

18th July 2018

Dear Councillor,

Finance and Management Committee

A Meeting of the **Finance and Management Committee** will be held in the **Council Chamber**, on **Thursday, 30 August 2018 at 18:00**. You are requested to attend.

Yours faithfully,



Chief Executive

To:- **Conservative Group**

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

Labour Group

Councillors Rhind, Richards, Southerd and Taylor

AGENDA

Open to Public and Press

- 1** Apologies and to note any Substitutes appointed for the Meeting.

- 2** To receive the Open Minutes of the following Meeting:

Audit Sub-Committee 25th July 2018 Open Minutes **4 - 7**

- 3** To note any declarations of interest arising from any items on the Agenda

- 4** To receive any questions by members of the public pursuant to Council Procedure Rule No.10.

- 5** To receive any questions by Members of the Council pursuant to Council procedure Rule No. 11.

- 6** Reports of Overview and Scrutiny Committee

- 7** CORPORATE PLAN 2016-21 PERFORMANCE REPORT (1 APRIL-30 JUNE 2018) **8 - 24**

- 8** BUDGET and FINANCIAL MONITORING 2018-19 **25 - 39**

- 9** TREASURY MANAGEMENT UPDATE 2018-19 **40 - 50**

- 10** TOYOTA CITY **51 - 56**

- 11** COMMITTEE WORK PROGRAMME **57 - 62**

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** REVIEW OF STRATEGIC HOUSING TEAM
- 15** SPORT AND HEALTH SERVICE UNIT STAFFING STRUCTURE AND CONTRACT EXTENSIONS
- 16** COMMUNITIES TEAM – SERVICE ASSISTANT
- 17** ROSLISTON FORESTRY CENTRE – MANAGEMENT ARRANGEMENTS
- 18** STAFFING – REVENUES, BENEFITS & CUSTOMER SERVICES
- 19** FINANCIAL SERVICES - SERVICE PROVISION RESTRUCTURE
- 20** BUSINESS RATE RETENTION PILOT – STRATEGIC INVESTMENT FUND

AUDIT SUB-COMMITTEE: SPECIAL

25th July 2018

PRESENT:-

Conservative Group

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

Labour Group

Councillor Dunn

AS/15 **APOLOGIES**

Apologies were received from Councillor MacPherson (Conservative Group) and Councillor Shepherd (Labour Group)

AS/16 **DECLARATIONS OF INTEREST**

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

AS/17 **TO RECEIVE ANY QUESTIONS FROM MEMBERS OF THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE NO.10**

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

AS/18 **TO RECEIVE ANY QUESTIONS FROM MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO.11**

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

MATTERS DELEGATED TO SUB-COMMITTEE

AS/19 **AUDIT RESULTS REPORT FOR THE YEAR ENDING 31st MARCH 2018**

The External Auditor presented the report to the Sub-Committee. With regard to the Value for Money element, two areas of risk were identified, namely regarding future financial resilience, based around the uncertainties of Business Rates Retention, as well as the whistleblowing incidents that had highlighted control weaknesses in the procurement of services. As a result of the whistleblowing and the outcome of the subsequent internal audit findings

detailed in the report to the Committee in May 2018, the External Auditor intended to issue a qualified 'except for' Value for Money conclusion.

Some minor matters relating to account adjustments and the national issue regarding the understatement of local government pensions were highlighted, and the External Auditor advised that these had been addressed satisfactorily during the Audit. The Auditor confirmed that he would be issuing an unqualified opinion on the Accounts and Financial Statements for 2017/18 subject to some final checking.

Councillor Atkin, whilst referring to the report, queried whether further training for Members of the Overview and Scrutiny Committee could be made available to support them when scrutinising the annual budget proposals. The External Auditor responded that this could be provided. Councillor Atkin sought clarification on the management representation letter; the External Auditor explained that the increased use of judgement and estimation due to the accelerated audit timetable required the provision of this management representation letter to satisfactorily address situations where direct evidence was not available.

The Chairman thanked the External Auditor for his report and further explanation that was provided.

RESOLVED:-

The Sub-Committee considered and noted the report of the External Auditor.

The External Auditor left the Meeting at 4.30pm.

AS/20 **INTERNAL AUDIT PROGRESS REPORT**

The internal auditors presented the report to the Sub-Committee, updating that as outlined in the report, audits were progressing as planned by the end of the first quarter where five had been completed since the last Meeting. Members were informed that the new format of the report had been accepted and subsequently adopted for future reporting. The Committee were also updated on the restructure of the Central Midland Audit Partnership to aid with the progression of audit plans.

Councillor Atkin sought clarification on the audit of waste management. The internal auditor explained that the audit had commenced in relation to contract management and further information would be provided at a future meeting as the audit progresses.

Councillor Atkin queried the reason for delaying action with the housing benefits audit. The internal auditor responded that due to a planned restructure, it was advisable to wait until implementation.

Councillor Dunn sought clarification on the dry waste recycling contract and associated risks. The Strategic Director (Corporate Resources) responded that the contract is due to expire in 2021 and that issues raised once the contract went live meant it had not been signed. The internal auditor advised that due to the length of time the contract had been operating, all parts of the contract were in force where the service was being provided to a good level. It was agreed that there were lessons to be learned.

Councillor Dunn raised concern in relation to affordable housing querying how in a recent planning case, developers were granted an application where the affordable housing allocation was below 30% as stipulated in the policy. The Chairman responded that this was due to mitigating circumstances and that the matter had been put to a vote at Planning Committee.

RESOLVED:-

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

AS/21 **COMMITTEE WORK PROGRAMME**

RESOLVED:-

Members considered and approved the updated work programme.

AS/22 **LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)**

RESOLVED:-

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

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

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

The Meeting terminated at 5:00pm.

COUNCILLOR J GRANT

CHAIRMAN

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 7
DATE OF MEETING:	30th AUGUST 2018	CATEGORY: DELEGATED
REPORT FROM:	SENIOR LEADERSHIP TEAM	OPEN DOC:
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (EXT. 5811) FRANK MCARDLE (EXT. 5700)	
SUBJECT:	CORPORATE PLAN 2016-21: PERFORMANCE REPORT (1 APRIL – 30 JUNE 2018)	
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: G

1.0 Recommendations

1.1 That progress against performance targets is considered.

2.0 Purpose of Report

2.1 To report progress against the Corporate Plan for the period 1 April to 30 June under the themes of People, Place, Progress and Outcomes.

3.0 Detail

3.1 The Corporate Plan 2016 – 2021 was approved following extensive consultation into South Derbyshire's needs, categorising them under four key themes: People, Place, Progress and Outcomes. The Corporate Plan is central to the Council's work – setting out the vision and values for South Derbyshire and defining priorities for delivering high-quality services.

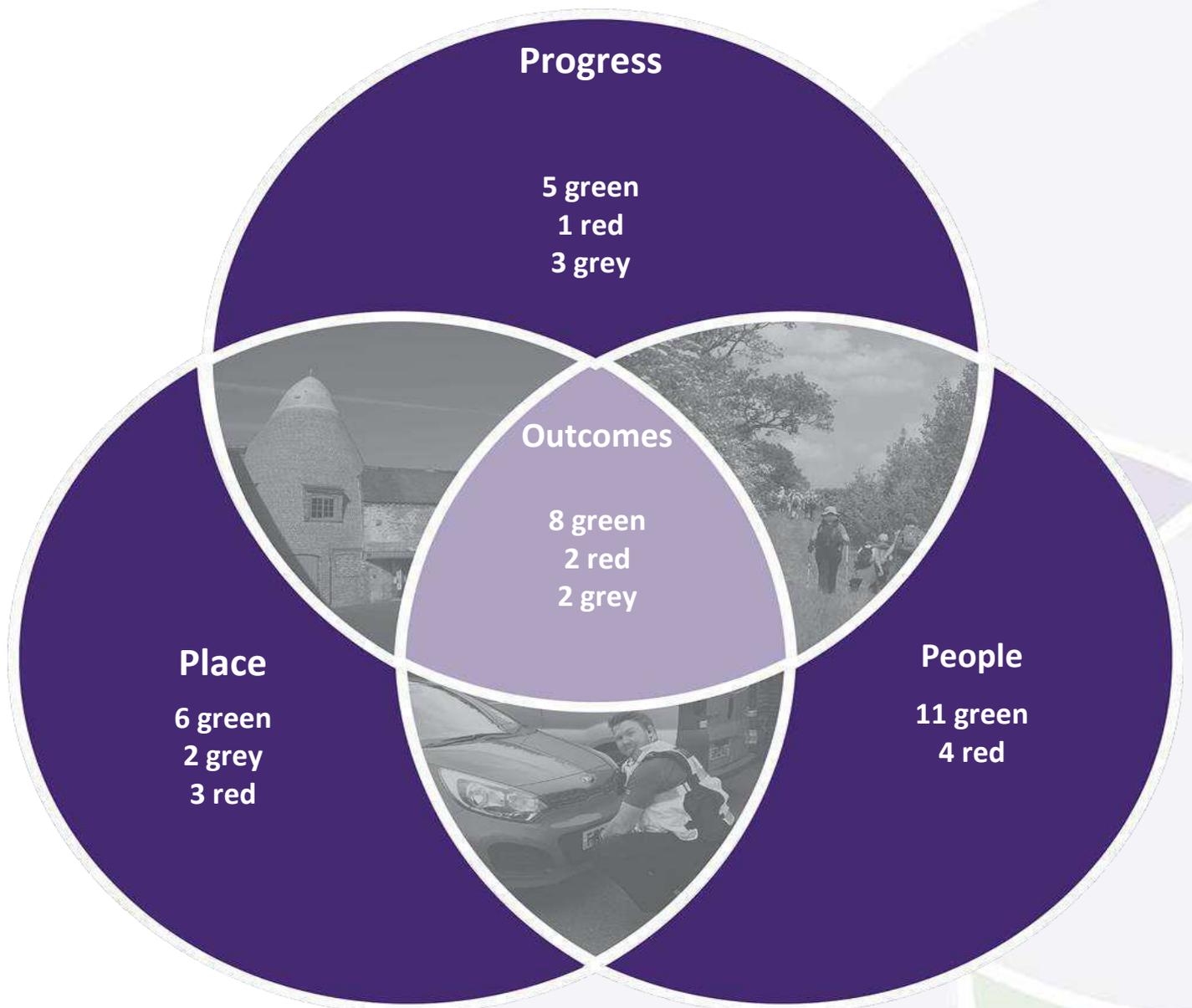
3.2 This Committee is largely responsible for overseeing the delivery of successful Outcomes. These are as follows:

- Maintain financial health
- Achieve proper Corporate Governance
- Maintain customer focus
- Be aware of and plan for financial, legal and environmental risks
- Promote and enable active democracy
- Enhance environmental standards
- Maintain a skilled workforce
- Promote inclusion

3.3 Of the 14 measures and projects under the jurisdiction of the Finance and Management Committee, 10 are showing green, two are red and two are annual targets.

3.4 More information can be found in the Performance Board in **Appendix A**. A detailed breakdown of performance for Finance and Management is available in the Success Areas and Performance Action Plan documents (**Appendices B and C respectively**), while associated risks are contained in the risk registers in **Appendices D, E and F**.

4.0 Overall Council performance – Quarter one (April 1 to June 30, 2018)



5.0 Financial and Corporate Implications

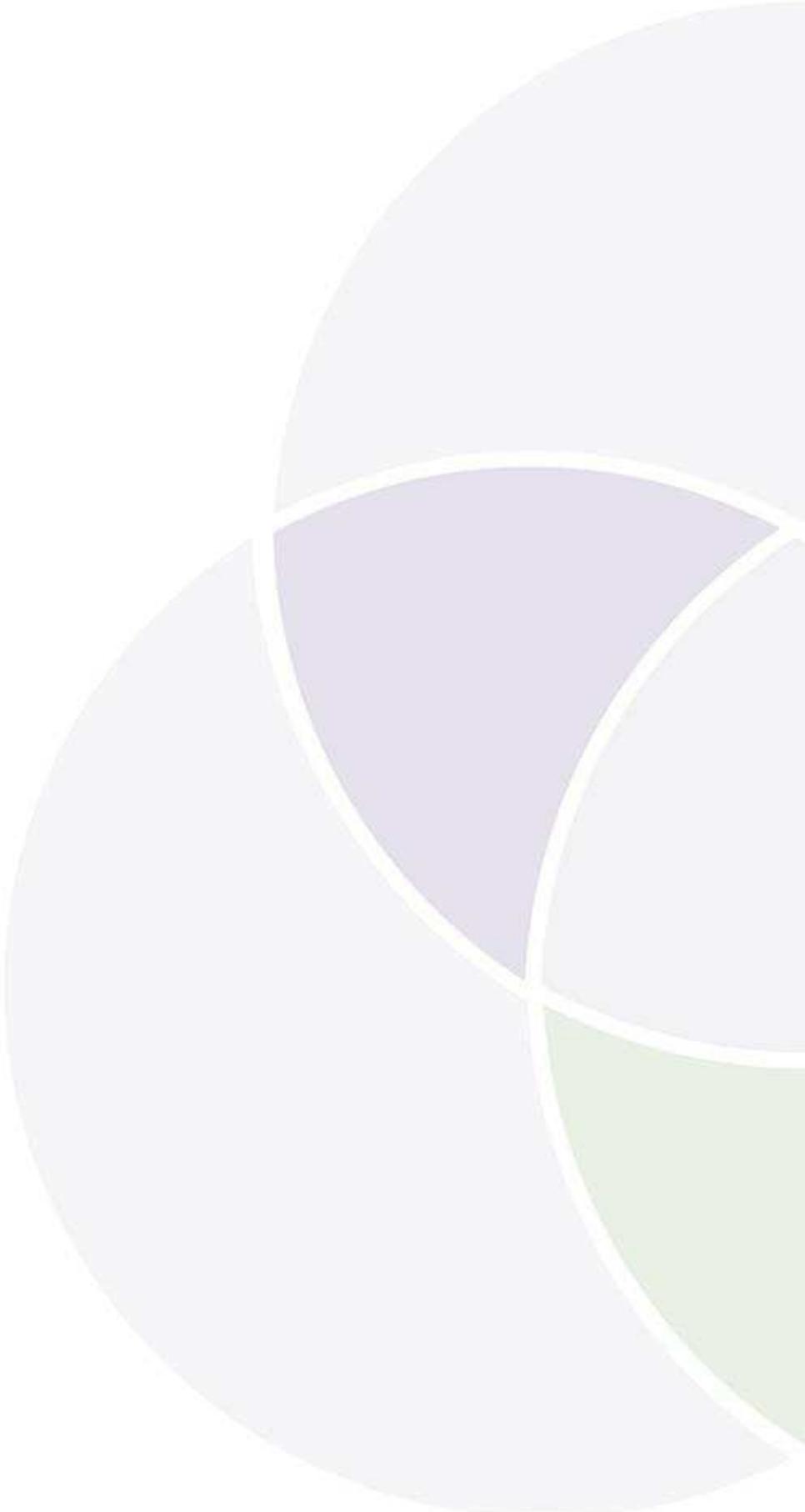
5.1 None directly.

6.0 Community Implications

6.1 The Council aspires to be an “excellent” Council in order to deliver the service expectations to local communities. This report demonstrates how priorities under the People, Place and Progress and Outcomes themes contribute to that aspiration.

7.0 Appendices

- Appendix A – Performance Board
- Appendix B – Finance and Management: Success Areas
- Appendix C – Finance and Management: Action Plan
- Appendix D – Chief Executive’s Risk Register



Ref	Aim	Project	Annual target	Q1 Target	Q1 performance	Q1 detail
O1	Maintain financial health	Generate ongoing revenue budget savings and identify ways to generat income.	O1.1 Identify £1m of budget savings and additional income by March 31, 2023. F&M	No action required.	N/A	The budget outturn reported to Committee on July 26 showed additional income and underspending on the General Fund for 2017/18. Consequently, the General Reserve is £1m greater than budgeted, which helps to sustain the longer-term financial position and ease pressure on future savings. As planned, a review and updated Medium Term Financial Plan will be reported to Committee in October.
O1	Maintain financial health	Maximise rental income	O1.2 Rent arrears as a % of the rent due. F&M H&CS	<2.5%	1.84%	The current tenant rent arrears outstanding at the end of quarter one is £221,828, the annual amount of rent due is £12,053,603. Current tenant rent arrears have decreased by 6% (£14,299) since the start of the financial year. This performance indicator can be benchmarked with the Council's peers via Housemark and it will be shared during quarter two.
O2	Maintain proper corporate governance	Compile and publish an Annual Governance Statement in accordance with statutory requirements.	O2.1 An unqualified opinion in the Annual Audit Letter. F&M	Annual target.	Annual target.	The auditor's opinion was reported to the Audit Sub-Committee on July 25. This concluded that, in all material aspects, the Council's arrangements were satisfactory, except for contract management and procurement issues in Housing and Environmental Services. This conclusion was due to the fact that outstanding issues raised in 2016/17 were not all fully embedded, although significant progress on 23 of 32 actions had been made and implemented. The remainder will be completed by September 2018.
O3	Enhance environmental standards.	Demonstrate high environmental standards.	O3.1 Uphold strong environmental management standards. E&DS	Produce an options appraisal of environmental management systems.	Achieved.	Options appraisal produced and issued as a paper to Leadership Team.
O4	Maintain a skilled workforce.	Strengthen measures and support employees to reduce absence due to sickness/ill health.	O4.1 The average working days lost per employee. F&M	Less than 8 days per year (2 days per quarter). To be broken down into short and long term sickness absence.	2.55 days. 461 days long term (60%), 303.50 short term (40%)	See Action Plan.
O4	Maintain a skilled workforce.	Further improve frontline services and develop a Council which is fit for the future.	O4.2 Use the decision-making methodology identified by the Local Government Association review. F&M	Report approved by the Council on proposed changes to the current staffing structure.	See Action Plan.	See Action Plan.
O5	Maintain customer focus.	Ensure services remain accessible to residents and visitors.	Expand services in the Customer Contact Centre and maintain facilities for face to face enquiries where required. F&M	O5.1 80% of telephone calls answered within 20 seconds.	80.8%	Call options reduced from seven to five in April, enabling customers to get through to the Council quicker. This has been introduced following feedback.
O5	Maintain customer focus.	Ensure services remain accessible to residents and visitors.	Expand services in the Customer Contact Centre and maintain facilities for face to face enquiries where required. F&M	O5.2 Call abandonment rate of less than 8% (Number of visitors to Civic Offices to be recorded).	3.70%	April proved an extremely busy month due to annual billing, with 7,087 calls. This continued in May (6,850), traditionally the start of debt recovery action. June was a much steadier month (6,387 calls). Achieving the two targets is testament to the work of the Team. Visitors to Civic Offices over the quarter - 8,382.
O5	Maintain customer focus.	Improve the way in which Housing Services gathers, reports and acts on customer satisfaction data.	O5.3 To gather customer satisfaction data in a cost-effective way and use the data to manage and improve services. H&CS	Review the method of collection for all satisfaction across Housing Services. Finalise Star Survey.	Achieved.	The Council has undertaken a review of all satisfaction surveys distributed by Housing Services during 2017-2018. This saw 2,588 satisfaction responses collated across 13 areas. Eight key surveys were set a target, all of which were achieved. 85% of surveys are returned through hard copy, the remainder via the telephone. The STAR Satisfaction Survey was posted out on June 26. The first reminder letter has been sent, with the second to be distributed on Friday, August 3. The closing date for all surveys to be returned is August 24.
O5	Maintain customer focus.	Delivering a first class Repairs Service (strategic review of repairs and improvements).	O5.4 To provide a value for money service that fully meets the needs of our tenants and delivers high levels of customer satisfaction. H&CS	In partnership with an external provider, complete strategic review of the repairs and improvements service.	Achieved.	The Housing Quality Network (HQN) has completed the data review, as well as staff and tenant consultation. The first draft of HQN's findings is expected by the end of August.
O6	Minimise business risks and realise the benefits of technological opportunities.	Continue to strengthen ICT and technological platforms.	O6.1 Build IT infrastructure resilience to support change and minimise business risks. F&M	Infrastructure review, including testing for Windows 10 devices. Q1-3 New back-up and disaster recovery process. Q1-2 Refocus ICT structure and operational management.	Achieved.	Back up disaster recovery (DR) software solution has been agreed after competitive exercise. Hardware has been specified and will be procured shortly. A DR rehearsal has taken place at Oakland Village in Swadlincote, with the project on track for delivery in quarter three. Testing is in place for Windows 10 and a mixture of new and existing ICT equipment. ICT Operations has refocused its delivery model and recruitment has taken place to remove agency. An existing vacancy has been re-evaluated through JEQ process to support tasks highlighted in the digital strategy. Recruitment is underway.
O6	Minimise business risks and realise the benefits of technological opportunities.	Establish a corporate approach and responsibility for business change and improvement, standardising evaluation and delivery of projects across the Council.	O6.2 Agree and deliver business change programme to support core objectives. F&M	Establish strategic board for change management. Establish Corporate Change Management Group and Project Management Office (PMO).	Achieved.	A new process for Business Improvement and Change Management has been designed and delivered. The process incorporates the establishment of the Strategic Improvement Board and Corporate Change Management Group, which have both convened and considered the first submission. The PMO has been designed but will not be operational until after DMA review.
PE1	Enable people to live independently	Provide an efficient and well-targeted adaptation service (including Disabled Facilities Grants) and make better use of previously adapted dwellings.	PE1.1 % of residents satisfied with the quality of their new home. H&CS	90%	90%	During quarter one, 20 new home satisfaction surveys were returned. All tenants were satisfied with the quality of their new home, with the exception of two. Officers have since visited both tenants, who were satisfied with the final outcome.
PE1	Enable people to live independently	Improve the quality and make best use of existing Council housing stock to meet current and future needs.	PE1.2 Average time taken to re-let Council homes (excluding major voids). H&CS	<21 days	26	See Action Plan.
PE1	Enable people to live independently	Improve the quality and make best use of existing Council housing stock to meet current and future needs.	PE1.3 Average length of time for current voids. H&CS	<21 days	41	See Action Plan.
PE2	Protect and help support the most vulnerable, including those affected by financial challenges.	Maintain regular contact with tenants, with a focus on those identified as vulnerable.	PE2.1 Total number of tenancy audits completed. H&CS	250	275	This is the final year of our three year target to carry out an annual audit on each tenancy by the end of March 2019. This indicator achieved the annual target in both 2017 and 2018 and we are on target to complete all audits by March 2019.
PE2	Protect and help support the most vulnerable, including those affected by financial challenges.	Maintain regular contact with tenants, with a focus on those identified as vulnerable.	PE2.2 Number of successful introductory tenancies. H&CS	97%	96%	See Action Plan.
PE2	Protect and help support the most vulnerable, including those affected by financial challenges.	Process Benefit claims efficiently.	PE2.3 Average time for processing new Benefit claims. F&M	<18 days	17.6 days.	Within target but essential staff training for Universal Credit (UC) roll out reduced the level of resources available for processing. Discussions with third party (Capita) to provide draw down support and further automation of some repetitive processes as Universal Credit roll-out gathers momentum and adds pressure on meeting KPI in future quarters.
PE2	Protect and help support the most vulnerable, including those affected by financial challenges.	Process Benefit claims efficiently.	PE2.4 Average time for processing notifications of changes in circumstances. F&M	<8 days	7.2 days.	Increase in workload due to referrals from HM Revenues and Customs regarding cases with potential undeclared income creating overpayments. Discussions with third party (Capita) to provide draw down support and further automation of some repetitive processes as Universal Credit roll-out gathers momentum and adds pressure on meeting KPI in future quarters.

PE2	Protect and help support the most vulnerable, including those affected by financial challenges.	Process Benefit claims efficiently.	PE2.5 Successful roll out of Universal Credit in South Derbyshire. H&CS F&M	Infrastructure put in place for shared roll out. Publicise in partnership with Derby City. Contact all affected tenants, explore auto-payment options and promote transactional bank accounts.	Achieved.	Infrastructure in place for roll out of Universal Credit in July 2018 for new claimants in postcodes served by Derby Jobcentre. Council tenants notified of potential change to benefits received and impact on rent due. Pre go-live staff training has commenced but has impacted benefit staff availability for processing day-to-day work. Secure IT access plan, to allow online form completion by claimants, completed.
PE2	Protect and help support the most vulnerable, including those affected by financial challenges.	Deliver a respite solution across South Derbyshire, saving the NHS bed days and cost (£).	PE2.6 Deliver the Pilot Hospital Avoidance Scheme. H&CS F&M	Identify two units and gain approval for scheme suitability. Gain approval at April Better Care Fund board for use of funding.	Achieved.	Better Care Funding Board of £100k has been agreed for 2018/19 to set up a Hospital Avoidance Scheme in the District to reduce delayed transfers of care from hospital and prevent admissions through housing interventions and the provision of respite accommodation. Two units of accommodation will be handed over to Derbyshire County Council's Adult Care Department initially (with a further two planned within six months if successful), one of which has already been identified. The scheme was approved at the Housing and Community Services Committee in June and Finance and Management Committee in July, alongside other schemes that are being created to promote independence, tackle health inequality and mitigate poor housing conditions.
PE3	Use existing tools and powers to take appropriate enforcement action.	Reduce the impact of empty homes on our communities.	PE3.1 Number of empty home intervention plans for dwellings known to be empty for more than two years. H&CS	Q1 ≥0	0	15 properties are currently going through a phased intervention process. 10 have recently been served with legal notices to force the owners to communicate with the Council.
PE4	Increase levels of participation in sport, health, environmental and physical activities.	Delivery of sport, health, physical activity and play scheme participations.	PE4.1 Throughput at Etwall Leisure Centre, Green Bank Leisure Centre and Rosliston Forestry Centre. H&CS	Rosliston: 50,000 Leisure centres:172,108	Leisure centres - 271,333. Rosliston - N/A	Strong performance at leisure centres. Due to technical issues, the data for Rosliston Forestry Centre is not available for quarter one. Due to the prolonged period of warmer weather, it is anticipated visitor numbers should be well above target.
PE4	Increase levels of participation in sport, health, environmental and physical activities. H&CS	Increase physical activity in South Derbyshire.	PE4.2 Delivery of the Physical Activity, Sport and Recreation Strategy. H&CS	Increased participation in the National Forest Walking Festival.	1,505	Turnout has already topped the 2017 walking festival, with figures from four walks still to be confirmed. Positive feedback received from walkers and walk leaders alike. Evaluation report currently being created.
PE5	Reduce the amount of waste sent to landfill.	Minimise waste sent to landfill.	PE5.1 Household waste collected per head of population (kg). E&DS	<130kgs	114kgs	Estimated June figures for kerbside recycling based on previous outturns. Figure may be slightly worse as overall waste tonnages have risen. Confirmed figure to be reported in quarter two.
PE5	Reduce the amount of waste sent to landfill.	Minimise waste sent to landfill.	PE5.2 % of collected waste recycled and composted. E&DS	>55%	52% (estimate)	See Action Plan.
PE6	Develop the workforce of South Derbyshire to support growth.	Encourage an increasing sense of value and self-worth within individuals and their communities in the urban core of South Derbyshire.	PE6.1 Deliver the RISE project to help young people to flourish and achieve their potential. H&CS	Officially launch project with ambassador and award-winning film director Deborah Haywood.	Achieved.	RISE Awards held on June 20, with ambassadors in attendance. A number of nominations and awards were given to worthy recipients. Positive feedback was received and plans for future events are taking shape.
PL1	Facilitate and deliver a range of integrated and sustainable housing and community infrastructure.	Increase the supply and range for all affordable housing provision.	PL1.1 Total number of affordable dwellings delivered. Target of >150 for the year. H&CS	Annual target	69	69 affordable homes were delivered during the first quarter, 15 from Riverside (in Mickleover), nine from Derwent (Boulton Moor), 32 from Trent and Dove (various sites) and 13 from Nottingham Community Housing Association (NCHA).
PL1	Facilitate and deliver a range of integrated and sustainable housing and community infrastructure.	Increase the supply and range for all affordable housing provision.	PL1.2 Number of new homes added to the HRA (this indicator incorporates new builds and also acquired properties into the HRA). H&CS	Proxy	N/A	Six Council houses are being built at Lullington Road, Overseal, during this financial year (contractor has been appointed, with surveys and ground work underway). Start on site is estimated for Autumn 2018.
PL1	Facilitate and deliver a range of integrated and sustainable housing and community infrastructure.	Deliver key supplementary documents to adopted South Derbyshire Local Plan, parts 1 and 2.	PL1.3 Relevant documents adopted. E&DS	Committee approval of draft Statement of Community Involvement and Local Green Spaces Document for consultation.	Achieved.	The Local Green Spaces Sustainability Appraisal scoping consultation was approved by the Environmental and Development Services Committee on April 19, with consultation now complete. The draft Statement of Community Involvement was approved for consultation on May 31.
PL1	Facilitate and deliver a range of integrated and sustainable housing and community infrastructure.	Speed of determining planning applications.	PL1.4 Number of decisions made in time over number of decisions made. E&DS	90%	93%	During quarter one, 219 decisions were made. 204 of these were made within statutory time limits of eight or 13 weeks or within an extension of time agreed with the applicant.
PL1	Facilitate and deliver a range of integrated and sustainable housing and community infrastructure.	Proactive monitoring and support of housing delivery.	PL1.5 Maximise delivery of housing units. E&DS	Housing survey completed.	Achieved.	Monitoring undertaken on housing sites in April 2018. All inputting and survey work now complete. Housing delivery is ahead of the target set out in the Council's published housing trajectory (available in the Housing Position Paper, which can be viewed on the Council's website).
PL1	Facilitate and deliver a range of integrated and sustainable housing and community infrastructure.	Further improve the design quality of development in South Derbyshire.	PL1.6 Proportion of good quality housing development schemes (defined using Build for Life criteria) approved. E&DS	90% (annual target)	86%	See Action Plan.
PL3	Help maintain low crime and anti-social behaviour (ASB) levels	Deliver a programme of proactive interventions to reduce environmental crime and anti-social behaviour.	PL3.1 Downward trend in fly-tipping incidents. E&DS	<180	186	See Action Plan.
PL3	Help maintain low crime and anti-social behaviour (ASB) levels	Reduce anti-social behaviour (ASB) in Swadlincote Centre (Civic Way) Local Super Output Area.	PL3.2 Number of ASB incidents in Swadlincote Centre (reported as a rolling figure). H&CS	<400 incidents (Number of complaints that get issued to a police officer to investigate)	391 (annual rolling figure)	There has been a marked reduction on Police recorded anti-social behaviour calls in Swadlincote Town Centre over the last two months. In April there were 37 calls (34 in April 2017), in May there were 18 (53 in May 2017) and in June there were 16 (26 in June 2017). This compares to 52 in February 2018 and 61 in March 2018. The temporary closure of Swadlincote McDonalds, which tends to generate high levels of calls, has impacted on this. The restaurant is open again, with security guards and new CCTV in place to deal with any issues.
PL4	Connect with our communities, helping them feel safe and secure.	Review and deliver the Safer South Derbyshire Community Safety Partnership Plan.	PL4.1 Review and update existing plan. Develop and deliver action plan. H&CS	Work with schools to develop delivery plan for community safety input in schools in 2019/20.	Achieved.	Secondary schools consulted about priority input for 2018/19. Sexting and cyber safety is still a pressing concern, more so than the traditional Child Sexual Exploitation presentation format. Input on bullying, especially cyber bullying, has also been requested. There is also a strong desire to continue the Prison! Me! No Way! days, depending on funding.
PL5	Support provision of cultural facilities and activities.	Champion and develop cultural experiences that enrich people's lives.	PL5.1 Promote participation in cultural activities and provide quality facilities to support communities. H&CS	Increase attendance (300 in 2017) at 'eUReka' (sic), a mix of music, art, sport and food, for 11 to 19-year-olds at Eureka Park in Swadlincote.	150	See Action Plan.
PL6	Deliver services that keep the District clean and healthy.	Provide clean and green streets, neighbourhoods and open spaces.	PL6.1 Invest additional resources in street scene services and maintain and improve standards as the District grows. E&DS	Adopt policies and gain approval for additional resources.	Achieved.	Additional resources were approved at the Finance and Management Committee in March. Officers began recruitment in quarter one and all additional resources are now in place. Service standards setting out the specification of works for Street Scene were approved at the Environmental and Development Services and Housing and Community Services committees in April. Performance measures are currently being developed for approval at the end of quarter two.

PR1	Work to attract further inward investment.	Showcase developments and investor opportunities in South Derbyshire.	PR1.1 Net additional commercial/employment floor space created. E&DS	Number of square metres. (Proxy). Annual target, to be reported in quarter two.	N/A	N/A
PR2	Unlock development potential and ensure the continuing growth of vibrant town centres.	Drive forward Swadlincote Town Centre Vision and Strategy.	PR2.1 Undertake a five-year progress review of strategy. E&DS	Undertake review of actions/achievements.	Achieved.	Wide ranging review of actions/achievements undertaken by Town Centre Vision Group, an internal coalition involving Economic Development, Planning, Environmental Health, Communities and Community Safety. Findings will go before the Environmental and Development Services Committee later this year.
PR2	Unlock development potential and ensure the continuing growth of vibrant town centres.	Ensure the continuing growth of vibrant communities and town centres.	PR2.2 Vacant premises in Swadlincote, Hilton and Melbourne (proxy). E&DS	Proxy. To be reported twice a year.	N/A	N/A
PR2	Unlock development potential and ensure the continuing growth of vibrant town centres.	Improve access to employment, training, services and attractions within our town centres for both residents and visitors.	PR2.3 Pursue the development of transport solutions for a West Link (Swadlincote, Newhall, Ashby, Melbourne, East Midlands Airport) in collaboration with East Midlands Enterprise Gateway. E&DS	N/A	N/A	N/A
PR3	Work to maximise the employment, training and leisure uses of The National Forest by residents and increase the visitor spend by tourists.	Increase awareness of entrepreneurship as future career option.	PR3.1 Promote entrepreneurial opportunities to improve employability skills and raise awareness of self-employment. E&DS	Increase participation in Love Your Local Market Enterprise Fortnight.	161	161 pupils participated in Love Your Local Market. Pupils developed their business ideas and discussed them with advisors from the South Derbyshire Business Advice Service. They then had market stalls on three market days in Swadlincote during Love Your Local Market fortnight to offer their products and services to the public and raise money for charity.
PR5	Provide support to businesses and the not for profit sector and promote innovation and access to finance, including in rural areas	Maximise the prosperity of businesses through the delivery of the Better Business Regulation Partnership action plan.	PR5.1 Food businesses which have a Food Hygiene Rating score of five. E&DS	>83%	82.90%	See Action Plan.
PR5	Provide support to businesses and the not for profit sector and promote innovation and access to finance, including in rural areas	Maximise the prosperity of businesses in South Derbyshire.	PR5.2 Registered food businesses active in the District. E&DS	≥810	839	Small growth in new registered businesses in quarter one. Improvements are indicative of the continuous work the Council does with our local food business community to support new businesses and provide support and guidance on hygiene conformance.
PR5	Provide support to businesses and the not for profit sector and promote innovation and access to finance, including in rural areas	Maximise the prosperity of businesses in South Derbyshire.	PR5.3 Guidance offered to businesses or people thinking of starting a business (through the South Derbyshire Business Advice Service). E&DS	40	58	58 advisory sessions took place. Four well-attended business events were also held: Marketing workshop at Sharpe's Pottery Museum, Meet the Buyer event for construction sector businesses in Derby, Thinking of Starting a Business workshop at the Old Post Centre in Newhall and Exporting to Japan event at the Toyota plant at Burnaston.
PR5	Provide support to businesses and the not for profit sector and promote innovation and access to finance, including in rural areas	Support capital projects within the not for profit sector in South Derbyshire.	PR5.4 Deliver the Community Partnership Scheme and award capital funding totalling £250k to meet local need. H&CS F&M	Public launch. Workshop held to support organisations with applications.	Achieved.	The public launch was carried out in May/June and included a press release, social media posts, a landing page on the Council website and information provided at each of the six Area Forums. The workshop was held on May 17 at Gresley Old Hall.

Appendix B



6%

Rent arrears

Reduction in arrears since start of financial year. This equates to £14,299.



£1 million

General reserve

General reserve is £1 million greater than budgeted, helping to sustain the longer term financial position.



3.70%

Target <8%

Abandoned calls during extremely busy period due to annual billing and debt recovery.



Technology

Infrastructure

Back up Disaster Recovery software solution has been agreed after competitive exercise.



7.2 days

Target <8 days

Time taken to process a change in circumstances. New claims have been processed in an average of 17.6 days.

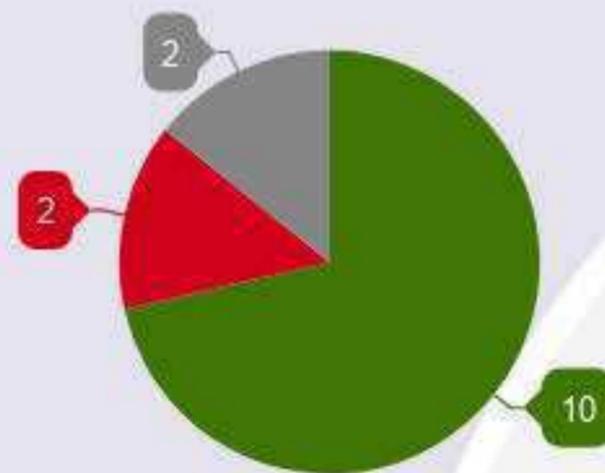


Community

Funding

£250,000 Community Partnership Scheme launched to support voluntary and community sector.

F+M Performance Overview



Green (71.43%) Red (14.29%) Grey (14.29%)



Transformation

Positive change

A new process for Business Improvement and Change Management has been delivered.



£100,000

Better care

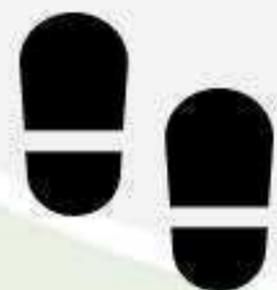
Funding agreed for Hospital Avoidance Scheme to reduce delayed transfers of care.



Welfare

New claimants

Infrastructure in place for rollout of Universal Credit for claimants in postcodes served by Derby Jobcentre.



8,382

Visitors

Number of face to face visitors helped at the Civic Offices during quarter one.

Appendix C



2.55 days

The average working days lost per employee

Target - 2

Theme – Outcomes

Action – O4.1 The average working days lost per employee.

Target: Less than two days per quarter.

Performance – 2.55 days (461 days long term, 303.50 short term).

Trend – The number of working days lost to sickness absence for the year 2017/18 was 3,408 days or, on average, 11.63 days per person. This is an increase from 2,613 days (or 30%) and 9.91 days (or 17%) from the previous year.

Key actions underway – An internal working group of employer and employee representatives, led by the Strategic Director (Service Delivery), has met to consider a range of measures to address the current levels of absence. It will meet again in September. The focus for the group has been stated as 'improving attendance' (through different initiatives such as reviewing employment policies) rather than managing absence to ensure that a rounded view of actions is taken.

Opportunities/risks - Sickness absence can lead to a potential loss of productivity. Whilst employees are still paid during a period of absence (although this can reduce in periods of longer absence) an extra cost can be incurred to cover the duties of absent colleagues.

Having effective practices and processes in place to manage the health and well-being of the workforce promotes better working methods and early, preventative action to improve levels of performance and attendance at work.



0

Report approved by the Council on proposed changes to the current staffing structure.

Target - 1

Theme – Outcomes

Action – O4.2 Use the decision making methodology identified by the Local Government Association review.

Target - Report approved by the Council on proposed changes to the staffing structure.

Performance – Report not approved by Council at the end of quarter one.

Background – The Local Government Association (LGA) has been employed to conduct an independent review of the Council's existing management arrangements.

Representatives from the LGA completed interviews and submitted initial proposals to the Chief Executive in quarter one. These are under consideration and it is expected that a report will be approved by Council by the end of quarter three.

Key actions underway – The Chief Executive is discussing the proposals from the LGA with the Council's Strategic Directors. After feedback, the Chief Executive will collate a report for consideration by the Council.

Opportunities/risks – The Decision Making Accountability process is designed to further improve the services we deliver to our residents and communities and to develop a Council which is fit for the future.

The aim is to ensure the Council continues to have organisational structures which are effective, with clear roles that are efficient in their use of management resources. This includes strengthening management accountabilities, processes and ways of working so the Council has the right set up to meet future challenges.



Chief Executive's Risk Register

Theme/aim	Risk description	Likelihood	Impact	Risk Treatment	Mitigating action	Responsible officer
Outcomes/Delivery of Service	Failure to meet statutory deadlines in relation to the licensing function, unable to process licences, leading to individuals unable to trade, legal issues, complaints	Low	Medium	Treat	<ul style="list-style-type: none"> Processes and procedures are in place to ensure all matters are processed within statutory time-frame Staff trained and aware of authority's duties Keep under review 	Ardip Kaur
Outcomes/Delivery of service	Failure to meet statutory deadlines and/or statutory functions during litigation, contractual matters, land sales/purchases, enforcement matters	Low	High	Treat	<ul style="list-style-type: none"> Qualified officers with professional training and experience Processes and procedures are in place to ensure compliance Case management reviews Keep under review 	Ardip Kaur
Outcomes/Delivery of service	Non-performance of local government statutory duties at Committee and Council meetings	Low	Medium	Treat	<ul style="list-style-type: none"> Compliance with Council's Constitution Processes and procedures in place Strict adherence to timetable 	Ardip Kaur

Outcomes/ Delivery of service	Failure to meet statutory deadlines for the canvass and in compiling and publishing the Register	Low	High	Treat	<ul style="list-style-type: none"> Processes and procedures in place Experienced officers carry out process Close monitoring 	Ardip Kaur
Outcomes/Delivery of service	Failure to meet statutory responsibilities, denying right of franchise at Election/Referendum time	Low	High	Treat	<ul style="list-style-type: none"> Processes and procedures in place Strict adherence to statutory timetable Assistance from Electoral Commission available, when needed Support staff employed to assist Close monitoring 	Ardip Kaur
Progress/Work to maximise the employment, training and leisure uses of The National Forest by residents and increase the visitor spend by tourists	Failure of tourism partnerships leading to an adverse impact on businesses in local visitor economy	Low	Medium	Treat	<ul style="list-style-type: none"> Proactive engagement in partnerships and with individual partners Commitment of officer time and resources to partnership activities Monitoring of projects and performance 	Mike Roylance
Progress/People/ Place	Failure of the South Derbyshire Partnership, leading to non-delivery of the community's vision and priorities as set out in the Community Strategy and Action Plan	Low	Medium	Treat	<ul style="list-style-type: none"> Proactive support for partnership Commitment of officer time and resources to partnership facilitation Engagement of partners in policy making and project design and delivery 	Mike Roylance

Progress/Work to attract further inward investment	Downturn in the local economy leading to a loss of jobs, business failures, and a reduction in income to the Council (e.g. Business Rate income; Take-up of commercial properties, etc)	Medium	High	Treat	<ul style="list-style-type: none"> Monitoring of economic trends Economic Development Strategy designed to increase robustness of local economy Delivery of economic development activities, including provision of South Derbyshire Business Advice Service 	Mike Roylance
Progress/Work to maximise the employment, training and leisure uses of The National Forest by residents and increase the visitor spend by tourists	Failure of Sharpe's Pottery Heritage & Arts Trust, leading to a loss of service to visitors and residents through the Tourist Information Centre	Medium	High	Treat	<ul style="list-style-type: none"> Officer advice and support available to Trust Member involvement in Trust Board Monitoring of services and performance, including Service Level Agreement and Work Programme 	Mike Roylance
Outcomes/Delivery of service	Failure to meet statutory deadlines for Gender Pay reporting, resulting in financial penalties and reputational damage	Low	Low	Treat	<ul style="list-style-type: none"> Procedures in place to ensure that data is published to deadlines. Development of Resourcelink to produce Gender Pay report 	David Clamp
Outcomes/maintain a skilled workforce	Employees are not developed and trained to effectively undertake their roles	Low	Low	Treat	<ul style="list-style-type: none"> Mandatory training programme delivered. Annual report outlining training completed and priorities for coming year Provision of adequate and appropriate training interventions 	David Clamp

Outcomes/Delivery of Service	Failure to maintain adequate health and safety management arrangements that could result in financial penalties, employee injury or reputational damage.	Low	Medium	Treat	<ul style="list-style-type: none"> • Health and Safety Action Plan delivered • Professional Health and Safety advice provided to support managers and employees • Adequate training provided to employees and managers 	David Clamp
Outcomes/Maintain a skilled workforce and customer focus	Reputational risk to Council due to lack of knowledge and understanding of Corporate Plan	Low	Low	Treat	<ul style="list-style-type: none"> • Inductions for all new staff to highlight the importance of the Plan • Ensure all internal and external comms tie in with our collective vision • Ensure staff are actively involved in service and strategic planning • Strong and consistent branding on publications 	Keith Bull
Outcomes/Achieve proper corporate governance	Poor quality performance data	Low	Medium	Treat	<ul style="list-style-type: none"> • Reviewed quarterly as part of the performance reporting process. • Methodology statements compiled and continually monitored and updated • Annual data quality audit undertaken 	Keith Bull
Outcomes/customer focus	Failure to deliver expected efficiencies and savings through channel shift and digital methods of communication	Low	Low	Treat	<ul style="list-style-type: none"> • Enhance transactional capability as part of phase II of the website project • Ongoing analysis of patterns/trends to consider impact of channel shift • Further functionality to be developed to increase self-serve options 	Keith Bull



Corporate Resources Operational Risk Register

Theme/aim	Risk description	Likelihood	Impact	Risk Treatment	Mitigating action	Responsible officer
Protect and support the most vulnerable including those affected by financial challenges	On-going Welfare Reform and the impact of Universal Credit (UC). Potential impact on the Directorate's resources, in particular Revenues, Benefits and Customer Services.	High	Medium	Treat the risk	The impact of welfare reform to date has been incremental and has not had any significant impact directly on Revenues. UC is still planned to be rolled out to all new claimants in South Derbyshire from November 2018, with further roll-outs for all claimants expected from July 2019. Full implementation is expected by 2022/23 for all working age claimants. Eventually, this is likely to reduce the amount of housing benefit claims being processed. It is anticipated that spare capacity will be utilised to support claimants as they switch to UC. Staff levels will be kept under review.	Revenues and Customer Services Manager
Maintain financial health	A small discrete unit (Financial Services) has responsibility for leading on this theme. The Unit is sensitive to a temporary change in resources.	Low	Medium	Treat the risk	The Unit currently has one vacancy and an opportunity is being taken to review the level and use of staff resources. Training and sharing knowledge across the Unit is essential to mitigate the risk and this is currently in place. There are two trainee posts in place with the post holders undergoing formal training programmes, both academically and practically. Training and development is available and utilised by all staff.	Financial Services Manager

Growth and Regeneration	Potential impact on the Directorate's resources, especially the Land Charges Unit.	High	Medium	Treat the risk	The volume of land searches continues to increase, together with Government expectations to reduce turnaround times from an average of 20 days to 10. The Unit is supported through cover arrangements from within the wider Directorate at busier times. In addition, a Modern Apprentice has recently been employed and this should help to maintain a good level of service.	Corporate Asset Manager
Fraudulent activity and compliance	With the transfer of the Council's fraud team to the DWP in 2016, there is a potential that fraud could go undetected and compliance is not consistently applied across all services.	Low	Medium	Treat the risk	The Council works in partnership with other Derbyshire authorities who share a software package that enables data matching in Council Tax and Business Rates. In addition, a Partnership arrangement with Derby City Council was implemented in January 2017, following the appointment of a new and dedicated Fraud Unit at the City. The Council buys in the equivalent of one post to help detect fraud in other areas across the Council, allowing knowledge and skills to be shared. The performance of the Partnership is measured.	Revenues and Customer Services Manager
Change in service delivery	The ending of the contract with Northgate Public Services in February 2017 could potentially lead to some temporary disruption and shortfall in resources. ICT is considered a particular risk area.	Low	Medium	Treat the risk	<i>It is considered that this risk in itself has now been fully mitigated.</i>	Strategic Director Corporate Resources



Strategic Risk Register

Risk	Risk Indicators	Likelihood	Impact	Risk Treatment	Mitigating action / factors
A reduction in core spending power.	<p>The Council is aware of reductions over the period 2017/18 to 2019/20 as confirmed in the Government's 2016 budget. Budget savings are required in the medium-term.</p> <p>Lead officer: Strategic Director, Corporate Resources</p>	Medium	Medium	Treat the risk	<p>The updated Medium Term Financial Plan (MTFP), which was approved by the Committee in February 2018, shows a stable and relatively healthy position into the medium-term. Longer-term budget savings may be required although General Reserves are adequate and known financial risks are being provided for in the MTFP.</p>
The impact of the national economic situation locally.	<p>Due to external factors, the economic outlook remains uncertain, in particular regarding any effects associated with Brexit.</p> <p>Lead officers: Chief Executive and Strategic Director, Corporate Resources</p>	Low	Medium	Treat the Risk	<p>It is considered that the Council is undertaking as much action as is reasonably possible at this stage to mitigate any risk.</p> <p>On-going budgets for income from planning fees, land charges, etc. are set at levels below current actuals, leaving some room for the effect of any significant downturn.</p> <p>The MTFP is not reliant on interest rates increasing from the current level to generate revenue.</p> <p>Debt is at fixed interest rates and is affordable within the Housing Revenue Account's financial plan.</p>

					<p>The Property Strategy has focused on ensuring the Council's assets are being positioned to react to local investment opportunities, including land assembly and joint ventures. The redevelopment of William Nadin Way is now substantially complete.</p> <p>On-going dialogue through the Derby and Derbyshire Economic Prosperity Board to access funding and with developers to look at alternative options for regeneration in Swadlincote.</p> <p>Proposals to invest additional resources being generated from the 100% Business Rates Retention Pilot for Derbyshire being drawn up.</p>
<p>Keeping pace with technology, together with management and security of data.</p>	<p>The Council's ICT infrastructure and systems need to keep pace with existing and emerging technologies. Stricter regulations for managing and exchanging information in electronic form through the Public Services Network (PSN). Systems subject to virus attacks. Greater expectations through Data Protection to safeguard personal information. This includes processing of transactions through credit and debit cards to mitigate the risk of fraud.</p> <p>Lead officer: Strategic Director, Corporate Resources</p>	<p>High</p>	<p>Medium</p>	<p>Treat the risk</p>	<p>Investment continues to be made in upgrading the infrastructure and network to ensure PSN compliance. An annual independent audit is undertaken each year to test the Council's compliance with the PSN network.</p> <p>An annual internal audit review tests the robustness of systems and the infrastructure with recommendations to strengthen the ICT environment being monitored by the Audit Sub-Committee.</p> <p>Regular training and briefings given to Elected Members and Officers to raise awareness of data and security issues.</p> <p>In addition, the Council used external resources to strengthen information governance and compliance, ahead of the implementation of the Data Protection Act 2018. A Data Protection Officer has been appointed by the Council.</p> <p>Following previous malware virus attacks, additional measures have been implemented to restrict Internet access to certain sites, together with implementing additional monitoring controls to prevent direct virus attacks.</p>

<p>Business Continuity and in particular the loss of the main Civic Offices and ICT capability.</p>	<p>Council services are predominantly managed from one administrative building with two external sites in close proximity.</p> <p>Lead officer: Strategic Director, Corporate Resources</p>	<p>Low</p>	<p>High</p>	<p>Treat the risk</p>	<p>Business Continuity and Emergency Plans in place and regularly reviewed. Regular meetings take place with other agencies.</p> <p>An ICT Disaster Recovery (DR) solution is in place off-site. Data is backed-up and stored in a secure off-site facility outside of the immediate region. However, an improved solution is currently the main project in IT and this is expected to be implemented shortly to strengthen DR arrangements.</p> <p>Provision for home-working and remote access is in place.</p> <p>Comprehensive insurance in place with insurers providing support to secure temporary accommodation if required.</p>
<p>Capacity and resilience in service provision.</p>	<p>Overall staff numbers have declined in recent years and further budget reductions may be required. This is set against a growing demand for some services.</p> <p>Lead officer: Chief Executive</p>	<p>Medium</p>	<p>Medium</p>	<p>Treat the Risk</p>	<p>A training and development programme for senior and aspiring managers has recently been completed.</p> <p>Recent senior management restructure and creation of a new Leadership Team.</p> <p>Review undertaken by the Local Government Association to strengthen organisational structures to ensure that they are efficient. Outcomes currently being considered.</p> <p>Additional resources for Waste Collection and Grounds Maintenance approved in the 2018 Budget and have been implemented.</p>
<p>Reducing resources for community and voluntary sector partners who deliver services with or on behalf of the Council.</p>	<p>These organisations have seen a reduction in overall funding.</p> <p>Lead officer: Strategic Director, Service Delivery</p>	<p>Medium</p>	<p>Medium</p>	<p>Tolerate the risk, but 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 has been increased in 2018/19 for all supported organisations.</p> <p>Spending can be refocused to meet external funding requirements and is project-based.</p> <p>Dedicated officer time in place to support the voluntary sector and local organisations.</p>

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 8
DATE OF MEETING:	30th AUGUST 2018	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (01283 595811) kevin.stackhouse@south-derbys.gov.uk	DOC: s/finance/committee/2018-19/Aug 18
SUBJECT:	BUDGET and FINANCIAL MONITORING 2018/19	REF
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 08

1.0 Recommendation

- 1.1 That the latest budget and financial position for 2018/19 as detailed in the report is considered and approved.

2.0 Purpose of the Report

- 2.1 To provide progress on performance against budgets for the financial year 2018/19.
- 2.2 Where applicable, the effects upon the Medium-Term Financial Plan (MTFP) are also noted.
- 2.3 The report details performance up to 30th June 2018 (unless stated otherwise) and is effectively the 1st quarter's update of income and expenditure for 2018/19.
- 2.4 The report covers:
- General Fund Income and Expenditure
 - Collection Fund
 - Housing Revenue Account
 - Capital Expenditure and Financing
 - Financial Performance Indicators

3.0 Detail

GENERAL FUND REVENUE ACCOUNT

- 3.1 Apart from Council Housing, day-to-day revenue income and expenditure on Council services is accounted for through the General Fund. The Net Expenditure is financed from the Council's Core Spending Power which contains:
- General Government Grant
 - Retained Business Rates
 - New Homes Bonus
 - Council Tax

- 3.2 The Base Budget for 2018/19, which was approved by the Council in February 2018, estimated a budget deficit of £161,270 for 2018/19. This was then updated for the increased budget for Rosliston Forestry Centre, additional grant income for Sharpes Pottery and an additional post in Conducting Elections to £237,006 as summarised in the following table.

£	
Base Budget	11,966,973
Reverse out Depreciation	-871,666
Minimum / Voluntary Revenue Provisions	336,860
Contingent Sums	592,967
Total Estimated Spend	12,025,134
Financing	-11,788,128
Estimated Deficit	237,006

Position as at June 2018

- 3.3 A summary of the position to date and the projected position for the year compared to the Base Budget for each Policy Committee is shown in the following table.

Budget Monitoring - June					
Summary by Policy Committee					
COMMITTEE	ANNUAL			RESERVES	
	BUDGET	PROJECTED ACTUAL	PROJECTED VARIANCE	EARMARKED	NET EFFECT ON GF
	£	£	£	£	£
Environmental and Development	4,292,902	4,248,501	(44,401)	(83,997)	39,595
Housing & Community	2,634,256	2,517,977	(116,279)	(117,269)	990
Finance & Management	5,039,814	4,429,806	(610,008)	(590,093)	(19,915)
TOTAL	11,966,973	11,196,284	(770,688)	(791,359)	20,670

- 3.4 Although the above table shows that projected net expenditure is £770,688 lower than the base budget, approximately £791k is due to grant income, external contributions and receipts received from developers under Section 106 agreements, for on-going projects and capital schemes which stretch beyond the current year 2018/19. This funding is transferred to specific reserves and drawn-down to finance expenditure when it is incurred.
- 3.5 Excluding transfers to earmarked reserves, the above table shows that based on current spending, there is a projected increase in overall net expenditure across General Fund Services of approximately £21k compared to the base budget for the year.
- 3.6 An analysis by main service area is shown in the following table.

Budget Monitoring - June

Summary by Main Service Area

MAIN SERVICE AREA	BUDGET			RESERVES	
	BUDGET	PROJECTED ACTUAL	PROJECTED VARIANCE	EARMARKED	NET EFFECT ON GF
	£	£	£	£	£
Economic Development	250,734	246,213	(4,521)	0	(4,521)
Environmental Services	514,570	488,141	(26,429)	0	(26,429)
Highways	44,548	46,680	2,131	0	2,131
Licensing and Land Charges	(2,925)	(12,379)	(9,454)	0	(9,454)
Planning	544,881	512,841	(32,040)	(32,955)	915
Town Centre	95,137	95,136	(0)	0	(0)
Waste Collection & Street Cleansing	2,149,087	2,239,942	90,855	10,000	80,855
Environmental Education	78,505	17,464	(61,042)	(61,042)	0
Central & Departmental Accounts	618,365	614,464	(3,901)	0	(3,901)
Community Development and Support	570,776	580,561	9,786	(3,066)	12,852
Leisure and Recreational Activities	188,054	185,568	(2,487)	(925)	(1,562)
Leisure Centres and Community Facilities	563,872	508,366	(55,506)	(56,084)	578
Parks and Open Spaces	889,563	899,456	9,893	17,573	(7,680)
Private Sector Housing	421,991	344,026	(77,965)	(74,766)	(3,199)
Central and Departmental Accounts	3,256,411	3,237,225	(19,186)	10,743	(29,929)
Revenues and Benefits	495,568	533,842	38,274	11,954	26,320
Electoral Registration	206,992	206,991	(0)	0	(0)
Corporate and Democratic Costs	567,571	568,245	674	0	674
Payments to Parish Councils	359,832	359,752	(80)	0	(80)
Concessionary Travel	0	(225)	(225)	0	(225)
Property and Estates	(166,557)	(178,633)	(12,076)	0	(12,076)
Pensions, Grants, Interest and Receipts	319,998	(297,391)	(617,389)	(612,791)	(4,598)
TOTAL	11,966,973	11,196,284	(770,688)	(791,359)	20,670

Overview of Spending to date

3.7 The main reasons for the projected variance at this stage, is shown in the following table.

	£'000
Salary savings (vacancies, maternity etc.) - E&D	-96
Salary savings (vacancies, maternity etc.) - F&M	-84
Salary savings (vacancies, maternity etc.) - H&C	-33
Increased Environmental Health Income	-14
Lettings from Industrial and Commercial Units	-12
Increased Personal Searches Fee Income	-8
External Legal Support	7
Markets Additional Costs	7
Tree & Sewer Works Unbudgeted	11
Building Control and Street Naming Income	11
Revenues and Benefits System Upgrades	14
NNDR Rateable Value Finder Fee	23

DMA Review Costs	25
Reduced Planning Fee Income	30
Vehicle Hire	35
Reduced Income Household Waste	37
Agency and Consultancy Costs	68
TOTAL - OVERALL PROJECTED VARIANCE	<u>21</u>

3.8 Budget savings are currently being made from vacant posts although these savings are partially offset by agency and consultancy costs to support service areas.

3.9 Planning, Building Control and Street Naming income are all lower than anticipated in the first quarter. This is reported as adverse for year-end but it is expected that the slow start to the year will pick up during the second quarter.

3.10 Household Waste is expected to be adverse on income by year-end due to a lower than expected final income receipt for 2017/18 from County Council.

3.11 Costs incurred using external resource to review the Council's management structure under the Decision Making Accountability (DMA) principle has been reported previously and can be absorbed within contingent sums set-aside within the MTFP.

3.12 The other main variance is the cost of vehicle hire which is due to growth of the District plus an aging vehicle fleet. Growth expenditure can be absorbed within contingent sums and new vehicles have been ordered.

Other Variances

3.13 Issues with Markets are still in negotiation and the outcome will be reported once settlements of the concerns are agreed.

3.14 The cost of employing an external company to source rateable value on businesses not currently on the Council's revenues system will result in costs in year which will be offset by the additional income generated through NNDR.

3.15 Increases on Industrial Unit income is due to a reduction in void properties and is expected to be a favourable variance by year-end.

3.16 Tree works on cemeteries and sewer works to help with the prevention of flooding were unbudgeted at the level incurred to date but were necessary to complete.

Contingent Sums

3.17 The following sums have been provided in the base budget but not allocated to specific budgets.

Pay and Grading review	10,000
Waste Collection and Recycling	100,000
Growth	314,522
Leadership Restructure Saving	92,000
Other Contingent Sums	76,445
Total	<u>592,967</u>

3.18 The other contingent sums relate to:

- Under utilised provision for the Pay Award agreed after the MTFP was reported in February (£26k)
- Provisions for the Apprenticeship Levy (£29k), implementation of the National Living Wage (£11k) and potential “off-payroll” payments (£10k)

Provisions

3.19 The following provisions were made in the Council’s accounts in 2017/18 for liabilities due in 2018/19.

	£
Planning appeals	108,000
Redundancy	63,811
Total Provisions	<u>171,811</u>

3.20 The provision for the redundancy has been settled and paid during the first quarter of 2018/19. Final costs for the provision for planning appeals are still to be determined.

Core Grants and Funding

3.21 The Council’s central funding, besides Retained Business Rates, is fixed for the year as shown in the following table.

Core Grants and Funding 2018/19		£
Council Tax		5,169,145
Retained Business Rates		3,813,010
Discretionary Business Rates Relief Scheme		49,000
New Homes Bonus		2,701,973
Collection Fund Surplus		55,000
Total Funding		<u>11,788,128</u>

3.22 The final amount for Business Rates will depend upon income and expenditure during the year, including any return from the Derbyshire 100% Business Rates Pilot.

3.23 As previously reported, Derbyshire was selected to be part of a 100% Business Rates Pilot for 2018/19. As part of the proposal, funding from Revenue Support Grant (RSG) of £338k was removed to be replaced by additional revenue retained through Business Rates.

3.24 The MTFP reported in February 2018 included the RSG and Business Rates as reported in October 2017 due to final detail of the 100% Business Rates Pilot still being under review at that stage.

- 3.25 For the purposes of this report and for clarity, RSG has been included within the Retained Business Rates figure in the above table.
- 3.26 The latest projection regarding Business Rates is detailed below and shows an anticipated increase of £1m revenue which has previously been reported.

	Estimate £'000	Projection £'000
Approved Precept	10,120	13,338
Revenue Support Grant	338	0
Tariff paid to Derby City Council	-6,393	-8,242
S31 Grants - Business Rates Relief	371	0
Payment of Levy to Derbyshire Pool	-967	0
Share of growth returned from the Pool	629	0
Business Rates surplus / deficit (-) 2018/19	-285	-363
Net amount received in retention system	3,813	4,733
Declared deficit 2017/18	-306	-306
Reversal of deficit 2018/19	285	363
Total Business Rates Retained	3,792	4,790

THE COLLECTION FUND

- 3.27 The Collection Fund is the statutory account that records the collection of Council Tax and Business Rates and shows how that income has been distributed to the Government and Preceptors on the Fund, including this Council.
- 3.28 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 2018/19, based on transactions up to 30th June 2018, is detailed in **Appendix 1**.
- 3.29 This shows that the projected surplus balance on Council Tax is approximately £1,701k, with a projected deficit balance of approximately £154k on Business Rates.

Council Tax

- 3.30 The projected balance at the year-end is approximately £1,701k compared to the budget estimate of £1,453k. This is due to the continuing increase in the tax base (number of properties).
- 3.31 The budget was based on a Tax Base of 32,467 Band D equivalent properties (after exemptions and discounts) with the total number of dwellings on the valuation list numbering 42,994. At the end of June 2018, the actual Tax Base amounted to 33,445 (+ 978) with the overall number of properties at 43,718 (+ 724).
- 3.32 During the Budget Round for 2018/19, the Council declared a surplus on the Collection Fund of £500,000 and this is being paid to Preceptors in the current financial year as shown in Appendix 1. It is anticipated that income will continue to increase with further residential development.
- 3.33 The Precepts are fixed payments for the year. The only other variable is the provision for bad debts which is calculated at the year-end. Even allowing for any

further increase in the estimated amount, there will be a continuing surplus on Council Tax. The Council's share is approximately 11% and the amount available will be considered during the 2019/20 Budget Round.

Business Rates

- 3.34 The majority of appeals lodged by local businesses with the Valuation Office from the 2010 Valuation have now been settled. Large provisions are still required in the accounts for the remaining outstanding 2010 appeals plus any new appeals lodged after the 2017 Valuation.
- 3.35 The deficit on the Fund is being charged back to the General Funds of the Preceptors in 2018/19, 50% of this is met by the Council. The deficit is likely to be lower than forecast in 2018/19, although this will depend on the outcome of appeals and any additional appeals that may be lodged arising from the latest Valuation.
- 3.36 As Appendix 1 shows, receipts are currently lower than forecast but this is anticipated to rise during the second half of 2018/19 due to a growth in the Tax Base, together with increases arising from the 2017 Rating Valuation.
- 3.37 The Council's share of the projected Fund deficit in 2018/19 (at 50%) is approximately £363k (£726k * 50%).

HOUSING REVENUE ACCOUNT (HRA)

- 3.38 The Council is required to account separately for income and expenditure in providing Council Housing.
- 3.39 The approved HRA Budget for 2018/19 was set with an estimated surplus of £1,098k.
- 3.40 The position on the HRA as at June 2018 is summarised in the following table.

Summary HRA 2018/19	BUDGET	PROJECTED	PROJECTED
	ACTUAL	VARIANCE	
	£000	£000	£000
Total Income	-12,626	-12,623	3
Contribution to Capital & New Build	2,543	2,543	0
Responsive & Planned Maintenance	3,098	3,035	-63
Interest on Debt	1,798	1,798	0
Supervision & Management	1,891	1,882	-9
Supported Housing & Careline Services	783	771	-12
Provision for Bad Debts	100	100	0
Provision for Debt Repayment	1,211	1,211	0
Asset Replacement Contribution	45	45	0
Contingent Sums	59	59	0
Surplus	-1,098	-1,179	-81

- 3.41 The above table shows that overall the HRA is now projected to show an increased surplus of £1,179k which is £81k more than originally budgeted. The main variances are shown in the following table.

	£'000
Salary savings (vacancies, maternity etc.)	-64
Insurance Claim Settlement	-26
Additional Careline Income	-9
Vehicle Hire	5
Agency and Consultancy Staff	14
Other Variances (net)	-1
TOTAL - OVERALL PROJECTED VARIANCE	-81

3.42 The main variances are due to vacant posts partially offset by agency and consultants to support services.

3.43 An insurance claim for a Council house fire in Melbourne during 2017/18 has now been settled. The costs of the fire were incurred in last financial year.

CAPITAL EXPENDITURE and FINANCING 2018/19

3.44 The Capital Programme for 2018/19 was approved by the Committee in February 2018. This has been updated following the budget out-turn in 2017/18 to reflect expenditure and funding carried forward from that year.

3.45 Progress in 2018/19 across the main projects and schemes in the updated programme is shown in the following table.

Capital Spending 2018/19 (as at June 2018)	Approved Budget £	B/fwd 2017/18 £	Updated Budget 2018/19 £	Spend to-date £
Council House Capital Works	2,118,000	0	2,118,000	283,522
New Build Schemes	751,513	0	751,513	495
Private Sector Housing Works	946,000	792,553	1,738,553	-60,974
Environmental and Heritage Schemes	268,948	-8,843	260,105	18,632
Swadlincote Woodlands Nature Reserve	37,000	0	37,000	0
Rosliston Forestry Centre - Play Project	130,000	0	130,000	0
Community Partnership Scheme	250,000	25,988	275,988	10,000
Eureka Park	0	0	0	16,223
Town Hall Windows	0	0	0	15,076
Vehicle Replacements	633,040	614,866	1,247,906	708,322
Depot Relocation	0	0	0	45,764
Property Maintenance, Development and Refurbishment	130,000	89,732	219,732	0
Total	5,264,501	1,514,296	6,778,797	1,037,060

Council House Capital Works and New Build Schemes

3.46 Major improvement works are currently under review and new tenders are required. Updates to the programme of works are to be reported later in the year. There is likely to be an underspend in this area in 2018/19 to carry forward into 2019/20.

3.47 The final New Build project at Lullington Road is still in the early stages and has a funding agreement in place with the Housing and Communities Agency. This project is to be picked up by the Strategic Housing Manager over the coming months with starts on site forecast in quarter 2.

Private Sector Housing Works

- 3.48 Income received from the Better Care Fund (BCF) in previous years has been carried forward awaiting approval of future schemes. The BCF Board have now approved projects and these have been reported to Housing & Community Services Committee in June 2018.
- 3.49 Expenditure on Disabled Facilities Grants are included within the BCF allocation and the capital programme will be updated in quarter 2 to show all approved schemes.

Environmental and Heritage Schemes

- 3.50 This relates to the Swadlincote Town Centre Scheme following the award of funding in 2016/17.
- 3.51 The scheme is progressing well with a number of the grant projects being undertaken over the summer months. This is the final year of the scheme and the full budget will be utilised during the year.

Leisure and Community Schemes

- 3.52 Match funding has been secured for the Swadlincote Woodlands Nature Reserve project and work is set to commence later in 2018/19.
- 3.53 The Rosliston Play Project is on hold until a full review of services at Rosliston Forestry Centre has been undertaken after the transfer back to the Council in April 2018. Any underspend will need to be carried forward into 2019/20.
- 3.54 The capital element of the Eureka Park project is now complete with final funding to be claimed from the HLF.
- 3.55 New windows for the Town Hall have been funded through revenue contributions and earmarked reserves alongside funding from the Swadlincote Heritage Town Centre Scheme.

Vehicle Replacements

- 3.56 Replacement of 8 refuse freighters has now been complete and 29 vans are on order with expected delivery in July.

Relocation of the Council Depot

- 3.57 The project was complete during 2017/18 with a final cost for network support being received in 2018/19. This cost can be contained within the contingency for provisional items and no further costs are expected to be incurred.

Housing Capital Receipts

- 3.58 There have been 11 council house sales up to 30th June 2018 as shown in the following table. The net amount retained of £679,400 has been transferred to the New Build Reserve

	Sales	Gross Receipts	Less Pooled	Retained	
	£	£	£	£	%
Quarter 1	11	757,300	-77,900	679,400	90%

3.59 There have been a further 2 sales since June making a total of 13 to-date in 2018/19.

General Capital Receipts

3.60 There has been one capital receipt in July 2018 of £290k for the Harworth collaboration and further sales of land at Staley Close and the old Depot site on Darklands Road are expected to generate receipts in 2018/19 of approximately £900k.

FINANCIAL and OTHER PERFORMANCE

3.61 In addition to the Corporate Plan, the Corporate Resources Directorate also maintain a set of key performance indicators to monitor the progress of its services. These indicators, although more operational, also relate back to the main aims in the Corporate Plan and are contained in the Directorate's Service Plan.

3.62 The indicators are maintained to ensure that each service area meets its intended outcomes and is a measure of its success. Several of the indicators are governed by statute. The targets are based on current benchmarks and are designed to improve on previous year's performance.

3.63 The indicators for 2018/19, together with progress to June 2018, are detailed in **Appendix 2**. Three indicators are currently behind target, Council Tax collection rate, Business Rates collection rate and FOI responses but they should be rectified over the remainder of the financial year.

Payments to Suppliers

3.64 Under the Public Contracts Regulations 2015, the Council is required to publish its speed in processing payments to suppliers. Under the Regulations, the Council should pay all undisputed invoices within 30-days of receipt.

3.65 Although there is no specific penalty if this regulation is not complied with, individual suppliers have the right, under Late Payments Legislation, to claim interest on late payments. The rate of interest is 8% above the prevailing Bank of England Base Rate (currently 0.75%).

3.66 Overall performance against this indicator is shown in Appendix 3. The Council's detailed performance in 2017/18, together with that to-date in 2018/19, is shown in the following tables.

	<u>No. of Invoices</u>	<u>No. Paid in 30 Days</u>	<u>% Paid in 30 days</u>	<u>No. Paid in 10 Days</u>	<u>% Paid in 10 days</u>
Apr-17	326	317	97.24%	223	68.40%
May-17	448	429	95.76%	313	69.87%
Jun-17	409	380	92.91%	289	70.66%
Jul-17	524	504	96.18%	320	61.07%
Aug-17	549	535	97.45%	381	69.40%
Sep-17	525	457	87.05%	351	66.86%
Oct-17	420	401	95.48%	266	63.33%
Nov-17	627	603	96.17%	464	74.00%

Dec-17	353	339	96.03%	199	56.37%
Jan-18	573	543	94.76%	373	65.10%
Feb-18	458	433	94.54%	324	70.74%
Mar-18	419	411	98.09%	318	75.89%
	5631	5352	95.05%	3821	67.86%

	<u>No. of Invoices</u>	<u>No. Paid in 30 Days</u>	<u>% Paid in 30 days</u>	<u>No. Paid in 10 Days</u>	<u>% Paid in 10 days</u>
Apr-18	383	373	97.39%	258	67.36%
May-18	513	496	96.69%	331	64.52%
Jun-18	468	459	98.08%	363	77.56%
	1364	1328	97.36%	952	69.79%

3.67 Standard benchmarks are 97.5% for all invoices to be paid within 30 days and 65% for 10-day payments. The Council did not receive any claims or make any payments for late interest in 2017/18 or to-date in 2018/19.

4.0 Financial Implications

4.1 As detailed in the report

5.0 Corporate Implications

5.1 None directly

6.0 Community Implications

6.1 None directly

7.0 Background Papers

7.1 None

APPENDIX 1

COLLECTION FUND MONITORING 2018/19 (as at 30th June 2018)

	Actual 2017/18	Estimated 2018/19	1st Qtr Projection 2018/19	Notes
	£'000	£'000	£'000	
COUNCIL TAX - INCOME & EXPENDITURE				
INCOME				
Council Tax Collectable	53,295	57,026	57,276	Estimated Increase in Tax Base and Precepts at 7%
EXPENDITURE				
County Council Precept	38,345	41,302	41,302	As approved by Full Council 26th Feb 2018
Police and Crime Commissioner Precept	5,715	6,253	6,253	As above
Fire and Rescue Authority Precept	2,297	2,426	2,426	As above
SDDC Precept	4,942	5,169	5,169	As above
SDDC Parish Precepts	756	773	773	As above
Increase in Bad Debts Provision	-68	570	573	Estimated at 1% of income
Total Expenditure	51,987	56,493	56,496	
Surplus for the Year	1,308	532	780	
COUNCIL TAX BALANCE				
Opening Balance 1st April	613	1,421	1,421	Per Final Accounts 2017/18
Share of Previous Surplus to County Council	-367	-367	-367	As approved by Full Council 26th Feb 2018
Share of Previous Surplus to Police	-56	-56	-56	As above
Share of Previous Surplus to Fire Authority	-22	-22	-22	As above
Share of Previous Surplus to SDDC	-55	-55	-55	As above
Surplus for Year (as above)	1,308	532	780	
Closing Balance as at 31st March	1,421	1,453	1,701	

BUSINESS RATES - INCOME & EXPENDITURE**INCOME**

Business Rates Collectable	24,457	26,635	25,761	Estimate as per NNDR1
Transitional Protection Payments	590	873	873	
Total Income	25,047	27,508	26,634	

EXPENDITURE

Central Government Precept	12,402	0	0	
SDDC Precept	9,922	13,338	13,338	Per NNDR1 Submission
Derbyshire County Council Precept	2,232	13,071	13,071	As above
Fire and Rescue Service Precept	248	267	267	As above
Cost of Collection	91	91	91	As above
Increase in Bad Debts Provision	145	266	258	Estimated at 1% of income
Provision for Appeals	-428	473	335	Estimated at 1.3% of income (forecast is NNDR1)
Total Expenditure	24,612	27,506	27,360	
Surplus / Deficit (-)	435	2	-726	

BUSINESS RATES BALANCE

Opening Balance 1st April	-1,339	-192	-192	Per Final Accounts 2017/18
Transfer of Previous Year's Surplus (-) / Deficit	356	382	382	Per NNDR1 Submission
Transfer of Previous Year's Surplus (-) / Deficit	285	306	306	As above
Transfer of Previous Year's Surplus (-) / Deficit	64	69	69	As above
Transfer of Previous Year's Surplus (-) / Deficit	7	7	7	As above
Surplus / Deficit (-) for the Year as above	435	2	-726	
Closing Balance as at 31st March	-192	574	-154	

Corporate Plan Aim	Measure	Annual target 2018/19	Performance as at June 2018
Maintain financial health	Deliver a balanced budget in accordance with the statutory timetable	Balanced budget agreed by the Council on 27 th February 2019	Not due until 2019
Maintain financial health	Produce regular budget monitoring information	Performance against budget reported to the Council on a quarterly basis	Completed
Maintain financial health	Through better procurement, generate budget savings directly or through supporting other services	Total cashable savings cover the costs of administration and management, estimated at £30,000 for 2018/19	Several tendering exercises currently on-going during the first quarter. No savings to report as yet
Maintain financial health	Collection of Council Tax	In-year Collection Rate of at least 98%	0.11% under target at Q1 but expected to be on target by year-end
Maintain financial health	Collection of Business Rates	In-year Collection Rate of at least 98%	1.13% under target due to Valuation Office adjustments to bills resulting in revised installment plans. Should be on-target by 3 rd quarter.
Maintain financial health	Housing Benefit Subsidy Local Authority Error Rate is below target threshold set by the DWP	Less than 0.48%	Not due until 2019
Maintain financial health	Arrears for Council Tax, Business Rates and Housing Benefit Overpayments	Reduction in the annual Provision for Bad Debts	Not due until 2019
Maintain financial health	Identification of Fraud	Value of fraud identified meets service costs of £35,000	Target met £87k achieved to-date (compared to £88k in 2017/18)
Maintain financial health	Lettings of Industrial and Commercial Properties	Achieve 90% occupancy of all units and less than 3% of properties with rent arrears greater than 3 months	98.51% of units let and 2.99% arrears greater than 3 months

Maintain financial health	Income from Land Searches	Service breaks-even	Due to additional income, a surplus of £9k is currently being achieved
Good Governance	Produce a draft set of Accounts and Financial Statements for Annual Audit and Inspection	31st May 2018	Completed
Good Governance	Completion of Approved Internal Audit Plan and outcomes reported to the Audit Sub-Committee	At least 90% completed (<i>this is monitored by the Audit Sub-Committee</i>)	On track. Audit Plan agreed and jobs allocated as reported to the Audit Sub-Committee on 30 th May 2018.
Customer Focus	Minimise downtime of IT	Downtime is less than 1% over the year	
Customer Focus	Prompt payment of invoices for goods and services	97% of undisputed invoices paid within 30 days	1,364 invoices from a total of 1,328 (97%) were paid within 30 days
Customer Focus	Prompt payment of invoices for goods and services	65% paid within 10 days for local suppliers	69% (952 invoices) were paid within 10 days
Customer Focus	Freedom of Information requests answered within the statutory time limit	98% of requests satisfactorily answered with 20 days	As reported to the Committee in June 2018, 96% and 92% answered on the six months to March 2017 and March 2018 respectively

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 9
DATE OF MEETING:	30th AUGUST 2018	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (01283 595811) kevin.stackhouse@south-derbys.gov.uk	DOC: s/finance/committee/2018-19/Aug 18
SUBJECT:	TREASURY MANAGEMENT UPDATE 2018/19	REF
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: FM

1.0 Recommendation

- 1.1 That the latest Treasury Management Update for 2018/19 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 2018/19.
- 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

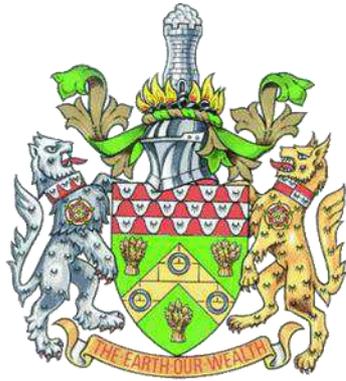
- 4.1 None directly

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 2018/19

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. This report provides an additional quarterly update.

The Authority's treasury management strategy for 2018/19 was approved at a meeting of the Authority on 15th February 2018. 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.

Following consultation in 2017, CIPFA published new versions of the Prudential Code for Capital Finance in Local Authorities (Prudential Code) and the Treasury Management Code of Practice but has yet to publish the local authority specific Guidance Notes to the latter. In England MHCLG published its revised Investment Guidance which came into effect from April 2018.

The updated Prudential Code includes a new requirement for local authorities to provide a Capital Strategy, which is to be a summary document approved by Full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Authority will be producing its Capital Strategy later in 2018-19 for approval by Full Council.

External Context

Economic background

Commodity prices fell during the quarter, although oil prices rose, peaking at \$75 a barrel before falling slightly to just over \$73. The primary factor in the oil price's recent fall was the OPEC's (Organisation of Petroleum Exporting Countries) announcement that a deal had been reached with non-OPEC nations to increase nominal production by 1 million barrels a day.

UK Consumer Price Inflation (CPI) index fell over the quarter and the data released for May showed CPI at 2.4%, a 12-month low. The most recent labour market data for April 2018 showed the unemployment rate at 4.2%, a low last seen in 1975. However real wages (i.e. adjusted for inflation) grew only by 0.4%, a marginal increase unlikely to have had much effect for households. Q1 GDP data released in April and revised in May showed economic activity slowing to 0.2%.

The Bank of England's Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target, and in a way that helps to sustain growth and employment. Although it made no change to monetary policy at its meetings in May and June, at its meeting on 2nd

August 2018, the MPC voted unanimously to increase Bank Rate by 0.25 percentage points, to 0.75%.

Having raised rates in March, the US Federal Reserve again increased its target range of official interest rates in June by 0.25% to between 1.75% and 2% and markets now expect two further rises in 2018.

Fears rose of a global trade war on the announcement of the Trump Administration implementing tariffs on \$200bn of imports, notably steel, aluminium, food and chemicals. Canada, the EU and China contemplated announced retaliatory tariffs as did Mexico. Many of these have since been instituted in early July. The announcements sparked a sell-off in global equity markets, with the major equity global indices falling.

The EU Withdrawal Bill, which repeals the European Communities Act 1972 that took the UK into the EU and enables EU law to be transferred into UK law, narrowly made it through Parliament, with a vote of 319 to 303, after the government gave assurances that Parliament would have a meaningful vote in the event of a no-deal Brexit. Very little progress was made in negotiating future trading arrangements, extending the period of uncertainty.

Financial markets

Gilt yields displayed marked volatility during the quarter, particularly following Italy's political crisis in late May when government bond yields saw sharp moves akin to those at the height of the European financial crisis with falls in yield in safe-haven UK, German and US government bonds. The yield on the 5-year benchmark gilt fell from 1.13% to 1.04% during the quarter, the 10-year gilt fell from 1.36% to 1.28% and the yield on the 20-year gilt rose marginally from 1.71% to 1.72%. Money markets rates remained low: 1-month, 3-month and 12-month LIBID rates averaged 0.38%, 0.55% and 0.84% in the quarter respectively.

Credit background

UK bank credit default swaps rose marginally over the quarter, but the overall level was still low against historic averages.

There were a few credit rating changes during the quarter. Moody's downgraded Barclays Bank Plc's long-term rating to A2 from A1 after the banking group completed its restructure to be compliant with UK bank ring-fencing requirements which come into effect in 2019. The agency also downgraded Royal Bank of Scotland plc's (RBS plc) long-term ratings to Baa2 from A3 on its view that the credit metrics of RBS plc, which will become the non-ring-fenced NatWest Markets plc, will become weaker and less diversified and the main functions of the bank would be in higher risk activities. Moody's and Fitch upgraded the long-term ratings of NatWest Bank and Ulster Bank on the view that their credit profiles are expected to improve following ring-fencing. As a result the Authority has removed RBS and NatWest from its counterparty list.

Local Context

On 31st March 2018, the Authority had net borrowing of £29.86m arising from its revenue and capital income and expenditure. This fell to £27.37m by the end of the quarter. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). Debt outstanding is split between the HRA and General Fund and this represents the 'two pool' approach adopted for debt management.

Capital Financing Requirement (CFR)

	31.3.18 Actual £'000	30.06.18 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)	5,653	5,653
Borrowing Capacity (Cap less Debt Outstanding)	5,653	5,653
Total Capital Financing Requirement (CFR)	67,237	67,237

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 at 30th June 2018 and the change in the quarter is show in the table below.

Treasury Management Summary

	31.03.18 Balance £'000	Q1 2018 Movement £'000	30.06.18 Balance £'000
Long-term borrowing	57,423	0	57,423
Short-term borrowing	28	0	28
Total borrowing	57,451	0	57,451
Long-term investments	1,000	0	1,000
Short-term investments	23,500	1,500	25,000
Cash and cash equivalents	3,092	992	4,084
Total investments	27,592	2,492	30,084
Net borrowing	29,859		27,367

Borrowing Activity

At 30th June 2018 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 £28k 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	0.79	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		28	0.00	
Total borrowing		57,451		

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

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the quarter, the Authority's investment balance ranged between £28m and £37m due to timing differences between income and expenditure. The investment position during the quarter is shown in table 4 below.

Treasury Investment Position

	31.03.18 Balance £'000	Q1 2018 Movement £'000	30.06.18 Balance £'000	30.06.18 Rate of Return %
Banks (unsecured)	3,092	992	4,084	0.23
Local Authorities	18,000	2,000	20,000	0.62
Debt Management Office	1,500	-500	1,000	0.27
Money Market Funds	4,000	0	4,000	0.48
CCLA Property Fund	1,000	0	1,000	4.16
Total investments	27,592	2,492	30,084	

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.

In furtherance of these objectives, and given the increasing risk and falling returns from short-term unsecured bank investments, the Authority has undertaken greater detailed cash flow forecasting which has enabled it to enter into longer-term deposits with other Local Authorities, therefore securing a higher rate of return.

The Authority is now participating in the Arlingclose quarterly investment benchmarking exercises. This will enable us to measure our investment portfolio against other similar Local Authorities. The table below is an extract from Arlingclose's benchmarking, and shows the risk and return metrics as at the end of quarter 1.

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

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %
30.06.2018	4.01	AA-	29%	99	0.55
Similar LAs	4.37	AA-	61%	98	0.66
All LAs	4.46	AA-	62%	42	0.65

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.

Rate of Return: This is the average rate received on internally managed investments. At the quarter-end we had a few lower rate investments that were secured prior to the base rate rise in November 2018, which reduced the average rate of return compared to other authorities.

The Authority deposited £1m in the CCLA Property Fund on 28th September 2017, with the investment purchasing 317,985 units at an offer price of 314.48p per unit. 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 is regularly reviewed.

The performance of the investment since purchase is shown in the table below. Although past performance is no guarantee of future returns, the movement in the bid (selling) price so far shows how the value of the investment is moving closer to the original purchase price. This reinforces the notion that the Fund should only be considered for long-term investments.

CCLA Property Fund Performance

		2017/18	2017/18	2018/19
		Q3	Q4	Q1
Dividend Received	£	10,738	10,215	10,432
Annual Equivalent Interest Rate	%	4.30%	4.09%	4.16%
Bid (Selling) Price	pence/unit	294.6	297.33	298.9

In light of the above performance and the Authority's latest cash flow forecasts, the Authority has sought approval to invest a further £1m into the CCLA Property Fund. This is due to be invested during quarter 2.

Performance Indicators

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 first quarter is shown below.

	As at 30.6.18
Average 7-Day Money Market Rate (Target)	0.49%
Average Interest Rate Achieved on Short Term Deposits	0.55%

Compliance

The Chief Finance Officer is pleased to report that all treasury management activities undertaken during quarter 1 complied fully 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

	Maximum Investment during Q1 £m	Maximum Invested per Counterparty £m	Limit	Maximum Term	Complied
Debt Management Office	£9m	£9m	£15m in total	364 days	✓
Other Local Authorities	£20m	£5m	£5m per Authority	364 days	✓
Money Market funds	£4m	£2m	£10m total, £2m per fund	60 days	✓
CCLA Property Fund	£1m	£1m	£1m	Indefinite period	✓
Named Counterparties (HSBC/Lloyds/BOS/Close Bros/Santander)	£1.95m	£1.95m	£2m per Bank	6 months	✓
Named Counterparties (Barclays/Goldman Sachs)	£1.89m	£1.89m	£2m per Bank	100 days	✓
Named Counterparties (Nationwide/Coventry)	0	0	5% of total deposits	6 months	✓
Named Counterparties (Leeds Building Society)	0	0	5% of total deposits	100 days	✓
Foreign Counterparties	0	0	AAA rated - £1m per Bank	1 month	✓
Independent Building Societies	0	0	£1m per Society	100 days	✓

Outlook for the remainder of 2018/19

Arlingclose's central case is for Bank Rate to rise twice more in 2019, possibly in March and September. The MPC has a definite bias towards tighter monetary policy. While policymakers are wary of domestic inflationary pressures over the next two years, it is believed that the MPC members consider both that: 1) ultra-low interest rates result in other economic problems, and that 2) higher Bank Rate will be a more effective weapon should downside Brexit risks crystallise.

Arlingclose's view is that the UK economy still faces a challenging outlook as the minority government continues to negotiate the country's exit from the European Union. Central bank actions and geopolitical risks, such as prospective trade wars, have and will continue to produce significant volatility in financial markets, including bond markets.

COUNTERPARTY LIST 2018/19
(As at August 2018)

Institution	Limit	Maximum Term
<u>Specified Investments</u>		
<ul style="list-style-type: none"> • UK Debt Management Office (DMO) 	£15m	364 Days
<ul style="list-style-type: none"> • Local, Police, Fire and Parish Authorities 	£5m with any one Authority	364 Days
<u>Non Specified Investments</u>		
<i>Named Counterparties</i>		
<ul style="list-style-type: none"> • CCLA LAMIT Property Fund 	£2m	Indefinite period, subject to quarterly review
<ul style="list-style-type: none"> • Money Market Funds 	£10m in total and £2m with any one Fund	60 days
<ul style="list-style-type: none"> • HSBC • Lloyds Bank • Bank of Scotland 	£2m with any one Bank	6 months
<ul style="list-style-type: none"> • Close Brothers • Santander UK / Abbey National Treasury Services 	£2m with any one Bank	6 months
<ul style="list-style-type: none"> • Barclays Bank • Goldman Sachs International 	£2m with any one Bank	100 days
<ul style="list-style-type: none"> • Nationwide Building Society • Coventry Building Society 	5% of total deposits	6 months
<ul style="list-style-type: none"> • Leeds Building Society 	5% of total deposits	100 days
<i>Foreign Counterparties</i>		
<ul style="list-style-type: none"> • AAA rated institutions (<i>subject to separate approval by the Section 151 Officer</i>) 	£1m with any one Bank	1 month
<i>Independent Building Societies</i>		
<ul style="list-style-type: none"> • <i>subject to separate approval by the Section 151 Officer</i> 	£1m with any one society	100 days

REPORT TO:	FINANCE & MANAGEMENT COMMITTEE	AGENDA ITEM: 10
DATE OF MEETING:	30 AUGUST 2018	CATEGORY: DELEGATED
REPORT FROM:	CHIEF EXECUTIVE	OPEN
MEMBERS' CONTACT POINT:	FRANK MCARDLE 01283 595702 frank.mcardle@south-derbys.gov.uk	DOC:
SUBJECT:	TOYOTA CITY	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 08

1.0 Recommendations

1.1 It is recommended that the Committee:

- Recognise the importance of the relationship with Toyota City to South Derbyshire, particularly in terms of inward investment and employment.
- Support the activities of the Toyota City Partnership Development Board.
- Allocate a one-off budget of £14,500 from General Fund Reserves to support the allocation of resources to further develop this successful relationship for the benefit of the local economy.

2.0 Purpose of Report

- 2.1 To report on the strengthening of a long-standing international link with Toyota City in Japan that has brought thousands of jobs and over a billion pounds in investment to South Derbyshire over the last twenty years.
- 2.2 To seek approval for the allocation of resources to continue to work with Toyota City in order to broaden and further develop this successful relationship for the benefit of the local economy.

3.0 Detail

Toyota Motor Manufacturing (UK) Limited

3.1 In 2017 Toyota Motor Manufacturing (UK) Limited (TMUK) announced a further £240 million investment in Burnaston. The plant will be progressively upgraded with new equipment, technologies and systems, enabling production of vehicles on the Toyota New Global Architecture (TNGA) platform – improving plant competitiveness and promoting UK supply chain efficiencies. In 2018 it was announced that the third generation Auris model would be made at Burnaston, based upon the new TNGA platform. By 2020 the majority of Toyota's global models will be built using TNGA platforms.

3.2 Since production began in 1992 more than 4 million vehicles have been manufactured at Burnaston. The plant has the distinction of being Toyota's first

centre for hybrid vehicle manufacturing in Europe. It also enjoys global status as a Toyota eco-plant, promoting excellence and best practice in environmental matters, from energy-efficient manufacturing to the on-site harnessing of sustainable energy and the promotion of biodiversity.

3.3 Over 3,000 people are employed at Burnaston and at TMUK's engine plant in Deeside, which supports a thriving supply chain and pumps millions of pounds into the local economy every year. TMUK also continues to support a range of local educational and community activities.

Toyota City Partnership Development Board

3.4 An officer from Toyota City Council is now based in the UK at most times to help co-ordinate the international relationship and associated activities, working with officers from the District Council, Derby City Council and Derbyshire County Council. This team has overseen the expansion of the partnership with the involvement of additional organisations and the further development of activities focused on the economy, tourism, the environment and sport.

3.5 The partnership was established as a Board in February 2018, facilitated by Derbyshire County Council. Terms of reference for the Board can be found at Appendix A. Membership of the Board includes the three local authorities, TMUK, the University of Derby, Burton & South Derbyshire College, Derby College, the National Forest Company, Marketing Peak District & Derbyshire, Repton School and East Midlands Chamber.

3.6 Building on the existing cultural and educational links, annual exchanges for young people have been established between schools in Toyota City and Burton & South Derbyshire College and between Repton School and Toyota West High School. Meanwhile the National Forest Company featured at a United Nations Environmental Symposium hosted in Toyota City in January 2015.

3.7 The new Toyota City Partnership Development Board has the following objectives:

- Develop the Toyota twinning partnership through the direction of an agreed programme of activity;
- Ensure all partner activity in relation to Toyota City is co-ordinated and communicated to all partners including the development of virtual/social media platforms;
- Support the development of relevant exchange activity between Toyota and Derbyshire including officer, project, business, schools and colleges related activity;
- Consider and develop relevant new initiatives to enhance the partnership focusing primarily on economic development, tourism and the environment;
- Lead the development of new sporting links in recognition of the Rugby World Cup 2019 and the 2020 Olympiad;
- Seek new methods of resourcing the partnership through commercial sponsorship and external funding;
- Act as a figurehead body for Derbyshire in establishing strong working relationships with HM Government in light of the Japan-UK Joint Vision Statement; and,
- Promote the Board locally, regionally and nationally to further these objectives.

Twentieth Anniversary Activities

- 3.8 In 2018 South Derbyshire, Derby City and Derbyshire will celebrate the twentieth anniversary of their relationship with Toyota City. The Anniversary is the beginning of a period that will see Toyota City as a host city for Rugby World Cup 2019 and a pre-Games training camp for the 2020 Olympics & Paralympics in Tokyo.
- 3.9 An Anniversary programme of events and activities commenced with a business workshop on 'Exporting to Japan', kindly sponsored by TMUK, which will also support a sporting delegation of young people during their exchange visit to Derbyshire this Summer. The remainder of the proposed programme envisages a mix of business, civic, cultural and educational activities.

4.0 Financial Implications

- 4.1 It is proposed that an amount of £14,500 be allocated from General Reserves to support the further development of joint initiatives. It is anticipated that this funding will be utilised over several years to facilitate visits and the acquisition of project materials, as required.

5.0 Corporate Implications

- 5.1 The relationship between Derbyshire and Toyota City directly contributes to the Corporate Plan's vision of 'making South Derbyshire a better place to work, live and visit', in particular to the People theme – keeping residents happy, health and safe, enjoying a good quality of life with low unemployment – and the Progress theme – encouraging inward investment and tourism opportunities, showing that South Derbyshire is well and truly open for business.

6.0 Community Implications

- 6.1 The relationship between Derbyshire and Toyota City directly contributes to the South Derbyshire Partnership's Sustainable Community Strategy vision of 'a dynamic and caring South Derbyshire, able to seize opportunities to develop and empower successful communities, whilst respecting and enhancing the varied character of our fast growing and diverse district'. 'Sustainable Development' is highlighted as a key theme, with the aim of achieving 'a more prosperous, better connected, increasingly resilient and competitive South Derbyshire economy'.

7.0 Conclusions

- 7.1 As the rewards of the relationship with Toyota City continue to grow, it is recommended that Members support the allocation of resources to further develop the benefits for the local economy and community of South Derbyshire.

Appendix A: Terms of Reference for Toyota City Partnership Development Board



TOYOTA CITY PARTNERSHIP DEVELOPMENT BOARD

Terms of Reference

1. Purpose & Role of Board

1.1 The Board will have the purpose of further developing and enhancing the wider partnership vision (beyond the civic) for the Toyota friendship by bringing together key economic and cultural stakeholders to work positively alongside the three twinning Councils. The Board will have the following objectives:

- Develop of the Toyota twinning partnership through the direction of an agreed programme of activity
- Ensure all partner activity in relation to Toyota City is co-ordinated and communicated to all partners including the development of virtual/social media platforms
- Support the development of relevant exchange activity between Toyota and Derbyshire including officer, project, business, schools and colleges related activity;
- Consider and develop relevant new initiatives to enhance the partnership focusing primarily on the economic development, tourism and the environment;
- Lead the development of new sporting links in recognition of the Rugby World Cup 2019 and the 2020 Olympiad.
- Seek new methods of resourcing the partnership through commercial sponsorship and external funding
- Act as a figurehead body for Derbyshire in establishing strong working relationships with HM Government in light of the Japan-UK Joint Vision Statement
- Promote the Board locally, regionally and nationally to further these objectives

2. Guiding Principles

2.1 The following guiding principles will underpin the work of the Board and any sub-Board and working groups:

- All partners will recognise and reference the Derbyshire-Toyota twinning friendship when developing projects and activities
- Any activity related to the Derbyshire-Toyota twinning link will be reported back to the Board to ensure all partners are aware and the programme can remain co-ordinated
- Any formal contact with Toyota City Council and the Mayor's Office should be co-ordinated through Derbyshire County Council as lead partner within the civic arrangements

- All partners will endeavour to develop activity in line with the priorities agreed by the Board

2.2 The following values will be adopted by the TCP Board in conducting its business:

- Transparency, openness and accountability
- Probity and integrity
- Equality
- Sustainability
- Ambition
- Respect
- Inclusiveness

3. Membership

3.1 The Board will consist of senior representation of partners and stakeholders currently engaged in activity with Toyota and relevant to three primary drivers of economy, tourism and the environment as well as the new theme of sport.

3.2 In recognition of the civic twinning relationship being at the heart of the relationship, it is proposed that the Board is chaired by a lead Cabinet Member from Derbyshire County Council.

3.3 The Board will include representation from the following partners and stakeholders (including appropriate level and support):

- Derbyshire County Council – Member (supported by Senior Officer)
- Derby City Council – Member (supported by Senior Officer)
- South Derbyshire District Council - Member (supported by Senior Officer)
- TMUK – Director/Senior Manager
- University of Derby – PVC/Director
- Burton and South Derbyshire College – Principal/CE
- Derby College – Principal/CE
- National Forest Company – CE/Director
- Managing Peak District & Derbyshire – CE/Director
- Repton School – Head/Senior Manager
- East Midlands Chamber – CE/Senior Rep

3.4 The Board reserves the right to co-opt additional membership if deemed appropriate as the programme develops.

4. Governance

4.1 Wherever possible, any actions or recommendation agreed will be decided by consensus with the Chairman acting as arbiter on any dispute.

4.2 The Board will have the right to establish sub groups or action focussed time limited working groups to deliver specific areas of work and can co-opt other organisations as appropriate.

4.3 Due to the non-executive nature of the group, substitutes for nominated members are acceptable but the level of seniority should be appropriate to the high level, strategic nature of the Board.

4.4 The Chair shall convene meetings of the Board with support from Derbyshire County Council.

4.5 The Board will seek to undertake business through any “virtual” arrangements agreed by the Board

5. Meetings

- 5.1 The Board will meet quarterly as a matter of course.
- 5.2 To be quorate, a meeting must include representatives from a minimum of 5 of the partners set out in section 3.3
- 5.3 The Chair reserves the right to call a meeting if the activities of Board require strategic direction or specific consideration to proceed.
- 5.4 If it is not possible to convene additional meeting as set out at 5.3, the Chair will seek to undertake consultation on any Board matter virtually (normally via email) if required.
- 5.5 The minutes will be recorded and distributed following sign off from the Chairman. Agenda and background reports will be circulated at least 3 days before the arranged meeting.

6. Management Arrangements & Accountability

- 6.1 The Board will be supported directly by the Economic Regeneration service at the County Council working alongside the Toyota Twinning Development Team comprising of key officers from the three local authorities.
- 6.2 Any activity undertaken by agreed sub-groups/working groups will be reported regularly to the Board.

7. Review

- 7.1 A co-ordinated programme of activity will be managed and updated by the County Council with support from the Toyota Twinning Development Team
- 7.2 A brief annual review of activity will be published every 12 months for consideration and sign off by the Board.
- 7.3 The terms of reference of will be reviewed every two years to ensure continued relevance to the purpose of the Board.

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 11
DATE OF MEETING:	30th AUGUST 2018	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (EXT 5811)	DOC:
SUBJECT:	COMMITTEE WORK PROGRAMME	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: G

1.0 Recommendations

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

2.0 Purpose of Report

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

3.0 Detail

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

4.0 Financial Implications

4.1 None arising directly from this report.

5.0 Background Papers

5.1 Work Programme.

**Finance and Management Committee – 30th August 2018
Work Programme**

Work Programme Area	Date of Committee meetings	Contact Officer (Contact details)
Reports Previously Considered By Last 3 Committees		
100% Business Rates Retention	3 rd May 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Corporate Plan 2016-21: Performance Report (1 January – 31 March 2018)	14 th June 2018	Keith Bull Head of Communications (01283) 598705
Service Plans	14 th June 2018	Keith Bull Head of Communications (01283) 598705
Annual Equalities and Safeguarding Report 2017/18	14 th June 2018	Keith Bull Head of Communications (01283) 598705
Annual Health and Safety Report 2017/18	14 th June 2018	Tony Guest Health and Safety Officer (01283) 595872
Sickness Absence 2017/18	14 th June 2018	David Clamp Head of Organisational Development (01283) 595729

Annual Consultation Report 2017/18	14 th June 2018	Keith Bull Head of Communications (01283) 598705
Annual Communications Report 2017/18	14 th June 2018	Keith Bull Head of Communications (01283) 598705
Compliments, Complaints and Freedom of Information Requests October 2017 to March 2018	14 th June 2018	Kevin Stackhouse Strategic Director Corporate Resources (01283) 595811
Budget Out-Turn and Final Accounts 2017/18	26 th July 2018	Kevin Stackhouse Strategic Director Corporate Resources (01283) 595811
Treasury Management Annual Report 2017/18	26 th July 2018	Kevin Stackhouse Strategic Director Corporate Resources (01283) 595811
Annual Accounts and Financial Statements 2017/18	26 th July 2018	Kevin Stackhouse Strategic Director Corporate Resources (01283) 595811
Better Care Funding Allocation 2018-19	26 th July 2018	Eileen Jackson Housing Strategy Manager (01283) 595763
The Local Authorities' Property Fund	26 th July 2018	Kevin Stackhouse Strategic Director Corporate Resources (01283) 595811

Planning & Land Charges Software	26 th July 2018	Tony Sylvester Planning Services Manager (01283) 595743
Provisional Programme of Reports to be considered by Committee		
Corporate Plan 2016-21: Performance Report (1 April 2018 – 30 June 2018)	30 th August 2018	Keith Bull Head of Communications (01283) 598705
Budget and Financial Monitoring 2018/19	30 th August 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Proposed Capital Investment Strategy and Policy Framework	30 th August 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Updated Treasury Management Investment Strategy and Counterparty List	30 th August 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Toyota City	30 th August 2018	Mike Roylance Economic Development Manager (01283) 595725
Annual Training and Development Report 2017/18	11 th October 2018	Loyd Baker Service Lead HR and Training (01283) 228770

Updated Financial Strategy	11 th October 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
A Review of Earmarked Reserves	11 th October 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Updated Medium-Term Financial Plan to 2024	11 th October 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Discretionary Business Rates Relief Schemes	11 th October 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Corporate Plan 2016-21: Performance Report (1 April 2018 – 30 June 2018)	29 th November 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Budget and Financial Monitoring 2018/19	29 th November 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Compliments, Comments, Complaints and FOI Requests 1 st April to 30 th September 2018	29 th November 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Proposed Service Budgets 2019/20	10 th January 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811

Consolidated Budget Proposals 2019/20 and Medium-Term Financial Plan to 2023/24	10 th January 2018	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Proposed Treasury Management Strategy 2019/20	14 th February 2019	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Proposed Local Council Tax Support Scheme 2019/20	14 th February 2019	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Final Consolidated Budget Proposals 2019/20 and Medium-Term Financial Plan to 2023/24	14 th February 2019	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Corporate Plan 2016-21: Performance Report (1 April 2018 – 30 June 2018)	14 th March 2019	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811
Budget and Financial Monitoring 2018/19	14 th March 2019	Kevin Stackhouse Strategic Director (Corporate Resources) (01283) 595811