them at a higher return from more prestigious and financially remunerative events without losing the ability to host community events.

We wish to make the centre "the go-to centre" of the village for weekend events.

The centre has seen an increased use for family social functions and for craft and food fairs, events which are clearly popular with local businesses and the local population. Local farms, brewers, chocolatiers, cheese and pie manufacturers have welcomed the opportunity to not only sell produce but also raise awareness of their product range

We wish to develop the lounge area to be a more welcoming bar area to be adjacent to the main hall, to improve our kitchen facility to enable the provision of food, and to continue to make the halls better spaces for the widest range of activities.

Support areas tend to get overlooked, especially storage. We wish to ensure that we have sufficient dry storage space both for our own needs and to sub-let to our users to facilitate their use and to provide a further income stream.

We intend to engage more with the membership of the centre, tapping into the 300 current members and expanding it if we can. We would like to make increased use of volunteers in running events, and helping at them. The intention is that the centre is “owned and run” by the members.

RISK ANALYSIS

External Risks

- Match funds unobtainable
 - There are no risks to the funds coming from MARS efficiency savings or from members’ fundraising.
 - There is a low risk of not securing Awards for All funding. We have been successful in the past and the planned projects are consistent with the criteria.
 - If a particular fund does not come available, we will adjust the programme to suit the funds.
- Costs over-run
 - The contractors and suppliers we use are known companies and the quotations are fixed price.
 - A number of the board members have extensive experience of overseeing major projects.
- Unforeseen problems with the building
 - All work will be reviewed by SDDC and subject to prior expert consultation.
 - Members of the board have experience of structural and mechanical work of this nature.

Internal Risks

- Delays affecting revenue and customer satisfaction
 - Provision will be made in the budget and all users will be consulted.
 - Contingency plans will be in place, including use of other rooms at MARS and use of other rooms I Melbourne.
- Delay in approving grant release
 - The current board of MARS are committed to redeveloping and renewing the centre as the centre of village life, not simply administering the status quo. This risk lies with SDDC.
- Delay in granting a lease extension
 - This will affect the board’s ability to apply for match funds. This risk lies with SDDC.

Appendix

2015 Spending Options

No.	Item	Room	Decision / Comment
1	Printing facilities	General	Revenue item
2	Kitchenette: Melbourne Room	Kitchen	Phase 2 priority
3	Line out car park c. £700	General	SDDC / MPC responsibility
4	Tracks/hangers in Lounge	Lounge	Revenue item
5	Blinds in Melbourne Room	Other	Revenue item
6	Replace cutlery	Kitchen	Revenue item
7	Acoustics in Melbourne Room c. £7k	Melbourne	Phase 2 priority
8	Blackout blinds c. £3k	Hall	Phase 1 priority
9	Marquee lining	Hall	Revenue item
10	Phase 2 heating: Melbourne : Studio	Melbourne Studio	Phase 1 priority Phase 2 priority
11	East Lobby refit	General	Phase 1 priority
12	Locks & keys	General	Revenue item
13	Secondary glazing in Board Room	Board	Low impact and low revenue
14	Main Hall Joinery modifications	Hall	Phase 1 priority
15	Extractor hood in current kitchen	Kitchen	Phase 1 priority
16	Re-decorate south and west lobbies	Other	Revenue item
17	Renew floor covering in WCs	Other	Revenue item
18	Main Hall floor – sand and polish £3k	Hall	Revenue item
19	Curtains and track for lounge	Lounge	Revenue item
20	Range cooker for current kitchen	Kitchen	Phase 1 priority
21	Move kitchen to current store room	Kitchen	Phase 2 priority
22	Servery in current kitchen	Kitchen	Phase 1 priority
23	Lounge upgrade	Lounge	Phase 2 priority
24	Connect East Lobby to current kitchen	Kitchen	Phase 1 priority
25	Lighting in main hall - halogen	Hall	Revenue item
26	Decoration of hall	Hall	Revenue item
27	Major refurb of lounge	Lounge	Phase 2 priority
28	Install double doors: & store to hall	Hall	Phase 1 priority
29	Projector equipment	Hall	Revenue item
30	New gantry in south end of hall	Hall	Revenue item
31	Refurb toilets.	General	Phase 2 priority