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Our Ref

Your Ref

Date: 18th August 2021

Dear Councillor,

Finance and Management Committee

A Meeting of the **Finance and Management Committee** will be held at **Grove Hall**, Greenbank Leisure Centre, Civic Way, Swadlincote, DE11 0AD on **Thursday, 26 August 2021 at 18:00**. You are requested to attend.

Yours faithfully,



Chief Executive

To:- **Labour Group**

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

Conservative Group

Councillors Ackroyd, Bridgen, Lemmon, Redfern and Watson.

Independent Group

Councillor Fitzpatrick.

AGENDA

Open to Public and Press

- | | | |
|-----------|---|------------------|
| 1 | Apologies and to note any Substitutes appointed for the Meeting. | |
| 2 | To note any declarations of interest arising from any items on the Agenda | |
| 3 | To receive any questions by members of the public pursuant to Council Procedure Rule No.10. | |
| 4 | To receive any questions by Members of the Council pursuant to Council procedure Rule No. 11. | |
| 5 | Reports of Overview and Scrutiny Committee | |
| 6 | CORPORATE PLAN 2020-24 PERFORMANCE REPORT (2021-2022 QUARTER 1– APRIL TO 30 JUNE) | 4 - 75 |
| 7 | REVENUE FINANCIAL MONITORING 2021-22 | 76 - 92 |
| 8 | CAPITAL FINANCIAL MONITORING 2021-22 | 93 - 103 |
| 9 | TREASURY MANAGEMENT UPDATE 2021-22 | 104 - 119 |
| 10 | DEVELOPING & CONSULTING ON REVISED LOCAL COUNCIL TAX REDUCTION SCHEME 2022 - 2023 | 120 - 135 |
| 11 | COMMITTEE WORK PROGRAMME | 136 - 141 |

Exclusion of the Public and Press:

- 12** The Chairman may therefore move:-
- That in accordance with Section 100 (A)(4) of the Local Government Act 1972 (as amended) the press and public be excluded from the remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the

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

- 13** To receive any Exempt questions by Members of the Council pursuant to Council procedure Rule No. 11.
- 14** ANNUALISED HOURS CONTRACTS – ENVIRONMENTAL EDUCATION PROJECT
- 15** BETTER CARE FUNDING ALLOCATION – FINANCIAL POSITION
- 16** FORMER TENANT ARREARS WRITE OFF
- 17** CUSTOMER SERVICES PROVISION AT THE CIVIC OFFICES
- 18** COLLECTION RATES, DEBT RECOVERY AND WRITE OFFS (Q1 2021 – 2022)
- 19** PAYROLL SERVICE

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 6
DATE OF MEETING:	26 th AUGUST 2021	CATEGORY: DELEGATED
REPORT FROM:	LEADERSHIP TEAM	OPEN DOC:
MEMBERS' CONTACT POINT:	FRANK MCARDLE (EXT. 5700) FIONA PITTAM (EXT. 5735) Fiona.pittam@southderbyshire.gov.uk	
SUBJECT:	CORPORATE PLAN 2020-24: PERFORMANCE REPORT (2021-2022 QUARTER 1– APRIL TO 30 JUNE)	
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: G

1.0 Recommendations

- 1.1 That the Committee approves progress against performance targets set out in the Corporate Plan 2020 - 2024.
- 1.2 That the Risk Register for the Committee's services are reviewed.
- 1.3 That the new Risk Register templates are reviewed following approval at the Audit Sub Committee in June 2021 and note that they will replace the existing Risk Registers.
- 1.4 That the Corporate Performance measure for P2.4A is amended from 'South Derbyshire's ranking in the Social Mobility Commission's Social Mobility Index increases' to 'Deliver the objectives identified in the South Derbyshire Partnership Social Mobility Action Plan.'

2.0 Purpose of the Report

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

3.0 Executive summary

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



- 3.2 This Committee is responsible for overseeing the delivery of the key priorities and the following key aims:

Our Environment

- *Enhance the attractiveness of South Derbyshire*

Our People

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

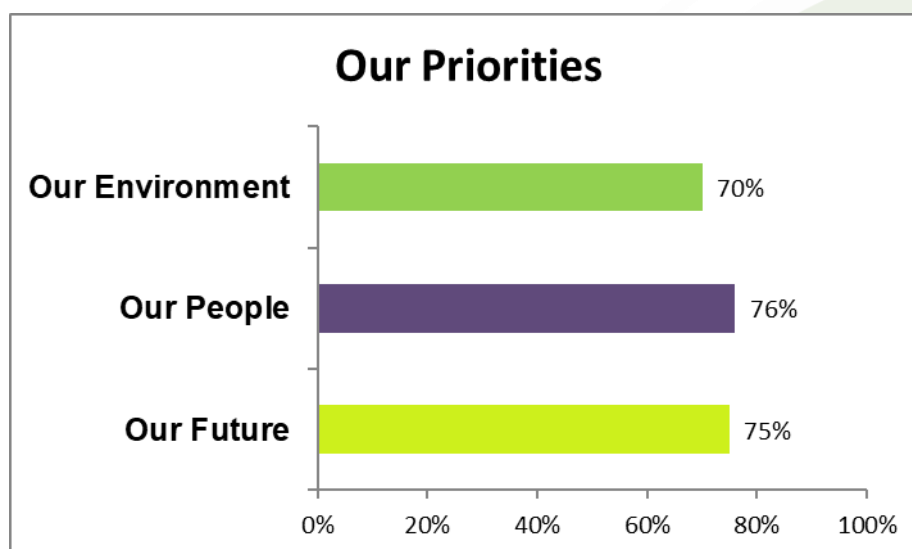
Our Future

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

4.0 Detail

- 4.1 Overall Council performance against the priorities– Quarter 1 2021-2022.

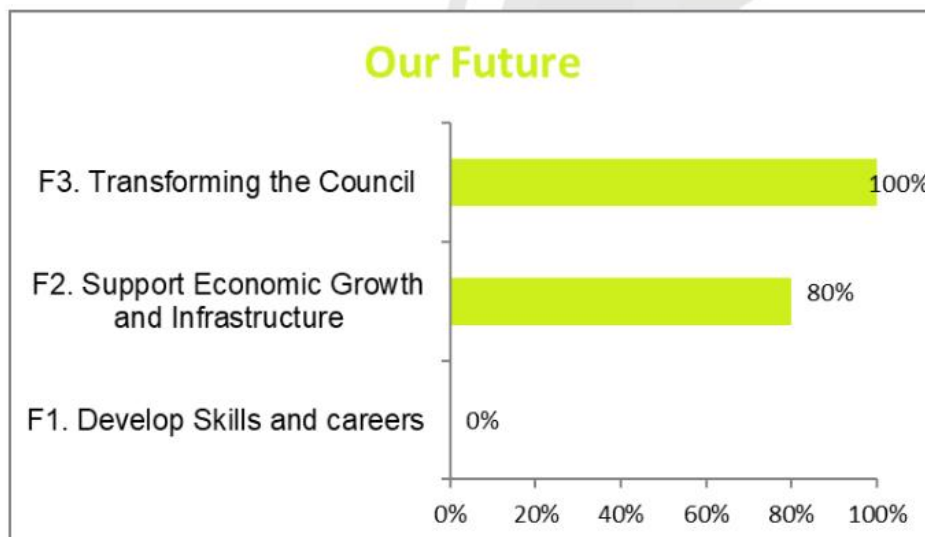
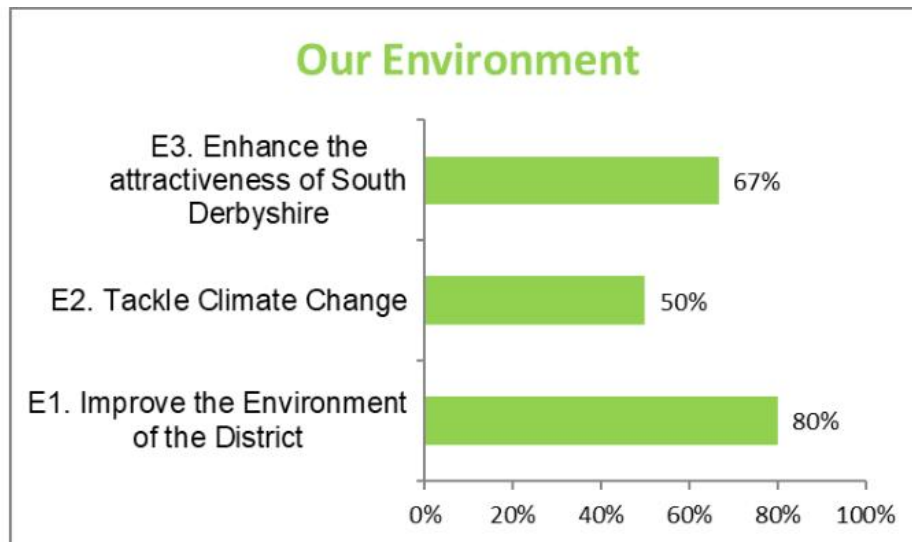
The below chart provides an overview for the percentage of measures that are on track to achieve the annual target.



- 4.2 Overall Council performance against key aims – Quarter 1 2021-2022.

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





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



Overall, 74% of the key aims within the Corporate Plan are on track. 70% are on track for Our Environment, 76% are on track for Our People and 75% are on track for Our Future.

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

Below outlines the 13 measures for this Committee that are on track (green, amber or grey) for the quarter:

- Increase Swadlincote Town Centre visitor satisfaction.
- Develop and deliver the Public Buildings programme over four years.
- South Derbyshire's ranking in the Social Mobility Commission's Social Mobility Index increases
- Increase the number of customers who interact digitally as a first choice.
- Reduce face-to-face contact to allow more time to support those customers who need additional support.
- Increase digital engagement (Twitter, Instagram, Facebook).
- Increase the level of staff engagement
- % of employees that consider the Council has a positive health and safety culture
- Average number of staff days lost due sickness
- Increase the number of Employee Jobs in South Derbyshire
- Annual net growth in commercial floorspace (sqm)
- Deliver against the Transformation Action Plan.
- Develop our approach towards the commercialisation of services which include grants, sponsorship, fees and charges and operating models and increase the income generated from these activities.

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

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

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

4.6 Due to the changes made to the way Social Mobility is reported there is a requirement to amend the Corporate Performance Measure for *P2.4A - South Derbyshire's ranking in the Social Mobility Commission's Social Mobility Index increases*. This was reported and noted at the Finance & Management Special Committee meeting held on the 22nd July 2021. See **Appendix G**, Finance and Management Committee Report (22/07/21.)

It is recommended this measure is amended to '*Deliver the objectives identified in the South Derbyshire Partnership Social Mobility Action Plan.*' The revised detailed performance template in **Appendix H**, will be used to monitor progress against this performance measure from quarter two.



- 4.7 An overview of performance can be found in the Performance Dashboard in **Appendix A**. A detailed description of each performance measure including mitigating actions and actions to sustain and improve performance is included in the detailed Performance Measure Report Index in **Appendix B**.
- 4.8 Questions regarding performance are welcomed from members in relation to the Corporate performance measures that fall under the responsibility of their Committee and are referenced in the detailed Performance Measure Report Index in **Appendix B**
- 4.9 The Risk Register(s) for the Committee's services are detailed in **Appendix C** Chief Executive Risk Register, **Appendix D** Corporate Resources Risk Register and **Appendix E** Strategic Risk Register. This includes the register and risk mitigation plans for the relevant departmental Risk Register(s).

Each risk has been identified and assessed against the Corporate Plan aims which are considered to be the most significant risks to the Council in achieving its main objectives. The Risk Register(s) detail a risk matrix to summarise how each identified risk has been rated.

5.0 Financial and Implications

None directly.

6.0 Corporate Implications

6.1 Employment Implications

None directly.

6.2 Legal Implications

None directly.

6.3 Corporate Plan Implications

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

6.4 Risk Impact

Key risks impacting on this Committee are detailed in **Appendix C** Chief Executive Risk Register, **Appendix D** Corporate Resources Risk Register, and **Appendix E** Strategic Risk Register, alongside the treatment and mitigating actions in place to manage these risks.



The following provides a summary of changes made to the risk registers since the last quarter:

Chief Executive Risk Register

There are no changes to the risk rating or mitigating actions.

Corporate Services Risk Register

- **Risk 1. Universal Credit (UC).** The mitigating actions have been updated.
- **Risk 2. Fraudulent activities.** The mitigating actions have been updated.
- **Risk 5. Financial Management System Upgrade.** As the upgrade was implemented on 1 April 2021 and is now fully operational, it is proposed that this is no longer a risk and will be removed/archived from the Risk Register from quarter two.

Strategic Risk Register

- **Risk 3a. Technology, Data and Security.** The risk title has been updated to include 'security' and the mitigating actions updated to include the security in place for remote working.
- **Risk 4. Business Continuity.** The mitigating actions have been updated to include COVID-19 risk assessment for officers working from home and consultation for future working arrangements.
- **Risk 15. Supply Chain.** This is a new risk which has been added for quarter one.

Please refer to the Strategic Risk Register in **Appendix E** for further detail

Following an Internal Audit review of the Council's system for assessing and managing risk, an updated Risk Management Framework and new Risk Register templates were approved by the Audit Sub Committee in June with the following changes:

- The Council will move from four Risk Registers to three. The Strategic Risk Register will be made redundant and the existing risks identified in this register will be moved to the Corporate Risk Register.
- The risk register template has been revised and updated in line with best practice, the new template is based on the register used by Central Midlands Audit Partnership Board. Key changes include the addition of a risk category, risk cause and risk effect, current risk rating, risk rating after mitigating actions and risk owner. The new risk register template is included in **Appendix F**.

7.0 Community Impact

7.1 Consultation

None required.



7.2 Equality and Diversity Impact

Not applicable in the context of the report.

7.3 Social Value Impact

Not applicable in the context of the report.

7.4 Environmental Sustainability

Not applicable in the context of the report.

8.0 Appendices

Appendix A – Performance Dashboard 2020-2024

Appendix B – Performance Measure Report Index

Appendix C – Chief Executive Risk Register

Appendix D – Corporate Resources Risk Register

Appendix E – Strategic Risk Register

Appendix F – New Risk Register Template

Appendix G – Finance and Management Committee Report (22/07/21)

Appendix H – Detailed performance template - *Deliver the objectives identified in the South Derbyshire Partnership Social Mobility Action Plan.*



Performance Dashboard 2020 - 2024

Priority		Key Aim	Outcome	PI Ref	How success will be measured	Frequency	(Q4) Jan 20 - Mar 20 Outturn	April 2020 - March 2021 (Outturn)	April 21-June 21 (Qtr. 1)	Annual Target 2021-2022	Plan Target 2020-2024	Head of Service	Strategic Lead	Committee
Our Environment	Keeping a clean, green District for future generations	E1. Improve the environment of the District	E1.1 Reduce waste and increase composting and recycling	E1.1A	Household waste collected per head of population	Quarterly	404 kgs (Cumulative Apr-Mar)	460kgs	128kgs	Sustain Current levels	Sustain during Y1 and Y2. See a downward trend in Yrs. 3 and 4	Adrian Lowery, Head of Operational Services	Allison Thomas, Strategic Director, Service Delivery	E&DS
				E1.1B	% of collected waste recycled and composted	Quarterly	45% (Cumulative Apr-Mar)	47%	53%	>45%	Sustain during Y1 and Y2. See an upward trend in Yrs. 3 and 4	Adrian Lowery, Head of Operational Services	Allison Thomas, Strategic Director, Service Delivery	E&DS
			E1.2 Reduce fly tipping and litter through education, engagement and zero tolerance enforcement action where appropriate	E1.2A	Number of fly tipping incidents	Quarterly	714 (Cumulative April-Mar)	Q1-4 Target < 714 Actual - 1003	Q1 Target < 191 Actual - 211	Downward trend as a 4-year mean <764	Downward trend over 4 years	Matt Holford, Head of Environmental Services	Allison Thomas, Strategic Director, Service Delivery	E&DS
				E1.2B	Improve the quality of the District through the Local Environmental Quality Survey	Annual	The first survey was completed in January 2020 the result was 89.67% above grade C+.		94.74% above grade C+	>95% (Grade C or above)	>95%	Adrian Lowery, Head of Operational Services	Allison Thomas, Strategic Director, Service Delivery	E&DS
			E1.3 Enhance biodiversity across the District	E1.3A	% of eligible new homes and commercial developments to achieve net gain in Biodiversity by a minimum of 10% compared to the sites pre development baseline.	Annual	Not possible to provide as outputs not held in software until April 2020. Monitoring underway and baseline data to be provided Q1 and Q2.	66.7%	66.7%	85% (4-year target)	85%	Steffan Saunders, Head of Planning and Strategic Housing	Allison Thomas, Strategic Director, Service Delivery	E&DS
		E2. Tackle climate change	E2.1 Strive to make South Derbyshire District Council carbon neutral by 2030	E2.1A	Reduce South Derbyshire District Council carbon emissions	Annual	No update required for Q4. First update to be provided Q1 2020-21.	Nine actions completed	Achieved	Produce and implement a Head of Service Q4 Climate and Environment report that tracks performance against quantified targets and outturns	Achievement of Actions contained in the South Derbyshire Climate and Environment Action Plan 2020-24 (C&EAP)	Matt Holford, Head of Environmental Services	Allison Thomas, Strategic Director, Service Delivery	E&DS
			E2.2 Work with residents, businesses and partners to reduce their carbon footprint	E2.2A	% of new homes to meet water efficiency targets as set out in the Part G optional standard of 110 litres of potable water usage per person per day	Bi Quarterly (Q2 & Q4)	Baseline figure of 50% based on 18 qualifying decisions in Q4.	100%	70.5%	85%	85%	Steffan Saunders, Head of Planning and Strategic Housing	Allison Thomas, Strategic Director, Service Delivery	E&DS
		E3. Enhance the attractiveness of South Derbyshire	E3.1 Enhance the appeal of Swadlincote town centre as a place to visit	E3.1A	Increase Swadlincote Town Centre visitor satisfaction	Annual	49% of respondents would recommend Swadlincote Town Centre - May 2019.		Reported Annually in Q3	58%	National small towns average 72%. Target to be above the National average by 2023/24	Mike Roylance, Head of Economic Development and Growth	Frank McArdle, Chief Executive	F&M
			E3.2 Improve public spaces to create an environment for people to enjoy	E3.2A	The number of Green Flag Awards for South Derbyshire parks	Annual	2	Three sites have been submitted for the award. Maurice Lea and Eureka parks and Swadlincote Woodlands which is a new site.	Achieved	Four Year Target - 4	Increase from two green flag park awards to four by 2024	Mary Bagley, Head of Cultural and Community Services	Allison Thomas, Strategic Director, Service Delivery	H&CS
				E3.2B	Proportion of good quality housing development schemes	Annual	92%	Data unavailable	Reported Annually in Q4	90%	% of schemes which score high	Steffan Saunders, Head of Planning and Strategic Housing	Allison Thomas, Strategic Director, Service Delivery	E&DS
Our People	with communities and meeting the future needs of the District	P1. Engage with our communities	P1.1 Support and celebrate volunteering, community groups and the voluntary sector	P1.1A	Number of new and existing Community Groups supported	Quarterly	36	153	24	upward trend	Year 1 (Proxy)- collate baseline data. Year 2-4 we will show an increase on baseline in year 1	Mary Bagley, Head of Cultural and Community Services	Allison Thomas, Strategic Director, Service Delivery	H&CS
			P1.2 Help tackle anti-social behaviour & crime through strong and proportionate action	P1.2A	Number of ASB interventions by type	Quarterly	2,893 ASB reports (Cumulative Apr-Mar)	ASB reports in Q4: Target <704 Actual - 1413. Cumulative Target <2893 Actual - 5233	Moderate (3%) increase. April to May reports of ASB target < 598, Actual 616 Police data for June 2021 has not yet been received	'Moderate' or 'High'	Proxy Measure to show service activity	Matt Holford, Head of Environmental Services	Allison Thomas, Strategic Director, Service Delivery	H&CS
		P2. Supporting and safeguarding the most vulnerable	P2.1 With partners encourage independent living and keep residents healthy and happy in their homes.	P2.1A	Number of households prevented from Homelessness	Quarterly	103 cases	265	85	Proxy	Proxy Measure to show service activity	Paul Whittingham, Head of Housing	Allison Thomas, Strategic Director, Service Delivery	H&CS
				P2.1B	Continue to undertake interventions per year to keep families out of fuel poverty	Quarterly	Numbers of interventions in 2019/20 were not recorded	Q1-4 Target - 300 interventions Actual - 276	Q1 Target - 30 interventions Actual - 30	210 interventions	300 interventions (2020-21) Target to be reviewed thereafter.	Matt Holford, Head of Environmental Services	Allison Thomas, Strategic Director, Service Delivery	E&DS
			P2.2 Promote health and wellbeing across the District	P2.2A	Deliver the objectives identified in the South Derbyshire Health & Wellbeing Group	Bi monthly	Not applicable for Q4	Achieved	Achieved	100% of actions delivered	100% of actions identified delivered	Mary Bagley, Head of Cultural and Community Services	Allison Thomas, Strategic Director, Service Delivery	H&CS
			P2.3 Improve the condition of housing stock and public buildings.	P2.3A	Deliver the Planned Maintenance Housing programme over four years	Quarterly	£2,717,193.80	114.10%	111.5%	100% against the annual plan 2020-21	100%	Paul Whittingham, Head of Housing	Allison Thomas, Strategic Director, Service Delivery	H&CS
				P2.3B	Develop and deliver the Public Buildings programme over four years	Quarterly	Project Plan for 2020-21 developed	Carried out further surveys on 12 more of the Public Buildings portfolio.	Carried out further surveys on 11 more of the Public Buildings portfolio.	30% of surveys to be undertaken.	100%	Steve Baker, Head of Corporate Property	Kevin Stackhouse, Strategic Director, Corporate Resources	F&M
				P2.3C	Average time taken to re-let Council homes	Quarterly	Q4 157 days YTD 122 days	Target 21 days - actual 200 days	Target 21 days- actual 190 days	Median Quartile Performance (Benchmark via Housemark)	Median Quartile Performance (Benchmark via Housemark)	Paul Whittingham, Head of Housing	Allison Thomas, Strategic Director, Service Delivery	H&CS
			P2.4 Support social mobility to ensure people have the opportunity to access skilled jobs, higher and further education.	P2.4A	South Derbyshire's ranking in the Social Mobility Commission's Social Mobility Index increases	Annual	311	No new data available	Proposed revision to measure due to data non-availability	Develop the Social Mobility Action Plan	Deliver the objectives identified in the South Derbyshire Partnership Social Mobility Action Plan	Mike Roylance, Head of Economic Development and Growth	Frank McArdle, Chief Executive	F&M
			P3.1 Ensuring consistency in the way the Council deal with service users	P3.1A	Increase the number of customers who interact digitally as a first choice	Quarterly	1,219 Covid-19 business grants forms, 1,282 council tax & benefits forms and 12,343 online web form submissions. 14,844 in total (annual figure).	22,242	5,301	>22,242 (upward trend year on year)	Upward Trend	Elizabeth Barton, Head of Customer Services	Kevin Stackhouse, Strategic Director, Corporate Resources	F&M
			P3.2 Have in place methods of communication that enables customers to provide and receive information.	P3.2A	Reduce face-to-face contact to allow more time to support those customers who need additional support	Quarterly	2,463 enquiries dealt with at Customer Services Desk. Visitors to office 4,490. Please note this was up to 20 March 2020, when offices closed due to Covid 19	No visitors due to Covid-19	No visitors due to Covid-19	Downward trend (based on 2019 pre-Covid-19)	Downward trend in Face to Face interactions	Elizabeth Barton, Head of Customer Services	Kevin Stackhouse, Strategic Director, Corporate Resources	F&M

Priority	Key Aim	Outcome	PI Ref	How success will be measured	Frequency	(Q4) Jan 20 - Mar 20 Outturn	April 2020 - March 2021 (Outturn)	April 21-June 21 (Qtr. 1)	Annual Target 2021-2022	Plan Target 2020-2024	Head of Service	Strategic Lead	Committee
	Working v	P3. Deliver Excellent Services	P3.3A	Number of customer telephone calls answered by Customer Service	Quarterly	Total Calls 95,896 (cumulative April- March)	98,099	Total calls handled: 26,756	Downward trend <95,896	Downward Trend	Elizabeth Barton, Head of Customer Services	Kevin Stackhouse, Strategic Director, Corporate Resources	F&M
					Quarterly	Total FACEBOOK fans: 22,440, total TWITTER followers: 11,448, No Instagram account yet, total ALL SOCIAL MEDIA fans: 33,888. Social Media queries: 287	All social media fans:43,850	All social media fans: 44,989.	upward trend	Upward Trend	Fiona Pittam, Head of Organisational Development & Performance	Kevin Stackhouse, Strategic Director, Corporate Resources	F&M
			P3.3B	Increase digital engagement (Twitter, Instagram, Facebook)	Quarterly								
			P3.4A	Increase the level of staff engagement	Annual	No Q4 Update. First Staff survey to take place in 20/21.	The employee survey has been postponed until 2021/22	Reported Annually in Q4	Annual Increase in the % of Staff completing the survey	Annual Increase in the % of Staff completing the survey	Fiona Pittam, Head of Organisational Development & Performance	Kevin Stackhouse, Strategic Director, Corporate Resources	F&M
			P3.4B	Number of apprenticeships	Annual	4 (1.2% of head count)	5 (1.47% head count)(New ICT Apprentice, plans in place for others detailed in linked document)	3 (0.9% head count)	>2.3%	>2.3% of head count	Fiona Pittam, Head of Organisational Development & Performance	Kevin Stackhouse, Strategic Director, Corporate Resources	F&M
			P3.4C	Average number of staff days lost due to sickness	Quarterly	10.65 (cumulative April - March)	12.93	2.11 days	Downward trend	Downward Trend	Fiona Pittam, Head of Organisational Development & Performance	Kevin Stackhouse, Strategic Director, Corporate Resources	F&M
		P3.4 Investing in our workforce	P3.4D	% of employees that consider that the Council has a positive health and safety culture	Annual	No Q4 update for 19/20. First Staff survey to take place in 20/21.	The employee survey has been postponed until 2021/22	Reported Annually in Q4	No annual target	Upward Trend	Fiona Pittam, Head of Organisational Development & Performance	Kevin Stackhouse, Strategic Director, Corporate Resources	F&M
Our Future	Growing our District and our skills base	F1. Develop skills and careers	F1.1A	F1.1 Attract and retain skilled jobs in the District	Annual	32,000	32,000	Reported Annually in Q4	>32,000	Upward Trend	Mike Roylance, Head of Economic Development and Growth	Frank McArdle, Chief Executive	F&M
				F1.2 Support unemployed residents back into work									
		F2. Support economic growth and infrastructure	F2.1A	F2.1 Encourage and support business development and new investment in the District	Annual	2885 sqm	4,140 sqm	Reported Annually in Q4	net annual growth in commercial floorspace of 12,269.5 sqm	net annual growth in commercial floorspace of 12,269.5 sqm	Mike Roylance, Head of Economic Development and Growth	Frank McArdle, Chief Executive	F&M
					Quarterly	£67,486,786	67,341,926	£67,150,426	>£67,486,786	Upward Trend	Mike Roylance, Head of Economic Development and Growth	Frank McArdle, Chief Executive	F&M
			F2.2A	F2.2 Enable the delivery of housing across all tenures to meet Local Plan targets	Quarterly	80%	100%	93.7%	90% within 8-13 weeks or as agreed with the applicant	90% within 8-13 weeks or as agreed with the applicant	Steffan Saunders, Head of Planning and Strategic Housing	Allison Thomas, Strategic Director, Service Delivery	E&DS
					Quarterly	93%	98%	91%	>90%	>90%	Steffan Saunders, Head of Planning and Strategic Housing	Allison Thomas, Strategic Director, Service Delivery	E&DS
			F2.3A	F2.3 Influence the improvement of infrastructure to meet the demands of growth.	Annual	No Q4 update for 19/20. New indicator, data will be collected from April 2020 onwards as retrospective data is not possible to collect.	94%	Reported Annually in Q4	90%	90%	Steffan Saunders, Head of Planning and Strategic Housing	Allison Thomas, Strategic Director, Service Delivery	E&DS
		F3. Transforming the Council	F3.1A	F3.1 Provide modern ways of working that support the Council to deliver services to meet changing needs.	Quarterly	No Q4 update for 19/20. Transformation plan to report from Q1 onwards	Committee report (F&M 29th April) outlines details of the year end position.	The annual plan has been agreed and project teams established or continued to deliver the 2nd year objectives	Deliver 100% against action plan	Deliver 100% against action plan	Anthony Baxter, Head of Business Change and ICT	Kevin Stackhouse, Strategic Director, Corporate Resources	F&M
				F3.2 Source appropriate commercial investment opportunities for the Council	Quarterly	Preliminary discussion between Operational Services and Finance have taken place, working group and action plan not yet established	See progress in detailed performance report.	Business Transformation has concluded one to one meetings with all HoS to establish baseline and potential commercial opportunities.	deliver 100% against the action plan and sustain an upward trend in income generation	Y1 – Form a working group & Action Plan Y2 – deliver against action plan and sustain an upward trend in revenue	Adrian Lowery, Head of Operational Services	Allison Thomas, Strategic Director, Service Delivery	F&M

Corporate Plan 2020-2024

Performance Measure Report Index

Finance and Management Committee

Team: Organisational Development and Performance

Date: August 2021

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Our Environment | Our People | Our Future

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Performance Measure Report Index

Corporate Plan 2020-2024

Summary

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

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

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

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

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

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

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

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



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

Our Environment

Measure

- Increase Swadlincote Town Centre visitor satisfaction

Our People

Measure

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

Our Future

Measure

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



PRIORITY: OUR ENVIRONMENT					
OUTCOME: E3.1 - Enhance the appeal of Swadlincote town centre as a place to visit					
Measure and Ref	E3.1A - Increase Swadlincote Town Centre visitor satisfaction			Committee	F&M
Definition	Benchmarking for Swadlincote Town Centre includes a Town Centre User Survey (questionnaire) completed at the same time each year by an independent consultant.			Why this is important	There is a need to limit the impact of national changes in shopping habits on the vitality of the town centre, at a time when High Streets are under extreme pressure.
What good looks like	The aim is to steadily close the gap to the National Small Towns average over the four-year period of the Corporate Plan.				
History with this indicator	Comparable Benchmarking data was first collected in 2019. This found that 49% of respondents would recommend a visit to Swadlincote Town Centre, whilst the comparable National Small Towns Average was 72%. It should be noted that any public questionnaire of this type will be significantly influenced by recent events, such as an Anti-Social Behaviour (ASB) incident that has been reported in the media.			Mitigating actions	The Council is implementing the Swadlincote Town Centre Vision with public, private and voluntary/community sector partners.
2019/20 baseline data		49% of respondents would recommend Swadlincote Town Centre as of May 2019			
	Annual target	Q1 Outturn (Apr-June)	Q2 Outturn (Apr - Sept)	Q3 Outturn (Apr - Dec)	Q4 Outturn (Apr 20 - Mar 21)
2020/21	>49%	Update due in Q3	Update due in Q3	55%	55%
2021/22	58%	Reported in Q3			
2022/23	Upward trend				
2023/24	Upward trend				
Performance Overview – quarterly update				Actions to sustain or improve performance	
This is an annual indicator reported once a year during Q3.					
Benchmarking		The National Small Towns Average was 72%. Given the worsening national trend for town centres, the target national average may fall during the period, with the target being re-evaluated accordingly.			



PRIORITY: OUR PEOPLE

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

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



A good proportion of the Public Building stock has now been surveyed, including the largest assets, which has enabled the team to start to look at future planned maintenance programmes as well as costs involved.

Annual action plan detail

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

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



PRIORITY: OUR PEOPLE

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

Measure and Ref	P2.4A – South Derbyshire’s ranking in the Social Mobility Commission’s Social Mobility Index increases Proposed new measure for how success will be measured P2.4A Deliver the objectives identified in the South Derbyshire Partnership Social Mobility Action Plan			Committee	F&M
Project detail	Delivery against the key themes identified in the South Derbyshire Partnership’s Social Mobility Action Plan, as appropriate to the Council.			Why this is important	South Derbyshire has performed poorly on a number of indicators of Social Mobility for disadvantaged young people in recent years. The Social Mobility Commission’s Social Mobility Index ranked South Derbyshire 311/324 local authority areas in 2017. Whilst the number of disadvantaged residents affected in South Derbyshire is relatively small, Social Mobility aims to ensure that everyone has the opportunity to build a good life for themselves regardless of geography or family background.
				Mitigating actions	The Council is working with the South Derbyshire Partnership to research, develop and implement a Social Mobility Action Plan.
	Annual target	Q1 Outturn (Apr-June)	Q2 Outturn (Apr - Sept)	Q3 Outturn (Apr - Dec)	Q4 Outturn (Apr 20 - Mar 21)
2020/21					Research and data analysis
2021/22					Develop Action Plan
2022/23					Implement Year 1 actions
2023/24					Implement Year 2 actions



<p><u>Performance Overview – quarterly update</u></p> <p>The Council has worked with the South Derbyshire Partnership, which brings together the local authorities with schools, colleges, employers and other agencies. The Partnership has consulted with experts from Derbyshire County Council and the University of Derby plus other local organisations to explore the data and issues, and undertaken research and explored other areas facing similar issues.</p> <p>Emerging Focus</p> <ul style="list-style-type: none"> • Issues affect younger age groups not adults; Rapid population growth may be a factor. • A relatively small group of children and young people face a high level of disadvantage compared to others in the area; Likely to include issues of school readiness. • Households with children eligible for Free School Meals; Issues of complex lifestyles. • Geographic concentration; A focus on Swadlincote urban core, Newhall, Woodville. • Challenges in school performance – attendance, attainment and progression. • COVID-19 may have exacerbated existing issues; Eg. household debt, digital exclusion. <p>Individual partner organisations have increasingly prioritised Social Mobility in their plans and strategies. The Partnership itself is currently funding a pilot project in Newhall led by South Derbyshire CVS. This is working intensively with a small cohort of households with complex issues/needs, exploring underlying issues and developing solutions. Along with the research and data analysis this will inform the development of Partnership’s Social Mobility Action Plan in 2021/22.</p>	<p><u>Actions to sustain or improve performance</u></p> <p>The development of the South Derbyshire Partnership Action Plan is underway though is proving to be challenging to deliver:</p> <ul style="list-style-type: none"> • available data is lagged by several years; OFSTED inspections were undertaken some years ago. • the State of the Nation index has not been updated since 2017. • headline data is likely to mask a more complex picture. • activities of schools and other organisations have been restricted by social distancing. • resources of partner organisations have been diverted to Covid response activities.
<p>Benchmarking</p>	<p>The Social Mobility Commission has not published an update to its 2017 Social Mobility Index. Consequently, the South Derbyshire Partnership will need to identify other indicators that can be used to monitor the Action Plan (e.g. attainment by disadvantaged pupils).</p>



PRIORITY: OUR PEOPLE

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

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



2021/22	Upward Trend	Total: 5,301			
2022/23	Upward Trend				
2023/24	Upward Trend				

Performance Overview Q4 – 20-21

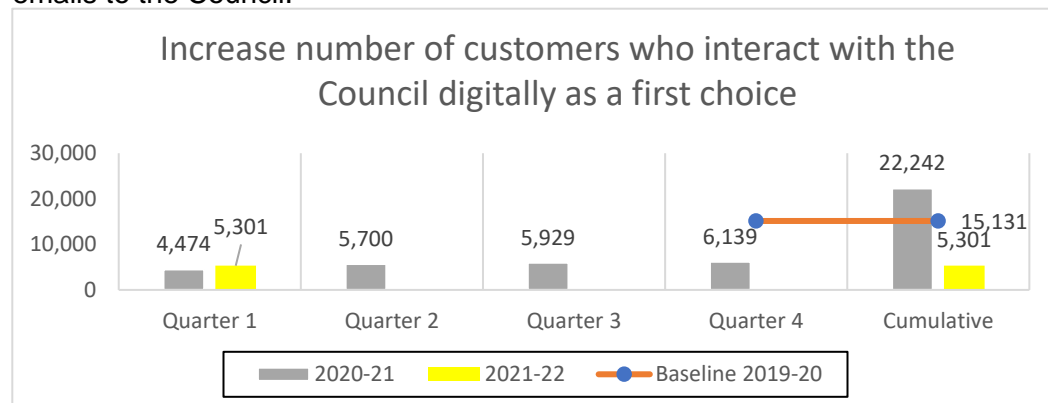
Quarter 1 update

The number of online forms submitted in Quarter 1 saw an increase when compared to the same period in 2020/2021 (an increase of 827 forms submitted).

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

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

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



Actions to sustain or improve performance

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

Benchmarking



PRIORITY: OUR PEOPLE

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

Measure	P3.2A - Reduce face-to-face contact to allow more time to support those customers who need additional support			Measure Ref	F&M
Definition	Decrease the number of face-to-face interactions, by offering enhanced alternative methods of contact (phone and online) to enable the Council to provide a better service to those customers who need additional support.			Why this is important	The Council has an ambition to enable customers who wish to interact online with the Council to do so, and to enhance telephone support services available. This will enable the Council to better support those customers who need more personalised support face-to-face.
What good looks like	To see a downward trend in the number of face-to-face customers through Customer Services.				
History with this indicator	The Council has already seen a decrease in numbers of face-to-face visitors since the introduction of the Council’s website, which provides answers to a variety of basic queries and the payment kiosk, which supports self-service payments. To further reduce the number of face-to-face visits, it is recognised that an online service request capability is required, so that customers can raise requests without officer intervention, and a greater variety of services need to be delivered at first point of contact through the Council’s contact centre.			Mitigating actions	The Council has identified it needs to introduce a central Customer Relationship Management (CRM) solution that connects into systems, such as visitor management systems. This will be delivered through the Transformation Plan and the Customer Access Strategy and Plan. Both the emerging Customer Access Strategy and Transformation Action Plan will be reviewed to ensure they remain in line with new/emerging requirements from the COVID-19 shut-down and recovery, which is likely to reduce face to face interaction.
2019/20 baseline data		31,986 face to face enquiries (2018/2019) Q4 (Jan-Mar) 6,953 (2,463 enquiries dealt with at Customer Services Desk. Visitors to office 4,490)			
	Annual target	Q1 Outturn (Apr-June)	Q2 Outturn (Apr - Sept)	Q3 Outturn (Apr - Dec)	Q4 Outturn (Apr 20 - Mar 21)
2020/21	Downward Trend	0	0	0	0
2021/22	Downward Trend	0			
2022/23	Downward Trend				
2023/24	Downward Trend				



<u>Performance Overview</u>		<u>Actions to sustain or improve performance</u>
No visitors to office due to COVID 19.		
Benchmarking	Not applicable	



PRIORITY: OUR PEOPLE

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

Measure	P3.3A - Number of customer telephone calls answered by Customer Services			Measure Ref	F&M
Definition	The Council has an ambition to handle an increased number/variety of customer calls at first point of contact, vs transferring to back-office teams. Initially this will result in an increase of calls into the contact centre, which will reduce over time, in parallel with the introduction of increased online tools.			Why this is important	The Council has an ambition to enable customers who wish to interact online with the council to do so, and better support those customers who need more personalised support by phone or face to face.
What good looks like	Initially an increase in numbers of calls/variety of calls into the contact centre is anticipated, followed by a decrease in overall calls, following the introduction and roll out of digital tools.				
History with this indicator	The Council has already seen a decrease in numbers of telephone calls following the introduction of the Council's website which provides answers to a variety of basic queries and some online forms. To further reduce the number of calls, it is recognised that digital service request capability is required, so that customers can raise requests without officer intervention.			Mitigating actions	The Council has identified it needs to handle more calls through Customer Services at first point of contact. This will be delivered through the Customer Access Strategy and Plan. The Council has also identified it needs to introduce a central Customer Relationship Management (CRM) solution that connects into back-office systems to support this priority. This will be delivered through the Transformation Plan. Both the emerging Customer Access Strategy and Transformation Plan Action Plan will be reviewed to ensure they remain in line with new/emerging requirements from the COVID-19 shut-down and recovery.
2019/20 baseline data		95,896 telephone calls received (2019/20). 76,804 calls handled & 19,092 automated call payments.			
	Annual target	Q1 Outturn (Apr-June)	Q2 Outturn (Apr - Sept)	Q3 Outturn (Apr - Dec)	Q4 Outturn (Apr 20 - Mar 21)
2020/21	Downward Trend	Total: 22.387	Cumulative total: 46.017	Cumulative total: 69.812	Cumulative total: 98.099



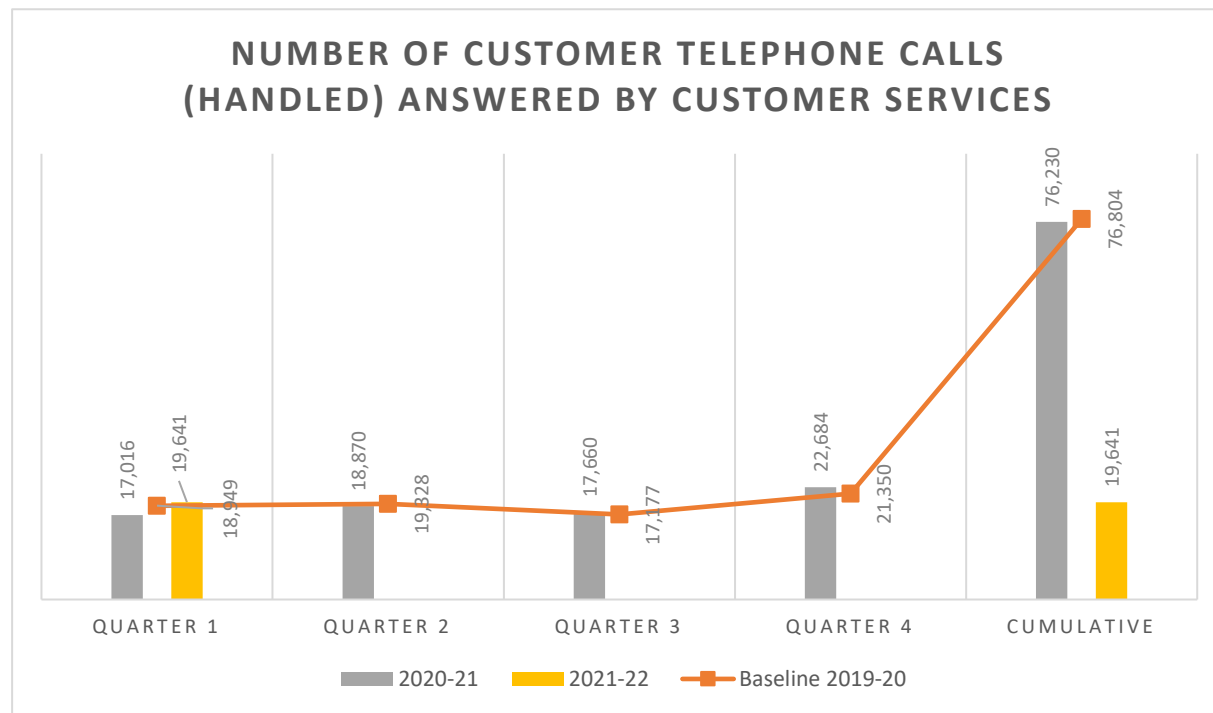
		(22,387 including: 17,016 handled & 5,371 automated payment calls)	(23,633 including: 18,870 handled and 4,763 automated payments calls)	(23,795 including: 17,660 calls handled and 6,135 automated calls)	(28,284 including: 22,684 calls handled and 5,600 automated calls)
2021/22	Downward Trend	Total: 26,756 (26,756 including: 19,641 handled and 7,115 automated payment calls)			
2022/23	Downward Trend				
2023/24	Downward Trend				
<u>Performance Overview – quarterly update</u> QUARTER 1 UPDATE Total Calls: April - June 2021 The increase in calls handled this quarter reflects the fact that many customers have now migrated to telephone as their preferred service channel following COVID-19, and the resulting closure of face-to-face reception services at the Civic Centre. An increase of 2,625 calls were handled (in total 19,641 calls), compared to the same period last year (17,016). In addition to COVID, this increase also reflects the transfer of housing repair calls into the contact centre which sees the team handling calls on Tuesday – Thursday currently. The total number of calls offered was 28,179. This figure represents the total number of callers/calls attempting to reach the contact centre over the period, including answered calls, abandoned calls. It is believed that a large number of these abandoned calls relate to the return of recovery activity following COVID 19. In June 2021, 1,600 summons were issued to residents for unpaid council tax following the reopening of the courts. This had a significant impact on call volumes and lengths during that period, which increased from an average call of 3.30 minutes to 3.55 mins per call. It also had an impact on the number of abandoned/repeat calls, where customers give up and then either email in or call again later.				<u>Actions to sustain or improve performance</u> Long-term our ambition is to see a downward trend in call volumes, as those customers who can self-serve via digital channels migrate across. In the interim period, as part of the Council's Transformation Strategy, there is an ambition to centralise customer services across departments and bring more calls into the contact centre to be handled at first point of contact – for example housing repair calls. It is likely this will result in a short-term rise in volumes over the coming quarters, which it is envisaged will reduce again as more and more services are migrated online.	

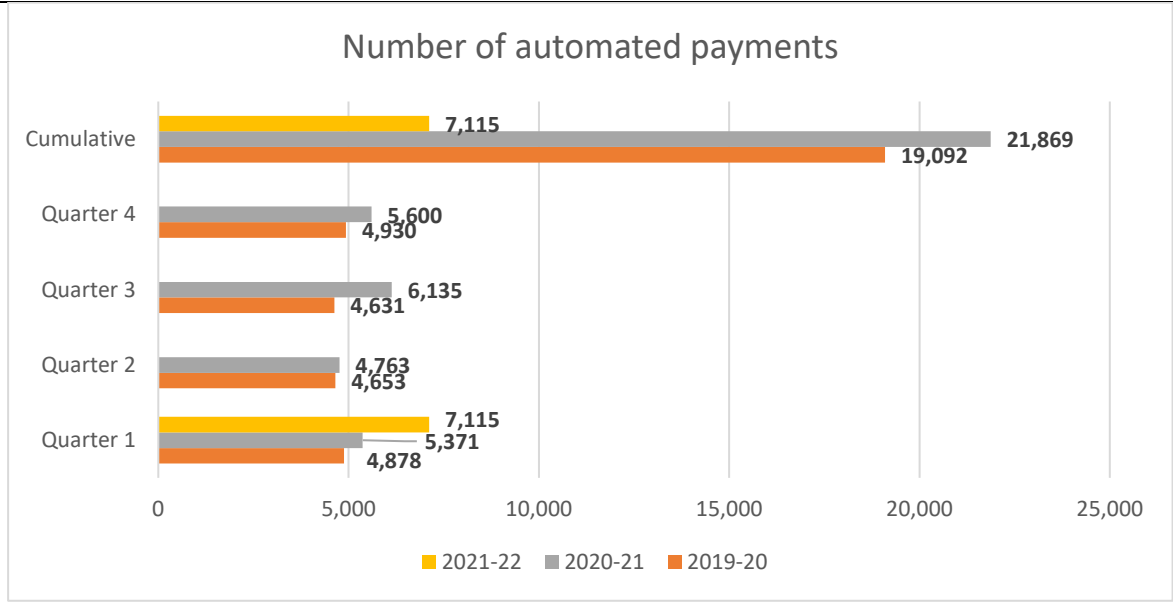


The call volumes are being closed monitored to identify resourcing needs moving forwards once recovery activity returns to a normal cycle.

Many customers have also migrated to email as a first port of call over COVID, and the number of emails the customer services team processed doubled between 2019/2020 and 2020/2021 – from 9,633 to 20,231.

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





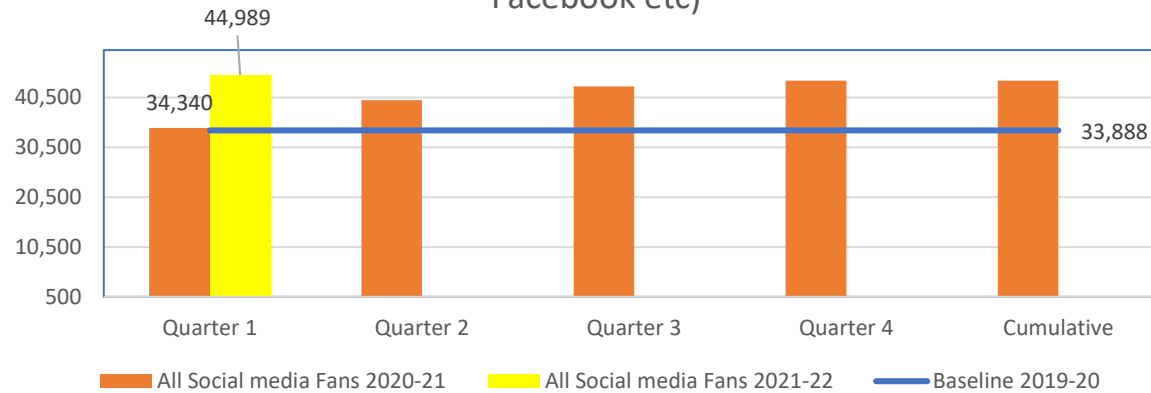
Benchmarking



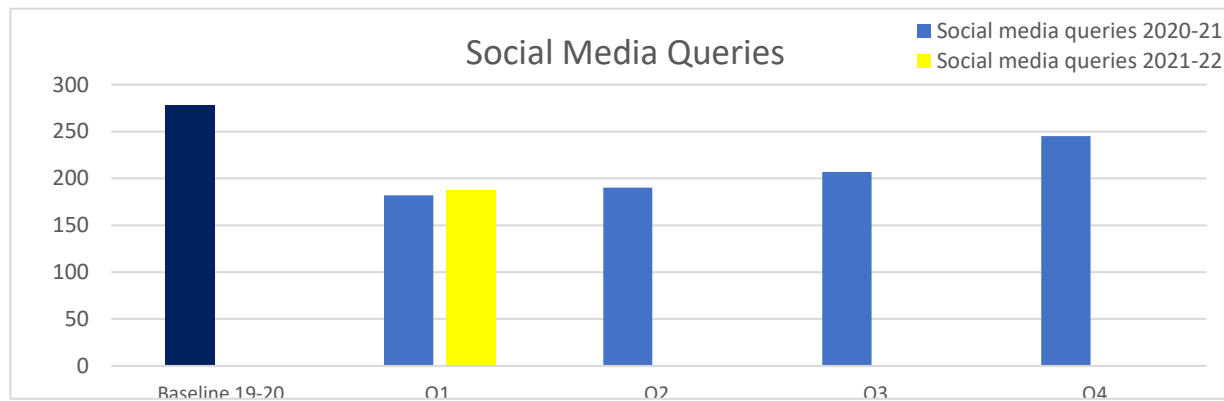
PRIORITY: OUR PEOPLE					
OUTCOME: P3.3 - Ensuring technology enables us to effectively connect with our communities.					
Measure and Ref	P3.3B - Increase digital engagement (Twitter, Instagram, Facebook etc)		Committee	F&M	
Definition	To increase the volume and quality of social media interaction with residents and customers on all Council social media platforms.		Why this is important	Social media captures customers who are already digitally engaged/aware and more likely to engage with the Council digitally and acts as a good springboard to digital service delivery.	
What good looks like	Increase number of proactive social media engagement from the Council through the Communications team, result in an increased number of engaged citizens.				
History with this indicator	<ul style="list-style-type: none">The engagement rate, sentiment and follower/fan base on our social media accounts has significantly evolved since 2017.With the creation of the central Facebook page in 2017 and a more strategic approach – more residents are now choosing to communicate with us via this platform.Monthly social media reports indicate the number and type of interactions via social media.		Mitigating actions	The Council has identified it needs to introduce a central Customer Relationship Management (CRM) solution that connects into back off systems and systems such as social media in order to support this priority. This will be delivered through the Transformation Plan.	
2019/20 baseline data		<ul style="list-style-type: none">Number of Facebook (central and departmental) fans and Twitter (central and departmental) followers.33,888Commentary of the nature of these queries (this is already included in the monthly social media dashboard reports).			
	Annual target	Q1 Outturn (Apr-June)	Q2 Outturn (Apr - Sept)	Q3 Outturn (Apr - Dec)	Q4 Outturn (Apr 20 - Mar 21)
2020/21	Upward Trend	34,340	39,924	42,723	43,850
2021/22	Upward Trend	44,989			
2022/23	Upward Trend				
2023/24	Upward Trend				
Performance Overview			Actions to sustain or improve performance		
<u>Q1 2021-22</u> During quarter one the number of social media fans/followers was 44,989, this is an increase of 10,649 social media followers compared with the same quarter last year. There were 32,326 Facebook followers during quarter one which is an increase of 5,957 compared to the same quarter last year. Twitter followers have risen to 12,663, which is an increase of 4,692 compared to the same quarter last year.			<ul style="list-style-type: none">To ensure our platforms remain active by posting relevant key messages.To actively engage with social media fans to create a 2-way conversation, trust and rapport with our residents.Monthly (and annual) reporting to allow us to spot and adapt to digital trends.To provide support and guidance to social media page managers proactively and reactively.		



P3.3B - Increase digital engagement (Twitter, Instagram, Facebook etc)



The number of queries received on social media accounts was 187. This is a decrease of 113 on the previous quarter. Although a significant decrease on Q4, this is in line with the number of queries received in Q1 of 2020-21 (182) and can be accounted for by seasonal changes – the previous quarter had seen a large number of enquiries related to severe weather and missed bin collections.



Benchmarking

Not Applicable



PRIORITY: OUR PEOPLE

OUTCOME: P3.4 - Investing in our workforce.

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



2020/21	Upward trend	Report in Q4	Report in Q4	Report in Q4	Survey postponed until 22-23
2021/22	Upward trend				
2022/23	Upward trend				
2023/24	Upward trend				
<u>Performance Overview</u> The employee survey has been postponed until 2022/23. The focus for 2021-22 is to fully develop and implement any new flexible ways of working arrangements following lessons learnt from Covid-19.				<u>Actions to sustain or improve performance</u>	
Benchmarking					



PRIORITY: OUR PEOPLE

OUTCOME: P3.4 - Investing in our workforce

Measure and Ref	P3.4B - Number of apprenticeships and expenditure against the apprenticeship levy			Committee	F&M
Definition	The number of apprenticeships posts or expenditure against the apprenticeship levy is defined as the number of posts established for apprentices or where existing employees can access funding from the apprenticeship levy. This will be a numerical outcome showing a positive increase trend from the previous year.			Why this is important	To invest in the Council's current and future workforce through the provision of entry level posts and access to further academic qualifications that will support succession planning and build resilience across the Council.
What good looks like	The purpose of this PI is to see an increased trend over four years leading to full expenditure of the Apprenticeship Levy for a financial year (April – March each year).			Mitigating actions	A new post will lead on this activity to provide support to all services to identify support opportunities to establish posts or provide training for existing members of staff.
History with this indicator	New Indicator In the last financial year (April 2019 to March 2020), we spent approximately 34% of our levy funds (total input into the levy was £27479, spend was £9263.11).				The Government is planning a reform of the current arrangements to encourage more take up of the scheme and to simplify the process. A partnership approach with other employers has been proposed and this will need to be considered as part of the overall approach.
2019/20 baseline data		1.2% (4 apprentices)			
	Annual target	Q1 Outturn (Apr-June)	Q2 Outturn (Apr - Sept)	Q3 Outturn (Apr - Dec)	Q4 Outturn (Apr 20 - Mar 21)
2020/21	>2.3% of head count	1.2% (4)	1.2% (4)	1.5% (5)	1.48%
2021/22	Increase the trend	0.9% (3)			
2022/23	Increase the trend				
2023/24	Increase the trend				
Performance Overview – quarterly update				Actions to sustain or improve performance	



<p>No new hires in Quarter One, although significant progress is expected as Customer Services are in the process of hiring an apprentice and Corporate Property are looking to advertise for an apprentice in the coming quarter.</p> <p>It is still expected that the PDR process in Quarter One/Quarter Two will heighten apprenticeship awareness, and the Learning and Development Officer will ensure relevant training requests are put forward for apprenticeships. One colleague has already enquired about fulfilling their PDR objectives through an apprenticeship so awareness seems to be on the increase.</p> <p>It is hoped Operational Services may look to have a Horticultural apprentice in the future. Housing is awaiting the full implementation of their restructure before looking to recruit trade apprentices. Cultural and Community Services are also awaiting the outcome of a new apprenticeship standard to facilitate their hiring of an apprentice. All services are being supported by the Learning and Development Officer.</p>	<p>PDRs due between May and July 2021 – Learning and Development Officer will use developments identified on these to action potential apprenticeships.</p> <p>Continuance of bi-monthly reminders as to how to use apprenticeships in the Learning and Development Newsletter.</p> <p>Liaising with colleges to look at alternative ways of using levy funding (i.e., Derby College have provided information on management apprenticeships).</p> <p>In the future, Leadership programmes can look at using leadership apprenticeships to upskill existing or upcoming managers.</p>
Benchmarking	



PRIORITY: OUR PEOPLE

OUTCOME: P3.4 - Investing in our workforce.

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

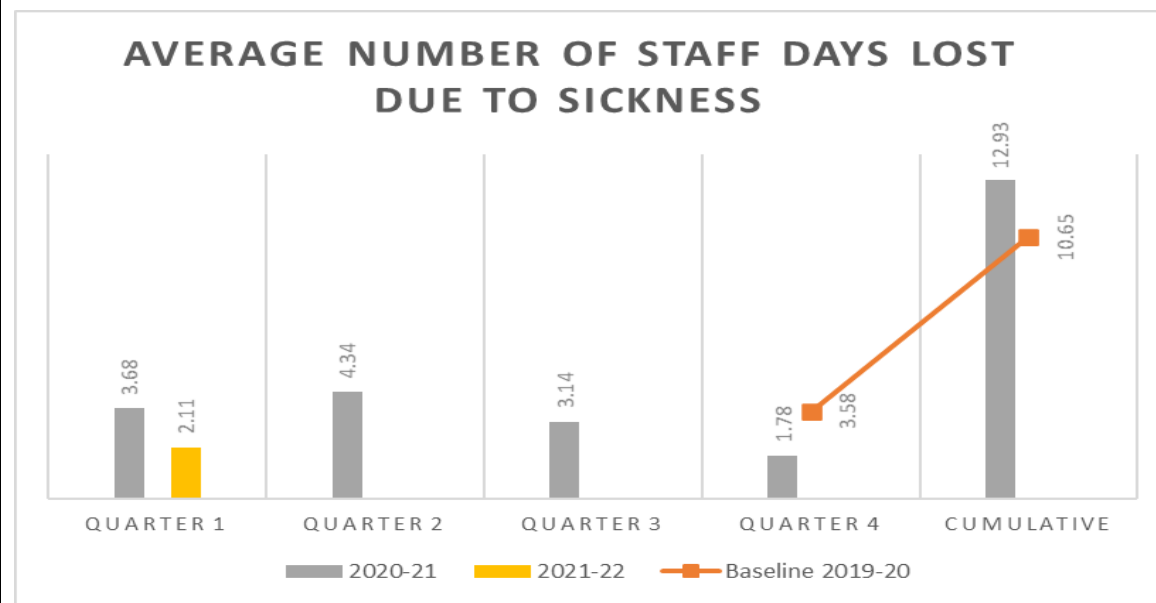


Performance Overview – quarterly update

The outturn figure is higher than the previous month but 42% lower than the same quarter in the previous year. The estimated outturn would show a reduction of around 4 days per employee based on the quarter one outturn. There has been a decrease in the number of employees that have been on extended periods of absence due to a range of serious and long-term health conditions, albeit this is set to increase based on the cases at the end of June 2021. These are all being managed in line with the Attendance Management Procedure and each case has a dedicated HR Officer supporting the Manager.

Long term absences currently account for approximately 62% of all absences and have a significant impact on our levels of performance.

The impact of the COVID pandemic on attendance figures is kept under review. The number of absences directly linked to Coronavirus has remained low and does not have a material impact on the overall figure.



Actions to sustain or improve performance

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

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

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

Training is provided in stress awareness and mental health along with a range of supporting materials made available for managers and employees. Training is also provided in managing absences from work for managers and supervisors with a new course on Building your resilience to provide further support for managers. Health and wellbeing interventions will also continue to be made available to staff. This will include the continued promotion of support for mental health conditions through training, videos and materials; raising awareness of the importance of physical health and reminding all employees to seek support should they need it. Additional on-site Occupational Health clinics or referrals will also be made to provide professional, independent medical advice on any cases before decisions are taken on the employees continued employment.

Benchmarking

Arrangements are being progressed to benchmark with comparable organisations within the region via East Midlands Councils and these will be available at quarter 2, 2021/22.



PRIORITY: OUR PEOPLE

OUTCOME: P3.4 - Investing in our workforce.

Measure and Ref	P3.4D - % of employees that consider the Council has a positive health and safety culture			Committee	F&M
Definition	The number of employees that have indicated that the Council has a positive approach to the management of health and safety in the workplace. This will be taken from the annual employee survey and will be expressed as a % of the overall responses.			Why this is important	The Council has statutory duties under the Health and Safety at Work Act 1974 to ensure the health and safety of the workforce. This measure will indicate how well the statutory duties and other non-statutory activities are being implemented.
What good looks like	The purpose of this PI is to see an increased trend over four years to indicate the robustness of the Council’s Health and Safety Management Framework. Retention of industry recognition of the health and safety management framework – RoSPA Health and Safety Awards.				
History with this indicator	New indicator – No previous history available			Mitigating actions	A full-time resource will lead on this work from 1 st February 2020 and will support all services areas to keep under review and develop their local arrangements in relation to health and safety. The corporate health and safety management framework will be used to govern compliance with and improvements to any current or new interventions.
2019/20 baseline data		New indicator – No data available			
	Annual target	Q1 Outturn (Apr-June)	Q2 Outturn (Apr - Sept)	Q3 Outturn (Apr - Dec)	Q4 Outturn (Apr 20 - Mar 21)
2020/21	Upward trend	Annual indicator	Annual Indicator	Annual indicator	Postponed until early 22/23
2021/22	Upward trend				
<u>Performance Overview – quarterly update</u> The employee survey has been postponed until early 2022/23. The focus for 2021-22 is to fully develop and implement any new flexible ways of working arrangements following lessons learnt from Covid-19.				<u>Actions to sustain or improve performance</u>	
Benchmarking					



PRIORITY: OUR FUTURE

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

Measure and Ref	F1.1A- Increase the number of Employee Jobs in South Derbyshire			Committee	F&M
Definition	Working in partnership, to successfully implement a programme of actions as set out within a new Economic Development Strategy for South Derbyshire.			Why this is important	The District's economy has performed strongly in recent years - with a rapidly growing population it will be important to sustain this and provide a range of local employment opportunities.
What good looks like	The aim is to increase the number of Employee Jobs in South Derbyshire over the four-year period of the Corporate Plan.				
History with this indicator	South Derbyshire has enjoyed low levels of unemployment in recent years. Data for employment is taken from the Office of National Statistics (ONS) Business Register and Employment Survey. BRES is based on a sample survey so estimates are subject to sampling errors which need to be considered when interpreting the data. Employee jobs excludes self-employed, government-supported trainees and HM Forces. Data excludes farm-based agriculture. In 2018, there were 32,000 Employee Jobs in South Derbyshire, having grown from 30,000 in 2015.			Mitigating actions	The Council is working with partners from the public, private and voluntary/ community sectors to develop and implement a new Economic Development Strategy.
2019/20 baseline data		N/A			
	Annual target	Q1 Outturn (Apr-June)	Q2 Outturn (Apr - Sept)	Q3 Outturn (Apr - Dec)	Q4 Outturn (Apr 20 - Mar 21)
2020/21	25% (implementation of the actions contained within the plan)	Report in Q4	Report in Q4	Report in Q4	Impacted by Covid – 19
2021/22	25%				
Performance Overview – quarterly update				Actions to sustain or improve performance	
This is an annual performance indicator and data is collated and presented in Q4.				Completion of the Strategy and implementation of actions will be taken forward once other Covid-19 response activities allow.	
Benchmarking					
Increase the number of Employee Jobs in South Derbyshire					
See table below.					
NB. # = Sample size too small for reliable estimate					



Baseline 2019/2020			Q4 2019/20	Q4 2020/21	Q4 2021/22	Q4 2022/23
Employee Jobs	32,000	Numbers	32,000 (as at 2018)	32,000 (as at 2019)		
Economically Active – In Employment (16-64)	58,200 89.2 76	Numbers SD% EM%	57,900 (as at March 2020) 88.4 76.7	53,500 (as at Dec 2020) 79.1 75.8		
Employment by Occupation	Sept 2019					
Soc 2010 Major Group 1-3 (Professional, managers and technical)	27,100 46.6 42.4	Numbers SD% EM%	29,300 (as at March 2020) 50.6 42.9	27,300 (as at Dec 2020) 51.0 45.8		
Soc 2010 Major Group 4-5 (Administration, skilled and trade)	16,600 28.5 21.6	Numbers SD% EM%	13,000 (as at March 2020) 22.4 21.2	10,200 (as at Dec 2020) 19.1 19.8		
Soc 2010 Major Group 8 (Process plant and machine ops)	4,600 7.9 8.1	Numbers SD% EM%	4,200 (as at March 2020) # #	7,100 (as at Dec 2020) 13.3 7.7		
Unemployment rate % Mar 2020	1,125 1.7 2.7	Numbers SD% EM%	2,780 (as at March 2020) 4.2 5.6	2,650 (as at March 2021) 3.9 6.5		



PRIORITY: OUR FUTURE

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

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



PRIORITY: OUR FUTURE

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

Measure and Ref	F2.1B - Total rateable value of businesses in the district			Committee	F&M
Definition	Total rateable value of businesses in the district.			Why this is important	The total rateable value of businesses in the district is a good indication of the economic health of the district. An increase in floor space can indicate a growth in business numbers and employment opportunities.
What good looks like	A growth in rateable value, including a growth in sectors such as commercial (e.g., offices, shops, warehouses, restaurants) where there is a higher intensity of jobs per business.				
History with this indicator	The total rateable value of businesses across the district has been increasing year on year, particularly in the commercial sector with an overall increase of almost £345k since April 2017. It should be noted that events, such as the demolition of a business premises or its redevelopment for housing will offset new development.			Mitigating actions	The Council encourage new businesses into the district through its inward investment programme. The Council also carries out regular checks across the district to identify businesses that are not appropriate valued and ensure they are appropriately listed.
2019/20 baseline data		Q4 - £67,486,786. Quarterly reports can be provided from the Council's revenues and benefits system that defines the total rateable value of different categories of business (commercial, industrial etc) and further breakdowns of the sectors (for example commercial).			
	Annual target	Q1 Outturn (Apr-June)	Q2 Outturn (Apr - Sept)	Q3 Outturn (Apr - Dec)	Q4 Outturn (Apr 20 - Mar 21)
2020/21	Upward Trend	£67,528,690	£67,316,577	£67,379,221	£67,341,926
2021/22	Upward Trend	£67,150,426			
2022/23	Upward Trend				
2023/24	Upward Trend				
Performance Overview – quarterly update Rateable Value has been reduced compared to this time last year and also compared to end of Q4. Overall reduction is due in part to 2010 outstanding appeals being completed which has a subsequent impact on the 2017 Rateable Value Listing. Also during April there was a mass				Actions to sustain or improve performance	



<p>Rateable Value reassessment for Swadlincote Town Centre which meant that almost all businesses in High Street, West Street, Midland Road and Belmont Street benefitted from a Rateable Value reduction which although means our Total Rateable Value reduced did mean that a number of business became eligible for Business Rates Relief reducing their business rates payable, and would also make these premises more attractive to potential new tenants if they became empty.</p>	
<p>Benchmarking</p>	



PRIORITY: OUR FUTURE				
OUTCOME: F3.1 - Provide modern ways of working that support the Council to deliver services to meet changing needs.				
Measure and Ref	F3.1A- Deliver against the Transformation Action Plan		Committee	F&M
Project detail	<p>The Council is committed to improving outcomes and outputs for its stakeholders as is evident in the Corporate Plan.</p> <p>In order to deliver services to meet the needs of the organisation, the Council needs a robust plan to identify areas of improvement, evaluate and benchmark a target operating model and map a route to achieving our ambitions.</p> <p>Each year the Head of Business Change, ICT & Digital will present a workplan for adoption, outlining projects, milestones and resources needed to achieve the objectives set by the Corporate Plan.</p>		Why this is important	The Transformation Plan provides a focal point for major change in the organisation, evaluating conflicting priorities, allocating resources, escalating problem and above all else, manage core programmes of work by documenting progress.
			Mitigating actions	Resources that are allocated to delivery of transformation projects (PM, IT technical, Business Analyst, Digital team roles) are also skills required for corporate responses to changes in policy or procedure relating to COVID. There will be times where that work is prioritised above the delivery of transformation projects.
Project Action Plan	Q1 Outturn (Apr-June)	Q2 Outturn (Jul - Sept)	Q3 Outturn (Oct - Dec)	Q4 Outturn (Apr 21 - Mar 22)
2020/21				
2021/22				



<p><u>Project Overview: Quarterly update</u></p> <p>An annual plan has now been agreed for the second year of the current four-year plan. Project groups for newly formed workloads have been allocated and documentation to clearly define outputs is being authored.</p> <p>A report to sign off the business case for WorkSmart programme: Housing Modernisation was approved by F&M Committee 29th April, so recruitment is taking place for additional resource.</p> <p>Following approval procurement of two major systems has been completed and the work to implement will commence shortly now contracts have been exchanged.</p>	<p><u>Actions to sustain or improve performance</u></p> <p>The Transformation Steering Group meets every six weeks, each project group, of which there are 20, meet approximate every two weeks.</p> <p>Every group has a highlight report to report back the theme chair on work completed over period and work to be completed over net period.</p> <p>Any risk, actions, issues or decisions that are not within the identified scope and tolerance of the project controls will be escalated to the TSG.</p>
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PRIORITY: OUR FUTURE				
OUTCOME: F3.2 - Source appropriate commercial investment opportunities for the Council				
Measure and Ref	F3.2A- Develop our approach towards the commercialisation of services which include grants, sponsorship, fees and charges and operating models and increase the income generated from these activities		Committee	F&M
Project detail	Year 1 to form a working group and define the action plan Year 2 to 4 deliver 100% against the action plan and sustain an upward trend in income generation		Why this is important	As funding shrinks exploring new ways to maximise our income is essential, to protect valuable frontline services and ensure positive outcomes for our local communities.
			Mitigating actions	Using Council assets wisely, trading services with others across the public and private sectors and selling commodities to generate income.
Project Action Plan	Q1 Outturn (Apr-June)	Q2 Outturn (Apr - Sept)	Q3 Outturn (Apr - Dec)	Q4 Outturn (Apr 20 - Mar 21)
2020/21				
2021/22				
<u>Project Overview: quarterly update</u> Meetings on a one-to-one basis have taken place with Heads of Service to define the action plan. Due to a number of factors including Covid-19 and the Recycling contract being taken in house, little capacity has been available for the Head of Operational Services to progress the action plan.			<u>Actions to sustain or improve performance.</u> Business Change have taken on the task of establishing a current baseline and commercial opportunities identified across the authority.	



CHIEF EXECUTIVE'S RISK REGISTER (AS AT Q1 2021/22)

Appendix C

Risk	Rating and Current Position	Risk Treatment	Mitigating Actions	Change since last Quarter	Risk Owner
CE1. Failure of economic development partnerships leading to an adverse impact on businesses and local economy.	Likelihood is unlikely and impact is moderate.	Tolerate the current situation and keep under review.	Proactive engagement in partnerships and with individual partners. Commitment of officer time and resources to partnership activities. Monitoring of projects and performance.	No change to rating or mitigating actions	Economic Development and Growth
CE2. Failure of the South Derbyshire Partnership, leading to non-delivery of the community's vision and priorities set out in the Community Strategy	Likelihood is unlikely and impact is moderate.	Treat the risk through continuous action and review.	Proactive support for partnership. Commitment of officer time and resources to partnership facilitation. Engagement of partners in policy making and project design and delivery.	No change to rating or mitigating actions	Economic Development and Growth
CE3. Transfer of responsibility for visitor information provision from Sharpe's Pottery Heritage and Arts Trust to the Council, with associated risk of service disruption.	Likelihood is medium and impact is moderate.	Treat the risk through continuous action and review.	Commitment of officer time and resources. Transformation Project proposal developed.	No change to rating; Mitigating actions updated	Economic Development and Growth
CE4. Failure of joined up Council approach to effectively manage the election process and canvassing.	Likelihood is unlikely and impact is moderate	Treat the risk through continuous action and review.	Elections Project Team in place and meets as necessary with representatives from all services involved. Arrangements in place for an Election to be called at short notice. Arrangements in place for Referenda/By-Elections to be called.	No change to rating or mitigating actions.	Legal and Democratic Services

CHIEF EXECUTIVE'S RISK MATRIX

Likelihood					
		1 Minor	2 Moderate	3 Significant	4 Catastrophic
4 High					
3 Medium			CE3		
2 Low					
1 Unlikely			CE1, CE2, CE4		
		Impact			

CE1 Failure of economic development partnerships leading to an adverse impact on businesses and the local economy.

CE2 Failure of the South Derbyshire Partnership, leading to non-delivery of the community's vision and priorities set out in the Community Strategy

CE3. Transfer of responsibility for visitor information provision from Sharpe's Pottery Heritage & Arts Trust to the Council, with associated risk of service disruption.

CE4. Failure of joined up Council approach to effectively manage the election process.

CORPORATE RESOURCES RISK REGISTER (AS AT Q1 2021/22)

Appendix D

Risk	Rating and Current Position	Risk Treatment	Mitigating Actions	Change since last quarter	Risk Owner
<p>1 Universal Credit (UC) – the implementation of UC could have an impact on resources in Benefits and Customer Services.</p> <p>Housing Benefit is administered by the Council on behalf of the DWP and is one of the six benefits being rolled up into UC.</p>	<p>UC is being rolled out on a phased basis for working age claimants. During 2019/20, this started to have a much bigger impact with claims for HB reducing by over 30%. However, the overall volume of work has broadly stayed the same as changes in UC are impacting on the Council's Council Tax Reduction Scheme (CTRS). More recently, the impact of Covid-19 has increased claims under the CTRS.</p>	<p>Treat the risk through continuous action and review.</p>	<p>The Local Council Tax Reduction Scheme is being redesigned to improve the customer experience and make it easier/more efficient to administer. Proposals will be presented to Finance & Management Committee in July 2021.</p> <p>A service review will ensure the team is flexible and can adapt to changes in workload in future years.</p> <p>Following a major system upgrade, improved document management functions, the introduction of a linked CRM system and automation are being explored to increase productivity within the team and improve interaction with customers.</p>	<p>No change to rating, mitigating actions updated.</p>	<p>Customer Services</p>
<p>2 Fraudulent activities – the possibility of fraud being undetected.</p>	<p>National studies show fraud leads to a significant loss of resources within the Public Sector as a whole. The likelihood is considered high because fraud has been detected and prevented locally.</p> <p>In addition, authorities are being asked to be extra vigilant due to the potential for fraud to increase during Covid-</p>	<p>Treat the risk through continuous action and review.</p>	<p>The Council has a Shared Service Arrangement with Derby City Council which supports the delivery of the Council's Anti-Fraud & Corruption Plan, which aims to introduce stronger anti-fraud processes across council tax, business rates, benefits, Right to Buy, social housing, supported accommodation and wider service areas. The unit also delivers fraud awareness training across the Council.</p> <p>Public agencies such as the DWP and HMRC increasingly share data with local authorities on a real-time basis. This allows compliance checks to take place to spot and eliminate the potential for fraud and error in a timely manner.</p>	<p>Mitigating actions updated no change to risk rating.</p>	<p>Customer Services</p>

	19.		Single Person Discount checks on Council Tax are also regularly undertaken.		
3 Procurement Services The Directorate is responsible for providing a procurement service. Given the specialised and regulatory nature, there is a risk of not having resources to enable good quality advice and support for Services.	The Council does not have its own procurement department but currently has access to support and advice, so the likelihood is considered low.	Treat the risk through continuous action and review	The Council is part of a Shared Service Arrangement with other Derbyshire Agencies and has access to a wider pool of resources for support and advice.	No change to rating or mitigating actions.	Corporate Resources, Strategic Director
4 Public Building Ensuring public buildings are safe and have adequate repair budgets to ensure they remain fit for purpose.	Budgets are allocated for the repair of all public buildings, with the budget provisions based on historical repair expenditure. The adequacy of these budgets will need to be assessed on completion of the planned maintenance programme. Covid-19 risk assessments have been undertaken for the Civic Offices, depot and community buildings to ensure adequate safety measures are implemented, with public access being	Treat the risk through continuous action and review.	Condition surveys are being undertaken with a view to preparing a planned maintenance programme and comparing estimated costs against available budgets. The safety measures identified within the Covid-19 risk assessments will be implemented before any closed Council building is re-opened to the public. Page 49 of 141	No change to rating or mitigating actions.	Corporate Property

	controlled and restricted.				
5.Financial Management System Upgrade The FMS requires an upgrade during 2020/21 with a go live date of 1 April 2021. PSN compliance and failure of the upgrade create risks to financial controls and data security	A project group is set up internally to focus on Council action points with another group set up including the supplier. A project plan is being closely followed by each group. The project went live in April 2021 with no issues identified.	Treat the risk through continuous action and review.	<ul style="list-style-type: none"> Risk can now be removed / archived as the project was successful with the system going live in April 2021 	Update to current rating and position	Head of Finance
6. Failure of the Financial Management System The possibility of failure due to aging software poses risks to payment of suppliers, generating customer invoices and qualified Financial Statements.	An upgrade to the FMS has been undertaken and went live in April 2021	Treat the risk through continuous action and review.	<ul style="list-style-type: none"> No longer hosted on the Council's servers and therefore the risk can be removed / archived. There is a risk of internet failure but this is considered as part of IT risks and downtime 	Update to current rating and position	Head of Finance
7. Payroll Service the payment of employees and members is managed on a day-to-day basis by one person. There is no additional capacity or expertise	A report was approved to transfer the payroll service to another Local Authority and to TUPE the employee in August 2019 to create resilience in the service. Issues arose and the	Treat the risk through continuous action and review	<ul style="list-style-type: none"> There is a support function for payroll provision available to the Council from the supplier of the payroll software which can be utilised in an emergency. Discussions regarding cover of the payroll service are currently underway with the software supplier to make the detail more formal. 	No change to rating or mitigating actions	Head of Finance

within the team to cope with any down time so the risk of employees and members not receiving payments due is significant.	transfer has been delayed. Discussions are ongoing and it is hoped that the service will now transfer by April 2022.		<ul style="list-style-type: none"> Chesterfield Borough Council use the same payroll system and are able to offer a small level of support if required although they would not have the capacity to run the payroll. 		
8. Payroll Software Contract Expiry The contract expires in February 2022 and a tender would be required which may result in a change to the system prior to the end of a tax year plus an increased cost	No specification for a tender has been drawn up at this stage due to the potential outsourcing of the service. If the service transfers in April 2022 there will be a contractual gap of approximately a month	Treat the risk through continuous action and review	<ul style="list-style-type: none"> The service is due to transfer to another Local Authority and therefore a tender may not be required. If the transfer doesn't take place, a specification is partly in place due to the detail required for the transfer so this can be adapted. Discussions with the current software provider are underway regarding the contract and the potential transfer of the service. 	No change to rating or mitigating actions	Head of Finance
9. Transformation Compliance Approval of projects or workloads outside the annual work programme for ICT and Business Change	The Council has signed up to a Transformation Roadmap. Any day-to-day activities or project work that is established outside this process but calls on the same resources will stop progress on approved projects.	Treat the risk through continuous action and review	<ul style="list-style-type: none"> Ensure all Heads of Service are aware of the roadmap and the implications of adding additional projects. Ensure Transformation Steering Group members understand when they are involved in other work how that affects the ability to deliver critical transformation projects. 	No change to rating or mitigating actions	Business Change, ICT, Digital
10 Banking and Counterparty Limits authorised signatories being unavailable, internet failure resulting in no access to the bank accounts	Annual leave and meetings of both approvers and administrative functions are monitored by the team to ensure any potential risks are mitigated.	Treat the risk through continuous action and review.	<ul style="list-style-type: none"> 5 administration staff have responsibility for setting up transfers of cash therefore any external internet failure is mitigated by having at least 2 other staff to take over the process. <p>Page 51 of 141</p> <ul style="list-style-type: none"> There are 3 approvers for banking transactions, 2 of which are the S151 and 	No change to rating or mitigating actions	

Any of the above could result in a breach of the approved counterparty limits set by the Council, -	External internet issues cannot be managed directly but internal issues are reverted to the Head of Business Change and ICT		Deputy S151 Officers. At least 1 of these officers is always available for approvals. <ul style="list-style-type: none"> Cash flow forecasts are updated daily, and any known transfers are set up in advance 		Head of Finance
<p>11 Failure of systems external to Finance</p> <p>The Academy system interfaces data for Housing Benefit, Council Tax and Business Rates daily. The AIM system interfaces cash files daily.</p> <p>Failure to either of these systems or interfaces results in customer accounts not being up to date with cash paid and the FMS not including all assets and liabilities resulting in potential qualification of the Financial Statements</p>	<p>The files are monitored daily and any issues raised with the IT Helpdesk.</p> <p>There is an upgrade currently in process to the Academy system which the Finance team have been involved in testing, so risk of failure is low.</p>	Treat the risk through continuous action and review.	<ul style="list-style-type: none"> An annual maintenance fee is paid to the system providers for system support and disaster recovery. Daily reconciliations of cash are completed by the Finance team to ensure that any failure is recognised immediately. To prevent any reputational issues, a major failure would result in debt collection reminders being delayed. Bank accounts are also reconciled daily, and any missing cash files would be manually transferred into the FMS to ensure the Debtor position is correct. Council Tax, Business Rates and Housing Benefit interface files are reconciled monthly but the processing of the interface files is a manual task so any failure of file generation would be recognised immediately and reported to the IT Helpdesk. 	No change to rating or mitigating actions	Head of Finance

CORPORATE RESOURCES RISK MATRIX

Likelihood					
4 High		(1) Universal Credit (2) Fraudulent Activity (4) Public Buildings (8) Contract Expiry			
3 Medium		(9) Transformation Compliance	(6) FMS Failure (7) Payroll Service		
2 Low		(3) Procurement (10) Banking (11) External System Failure	(5) FMS Upgrade		
1 Unlikely					
	1 Minor	2 Moderate	3 Significant	4 Catastrophic	
	Impact				

1 Universal Credit

The implementation of Universal Credit could have an impact on resources in Benefits and Customer Services

2 Fraudulent Activity

The possibility of fraud being undetected in Revenues, Benefits and Housing, etc

3 Procurement.

The possibility of having limited access to good quality support and advice

4 Public Buildings

Ensuring public buildings are safe and have adequate repair budgets to ensure they remain fit for purpose

5 Financial Management System Upgrade

The FMS requires an upgrade during 2020/21 with a go live date of 1 April 2021

6 Failure of the Financial Management System	The possibility of failure due to aging software
7 Payroll Service	The payment of employees and members is managed on a day-to-day basis by one person.
8 Payroll Software Contract Expiry	The contract expires in February 2022
9 Transformation Compliance	Approval of projects or workloads outside the annual work programme for ICT and Business Change
10 Banking and Counterparty Limits	Authorised signatories being unavailable
11 Failure of systems external to Finance	The Academy system interfaces data for Housing Benefit, Council Tax and Business Rates daily. The AIM system interfaces cash files daily.

STRATEGIC RISK REGISTER (UPDATED AS AT Q1 2021/22)

Appendix E

Risk	Rating and Current Position	Risk Treatment	Mitigating Actions	Change since last Quarter
<p>1 Government Funding - a reduction in core funding.</p> <p>As a growth area, the Council's proportion of core funding is heavily reliant on the New Homes Bonus (NHB) and Business Rates.</p> <p>This makes it potentially vulnerable from changes to the current distribution system relative to other authorities who still receive Revenue Support Grant. This is a potential weakness highlighted in the Council's Financial Resilience Index.</p>	<p>Overall income has been increasing in recent years from the NHB and Business Rates growth. There has been uncertainty for some time regarding the replacement for the NHB and future changes to the Retention of Business Rates, which could disadvantage the Council relative to other authorities.</p> <p>The Government have delayed implementing outcomes from their Fair Funding Review until 2022/23.</p> <p>In addition, there may be a longer-term impact of the current Covid-19 pandemic on the level and distribution of resources for local government.</p>	<p>Treat the risk through continuous review and action where needed.</p>	<p>Financial Planning</p> <p>The Council plans its finances over five years for the General Fund and 10 years for the Housing Revenue Account. Its financial target of achieving a minimum level of contingency balance on a rolling five-year basis allows for a planned and timely approach to address any financial difficulties.</p> <p>The Medium-Term Financial Plan (MTFP) is regularly reviewed, updated and reported to the Finance Committee on a quarterly basis.</p> <p>Current Financial Position</p> <p>Overall, the General Fund currently shows a healthy position due to the level of reserves.</p> <p>The medium-term forecast indicates an increasing deficit in future years although this may be the worst-case scenario as it forecasts increasing expenditure to meet the population growth, but a reduction in income. Projected budget deficits could be financed from reserves if required, although this would become unsustainable well before 2025/26.</p> <p>The impact of Covid-19 on the short term (2020/21) financial position is being kept under review and it is currently anticipated that temporary increases in expenditure and loss of income can be met from additional Government funding received.</p> <p>More recently, the Council is aware that there could be a significant cost increase in the Kerbside Recycling Service from October 2021. Coupled with</p>	<p>No changes to the risk rating.</p> <p>The risk remains red due to the high likelihood of some change occurring which could have a significant impact.</p> <p>Updated for the current financial position as reported to the Council in February 2021.</p>

			<p>the Fair Funding Review, this could potentially undermine the current position.</p> <p>Consequently, the Council has approved that no new revenue spending, over and above that approved by the Council in February 2021, is committed until the situation becomes clearer.</p> <p>Income and Expenditure is being kept under review and reported to the Finance Committee on a quarterly basis.</p>	
<p>2 The Economy - the impact of the national economic situation locally.</p> <p>Any negative effects could be disproportionate for the District as a significant growth area.</p>	<p>Prior to Covid-19, the local economy had been relatively strong and growing, but has since slowed.</p> <p>The impact of the current Covid-19 pandemic could have a longer-term impact on the Council's core income as residents and businesses may face difficulties in paying Council Tax, Business Rates and Rent. It could also result in a recession in the local economy.</p> <p>In addition, the introduction of negative interest rates by the Bank of England, could mean that the Council will have to pay to have its cash and reserves on deposit.</p>	<p>Treat the risk through continuous review and action where needed.</p>	<p>Support for Local Businesses</p> <p>The Government has provided various funding and support for local businesses and residents to help them overcome the impact of Covid-19.</p> <p>Regeneration</p> <p>In addition, major residential development has largely continued and following an initial downturn in planning applications in April 2020, they have since shown a strong and sustained upward turn. In addition, the sale of the Council's former Depot Site for redevelopment has been completed and work commenced.</p> <p>The Finance and Management Committee approved a new capital investment programme of approximately £4 million on 8 October 2020 which will provide resources for regeneration and community projects.</p> <p>Treasury Management</p> <p>The MTFP is not reliant on interest rates increasing from the current level to generate revenue on its reserves and balances. Any increase would be a direct benefit to the Budget.</p> <p>The Council's Lending Policy is reviewed on a weekly and daily basis to mitigate the risk of negative interest</p>	<p>No changes to the risk rating.</p> <p>The risk continues to be red due to the high likelihood of some change occurring which could have a significant impact.</p>

			<p>rates and to expand the Counterparty List where it is safe to do so.</p> <p>Apart from debt associated with its Council Housing, the Council is debt free. Regarding the debt, a significant amount is at fixed interest rates and is affordable within the Housing Revenue Account's financial plan. The interest rate associated with a smaller proportion of variable rate debt, is below that budgeted.</p>	
<p>3a Technology, Data and Security - keeping pace with developments in IT, together with the management and security of data.</p>	<p>There is a potential for digital and technology opportunities to be missed with the Council operating unsupported systems which pose a greater security risk.</p> <p>There is also the potential for reputational damage, together with possible fines, should a data breach occur.</p>	<p>Treat the risk through continuous review and action where needed.</p> <p>Some aspects of this risk can be transferred as insurance cover is in place for the replacement or restoration of data.</p>	<p>IT Upgrades and Development</p> <p>The Council has an ICT replacement programme in place which directs hardware and corporate infrastructure upgrades. This is resourced through provision in the IT base budget, together with an IT Asset Replacement Reserve. New laptops, smartphones and an upgrade to Microsoft 365 was completed in 2020.</p> <p>Security of Systems</p> <p>The Council is currently compliant with the Government's Public Services Network requirements. Regular Internal Audit Reviews test the robustness of systems and the infrastructure with recommendations to strengthen the ICT environment being reported to and monitored by the Audit Sub-Committee.</p> <p>Due to potential virus attacks, measures are in place to restrict Internet access and to control the use of mobile devices.</p> <p>Security of Data</p> <p>Regular briefings and guidance documents are issued to raise awareness of data and security issues. An E-learning package is completed annually by all Officers with access to Council systems and equipment.</p>	<p>No changes to the risk rating.</p> <p>Mitigating actions updated to include security in place for remote working.</p>

			<p>The Council's Data Protection Officer has direct access to the Leadership Team on matters concerning Information Governance.</p> <p>Whilst staff have been working remotely communications have been sent to remind of the dangers of cyber-attacks. The security in place is the same for end users regardless of location therefore hardware and software need no special arrangements in response to COVID working practices, however staff are the first, last, strongest, and weakest chain in our defences. A mandatory Cyber Security e-learning package must be completed annually. A number of procedures and policies are also in place that mandate more secure ways of working such as no use of personal email addresses and devices, information classification and encryption.</p> <p>The Council is currently upgrading its telephone infrastructure to enable full compliance with the Payment Card Industry (PCI) regulations. The implementation of actions to strengthen security and the safeguarding of data subject to PCI, are being monitored by the Audit Sub-Committee.</p>	
3b Technology and Data – quality of performance data.	If this is not robust and meaningful, it could lead to misreporting and incorrect decision making.	Treat the risk through continuous review and action where needed.	<p>Implementation of the recommendations made within the Data Quality and Performance Management Audit undertaken in September 2019.</p> <p>Undertake an annual quality audit if deemed necessary, performed by officers or Internal Audit.</p>	No change
4 Business Continuity - arising from the loss of the main Civic Offices, Depot, ICT capability, together with a major displacement of the workforce, a flu	Previously, the impact of Brexit had been an issue, but as the UK has now left the EU, this risk has been downgraded for the time being.	Treat the risk through continuous review and action where needed.	<p>Business Continuity and Emergency Plans are in place and regularly reviewed in accordance with the Civil Contingencies Act. The Council buys in support from Derbyshire County Council to ensure that the Council's plans remain up to date.</p> <p>COVID risk assessments and action plans are in place and resources made available to provide</p>	The risk rating has not increased from Amber as the Council's Business Continuity arrangements have generally worked and allowed services, which have been allowed to operate by the

<p>pandemic or a fuel shortage, etc.</p>	<p>However, the situation continues to be kept under review pending any issues that may arise from the trade deal as it beds in.</p> <p><i>However, the live issue is still the impact of Covid-19.</i></p>	<p>Some aspects of this risk can be transferred as business interruption cover is in place as part of the Council's Property Insurance Policy.</p>	<p>employees with the equipment to work from home wherever possible as well as access to resources to support their physical and mental health and wellbeing.</p> <p>The Council continues to deliver all of its services. This is being undertaken within national guidelines and in conjunction with other agencies in Derbyshire. Guidance is being provided to staff and the public regarding on-going services and to help protect health and well-being.</p> <p>There are no changes to the current working arrangements. All staff who are able to work from home must continue to do so until further notice.</p> <p>Finance and Management Committee at its meeting on 22 July will consider options for the future delivery of services and employment models that takes in to account the risk associated with ensuring business continuity during and after the COVID-19 pandemic</p> <p>Sessions are being held with Heads of Service and Trade Unions in the next few weeks to explore options for future working arrangements ahead of sessions with staff.</p>	<p>Government, continuing to do so.</p> <p>However, this is being kept under review.</p> <p>Mitigating actions updated to include COVID risk assessments and working arrangements.</p>
<p>5 Capacity and Resilience - recruitment, retention and development of the workforce and dealing with additional demand for services due to Growth.</p>	<p>Resources set-aside in the MTFP in growth provisions and training budgets to expand service provision and develop the workforce.</p>	<p>Treat the risk through continuous review and action where needed.</p>	<p>Since 2018, several major services across the Council have been restructured to strengthen service provision and improve capacity.</p> <p>Proposed restructures in Community and Cultural Services and Housing have recently been approved and implemented to increase capacity and resilience.</p> <p>A restructure of the Council's Senior Management was implemented on 1 April 2019. The aim of the new structure was to create resilience in service provision with the creation of new Head of Service posts, including new posts to focus on Organisational Improvement/Learning and Development.</p> <p>The management restructure also combined resources to create centralised Business Change and</p>	<p>No change.</p>

			<p>Policy teams to support business transformation across the Council.</p> <p>These structures have become embedded in the organisation.</p> <p>Finance and Management Committee at its meeting on 22 July will consider options for the future delivery of services and employment models that takes in to account the risk associated with ensuring capacity and resilience in the delivery of services and retention of the workforce.</p>	
<p>6 Voluntary and Community Sector - a reduction in resources for partners who deliver services with or on behalf of the Council.</p>	<p>Evidence that this is occurring with CVS and Citizens Advice having core funding reduced in recent years.</p>	<p>Tolerate the current situation and keep under review.</p>	<p>It is considered that the Council is undertaking as much action as is reasonably possible at this stage to mitigate the risk.</p> <p>The Council's current grant funding has been maintained and been increased in 2021/22 by 2% for all supported organisations.</p> <p>Spending can be refocused to meet external funding requirements and is project-based.</p> <p>The Council employs a dedicated Community Partnership Officer to support the voluntary sector and local organisations.</p> <p>Capacity in the sector is being tested in the light of Covid-19 and the Council is working to support the relevant organisations.</p>	<p>No change.</p>
<p>7 Terrorism and potentially violent situations – as a public body there is a potential for the Council and its workforce to become a target.</p>	<p>From time to time, members of the workforce do face individual threats while undertaking their duties.</p>	<p>Treat the risk through continuous review and action where needed.</p> <p>Some aspects of this risk can</p>	<p>Lone working systems in place including a 'Solo-Protect' warning and call for assistance system.</p> <p>A Potentially Violent Persons Policy and Risk Register are in place.</p> <p>Alarms and warning system in place in the Civic Offices.</p>	<p>No change.</p>

		be transferred as the Council has a Terrorism Insurance Policy in place.		
8 Statute and Regulation – the failure to meet requirements.	There is no recent evidence to suggest any significant issues; the impact would depend on the nature of the failure.	Treat the risk through continuous review and action where needed.	<p>This applies to many Council services. In general, the necessary skills and resources are in place to ensure that the Council meets its statutory duties. In addition, the Council's Constitution, policies and procedures aim to support strategic and regulatory delivery.</p> <p>Note: <i>Some aspects of this risk can be transferred as the Council has insurance cover in place. If the failure rises due to an action of an employee during the normal course of their duties, it is covered under the Official Indemnity (accidental or negligent act) or Professional Indemnity (breach of professional duty) Policies.</i></p>	No change.
9. Health and Safety – the potential to contravene regulations through bad practice.	Due to the continuing focus given to Health and Safety, the likelihood of a major incident is low, but the impact could be significant.	Treat the risk through continuous review and action where needed.	<p>The Council employs a corporate Health and Safety Officer.</p> <p>An on-going training programme is in place for all staff and for parts of the workforce where there is a greater risk of an accident.</p> <p>Accidents and near misses are logged, reported and reviewed corporately and any major incidents are investigated to review procedures.</p> <p>Risk assessments are regularly undertaken, and procedures updated when necessary.</p>	No change.
10. Managing the environmental impact of incidents across the District.	This risk concerns incidents arising directly from actions by the Council in the provision of its services. For example, an oil spill which contaminates land or water courses, or the production of	Treat the risk through continuous review and action where needed.	<p>The Council has plans in place through Emergency Planning to manage the environmental impact of any incidents across the District.</p> <p>The Council is accredited to the prestigious international ISO 14001 standard for Environmental Management.</p>	No change.

	high carbon emissions adding to air pollution.		The Council has also declared a “Climate Emergency” and has a Corporate Steering Group to oversee an action plan to reduce the Council’s carbon footprint and become carbon neutral as an organisation by 2030. (See Risk 11 below)	
<p>11. Climate Emergency – The failure of the Council to achieve carbon neutrality for its operations by 2030 and carbon neutrality for the District by 2050.</p> <p>Impacts on environment and economy; increased risk of major events; potential for litigation; reputational damage</p>	<p>Medium likelihood, Moderate impact – Although the Council has an approved Climate and Environment Strategy and Action Plan it has not been possible, as yet, to develop a clear route map for Council operations to achieve carbon neutrality, nor to enable all activities in South Derbyshire to become carbon neutral.</p> <p>We are not aware of any Council who has yet set out a viable route map however this is a rapidly evolving area of work.</p>	Treat the risk through continuous review and action where needed.	<p>Achievement of the carbon reduction ambitions are mainly vested in our Climate and Environment Strategy and Climate & Environment Action Plan.</p> <p>The Action Plan contains planned and programmed actions and will be reviewed annually. It will quantify the estimated net financial costs and net carbon savings associated with the contents of the Plan. The Plan will calculate the contribution of the Plan to the carbon reduction trajectory, along with the calculated shortfall in carbon reductions. Attaining the targets in the Plan is one of the Corporate Plan Key Performance Indicators.</p> <p>The Strategy and Plan have identified the main carbon emissions sources. The Council will be alive to the many and various windfall opportunities for interventions in between the annual Plan revisions where these are considered likely to make significant impacts on reducing emissions.</p> <p>Emerging statute, in particular the Environment Bill, will exert significant influence over the Council’s operations and indirect influence in relation to climate change.</p>	No change.
<p>12 Internet Connection - The effects of the internet connection becoming unavailable for a length of time would be a major incident.</p>	<p>The Council has a main internet line into the Civic Offices, and this is shared through the estate for end users.</p> <p>Most applications whether they are onsite or hosted will need the Council’s internet</p>	Treat the risk through continuous action and review.	<p>New RA02 Circuits are being procured which have been specified with a resilient line. Although full resilience isn’t proved due to a single supplier, the lines are coming from different exchanges so both would have to be out of service for a total loss of connection.</p> <p>There are options to make some services available over alternative connections, be that personal or business, if needed.</p>	No change.

	<p>connection to be active for their use.</p> <p>There is only one ISP in Swadlincote. Therefore if the cable is damaged or the service is disrupted, no internet connection will be available.</p>		Smartphone users can use the mobile data connection to access outlook and teams etc.	
<p>13 Technical Resource - The Council relies on a small pool of technical specialists and support operatives to keep the organisation operational</p>	<p>The current pandemic has seen an upsurge in the demand for technical assistance.</p> <p>Council meetings are conducted digitally and supported remotely.</p> <p>Availability of resource to conduct these meeting can be a problem that affects day to day operations.</p> <p>Day to day and project workload as well as its priority has increased through the pandemic.</p>	Treat the risk through continuous action and review.	<p>The COVID-19 Fund is being used to finance an agency resource. The introduction of the post has offered relief for first line calls and Committee meetings.</p> <p>The agency resource is more expensive than an established post and is not a permanent solution.</p>	No change.
<p>14 Recycling Contract Procurement</p>	<p>Likelihood – Medium</p> <p>Impact - Significant</p> <p>There is a significant risk that the procurement may not deliver a viable contract, be significantly more costly than the current budget and not be mobilised in time for the expiry of the current contract due to potential delays in the procurement process.</p>	Treat the risk through continuous action and review.	<p>A project specific risk register has been produced and approved by Finance and Management Committee.</p> <p>The Head of Operational Services has retained some interim management capacity to enable him to focus on the implementation of his organisational restructure approved by Environmental and Development Services and Finance and Management Committees, respectively. The appointment of the Operational Services and Business and Resources Managers as soon as is practicably possible; or source alternative interim specialist support is imperative to ensure the procurement process remains on track.</p>	No change.

			The Head of Operational Services will regularly meet with the Strategic Director (Service Delivery), to update on progress.	
15 Supply Chain	<p>Likelihood – Medium Impact - Significant</p> <p>There have been no significant issues to-date but there may be some on the horizon including:</p> <ul style="list-style-type: none"> • EU shortage of materials to manufacture coloured plastic means the Council may not be able to supply new brown and green bins for at least 3 months. • National shortage of agency drivers to undertake HGV driving. A cancellation of driver testing during lockdown has led to a shortage of newly qualified drivers and changes to IRS rules have led many agency drivers to take permanent positions. • There is fast becoming a global shortage of microchips and some vehicle manufacturers have suspended production of new vehicles, this could potentially impact 	Treat the risk through continuous action and review	<p><i>EU shortage of materials to manufacture plastic:</i> Current stocks are diminishing but should last a few more weeks, we have placed orders for both brown and green bins and should be first in line when material supplies pick up. Additional black bins have been ordered and will be supplied with different coloured lids. Manufacturers have advised that they can provide the lids in different colours.</p> <p><i>National shortage of HGV drivers/production of new vehicles:</i> Currently discussing with all employees, the opportunity to be trained to drive HGV's, we also have three drivers not employed on Waste Services who can be utilised in an emergency. Management is in constant discussions with local agency driver suppliers to secure additional cover.</p> <p><i>Global shortage of microchips:</i> No immediate concerns over purchase of new vehicles, if situation deteriorates then we will look to source ex-demonstrator vehicles or nearly new/used vehicles. Short-term hire will also be considered where appropriate</p> <p>The shortage of semiconductors, a key component part in almost all modern electronics, is having a large</p>	New Risk for Q1 21-22.

	<p>fleet purchases and the supply of computer equipment.</p> <ul style="list-style-type: none"> Delivery times and prices of building materials have increased since the easing of lockdown. SDDC supplier has not been able to provide some basic materials. 		<p>effect on production of many products. Cars and Computer equipment are high profile products to suffer supply chain problems. The only way to combat this problem in relation to purchase of new equipment is to order early and allow up to 6 months for delivery. Where practical and financially viable orders can be made before the need arises. A good example could be purchase of a new laptop after members approve the post rather than after the candidate has accepted the post and will be starting in a matter of weeks.</p> <p>NOVUS and other contractors have been able to secure alternative supplies/products.</p>	
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STRATEGIC RISK MATRIX

Likelihood

4
High

3
Medium

		<p>(4) Business Continuity</p> <p>(6) Funding for the Voluntary Sector (6)</p>	<p>(1) Core Funding</p> <p>(2) The Economy</p>	
		<p>(3a) Technology and Data</p> <p>(3b) Performance Data</p> <p>(11) Climate Emergency</p> <p>(13) Technical Resource</p>	<p>(14) Recycling Contract Procurement</p> <p>(15) Supply Chain</p>	

2 Low		(5) Capacity and Resilience (8) Statute and Regulation	(9) Health and Safety (10) Environmental Impact		
	1 Unlikely			(7) Terrorism (12) Internet Connection	
		1 Minor	2 Moderate	3 Significant	4 Catastrophic
		Impact			

Risk Description

- 1 Government Funding - a reduction in core spending power
- 2 The Economy - the impact of the national economic situation locally
- 3a Technology and Data - keeping pace with developments together with the management and security of data
- 3b Technology and Data - Quality of performance data
- 4 Business Continuity - arising from the loss of the main Civic Offices, ICT capability, together with a major displacement of the workforce or a fuel shortage, etc.
- 5 Capacity and Resilience - recruitment, retention and development of the workforce and dealing with additional demand for services
- 6 Voluntary and Community Sector - a reduction in resources for partners who deliver services with or on behalf of the Council
- 7 Terrorism and Potentially Violent Situations - as a public body, there is potential for the Council and its workforce to become a target
- 8 Statute and Regulation - as a local authority the Council has a statutory duty to deliver many services and is required to operate within a regulatory framework
- 9 Health and Safety - the potential to contravene regulations through bad practice

- 10 Environmental Impact - managing environmental impact of incidents across the district
- 11 Climate Emergency - The failure of the Council to achieve carbon neutrality for its operations by 2030 and carbon neutrality for the District by 2050.
- 12 Internet Connection - The effects of the internet connection becoming unavailable for a length of time would be a major incident
- 13 Technical Resource - The Council relies on a small pool of technical specialists and support operatives to keep the organisation operational
- 14 Recycling Contract Procurement - There is a significant risk that the procurement may not deliver a viable contract, be significantly more costly than the current budget and not be mobilised in time for the expiry of the current contract due to potential delays in the procurement process.
- 15 Supply Chain

Appendix D - Template Risk Register

REF	RISK TITLE & DESCRIPTION	RISK CAUSE	RISK IMPACT	RISK CATEGORY Strategic Resource Operational Financial Knowledge management Compliance, Partnership	Current Risk Rating (See table below for guidance)			CONTROLS IN PLACE TO MITIGATE THE RISK	Risk Rating after mitigations (See table below for guidance)			FURTHER ACTION REQUIRED	SUMMARY OF CHANGE SINCE LAST QUARTER	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING			
CR1	Universal Credit (UC)	The implementation of UC could have an impact on resources in Benefits and Customer Services.	<p>UC is being rolled out on a phased basis for working age claimants. During 2019/20, this started to have a much bigger impact with claims for HB reducing by over 30%. However, the overall volume of work has broadly stayed the same as changes in UC are impacting on the Council's Council Tax Reduction Scheme (CTRS).</p> <p>More recently, the impact of Covid-19 has increased claims under the CTRS.</p>	Financial	4	3		<p>Greater automation is currently being progressed to process change of circumstances.</p> <p>The Local Council Tax Reduction Scheme is being redesigned to make it easier to understand and administer. Proposals for a new scheme, in principle, were originally planned for June 2020. However, due to Covid-19, this has been delayed until next year.</p> <p>Where spare capacity arises, off-site support, which is used to deal with peaks in workload, will be transferred in-house to utilise spare capacity.</p>	4	2		When future vacancies arise, these will be reviewed in the light of the longer-term position.		Head of Customer Services
CR2	Fraudulent activities	The possibility of fraud being undetected.	<p>National studies show fraud leads to a significant loss of resources within the Public Sector as a whole. The likelihood is considered high because fraud has been detected and prevented locally.</p> <p>In addition, authorities are being asked to be extra vigilant due to the potential for fraud to increase during Covid-19.</p>	Financial	4	3		<p>Public agencies such as the DWP and HMRC increasingly share data with local authorities on a real time basis. This allows compliance checks to take place to spot and eliminate the potential for fraud and error in a timely manner.</p> <p>The Council works in partnership with another Derbyshire authority to share a software package that enables data matching in Council Tax and Business Rates.</p> <p>Single Person Discount checks on Council Tax are also regularly undertaken.</p> <p>In addition, the Council has a Shared Service Arrangement with Derby City Council which delivers a dedicated Fraud Unit. This Unit is resourced to prevent and detect fraud across all services, including raising awareness amongst Council Officers.</p> <p>The Fraud Unit have an annual work programme which is considered and approved by the Audit Sub-Committee. Outcomes are also reported to the Audit Committee.</p>	4	2		The Fraud Unit have an annual work programme which is considered and approved by the Audit Sub-Committee. Outcomes are also reported to the Audit Committee.		Head of Customer Services

Risk Matrix Template

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

Impact	Very High (4)	4	8	12	16	12-16	Significant Risk
	High (3)	3	6	9	12	6-9	Medium Risk
	Medium (2)	2	4	6	8	1 - 4	Low Risk
	Low (1)	1	2	3	4		
		Remote (1)	Possible (2)	Probable (3)	Highly Probable (4)		
		Likelihood					

Impact	Thresholds and Description
1 – Low	Limited impact on service objectives if any, section objectives unlikely to be met, financial loss less than £500k, no media attention
2 – Medium	Slight delay in achievement of service objectives, minor injuries, financial loss over £500k, adverse local media attention, breaches of local procedures
3 – High	Significant threat to council objectives. Non-statutory duties not achieved, permanent injury, financial loss over £1million, negative national media attention, litigation expected, serious issues raised through inspection, breakdown of confidence of partners.
4 – Very high	Objectives cannot be delivered. Statutory duties not achieved, death, financial loss over £5million, adverse national media attention, litigation almost certain, prosecutions, breaches of law, inspection highlights inadequate service, council unable to work with partner organisation
Likelihood	Thresholds and Description
1 – Remote	May occur only in exceptional circumstances (e.g. once in 10 years)
2 – Possible	Unlikely to occur but could at some time (e.g. once in 3 years)
3 – Probable (in 2 years)	Fairly likely to occur at some time or under certain circumstances (e.g. once in 2 years)
4 – Highly probable (in 12 months)	Will probably occur at some time or in most circumstances (e.g. once in 12 months)

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE (SPECIAL)	AGENDA ITEM: 11
DATE OF MEETING:	22nd JULY 2021	CATEGORY: DELEGATED
REPORT FROM:	CHIEF EXECUTIVE	CATEGORY:
MEMBERS' CONTACT POINT:	FRANK MCARDLE (01283 595702) frank.mcardle@southderbyshire.gov.uk	DOC:
SUBJECT:	SOCIAL MOBILITY UPDATE	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM

1.0 Recommendations

- 1.1 To note the update provided.

2.0 Purpose of the Report

- 2.1 To respond to a query raised by the Chair of this Committee at a previous meeting of this Committee regarding Social Mobility.

3.0 Detail

- 3.1 The Council's Corporate Plan sets out the aim to 'Support Social Mobility to ensure people have the opportunity to access skilled jobs, higher and further education' (P2.4).
- 3.2 Progress on this aim has been affected by the pandemic. The Chair of this Committee requested a Note updating Members on the current position, including the plan to develop a Social Mobility Action Plan. A copy of the Note is attached as Appendix A.

Appendices

- A. Note on Social Mobility

Appendix A

Note on Social Mobility 26 June 2021

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

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

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

Social Mobility Commission, 2017

The Commission used those eligible for Free School Meals (FSM) as its key indicator of disadvantage. In 2018, 1,233 young people were eligible for FSM in South Derbyshire, a rate of 10.5% (England average 14.1%).

The State of the Nation report highlighted that the greatest challenges were faced by those aged under 18 years. This has since been reiterated in two more recent studies.

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

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

Most recently, the study **Lost Learning: Why we need to level up education** (Onward/New Schools Network, 2021) explored regional disparities and found that families in some areas have little chance of securing access to a Good or Outstanding School. South Derbyshire is identified as the worst performing area where pupils have a 1 in 3

chance of attending an underperforming primary school and a 100% chance of attending an underperforming secondary school. Taking a three-year average of 1998-2000 and 2017-2019, Derbyshire dropped 74 places from 40th to 124th in GCSE attainment.

South Derbyshire	Bottom 20 local authorities by share of pupils attending underperforming primary schools	Bottom 20 local authorities for share of pupils attending underperforming secondary schools
Rank of local authorities	7 th lowest	1 st lowest
Share of pupils	32%	100%

Ofsted Inspection Data 2019, Onward analysis

These Social Mobility issues can be seen in the performance of secondary schools in the area.

South Derbyshire Secondary School	Progress 8 - Progress description (KS2-4 across 8 subjects)	Progress 8 - School disadvantaged pupils progress score (Eligible for FSM)	Percentage achieving Grade 4 or above in English and Maths (~GCSE C or above)	Attainment 8 score (Eight qualifications including English and Maths)	Attainment 8 disadvantaged pupils (Eligible for FSM)
John Port Spencer Academy	0.03 (Average)	-0.51	78%	51.7	42.4
William Allitt School	-0.58 (Well below average)	-0.97	58%	40.2	29.8
Granville Academy	-0.16 (Average)	-0.45	67%	43.0	35.2
The Pingle Academy	0.11 (Average)	-0.33	65%	43.1	31.4
Eng state funded schools average		0.13	65%	46.7	50.3

Ofsted Inspection Data, 2019

Challenges

- available data is lagged by several years; OFSTED inspections were undertaken some years ago.
- the State of the Nation index has not been updated since 2017.
- headline data is likely to mask a more complex picture.
- activities of schools and other organisations have been restricted by social distancing.
- resources of partner organisations have been diverted to Covid response activities.

The Council has worked with the South Derbyshire Partnership, which brings together the local authorities with schools, colleges, employers and other agencies. The Partnership has consulted with experts from Derbyshire County Council and the University of Derby plus other local organisations to explore the data and issues, and undertaken research and explored other areas facing similar issues.

Emerging Focus

- Issues affect younger age groups not adults; Rapid population growth may be a factor.
- A relatively small group of children and young people face a high level of disadvantage compared to others in the area; Likely to include issues of school readiness.
- Households with children eligible for Free School Meals; Issues of complex lifestyles.
- Geographic concentration; A focus on Swadlincote urban core, Newhall, Woodville.
- Challenges in school performance – attendance, attainment and progression.
- COVID-19 may have exacerbated existing issues; Eg. household debt, digital exclusion.

Individual partner organisations have increasingly prioritised Social Mobility in their plans and strategies. The Partnership itself is currently funding a pilot project in Newhall led by South Derbyshire CVS. This is working intensively with a small cohort of households with complex issues/needs, exploring underlying issues and developing solutions. Along with the research and data analysis this will inform the Partnership's Social Mobility Action Plan.

The Partnership aims to complete the research and develop the Action Plan during 2021/22. However, this will be subject to the resources that the partner organisations can commit alongside their ongoing Covid-19 response activities.

PRIORITY: OUR PEOPLE

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

Measure and Ref	P2.4A – Deliver the objectives identified in the South Derbyshire Partnership Social Mobility Action Plan			Committee	F&M
Project detail	Delivery against the key themes identified in the South Derbyshire Partnership's Social Mobility Action Plan, as appropriate to the Council.			Why this is important	South Derbyshire has performed poorly on a number of indicators of Social Mobility for disadvantaged young people in recent years. The Social Mobility Commission's Social Mobility Index ranked South Derbyshire 311/324 local authority areas in 2017. Whilst the number of disadvantaged residents affected in South Derbyshire is relatively small, Social Mobility aims to ensure that everyone has the opportunity to build a good life for themselves regardless of geography or family background.
				Mitigating actions	The Council is working with the South Derbyshire Partnership to research, develop and implement a Social Mobility Action Plan.
	Annual target	Q1 Outturn (Apr-June)	Q2 Outturn (Apr - Sept)	Q3 Outturn (Apr - Dec)	Q4 Outturn (Apr 20 - Mar 21)
2020/21					Research and data analysis
2021/22					Develop Action Plan
2022/23					Implement Year 1 actions
2023/24					Implement Year 2 actions

<p><u>Performance Overview – quarterly update</u></p> <p>The Council has worked with the South Derbyshire Partnership, which brings together the local authorities with schools, colleges, employers and other agencies. The Partnership has consulted with experts from Derbyshire County Council and the University of Derby plus other local organisations to explore the data and issues, and undertaken research and explored other areas facing similar issues.</p> <p>Emerging Focus</p> <ul style="list-style-type: none"> • Issues affect younger age groups not adults; Rapid population growth may be a factor. • A relatively small group of children and young people face a high level of disadvantage compared to others in the area; Likely to include issues of school readiness. • Households with children eligible for Free School Meals; Issues of complex lifestyles. • Geographic concentration; A focus on Swadlincote urban core, Newhall, Woodville. • Challenges in school performance – attendance, attainment and progression. • COVID-19 may have exacerbated existing issues; Eg. household debt, digital exclusion. <p>Individual partner organisations have increasingly prioritised Social Mobility in their plans and strategies. The Partnership itself is currently funding a pilot project in Newhall led by South Derbyshire CVS. This is working intensively with a small cohort of households with complex issues/needs, exploring underlying issues and developing solutions. Along with the research and data analysis this will inform the development of Partnership’s Social Mobility Action Plan in 2021/22.</p>	<p><u>Actions to sustain or improve performance</u></p> <p>The development of the South Derbyshire Partnership Action Plan is underway though is proving to be challenging to deliver:</p> <ul style="list-style-type: none"> • available data is lagged by several years; OFSTED inspections were undertaken some years ago. • the State of the Nation index has not been updated since 2017. • headline data is likely to mask a more complex picture. • activities of schools and other organisations have been restricted by social distancing. • resources of partner organisations have been diverted to Covid response activities.
<p>Benchmarking</p>	<p>The Social Mobility Commission has not published an update to its 2017 Social Mobility Index. Consequently, the South Derbyshire Partnership will need to identify other indicators that can be used to monitor the Action Plan (eg. attainment by disadvantaged pupils).</p>

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 7
DATE OF MEETING:	26th AUGUST 2021	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	VICKI SUMMERFIELD Victoria.summerfield@southderbyshire.gov.uk	DOC: s/finance/committee/2021-22/Aug
SUBJECT:	REVENUE FINANCIAL MONITORING 2021/22	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM08

1.0 Recommendations

- 1.1 That the latest revenue financial position for 2021/22 as detailed in the report is considered and approved.
- 1.2 That an additional £50,000 per annum is set-aside as a provision in the Medium-Term Financial Plan (MTFP) due to changes to the Recycling service.

2.0 Purpose of the Report

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

3.0 Detail

GENERAL FUND

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

- General Government Grant
- Council Tax

- Retained Business Rates
- New Homes Bonus

- 3.2 The Base Budget for 2021/22 approved in February 2021 estimated a budget deficit of £100,984. The estimated deficit has now been increased to £379,116 to include the lower than budgeted increase on Council Tax approved at Full Council in March 2021 (£26,327), concurrent functions and voluntary grant increases of 2% (£13,488), PCI compliance approved January 2021 (£17,235), a carry forward of growth expenditure not incurred during 2020/21 (£136,260), regraded posts in Licensing approved July 2021 (£2,445) and the outsourcing of Payroll reported June 2021 (£32,376).
- 3.3 It is proposed that an additional £50,000 is set-aside in the MTFP to ensure the General Fund has enough provision for the changes to the Recycling service as reported in August 2021.
- 3.4 A review of the additional sum will be taken once the year-end and two quarters of income returns have been received. If a return greater than forecast is seen and a contribution to the specific earmarked reserve is made, then it is likely that this provision can be reduced. This will be reported as part of the outturn for 2021/22.
- 3.5 The increase of £50,000 is included in contingent sums as part of the Waste Collection and Recycling provision listed below at 3.8.
- 3.6 An update to the Council's financial position as a result of approved changes and the General Fund outturn for 2020/21 is listed within the MTFP in **Appendix 1**. This shows that the General Reserve Balance is now projected at just over £1.6 million by 2025/26, assuming projected deficits will be financed from General Reserves between 2021 and 2026. This balance is above the minimum requirement of £1.5 million. On these projections, the balance falls into deficit by 2027 so this will need to be kept under review over the medium-term.
- 3.7 The biggest uncertainty remains future Government funding and further details are awaited ahead of the financial settlement for 2022/23.
- 3.8 Contingent sums held within the MTFP are detailed in the following table.

	£
Provision for "off-payroll" payments	10,000
Waste Collection and Recycling	150,000
Growth	32,630
Pension Earmarked Reserve Drawdown	-41,122
Administration of Child Care Vouchers	1,750
Licensing Post Upgrade	2,445
PCI Compliance	17,235
Payroll Service Outsourcing	32,376
Parish and Concurrent Functions	13,488
Local Plan Provision	15,000
Temporary Post Adjustments	-16,447
Operational Services Growth	243,274

Total

Position as at June 2021

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

COMMITTEE SUMMARY - BUDGET MONITORING JUNE 2021

Summary by Policy Committee

REVENUE	ANNUAL			RESERVES	
	Full Year	Projected	Projected	Net effect on GF	
	Budget £	Actual £	Variance £	Earmarked £	on GF £
Environmental and Development Services	6,127,089	6,316,395	-189,306	-918	-188,388
Housing and Community Services	2,650,462	2,247,039	403,422	407,997	-4,575
Finance and Management	6,038,722	4,030,877	2,007,845	1,871,540	92,678
TOTAL	14,816,273	12,594,311	2,221,961	2,278,619	-100,285

3.10 The above table shows that net expenditure is expected to be £2,221,961 lower than budget but transfers to Earmarked Reserves of £2,278,619 due to grant income and external contributions received under Section 106 agreements for projects and capital schemes which stretch beyond the current financial year are required. This funding is transferred to specific reserves and drawn down to finance expenditure when it is incurred.

3.11 Excluding transfers to specific reserves, the above table shows that based on current spending, there is a projected increase in overall expenditure across General Fund services of approximately £100,285.

3.12 An analysis by the main service areas is shown in the following table.

COMMITTEE SUMMARY - BUDGET MONITORING JUNE 2021

Summary by Service Area

REVENUE	ANNUAL			RESERVES	
	Full Year	Projected	Projected	Net effect on GF	
	Budget £	Actual £	Variance £	Earmarked £	on GF £
Economic Development	344,350	341,330	3,020	0	3,020
Environmental Services	809,185	789,509	19,676	-918	20,594
Highways & Parking	61,801	62,076	-275	0	-275
Licensing & Land Charges	-1,566	80,752	-82,319	0	-82,319
Planning	638,628	640,407	-1,779	0	-1,779
Street Scene	1,194,076	1,138,035	56,041	0	56,041
Waste & Transport	3,080,615	3,264,285	-183,670	0	-183,670
Community Development & Support	698,302	676,066	22,236	27,613	-5,377
Recreational Activities	152,990	151,745	1,245	0	1,245
Leisure Centres & Community Facilities	757,807	471,663	286,144	286,134	10
Parks & Open Spaces	577,272	559,221	18,051	21,174	-3,123
Private Sector Housing	464,091	388,345	75,746	73,076	2,670

Central Support Services	4,075,360	4,067,858	7,502	-28,880	36,382
Corporate & Democratic Costs	534,770	544,027	-9,257	0	-9,257
Elections & Registration	228,425	228,426	-1	0	-1
Parishes, Interest, S106 Receipts & Provisions	769,221	-1,194,629	1,963,850	1,900,420	19,803
Estate Management	-245,318	-267,731	22,413	0	22,413
Revenues & Benefits	676,265	652,927	23,338	0	23,338
	14,816,273	12,594,311	2,221,961	2,278,619	-100,285

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

GENERAL FUND VARIANCE TO BUDGET JUNE 2021

	£'000
Salary savings (vacancies, maternity etc.) - E&D	238
Salary savings (vacancies, maternity etc.) - F&M	123
Salary savings (vacancies, maternity etc.) - H&C	12
Total Employee	373
Recycling Contract	410
Increased Planning Fee Income	110
Waste Disposal	30
Professional Fees	30
Investment Income	20
Extra Refuse Collections	5
Members Allowance, Room Hire and Training	5
Other Variances (net)	1
Total Favourable Variances	984
Emergency Fire Support and Flood Mitigation	-6
Additional External Audit Work 2019/20	-6
Bank Charges	-7
Responsive Tree Works in Churchyards	-8
Bin and Sack Purchases	-10
Head of Service Recruitment	-13
PWC Vision Reform	-20
Vehicle Spare Parts	-30
Fuel	-34
Vehicle Hire	-281
Agency and Consultancy Costs	-669
Total Adverse Variances	-1,084
TOTAL - OVERALL PROJECTED VARIANCE	-100

3.14 Salary savings in year relate to vacancies and maternity but these savings are more than offset by agency and consultancy to support services. A payment for untaken annual leave entitlement was due to the former Head of Culture and Community Services therefore no savings will be seen on this post in year. Recruitment costs of £13k for the new Head were not budgeted for. The following table shows the expected costs and savings on staff in year.

	Employee Saving £'000	Agency Cost £'000	Variance £'000	
Recycling	0	-260	-260	Report to recruit Aug 2021
Planning	4	-112	-108	Long-term sickness
Land Charges	31	-101	-70	Vacancies - Lichfield DC supporting
Finance	-24	0	-24	Offset by professional fees
Licensing	23	-34	-11	Maternity cover
Waste and Transport	81	-90	-9	Vacancy plus sickness
Business Change	6	-10	-4	Long-term sickness
Economic Development	14	-11	3	Vacant post
Rosliston	12	-7	5	Vacant post
Democratic	12	0	12	Long-term sickness
Environmental	25	-9	16	Long-term sickness
Organisational Development	21	-5	16	Vacancy recruited
Property and Public Buildings	24	-5	19	Vacancies
Legal	45	-20	25	Out to recruit
Revenues and Customer Services	38	-5	33	Vacancies
Street Scene	61	0	61	Vacant posts
	373	-669	-296	

- 3.15 Due to the contract for Recycling unexpectedly concluding in February 2021, the Council is incurring costs for agency (£260k), vehicle hire (£230k) and fuel (£34k) which were not included in the base budget. A saving is being seen on the contract sum (£410k), but this is only partially offsetting the additional costs. A report to determine the future of Recycling was presented to the Committee early in August but this is yet to be updated in the MTFP.
- 3.16 Vehicle hire is also being incurred on Refuse due to two broken vehicles (£51k) that were scheduled to be replaced in 2020 and 2021. A tender exercise is due to be progressed in the coming months. Due to the age of some vehicles scheduled for replacement, an increase in spare parts is also being seen in year (£30k).
- 3.17 Investment income is greater than budget due to the large value of cash deposits held by the Council. £4m is currently invested in a longer-term high interest account with an average return of 4%. The budget for investment income is prudently based on a low interest receivable percentage and is therefore likely to exceed the budget.
- 3.18 Planning applications are significantly higher than forecast and have picked up considerably in the past few months after a lower number during 2020/21. There is no slowdown in applications expected at this stage.
- 3.19 Contributions from Derbyshire County Council are higher than budget on waste disposal due to higher levels of green waste and recycling due to the pandemic. This is in line with the outturn position in 2020/21 where higher levels of income were seen due to stock piling of food at the during of the pandemic. Extra collections are also higher than budget in line with the receipt for waste disposal but an increase in provision of bins and sacks more than offsets this additional income.

- 3.20 Professional fee savings are being seen in Finance due to the payroll service remaining in-house at this stage. Costs are being incurred for the unbudgeted payroll post, but this is covered by the saving.
- 3.21 Savings are being made due to vacancies and training costs for elected Members. It is expected that costs will be incurred as the year progresses with a small saving overall.
- 3.22 Emergency tree works have been undertaken in churchyards to ensure health and safety measures are in place (£8k) and other emergency works on flood mitigation in Melbourne and equipment for a serious fire in Hilton have also been required (£6k).
- 3.23 Due to the additional number of transactions being processed through the Council's bank account, higher costs than budgeted are being incurred. These costs are covered however by the increase in investment income.
- 3.24 Additional costs have been incurred for the extended work required by external audit on the 2019/20 Statement of Accounts. These costs were due to the large prior year adjustment for Housing Benefits which was reported in the outturn report in July 2020.

COVID-19 Funding

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

	£
Bought Forward 2020/21	-181,218
Grant Payment Q1	-490,231
Total Funding	-671,449
Agency	38,176
ICT and Home Working	60,652
Discretionary Grant Awards	82,300
Recycling Costs	-11,257
Overtime	19,160
Committee Sound System and Chairs	36,010
Kennelling Costs	35,727
PPE	7,105
Cleaning of Public Buildings	8,822
Vehicle Hire	3,359
Total Predicted Impact	280,054
Remaining Funding	-391,395

- 3.28 Expenditure as noted above is a prediction of potential costs in 2021/22. It is assumed that agency, Committee costs and vehicle hire will continue into the foreseeable future.
- 3.29 Costs for kennelling animals under the Animal Welfare Act are still being incurred due to no court date being scheduled. It is expected that the case should be resolved by September 2021 and these costs should then cease.
- 3.30 Overtime costs are being incurred for additional work related to the Business Grant schemes. It is expected based on current data that these schemes will wind down by the Autumn.
- 3.31 The cleaning regime currently in place in Public Buildings is expected to continue for the remainder of the year and PPE expenditure is likely to remain at a higher level for at least the first two quarters.
- 3.32 Most employees are now set up to work from home where they are able to but there are still potentially areas of cost yet to be seen. This will be kept under review pending a decision on future working arrangements.
- 3.33 The Council set-aside £100k for discretionary grant purposes where businesses and charitable organisations did not qualify for a mandatory Business Grant. As at 31 July, £17,700 of this fund has been utilised. It is assumed that the remainder will be spent in year.
- 3.34 A credit amount for Recycling is now sitting within the summary table due to an over accrual at the year-end for the contract. This in effect was a bigger draw down than required in 2020/21 and is to be rectified in 2021/22.

Core Grants and Funding

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

Core Grants and Funding 2021/22	£
Council Tax	5,915,215
Retained Business Rates	3,779,996
Lower Tier Services Grant	519,414
New Homes Bonus	3,381,517
Collection Fund Surplus	124,054
Total Funding	<u>13,720,196</u>

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

HOUSING REVENUE ACCOUNT (HRA)

3.38 The Council is required to account separately for income and expenditure in providing Council housing.

3.39 The Base Budget approved in February 2021 for the HRA was set with an estimated deficit of £1.6m. The MTFP has been updated following the final year-end outturn for 2020/21 and the approval of an upgrade to the Housing Management Software of £30k.

Summary HRA 2021/22	BUDGET £000	PROJECTED ACTUAL £000	PROJECTED VARIANCE £000
Total Income	-12,819	-12,743	-76
Contribution to Capital & New Build	2,683	2,683	0
Responsive & Planned Maintenance	3,480	3,548	-68
Interest Payable and Receivable	1,738	1,596	142
Supervision & Management	1,848	1,875	-27
Supported Housing & Careline Services	951	923	28
Provision for Bad Debts	125	125	0
Provision for Debt Repayment	3,594	3,594	0
Asset Replacement Contribution	45	45	0
Software Upgrade	30	30	0
Surplus	1,675	1,676	-1

3.40 The above table shows that overall, the HRA is expected to have a deficit of £1.6m which is in line with budget although there are anticipated fluctuations regarding expenditure and savings to make the net position on target. The main reasons for the variances are detailed below.

HRA VARIANCE TO BUDGET JUNE 2021

	£'000
Salary savings (vacancies, maternity etc.)	162
Interest Income and Expenditure	142
Additional Careline Income	25
Disrepair Claims	-30
Reduced Rent due to Void Dwellings	-101
Agency and Consultancy Staff	-200
Other Variances (net)	1
TOTAL - OVERALL PROJECTED VARIANCE	-1

3.41 Expected salary savings in year relate to vacancies and are more than offset by agency and consultancy to support services.

3.42 Investment income is expected to be above budget by approximately £12k on the HRA and expenditure on the Income Statement is expected to be lower than budgeted

(£130k) due to lower interest rates chargeable. Further detail regarding investment income is noted at 3.13.

- 3.43 A lower cost for professional fees is due to a contingency budget for revenue costs associated with new build and acquisition which is unlikely to be fully utilised plus a lower rate of Right to Buy due to the pandemic.
- 3.44 Rental income is lower in year due to void properties. The turnaround of void properties is improving, and the loss forecast will hopefully not increase any further. Right to Buy losses have totalled four during the first quarter which is slightly below budget and aids the income losses. Right to Buy is a significant risk to the HRA and although the pandemic helped slow the losses, an increase in enquiries is being seen as 2021/22 progresses.
- 3.45 Successful disrepair claims have been made against the Council which were not covered by the Council's insurance policy.
- 3.46 Additional income has been received in year for Careline from Derbyshire County Council (DCC). This area is a big risk to the HRA as the income from DCC is not guaranteed after March 2022 and if this is lost it will result in a shortfall of at least £130k per annum. A shortfall of this magnitude will push the HRA below the statutory minimum balance within the next two years. Negotiations regarding the future service provision are underway and will be reported to the Committee in the following months.
- 3.47 The HRA's 10-year MTFP is shown in **Appendix 2**.

COLLECTION FUND

- 3.48 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.
- 3.49 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 2021/22 based on transactions up to 30 June 2021, is detailed in **Appendix 3**.
- 3.50 The Appendix shows that the projected surplus balance on Council Tax is approximately £1.8m with a deficit balance on Business Rates of approximately £5.4m.
- 3.51 Growth in the tax base is expected to continue which will impact positively on both Business Rates and Council Tax although both elements are likely to be negatively impacted due to the pandemic.
- 3.52 Council Tax has seen larger growth in the first quarter than initially predicted and is expected to continue to grow further as the year progresses.
- 3.53 Business Rates at the end of the first quarter is looking to generate a large deficit due to Business Rate Reliefs funded by the Government. It is difficult at this stage to forecast how the Business Rates position will fair over the year, but it is hoped that

with all of the additional support given to businesses during the pandemic, that growth will once again benefit the Council.

- 3.54 The large deficit on Business Rates will be covered over the next three years by all preceptors due to the Government legislating to spread deficit balances incurred in 2020/21 over a three-year period. The largest impact will be incurred during 2021/22 with the remainder spread over 2022/23 and 2023/24. The Council set-aside an earmarked reserve to cover its proportion of the deficit during the completion of the 2020/21 Accounts.
- 3.55 The Council is required to complete a Statutory return with expected Tax Base numbers for the following financial year in September. The Council Tax budget was based on this return with a Tax Base of 35,218 Band D equivalent properties with a total number of dwellings on the valuation list of 46,311. At the end of June 2021, the actual Tax Base was 36,253 (+1,035) with a total number of dwellings of 47,291 (+980).

4.0 Financial Implications

- 4.1 Detailed in the report.

5.0 Corporate Implications

Employment Implications

- 5.1 None.

Legal Implications

- 5.2 None.

Corporate Plan Implications

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

Risk Impact

- 5.4 None.

6.0 Community Impact

Consultation

- 6.1 None.

Equality and Diversity Impact

- 6.2 None.

Social Value Impact

6.3 None.

Environmental Sustainability

6.4 None.

7.0 Background Papers

7.1 None.

APPENDIX 1

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

	Budget £ 2021.22	Projection £ 2022.23	Projection £ 2023.24	Projection £ 2024.25	Projection £ 2025.26	Projection £ 2026.27
BASE BUDGET						
Environmental & Development	6,127,089	6,360,107	6,526,586	6,697,424	6,871,713	7,053,047
Housing & Community	2,650,462	2,792,946	2,844,411	2,897,581	2,951,322	3,021,669
Finance & Management	6,038,722	6,198,526	6,366,623	6,536,299	6,707,819	6,881,426
Net Service Expenditure	14,816,273	15,351,579	15,737,621	16,131,304	16,530,853	16,956,142
Accounting Adjustments						
Reverse out Depreciation	-1,435,413	-1,435,413	-1,435,413	-1,435,413	-1,435,413	-1,435,413
Minimum Revenue Provision (MRP)	181,932	174,654	167,668	160,962	154,523	148,342
Voluntary Revenue Provision (VRP - Recycling Bins & Grove Active Zone)	75,891	20,556	20,556	1,639	0	0
	13,638,682	14,111,376	14,490,431	14,858,492	15,249,963	15,669,070
Add: Known Variations						
Vehicle Maintenance Plan (Tyres and Spare Parts)	0	23,000	20,000	55,000	55,000	55,000
Operational Services - Allocated Growth Excluded from Base Budget	243,274	146,652	382,329	160,367	164,376	168,486
Growth Provision Drawdown	0	0	-172,294	0	0	0
Licensing Posts Regrade - approved July 2021	2,445	3,893	6,200	8,536	8,735	8,953
PCI Compliance Reported January 2021	17,235	17,235	17,235	17,235	17,235	17,235
Parish Concurrent Functions and Grants to Voluntary Bodies	13,488	13,488	13,488	13,488	13,488	13,488
Payroll Service Transfer Reported June 2021	32,376	-39,119	-39,019	-38,905	-38,779	-38,779
Local Plan Review	15,000	15,000	0	0	0	0
Incremental Salary Increases	0	21,842	22,388	22,948	23,522	0
Investment Income	0	11,000	51,000	68,040	70,000	70,000
Administration of Childcare Vouchers	1,750	1,750	1,750	1,750	1,750	1,750
Temporary Posts, Rosliston and Grants	-16,447	-100,298	-86,943	-95,844	-80,410	0
Potential Cost of New Waste Disposal Site	0	47,560	49,938	52,435	55,057	57,809
Potential Loss of Industrial Unit Income	0	190,000	190,000	190,000	190,000	190,000
Pension Earmarked Reserve Drawdown	-41,122	-43,589	-6,783	0	0	0
District Election May 2023	0	0	125,000	0	0	0
TOTAL ESTIMATED SPENDING	13,906,681	14,419,790	15,064,721	15,313,542	15,729,937	16,213,013
Provisions						
Provision for Employer's NIC on "off-payroll" payments	10,000	10,000	10,000	10,000	10,000	10,000
Contingent Sum - Growth	32,630	160,000	105,000	143,254	143,144	113,144
Waste and Recycling	150,000	150,000	150,000	150,000	150,000	150,000
TOTAL PROJECTED SPENDING	14,099,311	14,739,790	15,329,721	15,616,796	16,033,081	16,486,157

GENERAL FUND MEDIUM TERM FINANCIAL PLAN

BUDGET & PROJECTION as at JUNE 2021

	Proposed Budget £ 2021.22	Projection £ 2022.23	Projection £ 2023.24	Projection £ 2024.25	Projection £ 2025.26	Projection £ 2026.27
FINANCING						
Business Rates Retention	-3,779,996	-3,779,996	-3,779,996	-3,779,996	-3,779,996	-3,779,996
Lower Tier Services Grant Allocation	-519,414	-2,388,033	-3,159,592	-2,843,633	-2,559,270	-2,559,270
New Homes Bonus	-3,381,517	-1,122,625	0	0	0	0
Council Tax Income	-5,915,215	-6,158,100	-6,412,322	-6,687,869	-6,980,282	-7,281,557
Core Spending Power	-13,596,142	-13,448,754	-13,351,910	-13,311,498	-13,319,548	-13,620,822
Add Estimated Collection Fund Surplus - Council Tax	-124,054	-55,000	-55,000	-55,000	-55,000	-55,000
TOTAL FINANCING	-13,720,196	-13,503,754	-13,406,910	-13,366,498	-13,374,548	-13,675,822
Revenue Surplus (-) / Deficit	379,116	1,236,037	1,922,811	2,250,298	2,658,533	2,810,335
Capital Contributions						
Melbourne Sports Park Drainage	166,020	0	0	0	0	0
IT and Digital Strategy	166,000	160,000	160,000	160,000	166,500	173,000
Purchase of Town Centre Land	44,335	0	0	0	0	0
Community Partnership Scheme	264,853	0	0	0	0	0
Rosliston Forestry Centre - Play Project	50,000	0	0	0	0	0
Asset Replacement and Renewal Fund	358,000	357,000	356,000	355,000	355,000	355,000
TOTAL CAPITAL CONTRIBUTION	1,049,208	517,000	516,000	515,000	521,500	528,000
TOTAL GENERAL FUND DEFICIT	1,428,324	1,753,037	2,438,811	2,765,298	3,180,033	3,338,335
GENERAL FUND RESERVE BALANCE						
Balance b/fwd	-13,193,524	-11,765,200	-10,012,164	-7,573,353	-4,808,055	-1,628,023
Revenue Surplus (-) / Deficit	379,116	1,236,037	1,922,811	2,250,298	2,658,533	2,810,335
Capital Contributions	1,049,208	517,000	516,000	515,000	521,500	528,000
Balance c/fwd	-11,765,200	-10,012,164	-7,573,353	-4,808,055	-1,628,023	1,710,312

HOUSING REVENUE ACCOUNT FINANCIAL PROJECTION - JUNE 2021

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

HOUSING REVENUE ACCOUNT FINANCIAL PROJECTION - JUNE 2021

	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32
Approved	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Additional Debt Repayment Transfer	2,150	2,500	2,300	1,500	1,500	1,850	750	750	750	1,000	800
Investment Income	0	18	43	60	60	60	60	60	60	60	0
Capital works non-traditional properties	100	100	0	0	0	0	0	0	0	0	
ICT Upgrades	30	30	30	30	30	30	30	230	30	30	30
Incremental Salary Increases	0	6	6	6	6	7	7	7	7	7	7
HRA Surplus (-) / Deficit	1,675	1,939	1,634	684	514	692	-583	-560	-938	65	-375

HRA General Reserve

HRA Reserve B/fwd	-8,430	-6,755	-4,815	-3,181	-2,497	-1,983	-1,292	-1,875	-2,435	-3,373	-3,308
(Surplus) / Deficit for year	1,675	1,939	1,634	684	514	692	-583	-560	-938	65	-375
HRA Reserve C/fwd	-6,755	-4,815	-3,181	-2,497	-1,983	-1,292	-1,875	-2,435	-3,373	-3,308	-3,683

RESERVES

Debt Repayment Reserve

Balance B/fwd	-8,006	-1,600	-5,694	-5	-3,151	-6,238	-24	-2,655	-5,187	-7,472	-9,373
Depreciation balance	-1,444	-1,594	-2,011	-1,646	-1,587	-1,936	-1,881	-1,782	-1,535	-901	-1,379
Transfers to reserve	-2,150	-2,500	-2,300	-1,500	-1,500	-1,850	-750	-750	-750	-1,000	-800
Repayment of loan	10000	0	10,000	0	0	10,000	0	0	0	0	10,000
Reserve C/fwd	-1,600	-5,694	-5	-3,151	-6,238	-24	-2,655	-5,187	-7,472	-9,373	-1,552

Earmarked Reserve

Balance B/fwd	-401	-401	-298	-298	-73	-118	-163	-208	-253	-298	-63
Vehicle Replacement Transfer to Reserve	-45	-45	-45	-45	-45	-45	-45	-45	-45	-45	-50
Software Upgrade	45	148	45	0	0	0	0	0	0	0	0
Asset Replacement	0	0	0	270	0	0	0	0	0	280	0
Reserve C/fwd	-401	-298	-298	-73	-118	-163	-208	-253	-298	-63	-113

HOUSING REVENUE ACCOUNT FINANCIAL PROJECTION - JUNE 2021

	2021.22 Approved Budget £'000	2022.23 Forecast £'000	2023.24 Forecast £'000	2024.25 Forecast £'000	2025.26 Forecast £'000	2026.27 Forecast £'000	2027.28 Forecast £'000	2028.29 Forecast £'000	2029.30 Forecast £'000	2030.31 Forecast £'000	2031.32 Forecast £'000
Major Repairs Reserve											
Balance B/fwd	-4,592	-5,292	-5,992	-6,292	-6,892	-7,492	-7,692	-8,292	-8,892	-9,492	-10,092
Transfers to reserve	-600	-600	-300	-600	-600	-200	-600	-600	-600	-600	-600
Earmarked non-traditional properties	-100	-100	0	0	0	0	0	0	0	0	0
Reserve C/fwd	-5,292	-5,992	-6,292	-6,892	-7,492	-7,692	-8,292	-8,892	-9,492	-10,092	-10,692
New Build Reserve											
Capital Receipts B/fwd	-1,642	-1,861	-2,582	-3,197	-3,808	-4,420	-5,031	-5,643	-6,255	-6,866	-7,478
Acquisitions in year	505	0	0	0	0	0	0	0	0	0	
RTB Receipts in year	-724	-721	-615	-612	-612	-612	-612	-612	-612	-612	-612
Borrowing in year	0	0	0	0	0	0	0	0	0	0	0
Balance c/fwd	-1,861	-2,582	-3,197	-3,808	-4,420	-5,031	-5,643	-6,255	-6,866	-7,478	-8,089

COLLECTION FUND MONITORING 2021/22 (as at 30 June 2021)

	Actual 2020/21	Estimated 2021/22	Qtr 1 Projection 2021/22	Notes
COUNCIL TAX - INCOME & EXPENDITURE	£'000	£'000	£'000	
INCOME				
Council Tax Collectable	65,215	68,476	68,644	Est. Increase in Tax Base and Precepts at 5%
EXPENDITURE				
County Council Precept	46,517	48,709	48,709	As approved by Full Council 1 Mar 2021
Police and Crime Commissioner Precept	7,812	8,509	8,509	As above
Fire and Rescue Authority Precept	2,680	2,792	2,792	As above
SDDC Precept	5,705	5,915	5,915	As above
SDDC Parish Precepts	848	929	929	As above
Increase in Bad Debts Provision	1,546	1,370	1,373	Estimated at 2% of income
Total Expenditure	65,108	68,224	68,227	
Surplus for the Year	107	252	417	
COUNCIL TAX BALANCE				
Opening Balance 1 April	3,310	2,617	2,617	Per Final Accounts 2020/21
Share of Previous Surplus to County Council	-587	-881	-881	As approved by Full Council 14 Jan 2021
Share of Previous Surplus to Police	-96	-144	-144	As above
Share of Previous Surplus to Fire Authority	-34	-51	-51	As above
Share of Previous Surplus to SDDC	-83	-124	-124	As above
Surplus for Year (as above)	107	252	417	
Closing Balance as at 31 March	2,617	1,669	1,834	
	Actual	Estimated	Qtr 1	
	2020/21	2021/22	Projection	
			2021/22	
BUSINESS RATES - INCOME & EXPENDITURE	£'000	£'000	£'000	
INCOME				
Business Rates Collectable	19,572	28,308	25,217	Estimate as per NNDR1
Transitional Protection Payments	343	289	289	
Total Income	19,915	28,597	25,506	
EXPENDITURE				
Central Government Precept	13,862	13,927	13,927	
SDDC Precept	11,089	11,141	11,141	Per NNDR1 Submission
Derbyshire County Council Precept	2,495	2,507	2,507	As above
Fire and Rescue Service Precept	277	279	279	As above
Cost of Collection	93	94	94	As above
Increase in Bad Debts Provision	589	199	252	Estimated using debtor position at 31 Dec 21
Provision for Appeals	799	450	504	Estimated using appeals list at 31 Dec 21
Total Expenditure	29,204	28,597	28,705	
Surplus / Deficit (-)	-9,289	0	-3,199	
BUSINESS RATES BALANCE				
Opening Balance 1 April	1,155	-8,157	-8,157	Per Final Accounts 2020/21
Prior Year Share of Surplus (-) / Deficit to Government	36	2,952	2,952	Per NNDR1 Submission
Prior Year Share of Surplus (-) / Deficit to SDDC	-19	2,361	2,361	As above
Prior Year Share of Surplus (-) / Deficit to County	-40	531	531	As above
Prior Year Share of Surplus (-) / Deficit to Fire	0	59	59	As above
Surplus / Deficit (-) for the Year as above	-9,289	0	-3,199	
Closing Balance as at 31 March	-8,157	-2,254	-5,453	

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 8
DATE OF MEETING:	26th AUGUST 2021	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	VICKI SUMMERFIELD 01283 595939 Victoria.summerfield@southderbyshire.gov.uk	DOC: s/finance/committee/2021-22/August
SUBJECT:	CAPITAL FINANCIAL MONITORING 2021/22	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM08

1.0 Recommendations

- 1.1 That the latest capital financial position for 2021/22 as detailed in the report is considered and approved.
- 1.2 That an increase to the Budget for the Green Homes Grant is approved.
- 1.3 That the balance of S106 available for use by the Council for capital projects as detailed in Appendix 2 is noted.

2.0 Purpose of the Report

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

3.0 Detail

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

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

CAPITAL MONITORING JUNE 2021

	EXPENDITURE		
	Actual £	Budget £	Variance £
Major Improvements	672,670	2,383,000	1,710,330
Disabled Adaptations	74,164	300,000	225,836
New Build and Acquisition	230,141	505,030	274,889
TOTAL HRA	976,975	3,188,030	2,211,055
Private Sector Housing	156,537	1,915,495	1,758,958
Environmental Services	21,303	750,798	729,495
Community Projects	245,779	3,602,950	3,357,171
Vehicle Replacements	62,750	673,568	610,818
ICT Strategy	62,220	166,000	103,780
Asset Replacement and Renewal	12,210	619,150	606,940
TOTAL GENERAL FUND	560,799	7,727,961	7,167,162
TOTAL CAPITAL EXPENDITURE	1,537,774	10,915,991	9,378,217

	FUNDING		
	Actual £	Budget £	Variance £
Section 106	0	1,038,440	1,038,440
Grants	166,279	2,609,470	2,443,191
HRA	746,834	2,683,000	1,936,166
Revenue Contribution	0	15,000	15,000
General Fund	251,550	729,208	477,658
Capital Receipts	299,861	2,634,466	2,334,605
Earmarked Reserves	73,250	1,206,407	1,133,157
TOTAL FUNDING	1,537,774	10,915,991	9,378,217

HRA Capital

- 3.6 Detail of the planned expenditure for both revenue and capital have been reported to Housing and Community Services Committee during August. A marginal underspend of approximately £5k is expected in year. Progress will be updated quarterly.
- 3.7 Disabled adaptations of Council housing are scheduled and expected to be on budget by the year-end.

- 3.8 The budget for new build and acquisition schemes consists of acquisitions of properties in Newhall and Overseal.
- 3.9 The Overseal properties were acquired in April after a slight delay in delivery in 2020/21. A marginal overspend is currently being seen of £5k.
- 3.10 Acquisitions in Newhall are due to complete in 2021/22 and no expenditure has yet been incurred.

General Fund Capital

Private Sector Housing Works

- 3.11 There are several projects included within this area, one of which is Disabled Facility Grants (DFG). Expenditure on DFG has been consistently lower than the allocated budget of £400k for several years. Carry forwards of underspent budgets are made at the year-end to ensure sufficient allocation for any increase in the pipeline.
- 3.12 A list of projects is included later on the Agenda to the Committee and details how the current carry forward value of £2m is to be spent over the coming years.
- 3.13 In addition to the above, the Council is supporting community flood prevention measures which funds a maximum of £5,000 per qualifying household and is reimbursed to the Council by DEFRA. No proposal is made at the stage to include a budget as there is no upper limit to the amount the Council can allocate to households, and it is therefore difficult to predict the likely expenditure at this stage.

Leisure and Community Schemes

- 3.14 The Community Partnership Scheme has all the funding committed to specific projects, but the funding is still to be drawn down from the Council.
- 3.15 The Melbourne Sports Park project is now complete but an overspend of £22k has been identified. The Finance team is working with Culture and Community Services to determine how this is to be funded. More detail on the overspend and funding will be reported to the Committee in quarter 2.
- 3.16 All of the remaining projects in this area were approved as part of the Capital Bidding round in October 2020. Progress was slow during 2020/21 and budgets were therefore carried forward into 2021/22. It is unlikely that all of the projects will be complete during 2021/22 and a revision to the profile of the budgeted expenditure may be required later in the year.

Environmental Projects

- 3.17 The budget included a sum of £28,500 for fly tipping and surveillance which has been partially spent in 2020/21, the remainder being carried forward into 2021/22.
- 3.18 A revision to the approved budgeted of £725,475 has been made to take account of the funding that has been secured from the Government for the Green Homes Grant. The Council has secured two grant allocations to-date and progress is being made on allocating the funds to households within the District.

Vehicle Replacements

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

Asset Disposals and Refurbishment

- 3.20 A General Fund contribution of £88k is set-aside each year to fund refurbishment and maintenance of Public Buildings. No major capital works were undertaken in year but repairs to Green Bank Leisure Centre and Public Buildings were completed and included in the revenue reporting.
- 3.21 The only expenditure seen so far in year is for the demolition works in the Town Centre approved as part of the Capital Bidding Round.

IT Strategy

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

4.0 Capital Reserves

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

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

HRA Capital Reserves

- 3.24 The New Build and Acquisition Reserve is topped up by all retained receipts of sales of Council houses under Right to Buy.
- 3.25 Right to Buy sales have totalled 4 as at 30 June 2021 and a total sum of £313,258 has been received by the Council.
- 3.26 Reinvigoration of Right to Buy has created a new method of reporting sales of housing stock to the Government. The change now means that full reporting and payment of the pooled amount to the Government is only undertaken once a year as opposed to quarterly.

- 3.27 Detail of the retained balance will be reported as part of the final outturn. The retained sum will be transferred to the New Build and Acquisition reserve.
- 3.28 Any underspends on the HRA capital programme are transferred to the Major Repairs Reserve at year-end and the balance is to be utilised in future years as the new schedule for capital works is implemented.
- 3.29 Currently the HRA has debt of £57.4m to be repaid to the Public Works Loan Board at specific dates over a 20-year period because of self-financing.
- 3.30 The profile of debt repayment is listed in the following table.

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

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

General Fund Capital Reserves

- 3.32 As part of the Council's Reserve balances, S106 receipts are accumulated and drawn down against specific projects in line with the contractual agreement.
- 3.33 Section 106 contributions are a large element of funding for the Council's capital programme and future planned works. The list of contributions within the Council's control are detailed in Appendix 2 with commentary regarding committed projects and the time frame to spend. In summary, the total balance of S106 held by the Council is included in the table below.
- 3.34 S106 is received and monitored by the Council for other public bodies such as Derbyshire County Council and the NHS with sums also being allocated specifically to the Council. Appendix 2 details the total S106 available for the Council to spend on projects and has been broken down between community sums and affordable housing sums. The following table summarises the position as at 30 June 2021.

	£
Affordable Housing	4,083,852
Community	3,004,184
Property	479,006
Other	484,990
	<u>8,052,031</u>

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

3.36 A sum of £983,847 is expected in year under a collaboration agreement for sale of land at Oversetts Road.

	£ 2021/22	£ 2022/23	£ 2023/24	£ 2024/25	£ 2025/26
General Capital Receipts B/fwd	2,569,462	1,423,841	905,380	774,442	689,442
Receipts in Year:					
Land Sale Oversetts Road	983,847	0	0	0	0
Specific Projects:					
Strategic Housing Market Assessment	0	0	0	-25,000	0
Private Sector Stock Condition Survey	0	0	0	-60,000	0
Empty Property Grants	-38,000	0	0	0	0
Repairs to Village Halls	-6,700	0	0	0	0
Public Buildings Planned Maintenance	-58,032	0	0	0	0
Midway Community Centre Extension	-250,000	0	0	0	0
Vehicle Replacements	0	0	0	0	-650,000
Capital Bids approved October 2020	-1,776,736	-518,461	-130,938	0	0
Total Capital Receipts Reserve Balance	1,423,841	905,380	774,442	689,442	39,442

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

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

4.0 Financial Implications

4.1 Detailed in the report.

5.0 Corporate Implications

5.1 None directly.

6.0 Community Impact

6.1 None directly.

COMMITTEE SUMMARY - CAPITAL MONITORING JUNE 2021

	EXPENDITURE		
	Actual £	Budget £	Variance £
Major Improvements under Self-financing	672,670	2,383,000	1,710,330
Major Disabled Facilities Grant (Council Houses MRA)	74,164	300,000	225,836
New Build - Orchard Street, Newhall	0	280,000	280,000
New Build - Acresford Road, Overseal	230,141	225,030	-5,111
HOUSING REVENUE ACCOUNT	976,975	3,188,030	2,211,055
Disabled Facility Grants and other Works	59,501	664,293	604,792
Discretionary Top-up Grants	0	150,000	150,000
Healthy Homes Project	0	50,000	50,000
Dedicated Mental Health Worker	10,000	40,000	30,000
Additional Technical Officer	8,434	40,000	31,566
Empty Property Grants	0	38,000	38,000
Relocation Grant	0	100,000	100,000
Dementia Friendly Homes Grant	0	30,000	30,000
Domestic Violence Crisis Prevention	12,500	65,000	52,500
Hospital Discharge Grant	7,301	30,000	22,699
Healthy Homes Assistance Fund	9,980	340,929	330,949
Pilot Schemes	0	129,593	129,593
Capital One-off Projects	0	32,680	32,680
Temporary Health & Housing Co-ordinator	0	45,000	45,000
Stay Active and Independent for Longer	8,656	60,000	51,344
Temporary Public Health Officer	9,840	45,000	35,160
Temporary Occupational Therapist	0	55,000	55,000
Property Flood Resilience Recovery Support Scheme	30,325	0	-30,325
Private Sector Housing	156,537	1,915,495	1,758,958
Fly Tipping and Environmental Surveillance	11,562	25,323	13,761
Green Homes Grant - Local Authority Delivery	9,741	725,475	715,734
Environmental Services	21,303	750,798	729,495
Community Partnership Scheme	0	264,853	264,853
Melbourne Sports Park - Drainage Works	189,330	166,020	-23,310
Midway Community Centre Extension	0	270,000	270,000
Oversetts Road Football Facility	0	1,188,159	1,188,159
SuDS Improvements	0	20,000	20,000
Paradise Garden, Swadlincote Town Centre	0	30,000	30,000
Revitalising Rosliston Forestry Centre	32,234	344,834	312,600
CCTV in Swadlincote Town Centre	0	11,500	11,500
Improvements to Play Areas	0	153,965	153,965
Extension to Marston on Dove Cemetery	0	48,000	48,000
Miners Memorial Project, Eureka Park	300	185,000	184,700
Urban Park at William Nadin Way	23,914	840,619	816,705
Improvements to Swadlincote Woodlands	0	40,000	40,000
Eureka Park Bowling Green Improvements	0	40,000	40,000

Community Services	245,779	3,602,950	3,357,171
Vehicle Replacements	62,750	673,568	610,818
Public Building - Repairs & Renewals	0	278,000	278,000
Repairs to Village Halls & Community Facilities	0	6,700	6,700
Civic Hub - Town Centre Regeneration	0	298,365	298,365
IT Strategy	62,220	166,000	103,780
Repairs to Melbourne Assembly Rooms	1,710	24,566	22,856
Purchase of Chamber Building	0	11,519	11,519
Demolition of Bank House and Car Park Creation	10,500	0	-10,500
Assets	137,180	1,458,718	1,321,538
GENERAL FUND	560,799	7,727,961	7,167,162
TOTAL CAPITAL EXPENDITURE	1,537,774	10,915,991	9,378,217

APPENDIX 2

		Cultural Services £	Affordable Housing £	Property £	SDDC Unspecified £	Spend Deadline	
2010/0320	Aston	20,706	0	0		N/A	Towards the provision of local recreation facilities - Weston & Aston PC have project for RIA
2012/0568	Aston	539,550	0	0		28/02/2024	180k to Derby City for Chellaston Community Centre - 87k is in discussion with Swarkestone / Elvaston Cricket Club
2014/0232	Aston	22,839	0	0		06/04/2024	Towards the provision of local outdoor recreational facilities - Weston & Aston PC have project for RIA
2016/0583	Aston	15,733	0	0		20/02/2024	Towards local areas of play - Derby City taking lead on spend
2016/0870	Aston	15,052	0	0		26/06/2024	Towards provision of outdoor sports facilities at Aston recreation Ground - Weston & Aston PC have project for RIA
2016/0898	Aston	14,886	0	0		05/07/2023	Towards permitting public access to social and community facilities - Weston & Aston PC have project for RIA
2017/0416	Church Gresley	24,979	0	0		10/12/2025	£12k towards play equipment at Maurice Lea Memorial Park, £7k towards Woodhouse Recreation Ground, £4k towards Greenbank Leisure Centre
2012/0743	Church Gresley	214,779	152,773	77,921		20/11/2022	£212k towards Urban Park Project, £77.9k Green Bank, £152.7k towards Cadley Hill affordable housing
2013/1040	Etwall	89,737	0	0		22/02/2022	Etwall LC car park - 40k being claimed by Trust, currently waiting for application form.
2014/0562	Etwall	0	0	60,386		06/11/2024	Towards increasing the capacity of Etwall Leisure Centre
2014/1136	Etwall	0	0	298,452		19/06/2025	Towards improvements at Etwall Leisure Centre
2015/0354	Etwall	21,590	0	0		01/10/2023	Towards improvements to King George V Playing Field - Etwall PC currently obtaining 3 quotes to resurface play area after the summer
2015/0768	Etwall	240,637	3,246,000	0		14/02/2023	Cultural services: £94k towards Newhouse Farm Community Centre £52k towards group exercise and swimming provision at Etwall LC. Affordable Housing: towards housing within the Derby fringe
2017/0349	Etwall	75,648	0	0	370,682	28/09/2025	£75k Potentially towards a sporting hub - discussions ongoing, £370.6k towards travel plan.
2017/1293	Hilton	1,132	0	0		04/10/2024	Hilton Parish to spend on Hilton Memorial Meadow

2013/1044	Hilton	214,103	0	0		21/06/2023	Hilton PC taking lead - £55k towards Scout Hut
2014/0948	Linton	91,670	0	0		04/12/2025	Towards outdoor Recreational facilities & improvement of off-site open space at Rosliston Forestry Centre
2015/0426	Linton	20,946	0	0		21/11/2024	Badgers Hollow Recreation Ground - towards provision and or improvement of youth facilities - Linton PC obtaining quotes
2015/0723	Linton	71,655	0	0		14/08/2024	Towards enhancements to RFC visitor centre, RFC play equipment and sports pitches at Strawberry Lane
2014/1141	Melbourne	15,326	0	0		01/11/2028	Towards Kings Newton Bowls Club
2016/0094	Midway	26,256	0	0		19/10/2025	Towards Eureka Park, Miner's memorial and Swadlincote Town Hall improvements
2011/0952	Newhall and Stanton	15,708	0	0		05/05/2022	Included within the "Improvements to play areas" project at Newhall Park
2014/0222	Newhall and Stanton	16,892	0	0		03/04/2023	Included within the "Improvements to play areas" project at Newhall Park
2014/0888	Newhall and Stanton	570,000	0	0		15/03/2025	Towards Oversetts Road Football Facility
2015/0396	Newhall and Stanton	13,815	0	0		04/09/2024	Towards Oversetts Road Football Facility
2017/0667	Newhall and Stanton	76,182	187,162	42,246		02/02/2026	£76k Towards Urban Park project, £42k towards works to swimming pool at Green Bank, 187k towards the provision of affordable housing on the Swadlincote South fringe
2016/1118	Repton	34,767	0	0		02/03/2026	£12.4k Towards extension of Repton Village Hall, £22.3k towards improvements to Broomfields Playing Fields
2013/0643	Repton	0	497,916	0		22/12/2022	Towards Provision, improvement, maintenance or management of affordable housing within the Repton Ward
2014/0431	Seales	6,200	0	0		30/06/2022	Towards restoration & subsequent management of grassland at Swadlincote Woodlands
2015/0029	Seales	12,904	0	0		21/03/2026	Towards the changeroom at Overseal Rec
2017/0819	Seales	5,635	0	0		28/02/2023	Towards improving existing changing rooms at Overseal Recreation Ground. Currently speaking with Overseal PC
2011/0006	Swadlincote	30,340	0	0		08/11/2023	Towards provision of play space - Including within the "Improvements to play areas" project
2019/1183	Swadlincote	0	0	0	14,208	N/A	Towards the CCG and improvements at Swadlincote Surgery
2011/0329	Swadlincote	19,386	0	0		29/03/2024	Towards the provision of local open space facilities - Including within the "Improvements to play areas" project
2013/0818	Swadlincote	59,505	0	0		20/03/2022	Towards purchasing and maintaining off-site open space - Urban Park project

2014/0300	Swadlincote	25,858	0	0		22/10/2024	Towards renovation of multi-use games area at Maurice Lea Memorial Park
2006/0885	Willington and Findern	19,950	0	0	100,000	31/08/2022	£19.9k towards enhancing open space/recreation facilities, £100k towards improvement to the culverts on and bridges over Willington Brook
2011/0292	Willington and Findern	46,857	0	0		N/A	Willington Parish - towards Twyford Pavilion & tennis courts project
2012/0586	Woodville	11,918	0	0		N/A	Towards the provision of Open Space
2012/0861	Woodville	22,134	0	0		N/A	Towards the provision of open space - Including within the "Improvements to play areas" project
2013/0364	Woodville	2,118	0	0		15/03/2022	Towards improvements at Swadlincote Woodlands
2015/0534	Woodville	31,692	0	0		03/01/2023	Towards open space - Woodville PC taking lead
2015/0561	Woodville	20,402	0	0		12/12/2024	£16.9k towards Main Street Rec, £3.5k towards Goseley Community Centre
2015/0563	Woodville	8,335	0	0		07/02/2024	Towards provision of outdoor sports facilities, open space and build facilities - currently in talks with Hartshorne PC
2015/0976	Woodville	7,316	0	0		29/11/2023	Woodville Parish looking to spend at Woodville Recreation Ground
2016/0329	Woodville	28,960	0	0		02/07/2025	£5.5k towards improvements of the pavilion at Woodville Rec, £14k towards grass pitches at Woodville Rec, £9.3k towards Footpath connections at Woodville Woodlands - Including within the "Improvements to play areas" project
2018/0377	Woodville	20,366	0	0		16/03/2026	£3.4k towards Goseley Community Centre, £6.2k towards Hartshorne Cricket Club, £10.6k towards Improvements to Swadlincote Woodlands
2019/1427	Newhall and Stanton	15,591	0	0	100	10/06/2026	Towards enhancements to the Urban Park
2017/0194	Repton	22,063	0	0		15/06/2026	£3.7k towards Repton Village Hall, 18.2k towards improvements at Broomfields Playing Fields
2015/1108	Hatton	96,066	0	0		N/A	Towards the enhancement of Scropton Road Recreation Ground
2016/0288	Swadlincote	26,000	0	0		24/06/2026	Towards improving play or sports facilities at Swadlincote Woodlands
TOTAL AVAILABLE		3,004,184	4,083,852	479,006	484,990	8,052,031	

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 9
DATE OF MEETING:	26th AUGUST 2021	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	VICKI SUMMERFIELD victoria.summerfield@southderbyshire.gov.uk	DOC: s/finance/committee/21-22/August
SUBJECT:	TREASURY MANAGEMENT UPDATE 2021/22	REF
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: FM08

1.0 Recommendation

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

2.0 Purpose of the Report

- 2.1 To provide an update on the Council's treasury management activities for the first quarter of 2021/22.
- 2.2 To provide an update on external economic factors and how these may affect treasury management in the future.

3.0 Financial Implications

- 3.1 As detailed in the report

4.0 Corporate Implications

- 4.1 None directly

5.0 Community Implications

- 5.1 None directly

6.0 Background Papers

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



South Derbyshire District Council

Treasury Management Report Q1 2021/22

Introduction

The Authority has adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Authority to approve treasury management semi-annual and annual reports.

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

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

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

External Context

Economic background: Economic resurgence from coronavirus pandemic continued to dominate the first quarter of the financial year. In the biggest inoculation programme the country has ever undertaken, over 44 million people in the UK had received their first dose of a COVID-19 vaccine with 32 million also having a second dose.

The Bank of England (BoE) held Bank Rate at 0.1% throughout the period and maintained its Quantitative Easing programme at £895 billion, unchanged since the November 2020 meeting. In its June 2021 policy announcement, the BoE expected the economy to experience a temporary period of strong GDP growth and above-target CPI inflation, after which growth and inflation is expected to fall back. There were, however, two-sided risks around this central path, and it is possible that near-term upward pressure on prices could prove somewhat larger than expected. The Bank's Monetary Policy Committee does not intend to tighten monetary policy at least until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% inflation target sustainably.

Government initiatives continued to support the economy over the quarter, following the range of measures announced by the Chancellor in the 2021 Budget, which included extending the furlough (Coronavirus Job Retention) scheme until September 2021.

The latest labour market data showed that in the three months to April 2021 the unemployment rate fell to 4.7%, although it is likely that labour market slack has remained higher than implied by this measure. Some individuals stopped looking for work during the pandemic and were therefore recorded as inactive. There is uncertainty around how many of these individuals will resume their search for a job, and when. Latest data showed growth in

average total pay (including bonuses) and regular pay (excluding bonuses) among employees was 5.6% for the three months February to April 2021. The seemingly high growth partly reflected a base effect from a decline in average pay in the spring of last year, associated with the reduced pay of employees on the furlough scheme.

Annual CPI inflation rose to 2.1% in May on the back of base effects in spring 2020 and partly due to higher energy and commodity prices and supply-side bottlenecks. The BoE expects inflation to exceed 3% for a temporary period. The ONS' preferred measure of CPIH which includes owner-occupied housing was also 2.1% year/year, marginally higher than expectations.

The reimposition of restrictions on activity in the first quarter of calendar 2021 year resulted in GDP falling 1.6% in Q1. GDP growth was strong in April at 2.3% with the partial easing of restrictions on non-essential retail and outdoor hospitality. Housing market activity remained strong, aided by the extension of the stamp duty threshold and an increase in mortgage approvals for house purchases.

The US economy rebounded by 4.3% in Q4 2020 (Oct-Dec) and then an even stronger 6.4% in Q1 as the recovery continued to be fuelled by \$5 trillion worth of pandemic stimulus packages. The Federal Reserve maintained its main interest rate at between 0% and 0.25% over the period.

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

Financial markets: Ongoing monetary and fiscal stimulus together with improving economic growth prospects and successful vaccine rollout programmes continued to boost equity markets over the period. The Dow Jones reached a record high during the period while the UK-focused FTSE 250 index was back above pre-pandemic levels and the more internationally focused FTSE 100 had recouped around three-quarters of 2020 losses.

Inflation worries continued during the period but declines in bond yields between April and June suggest bond markets may be expecting any general price increases to be less severe, or more transitory, than was previously thought.

The 5-year UK benchmark gilt yield began the financial year at 0.36% before declining to 0.32% by the end of June 2021. Over the same period the 10-year gilt yield fell from 0.80% to 0.71%, despite jumping to 0.90% in May. The 20-year yield declined from 1.31% to 1.21%.

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

Credit review: Credit default swap spreads were relatively flat over the period and remain only slightly above their pre-pandemic levels. The gap in spreads between UK ringfenced and non-ringfenced entities remained, and Santander UK remained an outlier compared to the other ringfenced/retail banks. At the end of June, Santander UK was trading the highest at 52bps and Standard Chartered the lowest at 31bps. The other ringfenced banks were trading between 32 and 34bps while Nationwide Building Society was 38bps.

There were only a small number of credit rating actions over the period. Fitch revised a number of Singaporean and Australian banks as well as Close Brothers to stable, and also

upgraded Coventry Building Society to 'A' (from 'A-'). Towards the end of the period Fitch revised the United Kingdom's outlook to stable from negative.

S&P also revised some Australian banks to stable, as well as Transport for London, which a week or so later received a £1.08 billion bailout from the UK government. S&P also downgraded the long- and short-term ratings of DZ Bank (Germany) to A+ and A-1 from AA- and A-1+ respectively. In late June S&P took further rating actions, upwardly revising the outlooks for a number of UK and European banks from negative to stable, or in the case of Barclays and Nationwide from stable to positive.

The successful vaccine rollout programme is credit positive for the financial services sector in general, but there remains much uncertainty around the extent of the losses banks and building societies will suffer due to the economic slowdown which has resulted due to pandemic-related lockdowns and restrictions. The institutions and durations on the Authority's counterparty list recommended by treasury management advisors Arlingclose remain under constant review, but at the end of the period no changes had been made to the names on the list or the recommended maximum duration of 35 days.

Local Context

On 31st March 2021, the Authority had net borrowing of (£3.032m) arising from its revenue and capital income and expenditure. This fell to (£3.201m) by the end of the quarter. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in below.

Capital Financing Requirement (CFR)

	31.03.21 Actual £,000	30.06.21 Actual £'000
<u>Housing Revenue Account</u>		
Debt Outstanding	57,423	57,423
Capital Financing Requirement (CFR)	61,584	61,584
Statutory Debt Cap	66,853	66,853
Borrowing Capacity (Cap less Debt Outstanding)	9,430	9,430
<u>General Fund</u>		
Debt Outstanding	0	0
Capital Financing Requirement (CFR)	4,667	4,667
Borrowing Capacity (Cap less Debt Outstanding)	4,667	4,667
Total Capital Financing Requirement (CFR)	66,251	66,251

The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low.

The overall treasury management position as at 30th June 2021 and the change during the quarter is shown below.

Treasury Management Summary

	31.03.21 Balance £m	Movement £m	30.06.21 Balance £m	Average Rate %
Long-term borrowing:				
Fixed	47,423	0	47,423	3.19%
Variable	10,000	0	10,000	0.35%
Short-term borrowing	89	0	89	0.00%
Total borrowing	57,512	0	57,512	
Long-term investments	4,000	0	4,000	0.103%
Short-term investments	57,500	(4,000)	53,500	0.00%
Cash and cash equivalents	(956)	4,169	3,213	
Total investments	60,544	169	60,713	
Net borrowing	(3,032)	169	(3,201)	

Borrowing update

Local authorities can borrow from the PWLB provided they can confirm they are not planning to purchase 'investment assets primarily for yield' in the current or next two financial years, with confirmation of the purpose of capital expenditure from the Section 151 Officer. Authorities that are purchasing or intending to purchase investment assets primarily for yield will not be able to access the PWLB except to refinance existing loans or externalise internal borrowing.

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

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

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

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

Although the Authority doesn't intend future borrowing through the MBA, it would first ensure that it has thoroughly scrutinised the legal terms and conditions of an arrangement and is satisfied with them.

UK Infrastructure Bank: £4bn has been earmarked for of lending to local authorities by the UK Infrastructure Bank. The availability of this lending to local authorities is due to commence in summer 2021 for which there is expected to be a bidding process. Loans will be available for qualifying projects at gilt yields plus 0.6%, which is 0.2% lower than the PWLB certainty rate.

Borrowing Activity

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

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

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

Borrowing Position

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

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

Treasury Investment Activity

On 6th April the Authority received central government funding to support small and medium businesses during the coronavirus pandemic through grant schemes. £3.7m was received, temporarily invested in short-dated, liquid instruments such as call accounts and Money Market Funds. All funds were disbursed by the end of June.

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the quarter, the Authority's investment balance remained at an average of £60m, due to timing differences between income and expenditure. The investment position during the quarter is shown in the table below.

Treasury Investment Position

	31.03.21 Balance £'000	Q1 2021 Movement £'000	30.06.21 Balance £'000	30.06.21 Rate of Return %
Banks (unsecured)	(956)	4,169	3,213	0.00
Local Authorities	44,000	(2,000)	42,000	0.18
Money Market Funds	13,500	(2,000)	11,500	0.04
CCLA Property Fund	4,000	0	4,000	3.83
Total investments	60,544	169	60,713	

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

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

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

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

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

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %
30.06.2021	4.55	A+	26%	128	0.41
Similar LAs	4.60	A+	68%	41	1.22
All LAs	4.64	A+	67%	12	0.82

Credit Score: This is a value weighted average score calculated by weighting the credit score of each investment by its value. A higher number indicates a higher risk.

Credit Rating: This is based on the long-term rating assigned to each institution in the portfolio, by ratings agencies Fitch, Moody's and Standard & Poor's. Ratings rang from AAA to D, and can be modified by +/-

Bail in Exposure: The adoption of a bail in regime for failed banks results in a potential increased risk of loss of funds for local authority should this need to be implemented. Therefore, a lower exposure to bail in investments reduces this risk.

Weighted Average Maturity: This is an indicator of the average duration of the internally managed investments. Similar authorities have a similar profile to South Derbyshire; other larger authorities tend to hold a greater proportion of fund in money markets than fixed term deposits with other LAs, due to their cash flow requirements.

Externally Managed Pooled Funds

£4m of the Authority's investments are invested in externally managed strategic pooled property funds where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability. These funds are expected to generate an average return of £35k - £40k per quarter, its estimated £140k - £160k income return will be achieved this year, which is used to support services in year.

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

CCLA Property Fund Performance

		2020/21	2021/22
		Q4	Q1
Dividend Received	£	37,084	35,660
Annual Equivalent Interest Rate	%	4.12%	3.83%
Bid (Selling) Price	pence/unit	289.08	298.98

The mid-market value of the fund as at the 30 June 2021 is £3,779,665.00 and the bid market value is £3,721,045.28. The quarters market and bid values have increased from March 21 by 3.42%. This reinforces the notion that the Fund should only be considered for long-term investments.

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

Performance

Average 7 day Interest Rate

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

	As at 31.03.21	As at 30.06.21
Average 7-Day Money Market Rate (Target)	0.11%	0.10%
Average Interest Rate Achieved on Short Term Deposits	0.13%	0.10%

Cost of Debt

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

General Fund Impact per Council Tax Payer	Actual 31.03.2021	Actual 30.06.21	Estimated 31.03.2022
	£'000	£'000	£'000
Net Interest Received - General Fund	-£247,667	-£56,234	-£224,936
Band D Properties	34,474	35,218	35,218
Cost per Band D Property	-£7.18	-£1.60	-£6.39

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

HRA Debt Interest per Dwelling	31.03.21 Actual	30.06.2021 Estimated
HRA Interest Payable	1,540,408	1,540,305
Dwellings	2,974	2,974
Annual Cost per Dwelling	£517.96	£517.92

Compliance

The Chief Finance Officer reports that during the first quarter treasury management activities have fully complied with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy.

Compliance with specific investment limits is demonstrated in the table below:

Investment limits

Sector	Maximum Investment Q1 2021	Counterparty Limit	Time Limit	Sector Limit	Complied
The UK Government	£18.5m	£20m	364 days	n/a	✓
Local authorities & other government entities	£40m	£5m	364 days	Unlimited	✓
Banks (unsecured)*	£2.4m	£3m	35 days	Unlimited	✓
Building societies (unsecured)*	£4m	£2m	35 days	£5m	✓
Money Market Funds*	£14m	£2m	60 days	£14m	✓
Strategic Pooled Funds	£4m	£4m	n/a	£4m	✓
Other Investments*	0	£1m	35 days	Unlimited	✓

Other

CIPFA consultations: In February 2021 CIPFA launched two consultations on changes to its Prudential Code and Treasury Management Code of Practice. These follow the Public Accounts Committee's recommendation that the prudential framework should be further tightened following continued borrowing by some authorities for investment purposes. The revised codes are yet to be released. However, from feedback documents the following changes are likely:

Prudential Code:

- Clarification and definitions to define commercial activity and investment, and that an authority must not borrow to invest for the primary purpose of commercial return.
- Defining acceptable reasons to borrow money: (i) financing capital expenditure primarily related to delivering a local authority's functions, (ii) temporary management of cash flow within the context of a balanced budget, (iii) securing affordability by removing exposure to future interest rate rises and (iv) refinancing current borrowing, including replacing internal borrowing.
- Proportionality will be included as an objective; new indicators for net income from commercial and service investments to net revenue stream.
- A specific objective around commercial investment with the intention of embedding good practice across authorities.

Treasury Management Code:

- Inclusion of the liability benchmark as a mandatory treasury indicator.
- Implementation of a treasury management knowledge and skills framework.
- Incorporating ESG issues as a consideration within TMP 1 Risk Management.

Outlook for the remainder of 2021/22

The medium-term global economic outlook has continued to improve with the rollout of vaccination programmes. The UK has continued to benefit from its initial rapid vaccine rollout and has shifted focus onto second vaccinations to increase protection to counter a third wave of Covid variant.

The opening up of the UK economy in Q2/Q3 will continue to prompt a sharp increase in GDP.

While downside risks seem to have fallen somewhat after recent trends in GDP and labour, the upside risks remain relatively balanced with the MPC reiterating its commitment not to tighten policy until there is clear evidence that the recovery is eliminating spare capacity in the economy.

Inflation has moved above the Bank of England's 2% target. Alongside the increase in commodity prices, the MPC has acknowledged the prospect of a sharper upturn in inflation, with the potential CPI could rise above 3% in the coming months. However, the nature of the commodity price rise and the base effect easing, this is likely a more transitory effect.

Upward pressure on gilt yields could continue in the short term due to the preponderance of

strong data, but this is likely to ease once inflation fears recede as the effect of weak base effects subsides and growth figures return to more normal levels.

Arlingclose expects Bank Rate to remain at the current 0.10% level. The risk of movement in Bank Rate in the short term is low.

Gilt yields could continue to increase in the short term but will begin to plateau and reduce once the market's expectation of rises in Bank Rate and inflation fears subside. Longer term yields may face upward pressure towards the end of Arlingclose's forecast period as the economy moves back to a sustained footing and policy expectations start to strengthen.

Downside risks remain – the damage from the pandemic will have lasting effects and there is the risk of further virus mutations due to the uneven global rollout of vaccines. Downside risks also arise from potential future vaccine shortages as the global demand for vaccines increases.

	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24
Official Bank Rate													
Upside risk	0.15	0.15	0.15	0.15	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Arlingclose Central Case	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Downside risk	0.10	0.15	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20

COUNTERPARTY LIST 2021/22
(as at June 2021)

Treasury investment counterparties and limits

Sector	Counterparty Limit	Time Limit	Sector Limit
The UK Government	£20m	364 days	n/a
Local authorities & other government entities	£5m	364 days	Unlimited
Banks (unsecured)*	£3m	35 days	Unlimited
Building societies (unsecured)*	£2m	35 days	£50m
Money Market Funds*	£2m	60 days	£14m
Strategic Pooled Funds	£4m	n/a	£4m
Other Investments*	£1m	35 days	Unlimited

This table must be read in conjunction with the notes below

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

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

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

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

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

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

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

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM:10
DATE OF MEETING:	26th AUGUST 2021	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	
MEMBERS' CONTACT POINT:	ELIZABETH BARTON elizabeth.barton@southderbyshire.gov.uk	DOC:
SUBJECT:	DEVELOPING & CONSULTING ON REVISED LOCAL COUNCIL TAX REDUCTION SCHEME 2022 - 2023	REF:
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: FM12

1.0 Recommendations

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

2.0 Purpose of Report

- 2.1 The Council currently has a sliding scale LCTRS. It has also been recognised that the current scheme is costly to administer and often results in customer confusion and dissatisfaction.
- 2.2 The purpose of this report is to introduce the Committee to ways in which the Council's scheme could be simplified and deliver greater customer satisfaction, more streamlined administration, and address changes introduced by welfare reform and Universal Credit (UC).
- 2.3 The report also provides a national context and comparison to other LCTRS.
- 2.4 Finally, the report outlines the key steps the Council will need to take to consult on and implement such a scheme.

3.0 Executive Summary

- 3.1 Since Council Tax was introduced in 1993, people on low incomes have been able to claim support to pay their Council Tax bills. Until 2013, this was through the nationally designed Council Tax Benefit Scheme.
- 3.2 On 1 April 2013, the Government transferred responsibility for Council Tax support to local councils. Since then, local councils have had a duty to design and deliver Local Council Tax Reduction Schemes (LCTRS) for working-age claimants.
- 3.3 Local Council Tax Reduction Schemes apply to working-age claimants only. Pension-age claimants receive support under the nationally prescribed scheme in line with The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations.
- 3.4 The Council's current LCTRS was launched in April 2013. It fundamentally mirrored the outgoing national Council Tax Benefit Scheme.
- 3.5 There are many variations of LCTRS across the country, ranging from more generous schemes that mirror the national scheme, through to those that aim to limit who is eligible and severely restrict the level of help given. Whilst the Council's current scheme is one of the more generous schemes, it is also one of the most complex to deliver for both customers and the Council.
- 3.6 Many councils have simplified their schemes to address changes brought about by welfare reform and Universal Credit, including introducing income-banded schemes for working age claimants. Such schemes are recognised to deliver more financial security/stability to customers, and to reduce the administrative burden on councils administering the schemes.
- 3.7 There are approximately 2,968 working-age claimants under the Council's current LCTRS which costs approximately £3 million per annum to deliver, not including administration costs. This cost is accounted for in the Collection Fund whilst the administration costs (net of Government Grant) are accounted for in the General Fund.

4.0 Detail

About the Council's Local Council Tax Reduction Scheme (LCTRS)

- 4.1 When the Council calculates Council Tax reduction, it compares the income a claimant receives (not taking into account child benefit, child maintenance, some disability benefits and earnings disregards) to the 'applicable amount'. The 'applicable amount' is an amount the government says a person needs to live on. In the case of Universal Credit (UC) claims, the Council uses the maximum award of UC as the 'applicable amount'.
- 4.2 The amount of 'excess income' a claimant has above the 'applicable amount' is then used to calculate the percentage of Council Tax reduction residents are entitled to which is tapered on a sliding scale.

- 4.3 The current taper is set at 20%. If a customer has excess income of £50 a week, the tapered amount would be £10 and this, along with any other deductions, would be the amount they need to contribute towards their Council Tax charge each week.
- 4.4 Under the current LCTRS, if a working-age claimant's income changes (for example they have worked a few more or less hours or their UC has changed), the Council has to recalculate their Council Tax reduction/bill and write to them – even if their income has changed by just pennies. This provides very little clarity for residents on the amount of Council Tax they will pay and often results in confusion. It also leads to complex calculations and high administrative costs – it is estimated each reprofiling and monthly letter costs between £5 - £10 depending on the level of manual input needed.
- 4.5 If a working-age non-vulnerable resident does not receive Income Support, Job Seekers Allowance (income-based) or Employment and Support Allowance (income-related) they are required to pay a minimum of 10% towards their Council Tax bill and can get a reduction on the remaining 90%. **This is called a baseline reduction.**
- 4.6 If a working-age non-vulnerable resident receives Income Support, Job Seekers Allowance (income-based) or Employment and Support Allowance (income-related) they are required to pay a minimum of 8.5% towards their Council Tax bill and can get a reduction on the remaining 91.5%. **This is called a baseline reduction.**
- 4.7 The most vulnerable members of our community (for example those who qualify for disability premiums) are protected from the baseline reduction and do not have to pay a minimum amount towards their bill (as described in 4.5 & 4.6).
- 4.8 Anyone on a low income can apply, provided they have **no more than £15,999 in capital** (savings and investments). The savings cap doesn't apply if residents receive the Guarantee Credit part of Pension Credit.
- 4.9 The Council currently reduces the amount of Council Tax support a customer is entitled to if they have a non-dependent adult living with them (e.g. an adult offspring, relative or friend aged over 18), on a sliding scale between £4.05 and £12.45 per week, depending on the income of the non-dependent. These are called **non-dependent deductions** and recognise that the non-dependent adult should contribute towards household costs, including Council Tax.
- 4.10 The Council also offers a **second adult rebate** which is available to residents who have a second adult living in their home who is on a low income or claims certain benefits. Residents can claim up to 25% off their Council Tax bill, regardless of their own financial position. This scheme has ended in many authorities. People claim second adult rebate when their own income or capital is too high to claim a Council Tax reduction.
- 4.11 There is no **minimum payment** under the Council's current scheme. This means the Council administers Council Tax reductions of as little as 1p a day, regardless of the cost of processing.
- 4.12 Currently new Universal Credit claimants are not automatically assessed/awarded Council Tax Reduction and have to apply separately. This means some people miss out even though they may be eligible.

About income-banded schemes

- 4.13 Many councils have introduced an income-banded LCTRS for working-age claimants to both improve customer satisfaction and reduce administrative burdens.
- 4.14 In a banded scheme, the amount of support a claimant receives depends on the band their 'excess income' falls into. The bands are calculated based on the affordability of the overall scheme to the Council and these have not yet been determined. The suggested bandings will be included in the models presented to Finance & Management Committee on 7 October 2021.
- 4.15 Banded schemes can either offer the claimant a percentage off their Council Tax bill, which some argue is fairer as the support a resident receives reflects the Council Tax band of their property and the parish charge where they live. Other schemes require residents to pay a set £ sum towards their Council Tax which then does not take into consideration their property band or parish, so regardless of their house size residents pay the same amount.

Banded scheme differences (please note the excess income bands are illustrative only)

Income band	Excess income or net earnings per week ¹	Banded scheme option 1 Percentage reduction in a resident's Council Tax bill	Banded scheme option 2 £x resident pays towards their Council Tax bill (for example per week)
Band 1	£0 - £142.99	100%*	£0
Band 2	£143 - £213.99	75%*	£7.50
Band 3	£214 - £309.99	50%*	£15
Band 4	£310 - £402.99	25%*	£22.50
Band 5	£403 and over	0%*	Full billed amount

- 4.16 The key benefit of banded schemes is that if a claimant or their partner varies their income within a band (for example they do a few hours overtime or earn a little less), the Council Tax support they receive will not change, and their Council Tax bill will not be reprofiled. As such banded schemes can provide greater stability from month-to-month.
- 4.17 Some banded schemes take net earnings into consideration, whilst others take excess income into account. By taking excess income into account, such schemes retain the concept of 'applicable amounts' (i.e. the minimum amount the government says someone needs to live on). Claimants without excess income are placed in the lowest band/receive the most help.

¹ Please note the banding figures in this table are based on Oxford City Council's current bands and are for illustrative purposes only. The proposed bandings will be based on what is affordable to the Council and will be included in the models presented to F&M Committee for approval for public consultation on 7 October 2021.

- 4.18 Some councils introduce different bandings for vulnerable and non-vulnerable residents, depending on the other scheme criteria they introduce.
- 4.19 Others add to this and create additional bands that take into consideration whether the individual is single or whether there are more people in the household. The easiest schemes to understand/administrate have between 5 and 7 bands, and the most complex can have upwards of 300 bands – some council schemes exceed 800 bands.
- 4.20 Whilst a banded scheme can give a greater number of claimants more financial stability, there will inevitably be some people who are worse off than on a sliding scale scheme (as per the Council's current scheme).
- 4.21 This is because if a resident's 'excess income' is on the borders of a band, they could receive significantly less Council Tax support if they earned just a little more – for example (using the illustrative table at 4.15) if a claimant earned slightly more than £309.99 excess income in a week, they could see their Council Tax bill reprofiled and the support they receive drop from 50% to 25% for that week (in a percentage reduction scheme), rather than the current sliding scale reduction. This is known as a 'cliff-edge'.
- 4.22 From a Council perspective, banded schemes reduce regular complex reprofiling of claimant's bills that require a skilled assessor, and high administrative/postage costs.

About removing baseline reductions

- 4.23 Studies have shown that requiring residents on the lowest incomes to pay a percentage towards their Council Tax bill (either 8.5% and 10%) before any reduction is applied is expensive. Oftentimes the administration costs associated with recovery far exceed the debt the customer originally owed (Institute of Fiscal Studies). In addition, it sees the Council chasing people on the lowest incomes for very small amounts of debt they cannot pay, and customers incurring summons and further charges that can easily double the amount of their original debt, placing them further into financial difficulty and hardship.
- 4.24 Removing the baseline reductions would allow the Council to refocus its recovery activity on residents and businesses who are not eligible for such support (those on higher incomes) and who are arguably more capable of paying, rather than those who simply can't pay.
- 4.25 The additional cost of removing the baseline reductions in 2020/2021 would have been £120,000, however the associated debt recovery activity costs would have been removed, and successful debt recovery on other debts would have increased.

About other simplifications and improvements

- 4.26 Many councils have introduced other simplifications, which the Council has the option to do, including:

- **Reduce capital thresholds (savings and investments)** – some councils have reduced the capital threshold to £6,000 for working-age claimants. This would reduce the number of eligible claimants and generate a saving that could be diverted into other elements of the LCTRS (such as removing the baseline reduction). To illustrate the impact of this, based on the Council's current case load, reducing the capital limit to £6,000 would mean approximately 140 residents would no longer be eligible for LCTRS and this would generate an annual saving of £30,000. The capital cap could be set at a different amount – a number of councils set it at £10,000.
- **Remove the second adult rebate** – many councils have removed the second adult rebate because it awards support to residents regardless of their own financial situation. With the second adult rebate removed, residents on low incomes can still claim Council Tax reduction if they are eligible. Currently 38 out of 2,968 working age cases claim second adult rebate at a cost of around £10,000 a year.
- **Remove or simplify non-dependant deductions** – many councils have either removed or simplified non-dependent deductions. Introducing a flat fee, vs a sliding scale eliminates the administration for both customers and the Council, as there is no need to verify the income of the non-dependent, as the deduction is the same regardless of their income.
- **Introduce minimum payments** - many councils have introduced minimum payments ranging upwards from £1 per week. Derby City have a minimum payment of £4 per week. This means, should a resident be entitled to less than £4 per week in Council Tax Reduction, no award is made. This helps to reduce administration activity/costs and only affects residents who would be eligible for a very minimal level of support.
- **Treat a Universal Credit claim as a claim for Council Tax Support** - many councils now treat a claim for Universal Credit as a claim for Council Tax Support. As soon as the Council is notified by the DWP that a customer is receiving Universal Credit, the Council assesses them for LCTRS and issues a revised bill. This increases the number of residents supported and gets support to residents faster.

How the Council's current scheme compares locally and nationally

- 4.27 The Council's current Local Council Tax Reduction Scheme (LCTRS) is one of the most generous in the country.
- 4.28 The minimum amount non-vulnerable eligible residents have to pay towards their Council Tax is 8.5% (called the baseline reduction), compared to 25% in East Staffordshire and 30% in Derby City.
- 4.29 Derbyshire Dales District Council has the same 8.5% baseline reduction, but residents are not eligible to claim if they have in excess of £10,000 capital. Some councils have no baseline reduction.
- 4.30 The current scheme still awards Second Adult Rebate which has ended in many authorities.
- 4.31 By 2019/2020 28 councils had introduced banded schemes. It is now understood that at least 100 councils have or are in the process of introducing them.

Why is the Council keen to contemplate changing the scheme?

4.32 The Council is keen to consider altering the current scheme for a number of reasons:

- The administration grant the Council receives from national government to deliver the scheme is reducing year-on-year.
- Despite this drop in funding, the cost of administering the scheme is not reducing. This is primarily due to inbuilt complexities in the current scheme – for example every time an applicant's income changes, their case must be reassessed, and their award must be reprofiled.
- Universal Credit (UC) is undoubtedly a contributing factor to this, especially for claimants who are in employment. Claimants' UC is recalculated every month which generates new files for the Council to process. For claimants receiving fluctuating wages, this means they receive a revised award every month and, as a consequence, a revised Council Tax bill, which is costly to administer and deliver.
- This reprofiling of payments creates a high level of uncertainty for both customers and the Council. Payments made by customers can be delayed because of the requirement to give 14 days' notice, meaning customers do not have the opportunity to apportion their remaining Council Tax payments over as many instalments.
- In some circumstances the current scheme does not distribute support to the neediest residents, in that those with significant savings and with a working adult living in their home, could be awarded more support than people with no savings and on very low incomes.
- A removal of the baselines could prevent people on very low incomes being chased for small amounts of debt, as well as cut out the related debt recovery costs. Studies have shown that the collection of the baseline reduction of 8.5% and 10% is expensive, with recovery fees often exceeding the debt the customer originally owed (Institute of Fiscal Studies²).
- Due to the complex nature of assessments, benefit assessor skills are required to process Local Council Tax Reduction Scheme (LCTRS) cases/changes.
- A simplified scheme will allow the possibilities of awards being automated, resulting in a prompt award of the discount to the Council Tax bill, so meeting the customers need for real-time changes to their bill according to changes in their circumstances.

4.33 Above all, the cost of administering the scheme remains high, whilst customer satisfaction is reducing, as customers are often confused by the nature and regularity of correspondence they receive and are less able to budget/manage their money based on fluctuating awards.

4.34 Equally future potential savings the Council may hope to achieve due to the drop in the Council's Housing Benefit workload, following the introduction of Universal Credit is being hampered. This is because the Council's unique caseload is relatively constant, as regardless of whether a resident is claiming Housing Benefit or Universal Credit, the Council's assessors will still need to regularly review their case.

² <https://www.ifs.org.uk/publications/13827>

4.35 Finally it has been identified that the Council's scheme is out of sync with changes to various national benefits made since the introduction of the scheme in 2013, such as the two-child limit introduced in 2017, and the mixed-age couple regulations introduced in 2019.

Consulting with residents and stakeholders

4.36 It is vital that the Council gains resident and stakeholder views on the proposed scheme (for example the CVS and Citizens Advice Bureau, as well as other precepting authorities).

4.37 In terms of how the consultation is carried out, the Council is proposing to consult on a variety of potential models using an online consultation tool provided by Entitledto, which has been shown to generate high response levels from residents. A full consultation plan will be included in the report to Finance & Management Committee on 7 October 2021.

4.38 The responses from the consultation will then be used to draft a final proposed scheme that will be presented to Finance & Management Committee in January 2022 for approval before being presented to Full Council in February 2022.

What will the models include?

4.39 The Council has established an internal working group with representation from the Benefits, Housing, Customer Services and Revenues services.

4.40 The working group looked at the variety of national schemes currently in operation and also considered local need. The working group also worked alongside Entitledto, a company specialising in supporting councils to deliver new/revised LCTRS, to explore the various options.

4.41 Based on the input from the working group, it is proposed that the Council create up to three fully costed and affordable scheme options/models, which will be presented to Finance & Management Committee on 7 October 2021, prior to consultation.

4.42 If approved by the Committee, the models will then be loaded into an online consultation tool hosted by Entitledto, which will allow claimants to understand the impact of the proposed changes on the support a claimant could receive.

4.43 By offering up to three choices it does not mean that the Council has to adopt one of the models – it just means that consultees can express which scheme they most prefer and which elements they feel the Council should/should not adopt in its new scheme. It is also best practice to consult on a variety of models.

Fundamentals of the consultation options

4.44 The models presented to Finance & Management Committee on 7 October 2021 will:

- Be financially viable and will not materially increase the cost of the scheme to the Council.
- Be simplified and will incorporate legislation designed and calculated specifically for those in receipt of Universal Credit and working-age non-Universal Credit cases.

- Aim to increase customer satisfaction.
- Reduce the administration required for the scheme.
- Should better support customers in greater need by redistributing the existing budget to better support those who have less resources.

The proposed models

- 4.45 It is proposed, subject to Committee approval, that the elements detailed below and overleaf are built into the three models the Council publishes for consultation.
- 4.46 There are some items the Council is keen to include in all models, whereas there are other elements that will only be tested out in one of the models.
- 4.47 Each model will aim to not increase the overall cost of the scheme to the Council and aim to help those most in need in our communities, whilst at the same time simplifying the scheme from a customer and Council standpoint.
- 4.48 Within each model there will always be some people who are worse off and others who are better off, and this is what the testing/consultation will help to reveal.
- 4.49 If any of the models will significantly increase the overall cost of the scheme, some amendments may be made to the options included in the final models to ensure they remain in budget, before being presented to committee for approval for consultation on 7 October 2021.

Proposed changes to include in all models

- **Introduce a minimum discount amount.** The current scheme allows for Council Tax Support payments as low as 1p a week. This means changes in entitlement can be administratively more expensive than the resulting change. It is proposed that minimum payment amounts of 50 pence and £1 will be considered and the effect of these options examined.
- **Treat a Universal Credit claim as a claim for Council Tax Support.** This approach speeds up the process, allows for efficiencies and ensures that those who struggle to complete claim forms for any reason still receive the help they are entitled to.
- **Remove Second Adult Rebate** Second adult rebate is widely considered unfair in so far as a ratepayer can receive a reduction of up to 25% from their Council Tax bill because of the low income of a non-dependant in their household, regardless of their own income or capital. Many councils have removed this rebate from their scheme. It is proposed that the removal of this is tested.

Model 1

Banded for UC claimants only (retaining two sets of regulations)

The first model we want to test will mean that we retain two sets of LCTRS regulations and roll the new scheme out slowly. Customers on UC who are used to their Council Tax reduction changing regularly will be automatically moved onto the new scheme, whereas those who do not claim UC will remain on the old scheme until they move to UC. These tend to be the more complex cases and it will allow the team time to roll the change out slowly, and hopefully lead to less customer confusion. This is the way UC was rolled out, so many customers are well used to the Council retaining two sets of regulations.

- **Banded scheme for UC claimants only.** This model will include a banded scheme based on net earnings, so this scheme doesn't take into consideration any DWP or HMRC income such as tax credits, child benefit, Personal Independence Payments and Universal Credit payment etc. It will be a percentage reduction scheme, so takes into consideration the size of property someone lives in and their total council tax charge. As the scheme doesn't take into consideration DWP or HMRC income, there is no need for bandings for different household make-up etc.
- **Introduce a standard non-dependent deduction of £5 per week.** Removing the sliding scale will eliminate the need to verify details as the deduction is the same regardless.
- **Remove the baseline reductions of 8.5% and 10%.** This would mean that a maximum of 100% of Council Tax could be discounted for those on the lowest incomes.
- **Aligning the current regulations for non-UC claimants.** We want to align the existing regulations with the national pension age regulations. This would see a restriction to two child limit for new claims from April 2022 onwards and the introduction of mixed-aged couple regulations.
- **Plus introduce a minimum discount, treat a Universal Credit claim as a claim for Council Tax Support and remove second adult rebate (see page 9).**

Model 2

Banded for all claimants and baseline retained

The second model we want to test will mean that we only have one set of LCTRS regulations and roll the scheme out to everyone immediately. This option contains the least changes and introduces the bands primarily as a way to stop the constant recalculation of UC claimants' Council Tax bills. Introducing the bands would have an affect on all LCTS claimants.

- **Banded scheme in all cases.** This model will include a banded scheme based on excess income, taking into consideration all income (including DWP and HMRC income). It will be a percentage reduction scheme, so takes into consideration the size of property someone lives in and their total Council Tax charge. Because of the desire to simplify the scheme, it is not currently proposed that a variety of bandings for different household sizes/make-ups will be included in the consultation model, however if this becomes the preferred model, it would be possible to introduce a wider variety of bandings to better support different household sizes and make-ups.
- **Retain the baseline reductions of 8.5% and 10%.**
- **Plus introduce minimum discount, treat a Universal Credit claim as a claim for Council Tax Support and remove second adult rebate (see page 9).**

Model 3

Banded for all claimants, baseline removed and non-dependent charges simplified

The third model we want to test will mean that we only have one set of LCTRS regulations and roll the scheme out to everyone immediately. This model however is a £ contribution to council tax, vs a % reduction, so differs from the other two models in this regard.

- **Banded scheme for everyone.** This model will include a banded scheme based on net earnings, so this scheme doesn't take into consideration any DWP or HMRC income such as tax credits, child benefit, Personal Independence Payments and Universal Credit payment etc. It will be £ contribution to Council Tax, so does not take into consideration the size of property someone lives in and their total council tax charge. As the scheme doesn't take into consideration DWP or HMRC income, there is no need for bandings for different household make-up etc.
- **Introduce a standard non-dependent deduction of £5 per week.** Removing the sliding scale will eliminate the need to verify details as the deduction is the same regardless.
- **Remove the baseline reductions of 8.5% and 10%.** This would mean that a maximum of 100% of Council Tax could be discounted for those on the lowest incomes.
- **Plus introduce minimum discount, treat a Universal Credit claim as a claim for Council Tax Support and remove second adult rebate (see page 9).**

Optional testing

We will not include the below options in the models, but we will ask for people's opinions on whether to reduce the capital cap. Such a reduction could be applied to the final scheme if it gains Elected Member, stakeholder and resident support.

- **Reduce the capital cap to £10,000.** In many cases this could mean that affected residents will use some of their savings to pay their Council Tax for a period, until their savings dip below the allowed level, and then become eligible for Council Tax support again. **The savings will be estimated in the paper presented to committee in October 2021.**
- **Reduce the capital cap to £6,000.** This would reduce the number of eligible claimants across the District even further. In many cases this could mean that affected residents will use some of their savings to pay their Council Tax for a period, until their savings dip below the allowed level, and then become eligible for Council Tax support again. **This would save approximately £30,000 that could be reinvested into other changes in the scheme.**

Timeline

4.50 The proposed timeline is as follows:

26 August 2021	Proposal to simplify Council Tax Reduction Scheme considered by F&M Committee, and agreement to consult publicly on new models.
6 September 2021	Website updated (after call-in period) to notify residents that the Council will be consulting on new models.
7 October 2021	F&M Committee approves models for public consultation.
15 October – 7 January 2022	Public consultation (12 weeks).
13 January 2022	Interim update provided to F&M Committee
10 February 2022	Final proposed scheme presented to F&M Committee for approval.
10 February 2022 onwards	New Council Tax Reduction Scheme Regulations developed.
23 February 2022	Final scheme approved by Full Council and parameters set on Council Tax billing system
11 March 2022	New Regulations published no later than 11 March 2022.
April 2022	New scheme launched and reflected in 2022 – 2023 billing.

5.0 Financial Implications

- 5.1 The full financial implications of the proposed Council Tax Reduction Scheme, both in terms of support paid out to residents, the administration, the system costs and other associated costs/savings will be modelled as part of the proposed draft Local Council Tax Reduction Scheme (LCTRS).
- 5.2 Fundamentally however, it is proposed that the draft simplified scheme will not materially increase the overall cost of delivering the scheme to the Council which stands at approximately £3 million per annum.
- 5.3 With regards to the costs of the developing the simplified scheme, the team is keen to secure the support services of external specialists to ensure that the Council incorporates best practice into its scheme and avoids pitfalls other councils have encountered.
- 5.4 As such, it is requested that the Committee approve a budget of £10,000 to support the development of the scheme. This will be funded from the Welfare Reform Reserve.

6.0 Corporate Implications

Employment implications

- 6.1 There are no direct employment implications arising from the consultation on the proposals.
- 6.2 Any implications from any future proposals that arise from the consultation will be fully explored in future papers presented to Finance & Management Committee.

Legal implications

- 6.3 None directly arising from the proposals in this report. Any changes to statutory or legislative requirements that impact on customers will be considered as part of the proposals.

Corporate Plan Implications

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

Risk Impact

- 6.5 Appropriate risk assessments will be completed on any proposed changes as part of the governance of the overall project.

7.0. Community Implications

Consultation

- 7.1 The community will be directly consulted on the proposals to develop a new scheme and a full consultation plan will be incorporated in the paper presented to Finance & Management Committee on 7 October 2021.
- 7.2 There are no direct community impacts from consultation on the proposals of a proposed revised Local Council Tax Reduction Scheme (LCTRS).

Equality & Diversity and Social Value Impact

- 7.3 The purpose of the consultation is to give customers, residents, Elected Members and stakeholders an opportunity to give feedback on a proposed new scheme.
- 7.4 The full community implications, including a full Equality Impact Assessment will form part of the governance of the project and will be reported to the EDI Steering Group. It will be included in the report that details the proposed Local Council Tax Reduction Scheme (LCTRS) models that will be presented to Finance & Management Committee prior to consultation on 7 October 2021.

8.0 Conclusions

- 8.1 The report details how the current scheme is not as user friendly as it could be for both customers and the Council. It also details how potential changes to the scheme could better distribute support to those in need across the district. It does however highlight that some residents could be more affected by the proposed changes than others and as such, a wide public consultation is required to ensure the needs of all residents, in particular the most vulnerable are fully considered.

9.0 Background Papers

9.1 Appendix 1 – Model overview sheet

A Revised Council Tax Reduction (CTRS) Scheme



The Council currently reduces the amount of council tax people on low incomes have to pay in line with its Council Tax Reduction Scheme.









Whilst the current scheme has worked well for a number of years, the Council has identified ways it could be made fairer, help more people, and be easier to administrate.

It is keen to consult this autumn/winter on three options to help shape a final revised scheme it will then ask Full Council to consider in February 2022.








Why change?

- The current scheme doesn't always distribute support to the neediest residents – for example residents with significant savings and a working adult living in their home, could be awarded more support than people with no savings and on very low incomes.
- Because under the current scheme people on the lowest incomes are expected to pay a small amount (8.5% or 10.5% towards their bill), the Council often chases the most financially vulnerable residents for comparatively small debts, which people can't afford to pay (vs don't want to pay), and the debt recovery is costly to deliver.
- Despite the introduction of Universal Credit which was meant to reduce workload, the cost of administering the scheme is not dropping, but the grant the Council gets to deliver the scheme is reducing year on year.
- The current scheme gives working people very little financial certainty – every time their income changes (for example they do an extra shift or reduce their hours slightly) they are sent a new Council Tax bill showing their new reduction. For claimants receiving fluctuating wages, this means they receive a revised award every month and, as a consequence, a revised Council Tax bill, which is costly to administer and deliver.
- Payments made by customers can be delayed because the Council need to give 14 days' notice, meaning customers do not have the opportunity to spread their remaining Council Tax payments over as many instalments.
- Due to the complex nature of assessments, benefit assessor skills are required to process Local Council Tax Reduction Scheme (LCTRS) cases/changes.
- A simplified scheme could allow awards to be automated and discounts to be applied in real time according to people's changes in circumstances.









Option 1 Key changes

		What this could mean?
	We'll introduce a banded scheme with a % reduction.	The size of the claimant's council tax bill/property will be taken into consideration, and they will receive a % reduction on their bill. So people in larger homes/who have higher Council Tax bills will get a larger reduction.
	People on the lowest incomes will no longer need to pay a minimum amount towards their council tax bill.	We'll remove the 8.5% and 10.5% minimum payment towards Council Tax for those on the lowest incomes. This will reduce the number of financial vulnerable people in Council Tax debt and the amount of debt recovery the Council has to undertake with financially vulnerable residents.
	We will only look at earned income and won't take into consideration DWP or HMRC income such as tax credits, child benefit, Personal Independence Payments etc, when we calculate their discount.	This means the financial support from the government some residents receive due to their personal circumstances (for example they are disabled) won't be taken into consideration. The scheme will disregard these payments and just look at excess earned income. That said some people may feel this is unfair as people with specific benefits could be better off as a result.
	We will roll the scheme out to Universal Credit claimants first, and then to any claimants who move across to Universal Credit.	Universal Credit claimants are used to changes in the amount of CTRS they receive. As such, this approach will cause less disruption as we roll out the scheme.
	We will set the amount of reduction a resident gets at £5 per week for every non-dependent adult living in their home.	Currently the Council offers a sliding scale reduction which is based on the income of the non-dependent adult (between £4.05 and £12.45 reduction in support). Introducing a standard reduction will make it easier to understand and administrate. A resident on the lowest income could be worse off by £0.95p per week based on this change.
	We'll treat every new Universal Credit Claim as a claim for Council Tax Support.	This will get money to more people, faster.
	People will have to be eligible for at least 50p or £1 of support a week before they qualify.	This will reduce sending letters to people who qualify for less than £2 or £4 support a month.
	People who have a second adult living in their home on a low income will no longer be able to claim 25% of their council tax bill.	Often times people claim the discount, even if they earn high wages themselves, as the scheme does not take into account the income of the ratepayer. Many councils have removed this as it is seen as unfair.

Option 2 Key changes

		What this could mean?
	We'll introduce a banded scheme with a % reduction.	The size of the claimant's council tax bill/property will be taken into consideration, and they will receive a % reduction on their bill. So people in larger homes/who have higher Council Tax bills will get a larger reduction.
	People on the lowest incomes will still have to pay a small amount towards their council tax.	People on low incomes will still have to pay either 8.5% and 10.5% of their Council Tax and will get a discount on the remaining amount.
	We will look at all income, including DWP and HMRC income such as tax credits, child benefit, Personal Independence Payments etc, when we calculate the support we will give.	This means the scheme won't make allowances for any additional government income a resident gets due to their personal circumstances (for example they are disabled). If this model is chosen, the Council may have to consider introducing additional bandings to reflect residents' individual circumstances – single parent, disabled person etc and vary the support provided based on the additional bands. This could then become more complex to assess and administer.
	We will roll the scheme out to all CTRS claimants.	This could cause more disruption initially, but the Council would only need to retain one set of regulations, but it may be considered fairer by residents as they will all be treated equally.
	We'll treat every new Universal Credit Claim as a claim for Council Tax Support.	This will get money to more people, faster.
	People will have to be eligible for at least 50p or £1 of support a week before they qualify.	This will reduce sending letters to people who qualify for less than £2 or £4 support a month.
	People who have a second adult living in their home on a low income will no longer be able to claim 25% of their council tax bill.	Often times people claim the discount, even if they earn high wages themselves, as the scheme does not take into account the income of the ratepayer. Many councils have removed this as it is seen as unfair.

Option 3 Key changes

		What this could mean?
	We'll introduce a banded scheme with a £ contribution.	Every resident, regardless of the size of their Council Tax banding (property size) or parish charge, will be expected to pay the same £ contribution toward their Council Tax bill, based on their excess income.
	People on the lowest incomes will no longer need to pay a minimum amount towards their council tax bill.	We'll remove the 8.5% and 10.5% minimum payment towards Council Tax for those on the lowest incomes. This will reduce the number of financial vulnerable people in Council Tax debt and the amount of debt recovery the Council has to undertake with financially vulnerable residents.
	We will only look at earned income and won't take into consideration DWP or HMRC income such as tax credits, child benefit, Personal Independence Payments etc, when we calculate their discount.	This means the financial support from the government some residents receive due to their personal circumstances (for example they are disabled) won't be taken into consideration. The scheme will disregard these payments and just look at excess earned income. That said some people may feel this is unfair as people with specific benefits could be better off as a result.
	We will roll the scheme out to all CTRS claimants.	This could cause more disruption initially, but the Council would only need to retain one set of regulations and it may be considered fairer by residents as they will all be treated equally.
	We will set the amount of reduction a resident gets at £5 per week for every non-dependent adult living in their home.	Currently the Council offers a sliding scale reduction which is based on the income of the non-dependent adult (between £4.05 and £12.45 reduction in support). Introducing a standard reduction will make it easier to understand and administrate. A resident on the lowest income could be worse off by £0.95p per week based on this change.
	We'll treat every new Universal Credit Claim as a claim for Council Tax Support.	This will get money to more people, faster.
	People will have to be eligible for at least 50p or £1 of support a week before they qualify.	This will reduce sending letters to people who qualify for less than £2 or £4 support a month.
	People who have a second adult living in their home on a low income will no longer be able to claim 25% of their council tax bill.	Often times people claim the discount, even if they earn high wages themselves, as the scheme does not take into account the income of the ratepayer. Many councils have removed this as it is seen as unfair.

The next steps

If Finance & Management (F&M) Committee agree the Council should consult on changes to the Council Tax Reduction Scheme, the above draft models will be finalised and checked to make sure they are affordable, at which point some minor amendments may be made. Final costed models will then be presented to Finance & Management Committee on 7 October 2021 for approval.

The Council will then run a 12-week public and stakeholder consultation to get views on the costs models and what options should be considered moving forwards. The consultation will include an online modelling tool.

A final proposed model will then be presented to F&M Committee & Full Council in February 2022 for approval.

Any questions, please email ctrs-consultations@southderbyshire.gov.uk or elaine.garnham@southderbyshire.gov.uk or elizabeth.barton@southderbyshire.gov.uk

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 11
DATE OF MEETING:	26th August 2021	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (EXT 5811) kevin.stackhouse@southderbyshire.gov.uk	DOC:
SUBJECT:	COMMITTEE WORK PROGRAMME	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: G

1.0 Recommendations

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

2.0 Purpose of Report

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

3.0 Detail

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

4.0 Financial Implications

4.1 None arising directly from this report.

5.0 Background Papers

5.1 Work Programme.

Finance and Management Committee – Next F&M Committee 26th August 2021
Work Programme for the Municipal Year 2021/22

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

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

Treasury Update 2021/22	26 th August.2021	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Proposed Local Council Tax Support Scheme 2022/23: Options Paper Timetable	26 th August 2021	Lizzie Barton (Head of Customer Services) Elizabeth.barton@southderbyshire.gov.uk (01283 595779)
Proposed Local Council Tax Support Scheme 2022/23: Options Paper Update	7 th October 2021	Lizzie Barton (Head of Customer Services) Elizabeth.barton@southderbyshire.gov.uk (01283 595779)
Corporate Plan Performance Monitoring 2021/22: Quarter 2	25 th November 2021	Fiona Pittam (Head of Organisational Development & Performance) Fiona.pittam@southderbyshire.gov.uk (01283 595735)
Revenue Financial Monitoring 2021/22	25 th November 2021	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Capital Financial Monitoring 2021/22	25 th November 2021	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Treasury Update 2021/22	25 th November 2021	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Proposed Local Council Tax Support Scheme 2022/23	25 th November 2021	Lizzie Barton (Head of Customer Services) Elizabeth.barton@southderbyshire.gov.uk (01283 595779)

Compliments, Comments, Complaints and FOI Requests	25 th November 2021	Kevin Stackhouse (Strategic Director) Kevin.stackhouse@southderbyshire.gov.uk (01283 595811)
Revenues: Collection Rates, Recovery and Write-offs	25 th November 2021	Lizzie Barton (Head of Customer Services) Elizabeth.barton@southderbyshire.gov.uk (01283 595779)
Annual Statement of Accounts 2020/21	6 th January 2022	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Service Base Budgets 2022/23	6 th January 2022	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
General Fund Consolidated Budget 2022/23 and MTFP to 2027	10 th February 2022	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Housing Revenue Account Budget 2022/23 and Financial Plan to 2032	10 th February 2022	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Capital Budget to 2022 to 2027	10 th February 2022	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Annual Report of the Section 151 Officer	10 th February 2022	Kevin Stackhouse (Strategic Director) Kevin.stackhouse@southderbyshire.gov.uk (01283 595811)

Corporate Plan Performance Monitoring 2021/22: Quarter 3	17 th March 2022	Fiona Pittam (Head of Organisational Development & Performance) Fiona.pittam@southderbyshire.gov.uk (01283 595735)
Revenue Financial Monitoring 2021/22	17 th March 2022	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Capital Financial Monitoring 2021/22	17 th March 2022	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
Treasury Update 2021/22	17 th March 2022	Victoria Summerfield (Head of Finance) Victoria.summerfield@southderbyshire.gov.uk (01283 595939)
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